25 February 2022

Dear Shareholder

Notice is hereby given that the General Meeting of Shareholders of Invion Limited (the "Company" or "Invion") will be held virtually on Tuesday, 29 March 2022 at 12.00pm (AEDT) ("General Meeting" or "Meeting").

Virtual General Meeting (GM)
The technology used to hold the Meeting virtually will provide IVX Shareholders with a reasonable opportunity to ask questions or make comments. Voting at the Meeting is occurring by way of a poll rather than a show of hands, each person entitled to vote is to be given the opportunity to vote in real time, and this notice of meeting includes information about how shareholders can participate in the Meeting. IVX Shareholders attending virtually will be taken for all purposes to be in attendance as if they were physically there.

Shareholders who wish to participate in the GM online may register in advance for the meeting:

https://us02web.zoom.us/webinar/register/WN_LM536fMKTa-2kQRyA2Lgaw

When: Tuesday, 29 March 2022 at 12.00pm (AEDT)

Topic: Invion General Meeting

After registering, you will receive a confirmation email containing information about joining the Meeting. The Company strongly recommends its Shareholders to lodge a directed proxy as soon as possible in advance of the Meeting even if they are planning to attend the Meeting online. Further information and guidance on how to join the meeting will be available with the Notice of Meeting.

The Company is happy to accept and answer questions submitted prior to the Meeting by email to cnewstead@leydinfreyer.com.au. Where a written question is raised in respect of the key management personnel of the Company, the Resolutions to be considered at the Meeting, the Company will address the relevant question during the course of the Meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

Notice of Meeting
The Notice of Meeting is available online and has been emailed to shareholders who elected to receive their communications electronically on Friday, 25 February 2022. We will not be mailing hard copies by post. This is following recent modifications brought to the Corporations Act 2001.

Meeting website
You will be able to download the Notice of Meeting as well as related information and guidance, from our website inviongroup.com/asx-announcements/. Our website and the Notice of Meeting will provide you with everything you need to attend the meeting.

Thank you for your continued support of IVX. I look forward to welcoming you to our General Meeting.

Yours sincerely,

Thian Chew
Chairman & Chief Executive Officer

INVION LIMITED
ACN 094 730 417

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Tuesday, 29 March 2022

Time of Meeting:
12.00pm (AEDT)

Due to the ongoing COVID-19 pandemic, the meeting will be held in a virtual manner via a video-conferencing facility. If you are a Shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

No hard copy of the Notice of Meeting and Explanatory Memorandum will be circulated. This Notice of Meeting has been given to those entitled to receive it by use of one or more technologies. This Notice of Meeting is also available on the Australian Securities Exchange Announcement Platform and on the Company's website *(*https://www.inviongroup.com/*)*.

This Notice of Meeting includes an Independent Expert's Report in relation to the Proposed Transaction (the subject of Resolution 1). The Independent Expert has concluded that the acquisition of the licence and distribution rights under the Proposed Transaction is **fair and reasonable** to non-associated Shareholders.

This Notice of Meeting including the Explanatory Statement and Independent Expert's Report should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

INVION LIMITED

ACN 094 730 417
Registered office: Level 4, 96-100 Albert Road, South Melbourne, VIC 3205

Dear Shareholders

Notice is hereby given that the General Meeting of Shareholders of Invion Limited (the "Company" or "Invion") will be held virtually on Tuesday, 29 March 2022 at 12.00pm (AEDT) ("Meeting").

The business of this Meeting is to approve the following as ordinary resolutions:

- Resolution 1: Approval to acquire a licence and distribution rights to Next Generation Photodynamic Therapy (NGPDT) from RMW Cho Group Limited;
- Resolution 2a: Ratification of prior issue of Placement Shares;
- Resolution 2b: Ratification of Placement Options;
- Resolution 2c: Ratification of SPP Options; and
- Resolution 2d: Ratification of Broker Options.

Proposed Transaction

As announced to the market on 16 November 2021, Invion entered into an agreement to expand its existing Co-Development Agreement and also entered into a fresh Exclusive Distribution and Licensing Agreement with RMW Cho Group Limited ("**RMW**") to, amongst other things, co-develop the Next Generation Photo Dynamic Therapy technology (including Photosoft™) ("**NGPDT**") for the treatment of cancer and related diseases ("**Cancer Indications**") and to secure exclusive rights for Invion to distribute the NGPDT technology in Asia Pacific countries[1] ("**Territory**") for the Cancer Indications (**Proposed Transaction**).

The Proposed Transaction is subject to approval by Shareholders.

The purpose of Resolution 1 is to authorise the implementation of the Proposed Transaction.

Ratification of fundraising activities

The purpose of Resolution 2 is to ratify the fundraising activities that have completed during this quarter for the purpose of funding the Proposed Transaction.

Independent Expert's Report

The Board has commissioned an Independent Expert's Report prepared by PKF Melbourne Corporate Pty Ltd ("**Independent Expert**") in connection with the Proposed Transaction. The Independent Expert has concluded that the acquisition of the licence and distribution rights to NGPDT under Resolution 1 is **fair and reasonable** to non-associated Shareholders. Shareholders should carefully consider the Independent Expert's Report, a copy of which is set out in Schedule 2 to this Notice of Meeting.

Virtual Meeting

The technology used to hold the Meeting virtually will provide Shareholders with a reasonable opportunity to ask questions or make comments. Voting at the Meeting is occurring by way of poll rather than a show of hands, each person entitled to vote is to be given the opportunity to vote in real time, and this notice of meeting includes information about how shareholders can participate in the Meeting. Shareholders attending virtually will be taken for all purposes as if they were physically there.

Shareholders who wish to participate in the Meeting online may register in advance for the Meeting:

https://us02web.zoom.us/webinar/register/WN_LM536fMKTa-2kQRyA2Lgaw

[1] All Asia Pacific countries excluding China, (other than Hong Kong, which is included in the territory), Macau, Taiwan, Japan and South Korea. Invion's rights with respect to development and distribution of the Photosoft™ technology in Australia and New Zealand will continue to be covered under the existing agreements with RMW dated 31 August 2017.

When: Tuesday, 29 March 2022 at 12.00pm (AEDT)

Topic: Invion General Meeting

After registering, you will receive a confirmation email containing information about joining the Meeting. The Company strongly recommends its Shareholders to lodge a directed proxy as soon as possible in advance of the Meeting even if they are planning to attend the Meeting online.

The Company is happy to accept and answer questions submitted prior to the Meeting by email to cnewstead@leydinfreyer.com.au. Where a written question is raised in respect of the key management personnel of the Company, the Resolutions to be considered at the Meeting, the Company will address the relevant question during the course of the Meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above.

Any Shareholders who wish to attend the Meeting online should therefore monitor the Company's website and its ASX announcements for any updates about the Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: IVX) and on its website at https://inviongroup.com/.

Your sincerely

Thian Chew
Chairman and Chief Executive Officer

INVION LIMITED

ACN 094 730 417

Registered office: Level 4, 96-100 Albert Road, South Melbourne, VIC 3205

AGENDA

The Explanatory Statement and Proxy Form, which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

1. Resolution 1: Approval to acquire a licence and distribution rights to Next Generation Photodynamic Therapy (NGPDT) from RMW Cho Group Limited

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of ASX Listing Rule 10.1 and for all other purposes, approval be given for the Company to acquire a licence and distribution rights to Next Generation Photodynamic Therapy (NGPDT) from RMW Cho Group Limited on the terms and conditions of the Deed of Amendment and Restatement and the Exclusive Licence and Distribution Agreement-Cancer, as detailed in the Explanatory Memorandum."

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report in Schedule 2 to this Notice of Meeting for the purpose of Listing Rule 10.1 before voting on Resolution 1. The Independent Expert's Report comments on the fairness and reasonableness of the matters under this Resolution 1 to non-associated Shareholders. The Independent Expert has concluded that acquisition of licence and distribution rights under this Resolution 1 is **fair and reasonable** to non-associated Shareholders.

2. Resolution 2: Ratification of prior issue of Placement Shares, Placement Options, SPP Options and Broker Options

Resolution 2(a): Ratification of prior issue of Placement Shares

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"To ratify, for the purpose of ASX Listing Rule 7.4 and for all other purposes the issue of 545,454,546 fully paid ordinary shares on 22 November 2021 to professional and sophisticated investors, at an issue price of $0.022 (2.2 cents) per share, as detailed in the Explanatory Memorandum."

Resolution 2(b): Ratification of prior issue of Placement Options

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"To ratify, for the purpose of ASX Listing Rule 7.4 and for all other purposes the issue of 272,727,273 Placement Options (exercisable at 0.04 on or before 18 months from issue) on 17 December 2021 to participants in the Placement, as detailed in the Explanatory Memorandum."

Resolution 2(c): Ratification of prior issue of SPP Options

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

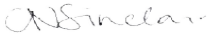
"To ratify for the purpose of ASX Listing Rule 7.4 and for all other purposes the issue of 3,125,008 SPP options (exercisable at 0.04 on or before 18 months from issue) on 17 December 2021 to participants in the SPP, as detailed in the Explanatory Memorandum."

Resolution 2(d): Ratification of prior issue of Broker Options

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"To ratify for the purpose of ASX Listing Rule 7.4 and for all other purposes the issue of 30,000,000 Broker Options (exercisable at 0.04 on or before 18 months from issue) to the Brokers for broker services rendered, as detailed in the Explanatory Memorandum."

By the order of the Board



Claire Newstead-Sinclair

Company Secretary

Dated: 25 February 2022

Notes

1. **Entire Notice**: The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, the Notice of Meeting.

2. **Record Date:** The Company has determined that for the purposes of the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 12.00pm (AEDT) on Sunday 27 March 2022. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

3. **Proxies**

   a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.

   b. Each Shareholder has a right to appoint one or two proxies.

   c. A proxy need not be a Shareholder of the Company.

   d. If a Shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.

   e. Where a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.

   f. If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.

   g. A proxy must be signed by the Shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with that corporation's constitution and the Corporations Act.

   h. To be effective, Proxy Forms must be received by the Company no later than 48 hours before the commencement of the General Meeting, this is no later than 12pm (AEDT) Melbourne time on Sunday 27 March 2022. Any proxy received after that time will not be valid for the scheduled Meeting.

4. **Corporate Representative**

   A Shareholder who is a body corporate and who is entitled to attend and vote at the Meeting, or a proxy who is a body corporate and who is appointed by a Shareholder entitled to attend and vote at the meeting, may appoint a person to act as its representative at the meeting by providing that person with:

   a. a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; or
   b. a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.

