

6 December 2019

ASX Market Announcement

### **SIGNIFICANT INVESTMENT FROM AND JOINT VENTURE WITH A HONG KONG-BASED FUND**

Invitrocue Limited (“IVQ” “the Company”) is pleased to announce that the Company has entered into a subscription agreement with ChinaLink Limited (“the Investor”) of up to US\$10 million in 2 tranches (the “Investment”) and has formed a Joint Venture with the Investor.

ChinaLink is a Hong Kong based investment fund which invests in high growth companies, with assets under management of about \$500M, in sectors like biotech, cleantech, artificial intelligence and smart cities. ChinaLink currently holds 24,923,329 shares of IVQ.

The Investment by the Investor is subject to (inter alia) the following condition precedent:

1. Requisition of any necessary approvals, including (without limitation):
  - a. for tranche 1 of the investment, shareholder approval pursuant to Listing Rule 7.1; and
  - b. for tranche 2 of the investment, shareholder approval under item 7 of Section 611 of the Corporations Act 2001 (Cth) and shareholder approval pursuant to Listing Rule 7.1 and Listing Rule 10.11.
2. Successful completion of Onco-PDO validation study on determining the viability of Onco-PDO via the conclusion of up to 200 successful cases of different types of cancer and patients, depending on the requirements of the applicable medical institution and key opinion leaders in China. Upon successful completion of 25 cases, the Investor will subscribe the first tranche investment of up to US\$3 million IVQ shares, and the second tranche of remaining US\$7 million upon successful completion of the rest of the validation study.

The first 25 cases expected to be completed in Q1 2020. The validation study is expected to last 1 to 2 years, and the Investment spanning over 2 or more financial years.

The Investor will subscribe for the Company shares at the lower of A\$0.045 per share or the VWAP of the Shares over 5 trading days prior to completion of each tranche of the subscription for shares.

Every 5 shares subscribed for will attach with 1 option. Each option is exercisable at the subscribed price of the shares, and expires on 1 October 2022.

IVQ's capital structure prior to and after the US\$10M investment is as follows<sup>1</sup>:

| <b>Capital Structure</b>                                     | Number of securities        |
|--|-----------------------------|
| Existing share capital                                       | 578,486,901                 |
| Existing options and warrants                                | 72,898,442                  |
| Existing convertible notes (assuming conversion @ A\$0.045)  | <u>6,666,667</u>            |
|  | <b>658,052,010</b>          |
| Issue of US\$3M placements (assuming conversion @ A\$0.045)  | 96,666,667                  |
| Issue of options for US\$3M placement (5 shares to 1 option) | 19,333,333                  |
| Issue of US\$7M placements (assuming conversion @ A\$0.045)  | 225,555,556                 |
| Issue of options for US\$7M placement (5 shares to 1 option) | <u>45,111,111</u>           |
|  | <b><u>1,044,718,677</u></b> |

Further announcements will be forthcoming as progress is made towards satisfying the conditions.

The company has entered into joint venture with the investor through issuance of 50% of shares in the company's Hong Kong subsidiary, Invitrocue (Hong Kong) Limited ("JV") to the Investor. The JV will be the sole shareholder of all Invitrocue China operations.

The Company and Investor will inject US\$250,000 respectively into the JV once the registration of the share transfer is completed, expected to complete in about the 1<sup>st</sup> week of December 2019.

IVQ may issue an unsecured Convertible Loan ("CN") to the Investor to raise the US\$250,000 injection. The CN has the following terms:

- Interest of 10% per annum,
- Matures at 1 October 2022, and
- can be converted into shares of IVQ at any time at the lowest of A\$ 0.045 per share or VWAP of the Shares over the 5 trading days prior to conversion. If the company is suspended of trading at the time of conversion, the average price of shares traded privately prior to the conversion for a minimum volume equivalent to the last 5 trading days' volume (prior to the suspension).

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<sup>1</sup> Assuming a subscription price of A\$0.045 per share.

- Upon conversion into shares, every 5 shares issued for conversion will have 1 option. The option can be exercised at the same price as the conversion price and will expire on 1 October 2022.

The Investor will further finance IVQ's China operations with a US\$500,000 CN on the same terms and conditions as the US\$250,000 CN above.

