

INVION ANNOUNCES STRATEGIC TRANSACTION

- **Invion signs agreement with The Cho Group Limited to obtain exclusive commercialisation and distribution rights in Australia and New Zealand to NGPDT technologies for the treatment of all cancers**
- **Invion signs a global Research and Development Agreement to conduct clinical trials initially targeting prostate cancer**
- **The Cho Group will provide non-dilutive funding for all clinical trials as planned and agreed by a joint steering committee between the two companies**
- **The Cho Group has agreed to fully underwrite a non-renounceable pro rata entitlement offer to raise up to approximately \$2.5M**

Brisbane, Australia and Delaware, United States, 31 August 2017: Invion Limited (ASX: IVX) (**Invion** or the **Company**) announces that it has entered a series of agreements with The Cho Group Limited (**CG**) (collectively, the **Transaction**). The Transaction comprises:

1. **Exclusive Distribution and Licence Agreement:** Invion is to be appointed exclusive distributor and licensee in Australia and New Zealand of New Generation Photo Dynamic Therapy (**NGPDT**) technology for the treatment of all cancers. In return for the exclusive licence, Invion will issue new Invion shares for a licence value of \$5.5M at \$0.002 per share. These shares will be escrowed after issue in accordance with ASX Listing Rules;
2. **R&D Services Agreement:** Invion will conduct clinical development of the NGPDT technology globally, initially targeting prostate cancer in Australian-run clinical trials. CG will provide non-dilutive funding for the clinical trials. The clinical development program will be designed and managed by a joint steering committee between the two companies; and
3. **Underwriting Agreement:** CG has agreed to fully underwrite underwritten non-renounceable pro rata entitlement offer to Invion Shareholders, to raise up to approximately \$2.5M to fund working capital and the costs of the Transaction,

In April 2017, the Company announced that it had entered into a strategic alliance with CG that represented an opportunity for Invion to expand its business and develop its asset pipeline through the identification and in-licensing of new advanced clinical opportunities. Through this process, Invion has identified NGPDT, a photodynamic therapy targeted to the treatment of cancers.

About NGPDT

NGPDT is a new generation photosensitiser derived from chlorophyll which is hypothesised to identify and selectively accumulate within solid cancerous tumour tissues. Specific whole-body light and internal laser delivery methods are targeted to activate the absorbed photosensitiser within both surface and deep seated tumours.

Photodynamic therapy starts with the administration of the Photosensitiser, which collects in solid cancer cells. After a selected time delay, the exposure to laser lights of specific wave-length initiates a cascade of molecular reactions that can specifically destroy those cells.

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Dr Greg Collier, Interim Executive Chair, said "this transaction represents a series of positive outcomes for Invion. By obtaining an Exclusive Distribution and Licence Agreement, Invion has the opportunity to commercialise in Australia and New Zealand products and services for the non-invasive treatment of all solid cancers.

"The R&D Services Agreement leverages Invion's expertise in clinical development and provides the Company with non-dilutive funding to develop this asset as part of a global development strategy for the product.

"We will initially be targeting prostate cancer through Australian-run clinical trials, adding to data from studies recently completed in Australian investigator-sponsored clinical trials.

"The proposed entitlement offer to raise up to approximately \$2.5M provides Invion shareholders the opportunity to participate in the future of the company on the same basis as CG, with certainty of funding via an underwriting agreement."

"The NGPDT technology is an exciting addition to the Company's two existing primary assets, Nadolol and Zafirlukast, as the Company continues to seek partners to progress the next stage of clinical development for Nadolol and clinical trials for Zafirlukast. The Company will also continue to identify and assess new advanced clinical opportunities to expand its business prospects."

Transaction Process

The completion of the Transaction is subject to a number of conditions precedent including:

1. approval by Invion shareholders;
2. Invion obtaining an independent expert's report opining that the Transaction is fair and reasonable to Invion shareholders; and
3. Invion and CG obtaining all necessary approvals or consents that are required by law, including from ASIC or ASX.

Independent Expert's Report

Invion has engaged PKF Corporate Finance to prepare an independent expert's report for shareholders about the proposed Transaction. A copy of this report will be released to ASX and made available to shareholders along with materials for the General Meeting.

Board and Management

As announced in April 2017, the Board of Invion will be restructured to include two representatives of CG. The changes to the Board are not contingent upon completion of the Transaction.

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Indicative timetable

An indicative timetable for completion of the Transaction is outlined below:

Notice of General Meeting lodged with ASX and despatched to shareholders	October 2017
Date of General Meeting	November 2017
Issue of shares under the Exclusive Distribution and Licence Agreement	November 2017
Announce pro rata entitlement offer	1 st quarter 2018

Dates are indicative only. Invion reserves the right to vary these dates subject to the requirements of the ASX Listing Rules.

Investor presentations

Following lodgement of the Notice of General Meeting with ASX, investor presentations will be scheduled for Brisbane, Sydney and Melbourne. Shareholders are invited to indicate their interest in participating in an investor presentation by emailing the company at investor@inviongroup.com.

FOR MORE INFORMATION CONTACT

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