5. **How the Chair will vote Undirected Proxies**

   Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed Resolutions.

6. **Voting Exclusion Statement**

   Resolution 1

   The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

   - the person disposing the substantial asset to, or acquiring the substantial asset from, the Company and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a hold of ordinary securities in the entity); or
   - an associate of that person or those persons.

   However, this does not apply to a vote cast in favour of a resolution by:

   - a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
   - the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
   - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
     - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolutions; and
     - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

   Resolutions 2(a), 2(b), 2(c) and 2(d)

   The Company will disregard any votes cast in favour of each of Resolutions 2(a) to (d) by or on behalf of:

   - a person who participated in the issue or is a counterpart to the agreement being approved; or
   - any associate of that person or those persons.

   However, this does not apply to a vote cast in favour of a resolution by:

   - a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
   - the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolutions; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Enquiries

Shareholders are invited to contact the Company Secretary on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Purpose of Information

This Explanatory Statement accompanies and forms part of the Company's Notice of Meeting for the General Meeting, which will be held as a virtual meeting via a webinar conferencing facility at 12.00pm (AEDT) on Tuesday, 29 March 2022.

The Notice incorporates, and should be read together, with this Explanatory Statement.

Resolution 1: Approval to acquire a licence and distribution rights to Next Generation Photodynamic Therapy (NGPDT) from RMW Cho Group Limited

Background of the Proposed Transaction

The purpose of Resolution 1 is for Shareholders to approve, pursuant to Listing Rule 10.1, the acquisition of certain licence and distribution rights in relation to Next Generation Photodynamic Therapy (NGPDT) for the Cancer Indications in the Territory pursuant to the Deed of Amendment and Restatement and the Exclusive Distribution and Licensing Agreement – Cancer (together, the "**Proposed Transaction Agreements**").

The key terms of the Proposed Transaction Agreements are summarised in Schedule 1.

The Proposed Transaction will be funded by the already completed Placement to be ratified in Resolution 2(a).

Summary of the NGPDT technology

PDT, referred to as Next Generation Photo Dynamic Therapy and also known as Next Generation PDT Technology and/or Photosoft™ technology ("**NGPDT**").

NGPDT is built on medical research on Photo Dynamic Therapy ("**PDT**") that is targeted to treat a variety of indications including cancers non-invasively. NGPDT is a chlorophyll-based PDT photosensitiser. Specifically, it is a complex of chlorin, chlorophyllin and zinc which activates at two light wage sensitivity ranges – 400-410 nm, 650-660 nm.

PDT is a treatment application that involves three key components: a drug, called photosensitiser or photosensitizing agent ("**PDT agent**"), a light source with a particular type of light and tissue oxygen. The combination of these three components is thought to lead to the chemical destruction of tissues which have either selectively taken up the PDT agent or have been locally exposed to light.

In addition to targeting cancer cells, PDT is hypothesised to affect tumours in other ways, including potentially damaged blood vessels in the tumour thereby preventing the cancer from receiving necessary nutrients and/or activating an immune response that attacks tumour cells.

The Company believes there are a number of theoretical advantages to treating cancer and other indications with PDT:

- PDT can be targeted very precisely, thereby avoiding the usual side effects of systemic treatment;
- PDT can be used to de-bulk difficult-to-reach tumours prior to surgery;
- PDT is minimally invasive, in that the light source used can often be applied externally;
- PDT is reputable, unlike many radiation therapies;
- PDT is low cost; and
- PDT can be performed quickly on an outpatient basis.

Summary of the Proposed Transaction

On 16 November 2021, Invion and RMW Cho Group Limited (**RMW**) entered into the Proposed Transaction Agreements with the following key material terms:

- Invion and RMW will co-develop NGPDT in relation to the Cancer Indications for the Territory on the terms and conditions of the Agreement.
- RMW will contribute its existing intellectual property and know-how in relation to the NGPDT for the Cancer Indications and Invion will pay RMW a one-time amount of $5 million as contribution to development costs of the NGPDT in relation to the Cancer Indications and the Territory. Any future pre-clinical and clinical trial work for the Cancer Indications for the Territory will be funded by Invion at its election.
- Invion will gain exclusive distribution rights to the NGDPT in the Territory for the Cancer Indications (subject to limited rights to renegotiate contributions in good faith).
- Invion will have a right of first refusal over the territories of Japan and South Korea if RMW proposes to grant distribution rights to the NGPDT for the Cancer Indications to a third party.
- RMW has an option to acquire the distribution rights granted to Invion over the territory of Hong Kong for the Cancer Indications under the Proposed Transaction Agreements at fair market value.

A summary of the key material terms of the Proposed Transaction Agreements is set out in Schedule 1.

There are no material changes to the funding arrangements between RMW and its affiliates and Invion under the existing Research and Development Services Agreement executed on 31 August 2017, nor the arrangements relating to AID as announced to the market on 2 June 2021.

The Proposed Transaction Agreements are subject to and conditional upon approval by Shareholders as to the matters being sought under Resolution 1. Shareholders should be aware that the Proposed Transaction will not proceed if Resolution 1 is not passed as an ordinary resolution.

Important Dates

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

Event	Indicative Date
Date of General Meeting	29 March 2022
Payment of $5M to RMW under the Proposed Transaction Agreements (if Resolution 1 is approved)	Within 5 Business Days, i.e. by 22 March 2022

Approval pursuant to Listing Rule 10.1

Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a "substantial asset" from, or dispose of a substantial asset to, any of the following persons without the approval of the entity's security holders:

(a) a related party;

(b) a subsidiary;

(c) a "substantial holder", if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities;

(d) an associate of a person referred to in (a) to (c) above; or

(e) a person whose relationship to the entity is such that, in ASX's opinion, the transaction should be approved by security holders.

Under Listing Rule 10.2, an asset is "substantial" if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The acquisition of rights by Invion from RMW in relation to the NGPDT technology is considered as an acquisition of a "substantial asset" as the value of the consideration will be more than 5% of the equity interests of Invion.

Approval under Listing Rule 10.1 is required because the Company understands that RMW is controlled by Mr Honsue Cho. Based on the change in substantial holding notice dated 8 December 2021 lodged by Mr Cho and his associates, they together hold a relevant interest in Invion of 22.89% of fully paid Shares as at that date.

Resolution 1 seeks the required shareholder approval to the issue under and for the purposes of Listing Rule 10.1.

Independent Expert's Report

Listing Rule 10.5.10 requires that a notice of meeting seeking shareholder approval under Listing Rule 10.1 must contain a report from an independent expert stating whether the transaction is fair and reasonable to holders of the entity's ordinary securities whose votes are not to be disregarded.

Accordingly, for the purposes of Resolution 1, the Directors have appointed the Independent Expert and commissioned it to prepare a report as to whether or not, in their opinion, the Proposed Transaction is fair and reasonable to non-associated Shareholders.

What is fair and reasonable must be judged by the Independent Expert in all the circumstances of the proposal. This requires taking into account the likely advantages to non-associated Shareholders if the proposal is approved and comparing them with the disadvantages to them if the proposal is not approved.

The Independent Expert has concluded that the Proposed Transaction is **fair and reasonable** to the non-associated Shareholders.

The Company strongly recommends that you read the Independent Expert's Report in full, a copy of which is attached as Schedule 2.

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors (with Mr Chew abstaining) have not sought approval for the purposes of Chapter 2E of the Corporations Act on the basis that Directors (with Mr Chew abstaining) consider the Proposed Transaction to fall within the exception in section 210 of the Corporations Act on the basis that the Proposed Transaction Agreements are reasonable in the circumstances and Invion and RMW were dealing at arms' length.

Directors' recommendations in relation to Proposed Transaction

The Directors (other than Mr Thian Chew, given his association with Mr Honsue Cho and RMW) do not have any material interest in the outcome of the voting on Resolution 1 at the Meeting other than as a result of their interest arising solely in the capacity of Shareholders of the Company.

The Directors (with Mr Chew abstaining) have unanimously approved the proposal to put the resolutions to Shareholders.

Based on the information available (including, as described in this Explanatory Memorandum) each of the Directors (with Mr Chew abstaining) consider that the Proposed Transaction is in the best interest of the Company and unanimously recommend that Shareholders vote in favour of Resolution 1 at the Meeting.

Resolutions 2(a) to (d): Ratification of prior issue of Placement Shares, Placement Options, SPP Options and Broker Options

Background

On 16 November 2021, the Company announced that it would be undertaking a capital raising by way of a placement followed by a share purchase plan ("**SPP"**) to fund the obligations under the Proposed Transaction Agreements ("**Placement**").

Accordingly:

- 545,454,546 fully paid ordinary shares ("**Placement Shares**") were issued on 22 November 2021 at an issue price of $0.022 (2.2 cents) per Share, to professional and sophisticated investors;
- 272,727,273 attaching options with an exercise price of 4 cents and expiring 18 months from the issue date were issued on 17 December 2021 to the same investors ("**Placement Options**"),

together ("**Placement Securities**"); and

- 3,125,008 options with an exercise price of 4 cents and expiring 18 months from the issue date were issued on 17 December 2021 to participants in the SPP ("**SPP Options**"); and
- 30,000,000 options with an exercise price of 4 cents and expiring 18 months from the issue date were issued on 17 December 2021 to the Brokers, who managed the Placement ("**Broker Options**").

The Placement Securities, SPP Options and the Broker Options are listed securities.

The full terms of the Placement Options, SPP Options and Broker Options are set out in Schedule 3.

Approval pursuant to Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions:

- Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period (**Placement Capacity**); and
- under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Extra Placement Capacity**). This Extra Placement Capacity pertains to quotable securities only. The Company obtained approval for the Extra Placement Capacity at the annual general meeting held on 11 November 2021.

The issue of the Placement Securities, SPP Options and Broker Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders:

- the issue of the Placement Shares was made under the Extra Placement Capacity of the Company, effectively using up part of the Extra Placement Capacity, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1A for the 12-month period following the date of issue of the Placement Shares;
- the issue of the Placement Options was made under the Placement Capacity of the Company, effectively using up part of the Placement Capacity, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Placement Options;
- the issue of the SPP Options was made under the Placement Capacity of the Company, effectively using up part of the Placement Capacity, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the SPP Options; and
- the issue of the Broker Options was made under the Placement Capacity of the Company, effectively using up part of the Placement Capacity, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Broker Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rules 7.1 and 7.1A and so does not reduce the company's capacity to issue further equity securities without shareholder approval under those rules.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Securities, SPP Options and the Broker Options.

Shares under the SPP were issued pursuant to Listing Rule 7.2 Exception 5 and therefore do not need ratification pursuant to Listing Rule 7.4.

