

30 December 2019

Ms Anjuli Sinniah
Senior Advisor, Listings Compliance (Perth)
ASX

Reply to ASX enquiries on Appendix 3Y – Change of Director’s Interest Notice

We refer to your letter dated 27 December 2019 (**Letter**) and reply as follows to your enquiries, using your paragraph numbering and requests for information numbering. Capitalised terms used below have the meanings given to those terms in the Letter, unless otherwise indicated.

January 2018 Transactions

Paragraph 4:

The assertion that these transactions occurred during Closed Periods is incorrect.

Closed Periods are defined in the Company’s Securities Trading Policy as being within 5 days of the release of half-yearly financial reports, annual financial reports or a prospectus relating to the offer of securities.

As set out in the Appendix 3Y dated 16 December 2019 (**Appendix 3Y**), none of the transactions disclosed in the Appendix 3Y occurred during Closed Periods.

We further note that Dr Lindner was appointed as director of IVQ on 7 February 2018. Dr Lindner was not a director or employee of the Company when the January 2018 Transactions occurred. As such, the Company’s Securities Trading Policy did not apply to Dr Lindner at the time of the January 2018 Transactions.

Listing Rule 10.11

Paragraph 5:

The Company provides the following responses:

- 5.1 Kathrin Lindner bought her initial shareholding of 3,600,000 shares on 11 September 2018 via an off-market trade at a price of \$0.007 per share (**Initial Acquisition**).
- 5.2 Listing Rule 10.11 applies where the Company issues or agrees to issue securities to certain persons. Listing Rule 10.1 was not applicable to this Initial Acquisition as shares were not issued (or agreed to be issued) by the Company.
- 5.3 In addition to the Initial Acquisition, Kathrin Lindner purchased a subsequent shareholding of 700,000 shares on 26 March 2019 via an on-market trade at a price of \$0.075 per share. The Appendix 3Y includes both the Initial Acquisition and this subsequent acquisition. Listing Rule 10.1 was not applicable to this subsequent on-market acquisition as shares were not issued (or agreed to be issued) by the Company.

Requests for Information

The Company provides the following responses:

1. There are written agreements between each of the directors and the Company to ensure compliance with *Corporations Act 2001* (Cth) and the Company's Securities Trading Policy. The directors are informed of disclosure obligations in their respective Appointment Letters that they have each signed with the Company.
2. IVQ first became aware of the January 2018 Transactions during the process of preparing the cleansing prospectus.
3. Dr Lindner do not need to comply with section 2 and 3 of the Trading Policy and hence did not notify the Chairman of the Board in writing of his intention to carry out the January 2018 Transactions before entering into them. As noted above, the Company's Securities Trading Policy did not apply to Dr Lindner at the time of the January 2018 Transactions. (Nb. We presume the reference to "2019 Transactions" in this request for information is supposed to be a reference to the defined term 'January 2018 Transactions'.)
4. Not applicable. See the response to request for information #3 above.

5. Not applicable. See the response to request for information #3 above.
6. Not applicable. See the response to request for information #3 above.
7. As set out in the Appendix 3Y, none of the transactions disclosed in the Appendix 3Y occurred during Closed Periods.
8. The Board understands that Dr Lindner did not knowingly breach the Securities Trading Policy. In accordance with clause 9 of the Securities Trading Policy, the Board does not consider the breaches to warrant dismissal. Dr Lindner has been reminded of his obligation to seek prior approval from the Chairman and he has assured the Board that he will do so in the future. As such, Dr Lindner has not offered his resignation.
9. Dr Lindner has been reminded of his obligation to seek prior approval from the Chairman and has assured the Board that he will do so in the future. In accordance with clause 9 of the Securities Trading Policy, the Board does not consider the breaches to warrant dismissal. The Board does not propose any further disciplinary or remedial action.
10. IVQ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1
11. IVQ's responses to the questions above have been authorised and approved by its Board.

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27 December 2019

Mr Koh Chow-Yee
Company Secretary

By email:

Dear Mr Koh

Invitroque Limited ('IVQ'): Appendix 3Y – Change of Director's Interest Notice

ASX refers to the following:

- A. The announcement by IVQ entitled 'Change of Director's Interest Notice – Dr Andreas Lindner' lodged on the ASX Market Announcements Platform on 16 December 2019 (the 'Appendix 3Y Announcement'). The Appendix 3Y Announcement disclosed the following occurrences on the following dates:
- (i) 8/12/17 - acquisition of 2,106,500 warrants acquired via the issue of securities;
 - (ii) 16/1/18 – acquisition of 161,334 shares via an on-market trade;
 - (iii) 17/1/18 - acquisition of 348,716 shares via an on-market trade;
 - (iv) 7/2/18 – acquisition of 200,000 shares via on-market trade;
 - (v) 11/9/18 – acquisition of 3,600,000 shares via off market trade;
 - (vi) 15/11/18 – acquisition of 196,000 shares via on-market trade;
 - (vii) 26/03/19 – acquisition of 300,000 shares via on-market trade;
 - (viii) 26/03/19 – acquisition of 700,000 shares via on-market trade;
 - (ix) 18/6/19 – acquisition of 210,000 shares via on-market trade;
 - (x) 27/6/19 – acquisition of 930,000 shares via on-market trade.
- B. IVQ's securities trading policy lodged on the ASX Market Announcements Platform on 22 January 2016 (the 'Trading Policy') which is also available on IVQ's website and which states, among other things, the following:

"2. Policy on Trading in Company Securities

The Directors, the Company Secretary and employees (or their Associates) of the Company:

- *must not Deal in any Security of the Company while in possession of Inside Information;*
- *must not engage in short term trading of any Securities of the Company;*
- *must seek approval in accordance with the procedure set out below prior to Dealing in any Securities of the Company;*
- *must not trade during the Closed Period except in Exceptional Circumstances.*

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3. Dealing in Company Securities

Subject to the requirements of the Corporations Act and the policy set out above, a Director, the Company Secretary or employee, or their Associate, may:

- *Deal in any Security of the Company provided that the person does not have information that he or she knows, or ought reasonably to know, is Inside Information in relation to the Company's Securities;*
- *not Deal or procure another person to Deal in any Security of the Company if he or she has information that he or she knows, or ought reasonably to know, is Inside Information in relation to the Company's Securities;*
- *not, except in Exceptional Circumstances, Deal in any Security of the Company within 5 days prior to the release of:*
 - *the half-yearly financial report to ASX;*
 - *the annual financial report to ASX; and*
 - *a prospectus for the offer of equity securities in or other capital raising by the Company ("Closed Period");*
- *not enter into a transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in any equity based remuneration scheme; and*
- *not engage in any short term dealing in or short-selling of the Company."*

C. Guidance Note 27: *Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities* which was published to assist listed entities with their obligations under Listing Rules 3.19A and 3.19B and to give an overview of ASX policy in relation to disclosure of directors' interests and transactions in securities, and Guidance Note 22: *Trading Policies* which was published to assist listed entities to comply with their obligations under Listing Rules 12.9-12.12 regarding trading policies.

ASX notes the following:

January 2018 Transactions

1. On 18 January 2018, IVQ released an announcement titled "IVQ successfully grows liver cancer organoids" which was marked as price sensitive. The announcement disclosed the publication of its paper in the journal "Biomaterials" regarding the successful growth of 14 patient derived xenografts or tumour organoids through IVQ's proprietary technology platform Onco-PDO ("Publication Announcement").
2. 2 on-market acquisitions occurred on 16 and 17 January 2018, 2 days preceding the Publication Announcement ("January 2018 Transactions").
3. Price movements between the period 15 January 2018 to 18 January 2018 (being the period prior to and after the release of the Publication Announcement):
 - 3.1 Securities closed at \$0.08 on 15 January 2018;
 - 3.2 Securities rose to an intraday high of \$0.081 and closed at \$0.081 on 16 January 2018;
 - 3.3 Securities rose to an intraday high of \$0.09 and closed at \$0.09 on 17 January 2018;
 - 3.4 Securities rose to an intraday high of \$0.10 and closed at \$0.10 on 18 January 2018.
4. The January 2018 Transactions would appear to have taken place during a closed period in breach of section/s 2 and 3 of the Trading Policy. This is despite the Appendix 3Y Announcement stating in Part 3 that no interests in IVQ's securities were traded during a Closed Period.

Listing Rule 10.11

5. The Appendix 3Y Announcement discloses that there was an indirect change to Kathrin Linder's interest (spouse of Andreas Linder). Please confirm the following:

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- 5.1 The date Kathrin Linder received her initial shareholding in IVQ including the number of shares, issue price and terms of the securities;
 - 5.2 If the initial securities issued to Kathrin Linder were issued pursuant to obtaining listing rule 10.11 approval including the date shareholder approval was obtained; and
 - 5.3 Specify which transaction detailed in the Appendix 3Y Announcement relates to the change to Kathrin Linder's interests and whether it was pursuant to listing rule 10.11. If listing rule 10.11 was not applicable, please detail the reasons why.

Request for Information

Having regard to the above, and pursuant to Listing Rule 18.7, ASX asks IVQ to respond separately to each of the following questions.

1. Please explain what arrangements IVQ has in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A.
2. When did IVQ first become aware of the January 2018 Transactions?
3. Did Mr Linder comply with section 2 and 3 of the Trading Policy and notify the Chairman of the Board in writing of his intention to carry out the 2019 Transactions before entering into it? If not, why not?
4. Did the Chairman of the Board confer with another director in relation to the proposed January 2018 Transactions in accordance with section 5 of the Trading Policy? If not, why not?
5. Did the Chairman advise Mr Linder in writing that there is no known reason to preclude him/her from dealing in IVQ's securities before he entered into the January 2018 Transactions, as required under section 5 of the Trading Policy? If so, please provide a copy of the written communications. If not, why not?
6. Did the Chairman of the Board and/or another director grant approval (written or otherwise) to Mr Linder to carry out the January 2018 Transactions that took place/appear to have taken place during a closed period? If so, on what basis did it do so? If not, why not?
7. Why did the Appendix 3Y Announcement state in Part 3 that no interests in IVQ's securities were traded during a closed period?
8. Given his apparent and material breaches of IVQ's Trading Policy, has Mr Linder offered to resign as a director of IVQ? If not, why not?
9. What disciplinary or remedial action is the board of IVQ proposing to take in relation to the apparent breaches of IVQ's Trading Policy?
10. Please confirm that IVQ is complying with the Listing Rules and, in particular, Listing Rule 3.1.
11. Please confirm that IVQ's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of IVQ with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (**ie before 9.30 a.m. AWST) 6 January 2020**. ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow ASX to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

Anjuli Sinniah

Senior Adviser, Listings Compliance (Perth)