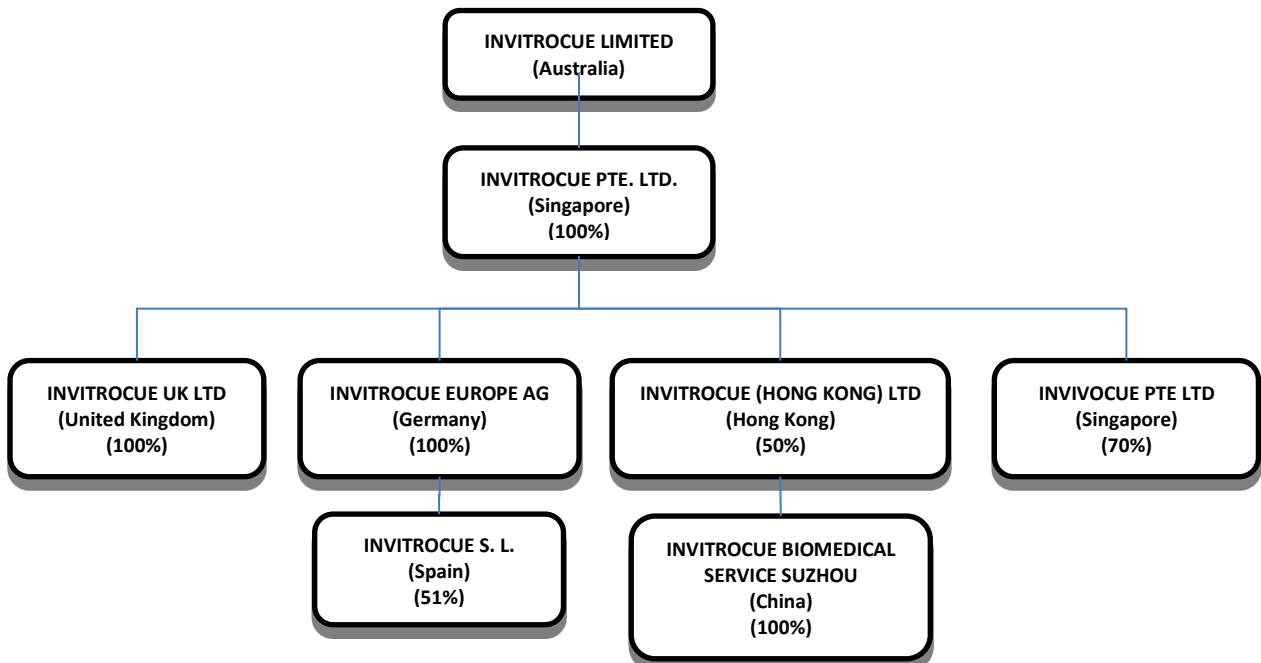
The US\$500,000 CN will be used to finance the operating costs of the JV's mainland China operations. In the interim, funds from this CN can be loaned to IVQ. This loan from the JV to IVQ will have no interest and is repayable on demand when the JV needs it for the China operations.

The CN will be issued on or before 31 December 2019.

Shareholders' approval will be sought if there is insufficient capacity under Listing Rules 7.1 and 7.1A for the issue or conversion of the CN.

The JV will be governed by a Board of Director of 3 people, one designated by IVQ, one designated by the Investor, and a third one mutually agreed by both parties.

IVQ will have a corporate structure as follows after the joint venture:



The joint venture, Invitrocue (Hong Kong) Limited will establish a laboratory facility in Hong Kong to be used for research and development purposes and for commercial purposes. The laboratory facility would allow IVQ to provide Onco-PDO™ service to oncologists and



hospital groups in Hong Kong, mainland China and Macau. Currently the JV has no substantial assets. As no substantial asset is being transferred to the Investor, approval will not be sought pursuant to Listing Rule 10.1.

On behalf of the board,

Steven Boon Sing Fang  
Managing Director

**For more information, please contact:**

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**About Invitrocue**

Invitrocue is a leading healthcare bio-analytic solutions including *in vitro* cell-based testing technologies and image analytics software for use in digital pathology. Invitrocue has developed a unique 3D cell-based scaffolding technology that mimics human organ samples for using in the field of infectious diseases. In 2016, the company expanded its work in liver disease to the field of oncology. The technology enables patient-derived cancer cells (organoids) to be cultured in laboratories for testing against a panel of drugs to support clinical decision making for individual patients (personalised medicine). Invitrocue's technology originated in Singapore's Agency for Science, Technology and Research (A\*STAR). Invitrocue has been developed and validated in partnerships with leading biopharmaceutical companies and scientific collaborators.

**About ChinaLink Limited**

Chinalink is a Hong Kong based investment fund which invests in high growth companies, with asset under management of about \$500M, in sectors like health care, renewable energy, new materials, sustainable mining and eco-construction.