Accordingly, Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Securities, SPP Options and the Broker Options.

Technical information required by Listing Rule 14.1A

If Resolutions 2(a) to (d) are passed, the Placement Securities, SPP Options and the Broker Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Securities, SPP Options and Broker Options.

If Resolutions 2 (a) to (d) are not passed, the Placement Securities, SPP Options and Broker Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Securities, SPP Options and Broker Options.

Technical information required by Listing Rule 7.5

The following information is provided in accordance with Listing Rule 7.5, in relation to Resolutions 2(a) to (d):

1) Regarding Resolution 2(a) the Company confirms that:
    i. professional and sophisticated investors were issued the Placement Shares pursuant to the Placement;
    ii. 545,454,546 Placement Shares were issued on 22 November 2021 and are all fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares;
    iii. the issue price was 2.2 cents per Placement Share;
    iv. the Placement Shares are listed;
    v. the purpose of the issue of the Placement Securities was to raise funds to enable the Company to make a contribution payment of $5 million to RMW for development costs of the Photosoft™ technology in relation to the Cancer Indications under the Proposed Transaction Agreements and to fund pre-clinical work and clinical trials in the Territory, with the balance to be used for AID discovery and development and general working capital and operational costs and to fund the costs of the capital raising.
    vi. The professional and sophisticated investors who were issued the Placement Securities are not related parties nor substantial holders of the Company and had no associates holding any Shares in the Company at the date of this Notice of Meeting.
2) Regarding Resolution 2(b) the Company confirms that:
    i. professional and sophisticated investors who participated in the Placement were issued the Placement Options pursuant to the Placement;
    ii. 272,727,273 Placement Options were issued on 17 December 2021, with an exercise price of 4 cents and expiring 18 months from the issue date;
    iii. the issue price of the Placement Options was nil;
    iv. the Placement Options are listed;
    v. the purpose of the issue of the Placement Securities was to raise funds to enable the Company to make a contribution payment of $5 million to RMW for development costs of the Photosoft™ technology in relation to the Cancer Indications under the Proposed Transaction Agreements and to fund pre-clinical work and clinical trials in the Territory, with the balance to be used for AID discovery and development and general working capital and operational costs and to fund the costs of the capital raising.
    vi. The professional and sophisticated investors who were issued the Placement Securities are not related parties nor substantial holders of the Company and had no associates holding any Shares in the Company at the date of this Notice of Meeting.

3) Regarding Resolution 2(c), the Company confirms that:

i. eligible Shareholders who participated in the SPP were issued the SPP Options, on the basis of one SPP Option for every two Shares subscribed under the SPP;

ii. 3,125,008 SPP Options were issued on 17 December 2021 and are exercisable at 0.04 cents per SPP Option, expiring 18 months from date of issue;

iii. the issue price of the SPP Options was nil;

iv. the SPP Options are listed;

v. the SPP Options are offered under the SPP. While no funds are raised from the issue of the SPP Options, the purpose of the SPP was to raise funds (to be used in the same manner as under the Placement).

4) Regarding Resolution 2(d) the Company confirms that:

vi. 15,000,000 Broker Options were issued to Evolution Capital Pty Ltd and 15,000,000 Broker Options were issued to 180 Markets Pty Ltd (being 30,000,000 Broker Options in aggregate);

vii. the Broker Options were issued on 17 December 2021 and are exercisable at 0.04 cents per Broker Option, expiring 18 months from date of issue;

viii. the issue price of the Broker Options was nil;

ix. the Broker Options are listed;

x. the purpose of the issue of the Broker Options was to pay for services rendered in relation to management of the Placement;

xi. the Brokers are not related parties nor substantial holders of the Company and had no associates holding any Shares in the Company at the date of this Notice of Meeting.

Directors Recommendation

The Board recommends that Shareholders vote in favour of Resolutions 2(a) to (d). The Chair of the Meeting intends to vote undirected proxies in favour of Resolutions 2(a) to (d).

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

"**$**" means Australian Dollars;

"**AID**" means atherosclerosis and infectious diseases (including viral, bacterial, fungal and parasitic);

"**ASX**" means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

"**AEDT**" means Australian Eastern Daylight Time;

"**Board**" means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

"**Cancer Indications**" means cancer and related diseases.

"**Chairman"** means the person appointed to chair the Meeting of the Company convened by the Notice;

"**Deed of Amendment and Restatement**" means the deed of amendment and restatement dated 16 November 2021 entered into between Invion and RMW;

"**Broker Options**" means the 30,000,000 options with an exercise price of 4 cents and expiring 18 months from 17 December 2021 issued to the Brokers;

"**Brokers**" means Evolution Capital Pty Ltd and 180 Markets Pty Ltd;

"**Company or Invion**" means Invion Limited ACN 094 730 417;

"**Constitution**" means the constitution of the Company as at the date of the Meeting;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Director**" means a Director of the Company;

"**Exclusive Distribution and Licence Agreement – Cancer**" means the exclusive distribution and licence agreement entered into between Invion and RMW dated 16 November 2021 relating to the Cancer Indications;

"**Explanatory Statement**" means the explanatory statement which forms part of this Notice;

"Independent Expert" means PKF Melbourne Corporate Pty Ltd;

"Listing Rule(s)" means a rule issued by the ASX as amended from time to time;

"**NGPDT**" means Next Generation Photo Dynamic Therapy and also known as Next Generation PDT Technology and/or Photosoft™ technology;

"**Notice**" or "**Notice of Meeting**" means this Notice of General Meeting including the Explanatory Statement;

"**Placement**" means the placement of 545,454,546 Shares on 22 November 2021 at an issue price of 2.2 cents per Share, to professional and sophisticated investors;

"**Placement Options**" means 272,727,273 attaching options with an exercise price of 4 cents and expiring 18 months from 17 December 2021 issued to Placement investors;

"**Placement Share**" means the Shares issued under the Placement;

"**Proposed Transaction**" has the meaning given to that term in the Notice of Meeting;

"**Proposed Transaction Agreements**" means the Deed of Amendment and Restatement and the Exclusive Distribution and Licence Agreement – Cancer.

"**Proxy Form**" means the proxy form attached to the Notice;

"**Resolution**" means a resolution referred to in the Notice;

"**RMW**" means RMW Cho Group Limited;

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholder**" means shareholder of the Company;

"**Share Registry**" means Link Market Services (ABN 54 083 214 537);

"**SPP**" means the share purchase plan to raise a maximum of $30,000 per eligible Shareholder announced to ASX on 16 November 2021;

"**SPP Options**" means 3,125,008 attaching options with an exercise price of 4 cents and expiring 18 months from 17 December 2021 issued to eligible Shareholders who participated in the SPP; and

"**Territory**" means all Asia Pacific countries, excluding China (other than Hong Kong), Macau, Taiwan, Japan and South Korea.

Schedule 1 Key terms of the Proposed Transaction Agreements

Deed of Amendment and Restatement dated 16 November 2021:

- amending and restating the Co-Development Agreement relating to AID dated 2 June 2021 ("**Co-Development Agreement**") as summarised below; and
- amending the Exclusive Distribution and Licence Agreement relating to AID dated 2 June 2021 ("**Exclusive Distribution and Licence Agreement – AID**") to make minor incidental amendments. No material changes have been made to the terms of the Exclusive Distribution and Licence Agreement – AID.

The key terms of the Deed of Amendment and Restatement are summarised below:

(a) **Conditions precedent**

(i) The performance of the Deed of Amendment and Restatement is subject to and conditional upon:

A. completion by Invion of a capital raising of a minimum of $5 million on or after the date of the Deed of Amendment and Restatement;

B. approval by the shareholders of Invion of the transactions contemplated under the Proposed Transaction Agreements for the purposes of Listing Rule 10.1 and for all other purposes; and

C. execution of the Exclusive Distribution and Licence Agreement – Cancer by Invion and RMWCG,

(together, the "**Conditions Precedent**").

(ii) Neither party will be under a duty to perform their obligations under the Deed of Amendment and Restatement until the date when all Conditions Precedent are satisfied.

(iii) The Conditions Precedent may not be waived by either party.

(iv) Either party may terminate the Deed of Amendment and Restatement immediately by written notice to the other party if the Conditions Precedent become incapable of being satisfied, or is not satisfied by 30 April 2022. Upon termination, neither party shall have any further rights against, nor obligations to, the other party under the Deed of Amendment and Restatement.

(v) At the date of this Notice, the Conditions Precedent in paragraphs (a)(i)A and (a)(i)C above have been satisfied.

(b) **Amendment and restatement of the Co-Development Agreement**

The key terms of the Co-Development Agreement, as amended and restated, and they relate to the Cancer Indications, are summarised below. There are no material changes to the Co-Development Agreement as it relates to AID, which have been previously disclosed to ASX.

Co-Development of NGPDT:

(i) The parties agree to jointly develop the NGPDT in relation to AID and Cancer Indications (together, the "**Indications**")–, including for diagnosis and treatment of the Indications, for the Territory on the terms and conditions of this Agreement.

(ii) Any joint development activities ("**Development Activities**") will be determined by a steering committee and each party will carry out their respective obligations in accordance with the Work Program.

(iii) Invion and RMW will make contributions toward the joint development of the NGPDT, including that: (A) RMW will contribute intellectual property rights in the NGPDT ("**NGPDT IP**") on the terms set out in the Co-Development Agreement; (B) Invion will pay to RMW or its nominee an amount of $5 million within 5 business days of the date on which the Conditions Precedent are satisfied, as a contribution towards the development of the NGPDT intellectual property as it relates to the Cancer Indications and the Territory, having regard to past contributions made by RMWCG; (C) Invion and RMW will each continue to contribute to the Development Activities for Cancer Indications in the Territory, with such Development Activities to be at the cost of Invion.

(iv) The contributions of the parties may be reviewed by the steering committee at least once every year and the parties agree to use good faith to negotiate any appropriate changes to the proportion of contributions as applicable on the terms of the Co-Development Agreement.

Exclusive distribution and licence:

(v) In consideration of the contributions made by Invion for the joint development of the NGPDT under the Co-Development Agreement, RMW agrees to grant an exclusive licence to use NGPDT IP (including any improvements thereof) and any inventions in connection with the NGPDT IP owned by RMW, and to distribute NGPDT products and procedures, in relation to the Cancer Indications in the Territory on the terms and conditions of the Exclusive Distribution and Licence Agreement– Cancer.

Intellectual property warranties and indemnity by RMW

(vi) RMW has given customary warranties and indemnities in relation to the NGPDT IP on terms that are customary for transactions of this nature.

Term and termination

(vii) The Co-Development Agreement continues until terminated by written notice where:

A. a party breaches any material term and either the breach is not capable of remedy, or the party in breach fails to remedy the breach within 30 business days after receipt of a notice from the non-defaulting party requiring the breach to be remedied; or

B. a party is affected by an insolvency event.

Reimbursement to Invion

(viii) If either the Co-Development Agreement, the Exclusive Distribution and Licence Agreement – AID or the Exclusive Distribution and Licence Agreement – Cancer is terminated, and Invion is unable to obtain the benefits commensurate to its contributions as contemplated under the Co-Development Agreement, including where the NGPDT is unable to be commercialised by Invion in the Territory (or any part of the Territory), then RMW agrees to pay to Invion an amount for compensation for its contributions made under this Agreement.

Exclusive Distribution and Licence Agreement – Cancer

The key terms of the Exclusive Distribution and Licence Agreement – Cancer are summarised below:

Conditions Precedent:

(a) The performance of the Deed of Amendment and Restatement is subject to and conditional upon:

(i) The execution of the Deed of Amendment and Restatement by Invion and RMWCG; and

(ii) The satisfaction of each of the conditions precedent in the Deed of Amendment and Restatement.

Licence and appointment

(b) RMW:

(i) appoints Invion as its exclusive distribution of the NGPDT products and procedures for the Cancer Indications in the Territory; and

(ii) grants to Invion an an exclusive, perpetual, royalty free licence to Use the NGPDT IP (including any improvements to the NGPDT IP) and any inventions in connection with NGPDT owned by RMW in relation to the Cancer-Indications in the Territory.

Obligations and warranties

(c) Invion and RMW have agreed to certain obligations, and to give certain representations and warranties, that are customary for transactions of this nature.

Intellectual property warranties and indemnity by RMW

(d) RMW has given customary warranties and indemnities in relation to the NGPDT IP on terms that are customary for transactions of this nature.

Option and right of first refusal

(e) Invion has granted RMW an option to acquire the exclusive distribution and licence rights for the territory of Hong Kong granted under the Exclusive Distribution and Licence Agreement – Cancer for fair market value to be either mutually agreed or determined by two independent experts (one appointed by each party) in accordance with the Exclusive Distribution and Licence Agreement – Cancer, with each party bearing the cost of its own independent expert.

(f) RMW has granted Invion a right of first refusal to acquire the rights to distribute NGPDT products and procedures and obtain a licence to the NGPDT IP for the Cancer Indications for the territory of Japan and Korea. RMW has agreed not to enter into any agreement to licence any or all of the NGPDT IP or grant distribution rights in respect of the NGPDT products or procedures to any third party in relation to the Cancer Indications for these territories unless it has first given notice in writing to Invion setting out all material terms on which the licence is propose to be granted and offering those same terms to Invion, and Invion will have a 20 business day period to accept the offer.

Sub-licences

(g) Invion has the right to negotiate with third parties and grant sub-licences within the Territory on the conditions set out in the Exclusive Distribution and Licence Agreement – Cancer.

Term and termination:

(h) The Exclusive Distribution and Licence Agreement – Cancer continues until terminated by notice where:
   (i) a party breaches any material term and either the breach is not capable of remedy, or the party in breach fails to remedy the breach within 30 business days after receipt of a notice from the non-defaulting party requiring the breach to be remedied; or
   (ii) a party is affected by an insolvency event.

17 December 2021

The Independent Directors
Invion Limited
Level 4, 100 Albert Road
SOUTH MELBOURNE VIC 3205

Dear Directors

Re: Independent Expert's Report

1. Introduction

The Independent Directors of Invion Limited ("**Invion**" or "**IVX**" or the "**Company**") have requested PKF Melbourne Corporate Pty Ltd ("**PKF Corporate**") to prepare an Independent Expert's Report ("**IER**") in respect of a proposed transaction that would see the Company enter into an agreement with RMW Cho Group Limited ("**RMW**") to expand the existing Co-Development Agreement and enter into a new Exclusive Licence and Distribution Agreement (referred to as the "**Proposed Transaction**").

RMW is a company incorporated in Hong Kong and, along with its affiliates, is focused on acquiring, holding and implementing proprietary technologies and exclusive licenses for ground-breaking developments in the areas of medicine and other patented and uniquely profitable technologies. RMW and its affiliates are the licensor of the Photosoft™ technology and are funding the research and clinical trials in respect of this technology.

RMW Cho Health Technology ("**RCHT**") is an associate of RMW and is also a company incorporated in Hong Kong as an investment vehicle comprising high-net-worth individuals and sophisticated investors.

Mr Honsue (Michael) Cho is the founder of RMW and through his controlled entities holds a relevant interest representing 22.89% of the voting power in Invion (the "**Cho Associates**").

Mr Thian Chew, the Chairman and Chief Executive Officer of Invion is also the Managing Partner of Polar Ventures Limited, which is considered to be an associate of RMW and Mr Cho.

The Australian Securities Exchange (ASX) Listing Rule 10.1 requires that a company obtain shareholder approval at a general meeting when the acquisition of a substantial asset is made from a related party or a shareholder holding shares in at least 10% of the company's voting securities. As the Cho Associates hold more than 10% of the Company's issued capital, they are considered to be related parties of Invion. Accordingly, ASX Listing Rule 10.1 requires that the Company obtain shareholder approval for the Proposed Transaction.

2. The Proposed Transaction

2.1 Summary of the Proposed Transaction

Invion recently entered into a Co-Development Agreement and Exclusive Distribution and Licence Agreement with RMW to co-develop the Photosoft™ technology, an improved next generation Photodynamic Therapy ("**PDT**" or "**NGPDT**") (referred to as the "**Technology**"), in relation to atherosclerosis and infectious diseases and to gain exclusive distribution rights in specified countries within the Asia Pacific region.

On 16 November 2021, Invion announced that it had entered into an agreement to expand the existing Co-Development Agreement and also entered into a new Exclusive Licence and Distribution Agreement with RMW (the "**Proposed Commercial Agreement**").

Under the Proposed Commercial Agreement, Invion will co-develop the Technology for cancer and related diseases (collectively referred to as the "**Indications**") in Asia Pacific which includes all Asia Pacific countries excluding China (other than Hong Kong, which is included in the Territory), Macau, Taiwan, Japan and South Korea (the "**Territory**").

The Proposed Commercial Agreement consists of the following, among other things:

- Invion will gain exclusive distribution rights to the Technology in the Territory for the Indications;
- RMW will contribute its existing intellectual property and know-how in relation to the Technology for the Indications. Invion will pay RMW an amount of AU$5.0 million as its contribution to the development costs of the Technology in relation to the Indications;
- Future pre-clinical and clinical trial work for the Indications in the Territory will be funded by Invion at its election;
- Invion will have a right of first refusal over new territories of Japan and South Korea if RMW proposes to grant distribution rights to the Technology for the Indications to a third party; and
- RMW has an option to acquire the distribution rights granted to Invion over the territory of Hong Kong for the Indications at fair market value.

Under an existing agreement, Invion has exclusivity to co-develop the Technology for cancer and related diseases in Australia and New Zealand and RMW will continue funding Invion's research and development activities under this agreement.

On 22 November 2021, Invion completed a placement to raise approximately AU$12 million before costs from eligible sophisticated and institutional investors (the "**Placement**"). Invion also undertook a Share Purchase Plan ("**SPP**") raising approximately AU$137,500 from existing eligible shareholders.

Subject to Invion obtaining shareholder approval for the Proposed Transaction, AU$5 million from the funds raised from the Placement and the SPP will be used to satisfy the consideration payable by Invion as part of the Proposed Transaction and further funds will be contributed to, amongst other things, pre-clinical and clinical trials in the Territory granted for treatment of cancer and related diseases.

2.2 Proposed Resolutions to be Approved by Shareholders

Invion is seeking shareholder approval at the forthcoming General Meeting ("**EGM**"). The Notice of General Meeting (the "**Notice**") requires the shareholders to vote on the following ordinary resolutions:

Resolution 1: Approval to acquire a licence and distribution rights to NGPDT from RMW Cho Group Limited

"That, for the purpose of ASX Listing Rule 10.1 and for all other purposes, approval be given for the Company to acquire a licence and distribution rights to NGPDT from RMW Cho Group Limited on the terms and conditions of the Deed of Amendment and Restatement and the Exclusive Licence and Distribution Agreement-Cancer, as detailed in the Explanatory Memorandum."

Resolution 2: Ratification of prior issue of Placement Shares, of Placement Options and Broker Options

"To ratify, for the purpose of ASX Listing Rule 7.4 and for all other purposes:

(a) the issue of 545,454,546 fully paid ordinary shares on 22 November 2021 to professional and sophisticated investors, at an issue price of $0.022 (2.2 cents) per share, as detailed in the Explanatory Memorandum;

(b) the issue of 272,727,273 options (exercisable at 0.04 on or before 18 months from issue) for participants in the Placement, as detailed in the Explanatory Memorandum; and

(c) the issue of 30,000,000 options (exercisable at 0.04 on or before 18 months from issue) for broker services rendered, as detailed in the Explanatory Memorandum."

We have been requested to provide an opinion on whether Resolution 1 is fair and reasonable to the Non-Associated Shareholders and we have referred to this as the 'Proposed Transaction' in the balance of this report.

3. Summary opinions

In our opinion, the Proposed Transaction is **fair and reasonable to the Non-Associated Shareholders**. Our principal reasons for reaching this opinion are:

Fairness

- In Section 7 of this report, we assessed the value of the Proposed Commercial Agreement that Invion may acquire to be in a range of AU$6.5 million to AU$9.8 million. It should be noted that the value of the Proposed Commercial Agreement that Invion may acquire does not include any values that may be gained by Invion that are contingent on the occurrence of future events as these values are not able to be assessed at this point in time;

- Under the Proposed Transaction, the value of the consideration being offered by Invion is AU$5.0 million. It should be noted that the consideration being offered by Invion excludes any future contributions or payments as such amounts are not able to be assessed at this point in time; and

- As the value of the Proposed Commercial Agreement that Invion may acquire (**AU$6.5 million to AU$9.8 million**) is greater than the consideration being offered by Invion (**AU$5.0 million**), we have concluded that the Proposed Transaction is **fair**.

Reasonableness

The reasons for assessing the Proposed Transaction as **reasonable** are:

Advantages

- In Section 9 of this report, we assessed the Proposed Transaction as being fair.

- If Shareholders approve the Proposed Transaction and all other conditions precedent are met, this will expand Invion's addressable markets for utilisation of the Technology for the Indications beyond Australia and New Zealand (currently held under existing agreements). Accordingly, Invion's access to a larger market in which the Technology can be utilised for those Indications may add further market confidence and may be value accretive to Invion. This may be attractive to new investors and may result in greater coverage by analysts, resulting in greater liquidity of the market in Invion's shares.

- Assuming research and development activities with respect to the Proposed Commercial Agreement are advanced and the research and development activities are commercially successful, there may be significant upside for Invion shareholders. Invion's efforts to advance the utilisation of the Technology for the Indications in the Territory may complement its existing research and development efforts in Australia and New Zealand under existing agreements.

- If Shareholders do not approve the Proposed Transaction, this may adversely impact the commercial relationship between Invion and RMW as well as the existing co-develop agreements currently being progressed and, as such, may adversely impact Invion's business and existing prospects in respect to the advancement of the Technology for the relevant indications. If Shareholders do not approve the Proposed Transaction, this may also discourage RMW from continuing to support the future developments (technical expertise and funding support) under the existing agreements as well as any new business opportunities. Accordingly, this may reduce market confidence which may adversely impact shareholder value for Invion's shareholders.

4. Structure of this report

The remainder of this report is divided into the following sections:

5. Purpose of the report

This report has been prepared to meet the following regulatory requirements:

- **ASX Listing Rules 10.1 and 10.2**

  Listing Rules 10.1 and 10.2 require a company to obtain shareholder approval at a general meeting when the disposal or acquisition of a substantial asset, which has a value in excess of 5% of the shareholders' funds, as set out in the latest financial statements given to the ASX, is to be made to or from:

  (a) a related party;

  (b) a subsidiary;

  (c) a substantial shareholder who is entitled to at least 10% of the voting securities, or a person who was a substantial shareholder entitled to at least 10% of the voting securities at any time in the 6 months before the transaction;

  (d) an associate of a person referred to in paragraphs (a), (b) or (c) above; or

  (e) a person whose relationship to the entity or a person referred to above is such that, in the ASX's opinion, the transaction should be approved by security holders.

  As

  - RMW is controlled by Mr Honsue Cho who is an associate of the Cho Associates;
  - the Cho Associates hold more than 10% of the Ordinary Shares in Invion; and
  - as the consideration which Invion has agreed to pay under of the Proposed Transaction of AU$5.0 million exceeds 5% of the equity interest of Invion as set out in the latest financial statements given to the ASX (5% x total equity of AU$4.79 million as at 30 June 2021 = AU$239,500);

  Listing Rule 10.1 will apply to the Proposed Transaction.

- **ASIC Regulatory Guides**

  This report has been prepared in accordance with the ASIC Regulatory Guides and more particularly:

  RG 111 – Content of Expert Reports ("RG111")

  RG 111.55 Generally, ASIC expects an expert who is asked to analyse a related party transaction to express an opinion on whether the transaction is 'fair and reasonable' from the perspective of non-associated members. This analysis is specifically required where the report is also intended to accompany meeting materials for member approval of an asset acquisition or disposal under ASX Listing Rule 10.1.

  RG 111.53 When analysing related party transactions, it is important that an expert focuses on the substance of the related party transaction, rather than the legal mechanism. For example, where a related party transaction is made up of a number of separate components, the expert should consider the overall effect of the related party transaction.

  RG 111.56 Where an expert assesses whether a related party transaction is 'fair and reasonable' (whether for the purposes of Ch 2E or ASX Listing Rule 10.1), this should not be applied as a composite test – that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal, as we do not consider this provides members with sufficient valuation information. See Regulatory Guide 76 Related Party Transactions (RG 76) at RG 76.106 – RG 76.111 for further details.

RG 111.57 A proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made:

(a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and

(b) for control transactions, on the basis referred to in RG 111.11.

RG 111.58 Where the proposed transaction consists of an asset acquisition by the entity, it is 'fair' if the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired. Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity's securities should be compared to the value of the securities it is purchasing.

- **General**

The terms "fair" and "reasonable" are not defined in the Act, however, guidance as to the meaning of these terms is provided by ASIC in Regulatory Guide 111. For the purpose of this report, we have defined them as follows:

Fairness	the Proposed Transaction is "fair" if the value of the Proposed Commercial Agreement that Invion may acquire is equal to or greater than the consideration being offered by Invion.
Reasonableness	the Proposed Transaction is "reasonable" if it is fair. It may also be "reasonable" if, despite not being "fair" but after considering other significant factors, we consider that the advantages of proceeding with the Proposed Transaction outweigh the disadvantages of proceeding.

What is fair and reasonable for the Non-Associated Shareholders should be judged in all the circumstances of the proposal.

The methodology that we have used to form an opinion as to whether the Proposed Transaction is fair and reasonable, is summarised as follows:

(i) In determining whether the Proposed Transaction is fair, we have:

- assessed the value of the Proposed Commercial Agreement to be acquired by Invion;
- assessed the value of the considering being offered by Invion; and
- compared the value of the Proposed Commercial Agreement to be acquired by Invion with the value of the consideration being offered by Invion.

(ii) In determining whether the Proposed Transaction is reasonable, we have analysed other significant factors that the Non-Associated Shareholders should review and consider prior to accepting or rejecting the Proposed Transaction.

6. Invion - key information

6.1 Background

6.1.1 Invion is an Australian pre-clinical stage life sciences company that is focused on the global research and development of the Technology for the treatment of a range of cancers, atherosclerosis and infectious diseases. Under the current agreements, Invion holds the Australia and New Zealand licence rights to the Technology for all cancer indications and in Asia Pacific (excluding Greater China) for atherosclerosis and infectious diseases.

6.1.2 Invion is developing the Technology as an improved next generation Photodynamic Therapy (**PDT**). PDT uses non-toxic photosensitisers and visible light in combination with oxygen to produce cytotoxic-reactive oxygen that kills malignant cells, shuts down tumours and stimulates the immune system. PDT is less invasive and a potential alternative to surgery and treatment via radiotherapy and chemotherapy. Under the current agreements, RMW and its affiliates will continue to fund research and clinical trials relating to cancer-related treatments and part fund related costs for atherosclerosis and infectious diseases.

6.1.3 In addition to the above, Invion has several research and development agreements and partnerships in place. These include:

- **Research agreement with Peter MacCallum Cancer Centre ("Peter Mac")**

  Under this agreement Peter Mac will undertake pre-clinical and in-vitro studies on Invion's IVX-PDT Photodynamic therapy for ano-genital cancers.

- **Research and Development Services Agreement and Manufacturing and Supply Agreement with Guilin Pavay Biotechnology Co., Ltd ("Pavay Biotech")**

  Under these agreements, held by Invion's wholly-owned subsidiary, EpiTech Dermal Science Pty Ltd ("**EpiTech**"), EpiTech will manage the research, development and production specifications for the supply of Australian-made dermatological ingredients that will be used in the formulation of dermatology products to be manufactured by Pavay Biotech and test-marketed to Chinese consumers. Currently, EpiTech is a licensee of the Technology however this is on a non-exclusive basis for use with respect to photoactive products or ingredients provided for cosmetic (non-medical) human and for veterinary use. Epitech does not own any intellectual property and is selling raw material to Pavay in support of Pavay's research and development initiatives.

- **Research partnership with Hudson Institute of Medical Research ("Hudson Institute")**

  Invion has filed a provisional patent in respect of a new Active Pharmaceutical Ingredient (**API**), called 'INV043', and initial tests have been caried out by the Hudson Institute to study its effect on immune response as well as exploring its potential to work together with other therapies.

  On 28 and 29 October 2021, Invion made announcements to the ASX in respect to the results of the latest Proof-of-Concept (**POC**) studies undertaken by Hudson Institute. Under the POC testing a pilot study used INV043 to treat immunocompetent mice that had been implanted with triple negative breast cancer (**TNBC**). The results demonstrated that PDT using INV043 completely regressed the tumour and appeared to have triggered an immune response that subsequently prevented the recurrence of TNBC.

6.2 Directors

Invion's Board of Directors and other key executives at the date of this report are presented in the table below.

Table 1

Invion Limited Board of Directors
Mr Thian Chew (Executive Chairman and CEO)
Mr Alan Yamashita (Non-Executive Director)
Mr Robert Merriel (Non-Executive Director)
Mr Alistair Bennallack (Non-Executive Director)

Source: ASX

6.3 Issued capital

6.3.1 As at the date of this report, Invion had on issue 6,416,513,644 fully paid Ordinary Shares. The top five major shareholders and their associates of Invion as at 15 December 2021 are presented in the table below and they held approximately 44.5% of the issued ordinary capital of Invion.

Table 2

Invion Limited Shareholder name	Number of shares held	Percentage interest
Honsue Cho and associates		
Polar Ventures Limited	546,857,721	8.52%
RMW Cho Health Technology Limited	321,428,571	5.01%
Mr Honsue Cho	284,626,482	4.44%
RMWC Pty Ltd	314,547,156	4.90%
	1,467,459,930	22.87%
Shengli Wang and associated entities	681,440,371	10.62%
ACSLNC Pty Ltd	267,250,000	4.17%
BNP Paribas Nominees Pty Ltd	240,075,092	3.74%
Yong Chen	200,000,000	3.12%
	2,856,225,393	44.51%

Source: ASX, Invion

6.3.2 Invion has 284,981,422 listed Options on issue that are convertible into Ordinary Shares of Invion which are exercisable at AU$0.040 per option and expire 18 months from their issue date of 17 December 2021.

6.3.3 Invion also has 422,349,194 unlisted Options on issue that are convertible into Ordinary Shares of Invion. We have presented the terms of these securities in the table below.

Table 3

Invion Limited Options	Total number	Exercise price	Expiry date
Unlisted options	199,434,882	AU$0.0300	12-Feb-23
Unlisted options	2,725,761	AU$0.0200	30-Oct-23
Unlisted options	15,928,570	AU$0.0200	01-Jul-24
Unlisted options	20,443,211	AU$0.0172	31-Aug-24
Unlisted options	20,443,211	AU$0.0177	22-Oct-24
Unlisted options	2,725,762	AU$0.0106	31-Oct-24
Unlisted options	19,179,832	AU$0.0000	31-Oct-24
Unlisted options	138,488,557	AU$0.0170	23-Sep-25
Unlisted options	2,979,408	AU$0.0000	31-Oct-25
	422,349,194		

Source: ASX

7. Proposed Commercial Agreement - key information

7.1 Background

7.1.1 The Proposed Commercial Agreement comprises of a co-development agreement and an exclusive distribution and licencing agreement between RMW and Invion to co-develop the Technology for the treatment of the Indications. Invion will expand its existing rights in respect to the application of the Technology for the treatment of the Indications in the Territory.

7.1.2 Further detailed information in relation to the Proposed Commercial Agreement is provided in Section 2.1 of this report as well as the Acuity Technology Management Pty Ltd[1] ("**Acuity**") Independent Valuation Report (see Attachment 1 to this report).

8. Assessment of the value of the Proposed Commercial Agreement to be acquired by Invion

8.1 Value definition

PKF Corporate's valuation of the Proposed Commercial Agreement to be acquired by Invion is on the basis of 'fair market value', defined as:

'the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information, in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length'.

8.2 Valuation methodologies

In selecting appropriate valuation methodologies, we considered the applicability of a range of generally accepted valuation methodologies. These included:

- share price history;
- capitalisation of future maintainable earnings;
- net present value of future cash flows;
- asset based methods;
- comparable market transactions; and
- alternate acquirer.

[1] Acuity specializes in the appraisal and valuation of IP and knowledge-based intangible assets. Acuity has experience in valuing technologies, projects and businesses in a diversity of industries including medical and life sciences.

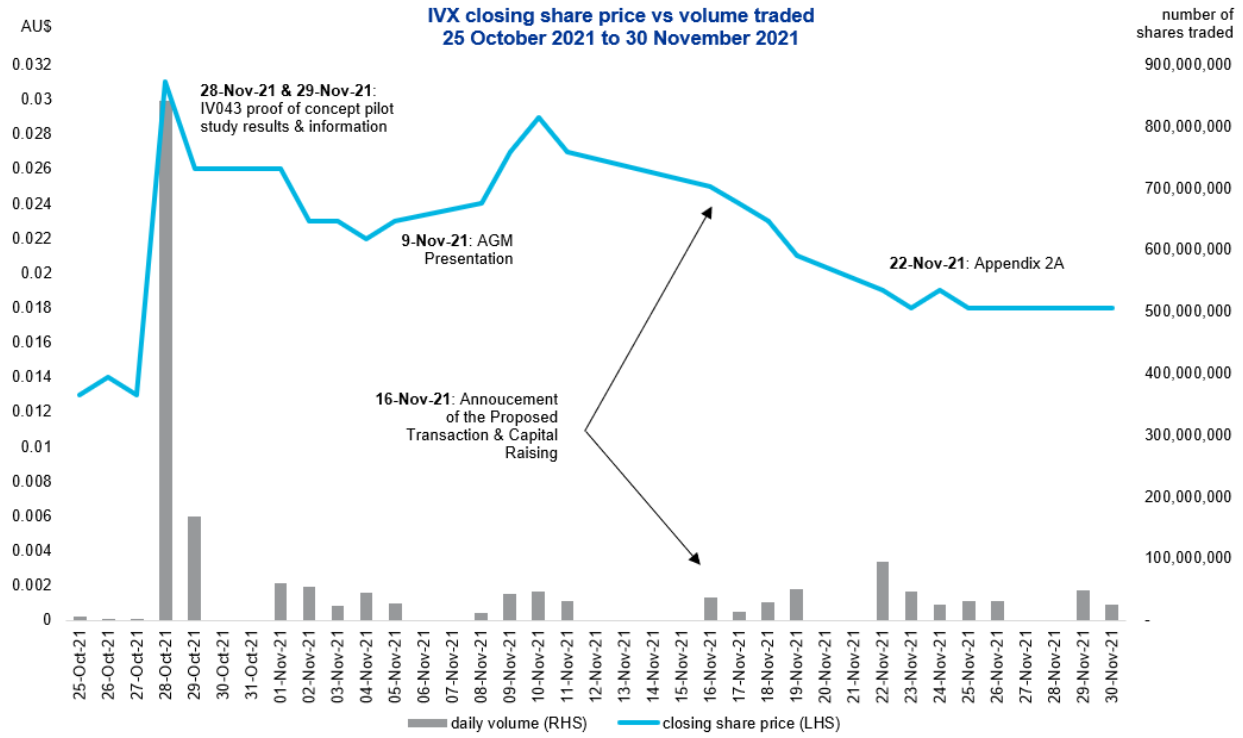
8.3 Share price history

8.3.1 The share price history valuation methodology values a company based on the past trading in its shares. We normally analyse the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of any proposed transaction.

8.3.2 Whilst it is not possible to value the Proposed Commercial Agreement being acquired by reference to the share price history of Invion, as the Proposed Transaction was announced on the ASX on 16 November 2021, following a trading halt on 12 November 2021, the share market has had an opportunity to evaluate the Proposed Transaction.

8.3.3 We have set out below a graph showing the daily closing share price and volume of Invion shares before and after the announcement of the Proposed Transaction.

Graph 1



Source: ASX, PKF Corporate analysis

8.3.3 As can be seen from the graph above, Invion's share price traded lower immediately following the announcement of the Proposed Transaction and capital raising on 16 November 2021 closing at AU$0.025 per share. The closing share price prior to the trading halt in respect to the Proposed Transaction was AU$0.027. Although Invion's share price has traded lower since the announcement of the Proposed Transaction, we consider that the share price has been impacted by the capital raising as it was completed at an issue price of AU$0.022 per share. Prior to the quotation of the new shares under the Placement on 22 November 2021, Invion's share price closed at AU$0.021 and subsequently traded lower. We consider that this may be as a result of new investors from the Placement selling their shares as the Invion share price was trading below the issue price under the capital raising.

8.3.4 Whilst it is not possible to place a value on the Proposed Commercial Agreement being acquired by Invion by reference to the share price, there is evidence that the share market has neither viewed the Proposed Transaction as materially favourable or unfavourable for the Invion shareholders at this point in time.

8.4 Capitalisation of future maintainable earnings

8.4.1 Capitalisation of earnings is a method commonly used for valuing manufacturing and service companies and, in our experience, is the method most widely used by purchasers of such businesses. This method involves capitalising the earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits. There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax. Another common method is to use Earnings Before Interest and Tax, or EBIT. One advantage of using EBIT is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

8.4.2 As the Proposed Commercial Agreement relates to distribution rights of a technology that is at a research and development stage, we consider that the capitalisation of maintainable earnings methodology is not an appropriate methodology to use to value the Proposed Commercial Agreement to be acquired by Invion.

8.5 Net present value of future cash flows

8.5.1 An analysis of the net present value of the projected cash flows of a business and/or asset (or discounted cash flow technique) is based on the premise that the value of the business and/or asset is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value of the business and/or asset remaining at the end of the forecast period.

8.5.2 This valuation methodology has been utilised by Acuity in forming its opinion of the value of the Proposed Commercial Agreement. A fully copy of the Acuity Independent Valuation Report is set out as Attachment 1 to this report.

8.5.3 Acuity has ascribed a preferred value of AU$8.2 million to the Proposed Commercial Agreement with a low and high valuation range of AU$6.5 million and AU$9.8 million. This valuation range has been translated from US dollars to Australian dollars using a foreign currency exchange rate of AU$1.00 to US$0.73 which we have reviewed and represents the average spot rate of the Australian dollar against the US dollar over the more recent months. As the provision of a single value does not appropriately reflect the uncertainty inherent in any valuation, we have adopted the low and high valuation range provided by Acuity.

8.5.4 Acuity has not placed any value on any benefits that may be gained by Invion in accordance with future contributions under the Proposed Commercial Agreement as their commercial value cannot be objectively assessed.

8.6 Asset based methods

8.6.1 This methodology is based on the realisable value of a company's identifiable net assets. If shareholders approve the Proposed Transaction, the Proposed Commercial Agreement will be an identifiable asset of Invion. Accordingly, the underlying value of the Proposed Commercial Agreement can be assessed in accordance with the Acuity Independent Valuation Report set out under the net present value of future cash flows methodology.

8.7 Comparable market transactions

8.7.1 Industry specific methods estimate market values using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an asset than other valuation methods because they may not account for specific factors.

8.7.2 As the Proposed Commercial Agreement is exclusive to Invion and specific to the Indications for the Territory there are no directly comparable market transactions for such an agreement and, as such, we have not used the comparable market transaction valuation methodology to value the Proposed Commercial Agreement.

8.8 Alternate acquirer

8.8.1 The value that an alternative offeror may be prepared to pay to acquire an interest in the Proposed Commercial Agreement is a relevant valuation methodology to be considered.

8.8.2 We are not aware of any alternative proposals received to acquire the Proposed Commercial Agreement and we can see no reason as to why an offer would be initiated at this time.

8.9 Conclusion

8.9.1 Under the net present value of future cash flows methodology, we have concluded that the value of the Proposed Commercial Agreement that Invion may acquire, if shareholders approve the Proposed Transaction, is based on the valuation range derived from the Acuity Independent Valuation Report of AU$6.5 million to AU$9.8 million.

8.9.2 We have not placed any value on any benefits that may be gained by Invion in accordance with:

- the future contributions under the Proposed Commercial Agreement;
- its right of first refusal over new territories of Japan and South Korea if RMW proposes to grant distribution rights to the Technology for the Indications to a third party; and
- RMW's option to acquire the distribution rights granted to Invion over the territory of Hong Kong for the Indications at fair market value;

as they are conditional on the timing and actual occurrence of unknown future events and, as such, their commercial value cannot be objectively assessed.

9. Assessment as to Fairness

9.1 The Proposed Transaction is "fair" if the value of the Proposed Commercial Agreement that Invion may acquire is equal to or greater than the consideration being offered by Invion.

9.2 In Section 7 of this report, we assessed the value of the Proposed Commercial Agreement that Invion may acquire to be in a range of AU$6.5 million to AU$9.8 million. It should be noted that the value of the Proposed Commercial Agreement that Invion may acquire does not include any values that may be gained by Invion that are contingent on the occurrence of future events as these values are not able to be assessed at this point in time.

9.3 Under the Proposed Transaction, the value of the consideration being offered by Invion is AU$5.0 million. It should be noted that the consideration being offered by Invion excludes any future contributions or payments as such amounts are not able to be assessed at this point in time.

9.4 As the value of the Proposed Commercial Agreement that Invion may acquire (**AU$6.5 million to AU$9.8 million**) is greater than the consideration being offered by Invion (**AU$5.0 million**), we have concluded that the Proposed Transaction is **fair**.

10. Assessment as to Reasonableness

10.1 Prior to deciding whether to approve or reject the Proposed Transaction, the shareholders of Invion should also consider the following significant factors:

Advantages

- In Section 9 of this report, we assessed the Proposed Transaction as being fair.
- If Shareholders approve the Proposed Transaction and all other conditions precedent are met, this will expand Invion's addressable markets for utilisation of the Technology for the Indications beyond Australia and New Zealand (currently held under existing agreements). Accordingly, Invion's access to a larger market in which the Technology can be utilised for those Indications may add further market confidence and may be value accretive to Invion. This may be attractive to new investors and may result in greater coverage by analysts, resulting in greater liquidity of the market in Invion's shares.
- Assuming research and development activities with respect to the Proposed Commercial Agreement are advanced and the research and development activities are commercially successful, there may be significant upside for Invion shareholders. Invion's efforts to advance the utilisation of the Technology for the Indications in the Territory may complement its existing research and development efforts in Australia and New Zealand under existing agreements.
- Under the Proposed Commercial Agreement, Invion has a right of first refusal over new territories of Japan and South Korea if RMW proposes to grant distribution rights to the Technology for the Indications to a third party. Accordingly, this provides Invion with an opportunity to expand the addressable markets beyond the Territory for the Indications and this may add further market confidence and provide additional shareholder value for Invion's shareholders.

Disadvantages

- There is a high degree of risk in entering into commercial agreements as the obligations of the other parties may not be completed due to an incapacity to fulfill their contractual obligations and/or disagreements on research and development programs in particular the future contributions between Invion and RMW under the Proposed Commercial Agreement.

Other factors

- In Section 8.3 of this report, we analysed the share price of Invion before and after the announcement of the Proposed Transaction. We observed that there is evidence that the share market has neither viewed the Proposed Transaction as materially favourable or unfavourable for the Invion shareholders.

- If Shareholders do not approve the Proposed Transaction, this may adversely impact the commercial relationship between Invion and RMW as well as the existing co-develop agreements currently being progressed and, as such, may adversely impact Invion's business and existing prospects in respect to the advancement of the Technology for the relevant indications. If Shareholders do not approve the Proposed Transaction, this may also discourage RMW from continuing to support the future developments (technical expertise and funding support) under the existing agreements as well as any new business opportunities. Accordingly, this may reduce market confidence which may adversely impact shareholder value for Invion's shareholders.

- If Shareholders do not approve the Proposed Transaction, Invion will have an additional AU$5 million in cash resources to advance the Technology under its existing agreements. However, Invion's advancement of the Technology specific to the Indications will be limited to the rights under the existing agreement for Australia and New Zealand only.

- Under the Proposed Commercial Agreement, RMW has an option to acquire the distribution rights granted to Invion over the territory of Hong Kong for the Indications at fair market value. Accordingly, should RMW exercise its option this may provide Invion with an immediate liquidity event and the receipt of cash consideration.

- As the Proposed Commercial Agreement is a licensing agreement, RMW as licensor of the Technology will continue to own any improvements to the Technology irrespective of Invion's contribution to such improvements. However, as an exclusive licensee of the Technology any improvements to the Technology may continue to be beneficial to Invion for the Indications in the Territory as well as for those indications in the territory covered under existing agreements between Invion and RMW.

10.2 Based on the above, we consider that the advantages of the Proposed Transaction outweigh the disadvantages of the Proposed Transaction, and for this reason, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Invion.

11. Assessment as to Fairness and Reasonableness

After considering the above matters, we have concluded that the Proposed Transaction is **fair and reasonable to the Non-Associated Shareholders**.

12. Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

12.1 PKF Corporate

PKF Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

12.2 Financial Services Offered by PKF Corporate

PKF Corporate prepares reports commissioned by a company or other entity ("**Entity**"). The reports prepared by PKF Corporate are provided by the Entity to its members.

All reports prepared by PKF Corporate include a description of the circumstances of the engagement and of PKF Corporate's independence of the Entity commissioning the report and other parties to the transactions.

PKF Corporate does not accept instructions from retail investors. PKF Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. PKF Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

12.3 General Financial Product Advice

In the report, PKF Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

12.4 Independence

At the date of this report, none of PKF Corporate, Mr Steven Perri, Mr Paul Lom nor Mr Stefan Galbo have any interest in the outcome of the Proposed Transaction, nor any relationship with Invion, RMW, RCHT and associated entities or any of their directors.

On 18 August 2021, PKF Corporate prepared an Independent Expert Report for Invion in respect to a Co-Development Agreement and Exclusive Distribution and Licence Agreement entered into between Invion and RMW and a Placement Agreement entered into between Invion and RCHT.

Drafts of this report were provided to and discussed with the management of Invion and its advisers. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology, valuations or conclusions that have been formed by PKF Corporate.

PKF Corporate and its related entities do not have any shareholding in or other relationship with Invion that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

PKF Corporate had no part in the formulation of the Proposed Transaction. Its only role has been the preparation of this report.

PKF Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

12.5 Remuneration

PKF Corporate is entitled to receive a fee of approximately AU$18,000 for the preparation of this report. With the exception of the above, PKF Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

12.6 Complaints Process

As the holder of an Australian Financial Services Licence, PKF Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement PKF Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

PKF Corporate is also required to have a system for handling complaints from persons to whom PKF Corporate provides financial services. All complaints should be in writing and sent to the Complaints Officer, PKF Corporate at level 12, 440 Collins Street, Melbourne Vic 3000.

PKF Corporate will make every effort to resolve a complaint within 45 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

PKF Melbourne Corporate Pty Ltd

Steven Perri
Director

Paul Lom
Director

Invion Limited

Sources of Information

The key documents we have relied upon in preparing this report are:

- Invion's Annual Report – 30 June 2021;
- Exclusive distribution and licensing agreement between RMW Cho Group Limited and Invion Limited dated November 2021;
- Deed of amendment and restatement between RMW Cho Group Limited and Invion Limited dated November 2021;
- Invion's draft resolution relating to the Proposed Transaction for the purpose of the Notice of General Meeting and Explanatory Memorandum;
- Acuity Independent Valuation Report dated December 2021;
- Research data from publicly accessible web sites in particular Invion's ASX announcements; and
- Discussions with the management of Invion.

Invion Limited

Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the Directors of Invion Limited pursuant to Chapter 10 of the ASX listing rules to accompany the notice of meeting of shareholders to approve the Proposed Transaction. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is fair and reasonable.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

2. Qualifications

Mr Steven Perri, director of PKF Corporate, and Mr Stefan Galbo, prepared this report. They have been responsible for the preparation of expert reports and are involved in the provision of advice in respect of valuations, takeovers, capital reconstructions and reporting on all aspects thereof.

Mr Perri is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

Mr Galbo is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

Mr Paul Lom, a director of PKF Corporate reviewed this report. Mr Lom is a Fellow of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist) with more than 35 years experience in the accounting profession. He was a partner of KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe.

3. Consent

PKF Corporate consents to the inclusion of this report in the form and context in which it is included in the Explanatory Memorandum.

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acuity
TECHNOLOGY MANAGEMENT

17 December 2021

The Directors
PKF Melbourne Corporate Pty Ltd
Level 12, 440 Collins Street
Melbourne, VIC 3000

Dear Directors

Independent Valuation Report - Invion Limited

Extended Cancer Territory

At your request we have prepared a valuation of the commercial distribution rights as will be made available to Invion Limited ("Invion" or the "Company") by RMW Cho Group Limited ("RMWCG") under a Proposed Exclusive Distribution and Licence Agreement ("Proposed Agreement") to be voted on by shareholders at a Meeting of Shareholders to be held on 19 January 2022. The Proposed Agreement will, amongst other matters, extend the exclusive distribution of Photosoft™ for the treatment of cancer and related diseases in the Asia Pacific Region ("Cancer Territory").

PKF Melbourne Corporate Pty Ltd ("PKF Corporate") has been retained by Invion to prepare an Independent Expert's Report ("IER") for the benefit of the shareholders of Invion to vote their acceptance of terms associated with the adoption of the Proposed Agreement. PKF Corporate has in turn sought guidance from Acuity Technology Management Pty Ltd ("Acuity") on the fair valuation of the distribution rights in the Cancer Territory.

Invion is a Melbourne-based, Australian Securities Exchange-listed company conducting research into the use of Photo Dynamic Therapy ("PDT") as a therapeutic modality for treating cancer. RMWCG owns extensive intellectual property and knowhow related to the development of proprietary PDT technologies such as reagents, equipment, techniques and protocols, which it refers to as Next Generation PDT ("NGPDT") or Photosoft™. Existing agreements relate specifically to the development of Photosoft™ for cancer treatment with distribution rights to Australia and New Zealand and the development of Photosoft™ for atherosclerosis and infectious diseases for Australasia and the Asia Pacific Region.

As part of the transaction to expand the rights available to Invion, the Company will pay RMW $5.0 million as its contribution to development costs in relation to Cancer Indications.

The Proposed Agreement will be ratified on completion of a capital raising by Invion and shareholders' approval for the purpose of ASX listing rule 10.1.

The following report presents Acuity's valuation of the Cancer Territories as defined in the Proposed Agreement and as may exist in an open market between arm's length and unstressed vendor and acquirer. The valuation considers the status of Photosoft™ as research-in-process and is premised largely on the future potential of products deriving from the development and commercialisation of the technology in the relevant territory using a risk adjusted discounted cash flow approach.

It is Acuity's opinion, as presented in the attached report, that the after-tax valuation of the Cancer Territory is approximately $8.2 million.

Acuity specialises in the appraisal and valuation of IP and knowledge-based intangible assets. The company has experience in valuing technologies, projects and businesses in a diversity of industries including medical and life sciences, chemistry, process engineering, automotive, mining, environmental, water and wastewater treatment, internet, software, electronics and telecommunications. Details of our qualifications and experience are summarised in Section 8 of the valuation opinion. Further details can be found at www.acuitytechnology.com.au. The attached report, summarizing our analysis and valuations, was prepared solely by the undersigned, Dr David Randerson, as Managing Director of Acuity.

Yours sincerely

D H RANDERSON, BE PhD
Managing Director

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Invion Limited – Independent Valuation Report

Valuation of Extension of Distribution Rights for Photosoft™ in Cancer

Executive Summary

Invion Limited ("Invion" or the "Company") is conducting research into the use of Photo Dynamic Therapy ("PDT") for treating cancer and other diseases. RMW Cho Group Limited ("RMWCG") owns extensive Intellectual Property ("IP") and knowhow related to the development of proprietary PDT technologies such as reagents, equipment, techniques and protocols, which it refers to as Next Generation PDT ("NGPDT") or Photosoft™. Existing agreements between Invion and RMWCG provide the former with rights to Photosoft™ IP for its development as a cancer treatment along with distribution rights to Australia and New Zealand and the development of Photosoft™ for atherosclerosis and infectious diseases ("AID") for Australasia and the Asia Pacific Region.

Invion is seeking to extend the distribution rights for cancer into other countries in the Asia Pacific Region and has entered in to a Conditional Agreement with RMWCG to acquire these rights (referred to in this report as the "Proposed Agreement"). The Company will be seeking shareholder approval to acquire the rights for cancer and related diseases in the extended territory (Cancer Territory").

PKF Melbourne Corporate Pty Ltd ("PKF Corporate") has been retained by Invion to prepare an Independent Expert's Report ("IER") for the benefit of the shareholders of Invion to vote their acceptance of terms associated with the adoption of the Proposed Agreement. PKF Corporate has in turn sought guidance from Acuity Technology Management Pty Ltd ("Acuity") on the fair valuation of the distribution rights in the Cancer Territory.

Acuity Technology Management has examined the Intellectual Property ("IP") owned by RMWCG, which underpins the Photosoft™ technology and its applications, and the markets for cancer products in the Asia Pacific region for the purpose of valuing distribution rights to the Cancer Territory, specifically in those countries defined in the Proposed Agreement.

In preparing this report, Acuity, in part, relied on research undertaken in July of this year for valuations of distribution rights for cancer in Australasia and AID in Asia Pacific.[1] At the time we examined the development programs and commercial potential for Photosoft™ and prepared valuations for the existing arrangement whereby Invion had rights for the development and distribution of Photosoft™ in the Australian and New Zealand markets for cancer, and subsequently obtained an extension of rights to AID in Australia and New Zealand and defined countries in the Asia Pacific Region.

The current report presents our valuation of a proposed extension of cancer distribution rights as will be made available to Invion by RMWCG for defined territories outside of Australasia. While most of the countries being made available to Invoin are those covered in the AID Territory, notable differences exist for the Cancer Territory. These are:

- The addition of Hong Kong (RMWCG will retain an option to acquire the distribution rights granted to Invion in the territory of Hong Kong at fair market value); and

- The exclusion of Japan and South Korea (Invion will have a first right of refusal over the territories of Japan and South Korea if RMWCG proposes to grant the rights to a third party).

[1] Valuation of Current Photodynamic Therapy Licence Rights and Rights as Proposed under 2021 Agreement. Acuity Technology Management Pty Ltd. 20 July 2021.

The Proposed Agreement will require Invion to pay RMWCG an amount of $5.0 million towards the development of the NGPDT IP as it relates to the Cancer Territory. Invion will be responsible for all costs of development for cancer and related diseases in the Cancer Territory.

Our estimation is that the distribution rights in the Cancer Territory has a valuation between $6.5 million and $9.8 million, with a preferred valuation of $8.2 million.

Invion has considerable safety and efficacy data obtained in animal models for a number of cancer types for the photo-active agent, IVX-PO3, which it deemed adequate to progress to Phase 1 (safety) clinical studies. However, the Company recently announced the identification of a new molecule, designated INV-043, which they report as 50 times more potent that IVX-P03 and 600 times more potent than an approved photosensitiser, talaporfin sodium (approved in Japan in 2004 for PDT of lung cancer and marketed as Laserphyrin®). The current valuation assumes that INV-043 is the drug candidate of choice for future cancer development, albeit at a preclinical stage of development.

In our earlier analysis of Invion's rights we considered the potential for Photosoft™ for the treatment of skin cancers (melanoma and non-melanoma ("NMSC")) as a topical cream or gel, and an intravenous ("IV") product for internal cancers such as prostate, non-small cell lung cancer ("NSCLC"), ovarian, penile cancers and mesothelioma with future distribution restricted to the Australian and New Zealand markets. The Proposed Agreement extends rights to the development of Photosoft™ and distribution to newly defined territories, specifically the Asia-Pacific region. For the purpose of our analysis we have, outside of Australia and New Zealand, divided the Asia Pacific countries, as nominated in the Proposed Agreement, into Low Income Countries ("LIC") with an estimated population of 2.6 billion and High Income Countries ("HIC") being Hong Kong and Singapore (while the analysis of AID, included Japan and South Korea but not Hong Kong as HIC).

Although a number of techniques suitable for valuing intangible assets, and specifically IP, were considered, the principal method used is based on a Net Present Value ("NPV") of free cash flows using revenue forecasts and expenses. The method is considered the most suitable for intangible assets and In-process Research and Development ("IPR&D") in the medical and pharmaceuticals fields where developmental research may be incomplete and products have yet to be launched or establish a market presence.[2]

Cash flows are risk adjusted using published transitional probabilities for oncology drugs with adjustment, where appropriate, by Acuity for the specific circumstance of the PDT drug-device combination.[3] As the cancer product Photosoft™ INV-043 requires further pre-clinical development prior to a Phase 1 study our estimated Likelihood of Approval ("LOA") is 5.8%. INV-043 is also the subject of a recently filed provisional patent which requires lodgement as an international patent application and national filings prior to examination.

There are many areas for potential error in predicting future cash flows which relate to the size of the end user populations, selling prices, estimates of strength and quality of competition, market introduction timings and penetration rates or market shares. These all impact on the valuations and are difficult to estimate with accuracy at this stage. A premium has been included in the discount rate used to NPV future cash flows to compensate for these unknowns while a sensitivity analysis investigates the effects of key variables where ranges may be applied. The inputs with greatest impact on the valuation are:

- Delays or advancement of clinical development and regulatory approval times;
- Discount rate;
- Addressable market, penetration and selling prices;
- Cost of Goods Sold ("COGS") and Sales, General and Administrative costs ("SG&A").

We consider that the proposed range for the valuations cover reasonable variances to the inputs. Of lessor relevance are development and clinical trial costs. As a consequence, we have proposed a range of plus or minus 20% to the preferred valuation.

[2] Aaron AV, Bitton VR (co-chairs), *et al*. Assets Acquired in a Business Combination to be used in Research and Development Activities. AICPA, New York, 2013.
[3] Thomas DW, *et al*. Clinical Development Success Rates and Contributing Factors 2011-2020. BIO/PharmaIntelligence/QLS February 2021.

This report summarises our investigations and findings in the following sections:

Glossary

AID	Atherosclerosis and Infectious Diseases
AK	Actinic Keratosis
API	Active Pharmaceutical Ingredient
ASP	Average Selling Price
ASX	Australian Securities Exchange
BCC	Basal Cell Carcinoma
CAGR	Compound Average Growth Rate
CAPM	Capital Assets Pricing Model
COGS	Cost of Goods Sold
CRO	Contract Research Organization
DCF	Discounted Cash Flow
FDA	(US) Food and Drug Administration
HIC	High Income Countries (in Asia Pacific Region)
IARC	International Agency for Research on Cancer
IER	Independent Expert's Report
IND	Investigational New Drug
IP	Intellectual Property
IPR&D	In-process Research and Development
IV	Intravenous
LIC	Low Income Countries (in Asia Pacific Region)
LOA	Likelihood of Approval
NGPDT	Next Generation Photo Dynamic Therapy
NME	New Molecular Entity
NMSC	Non-melanoma Skin Cancer
NPV	Net Present Value
NSCLC	Non-small Cell Lung Cancer
PCT	Patent Cooperation Treaty
PDT	Photo Dynamic Therapy
R&D	Research and Development
RMWCG	RMW Cho Group Limited
rNPV	Risk Adjusted Net Present Value
SG&A	Sales, General and Administrative costs
SCC	Squamous Cell Carcinoma
TNBC	Triple Negative Breast Cancer
US or USA	United States of America
WHO	World Health Organization

1. Background

1.1 Invion & Photosoft™

Invion, listed on the Australian Securities Exchange ("ASX") (ASX:IVX), is developing a medical treatment technology known as Photosoft™. Photosoft™ is a PDT with a proprietary photosensitiser, referred to by the Company as IVX-PDT and including the more recent discovery and evaluation of a sensitizer known as INV-043. PDT is a process whereby an otherwise innocuous substance is applied to a tumour, either topically as may be the case for a skin cancer, or IV for an internal tumour. When activated by light of a specific wavelength, the molecule releases a reactive oxygen species that kills the cancer cells. The cytotoxic effect has application to other malignancies, such as ophthalmological and cardiovascular conditions, as well as killing bacteria and viruses. The strategy has been well known for a long time with a few products approved for clinical use, for example in treating eye disease. Over the past three or four decades, many companies have sought to bring PDT-based products to market and many have failed, largely due to delivery or absorption problems, side effects or lack of specificity and/or efficacy of the photosensitiser.

RMWCG has developed a class of photosensitizing drugs that they believe overcomes the earlier limitations in that they are preferentially absorbed by cancer cells, hence are much safer and more effective than earlier agents. The compounds are patented derivatives of the chemical chlorin e4 sodium which is obtained from plants. Specifically, Photosoft™ is a complex of chlorin, chlorophyllin and zinc which is activated by light at 380-420 nm and at 650-670 nm based on the recently developed photosensitizers. The active compounds are water soluble and the product's bioavailability is described as so good it can be administered sublingually rather than IV as needed, allowing for greater patient convenience.

In addition, research involving examination of specific immune cells, known as T cells, in mice has demonstrated that the compounds stimulated an immune response against the cancerous tissue. It has been shown that an increased ratio of effector T cells to regulatory T cells is observed in Photosoft™ treated mice in an ovarian cancer model which parallels similar changes typically associated with improved survival and treatment outcomes in ovarian cancer patients.

In November 2017, Invion acquired the exclusive commercialisation and distribution rights in Australia and New Zealand to the RMWCG PDT technology, in a transaction that included the issuance of shares to the Guangzhou-based company. At the time, IVX-P02 was the compound of choice and cancer was the acknowledged market.

In addition to the Exclusive Distribution and Licensing Agreement, the companies agreed an R&D Services Agreement by which Invion would conduct pre-clinical and clinical development of Photosoft™ in cancer applications to a globally accepted standard and, once approved, a marketing and distribution right in Australia and New Zealand, with device and Active Pharmaceutical Ingredient ("API") supply from RMWCG.

During 2021, the Company reported that it had developed a new compound and filed a provisional patent. Following proof-of-concept studies conducted at the Hudson Institute in Melbourne, the Company reported promising preliminary results with application across a range of cancers. They stated that:

- INV-043 has approximately 50 times greater phototoxicity than the previous API (IVX-P03) and approximately 600 times greater effectiveness than the approved photosensitiser talaporfin;
- It is selectively retained in malignant but not healthy tissues with no identified toxicity issues at up to 50 times the expected therapeutic dose;
- Significant regression was observed *in vivo* in T cell lymphoma, triple negative breast cancer ("TNBC") and pancreatic cancer models;
- INV-043 also displayed fluorescence characteristics under blue light which illuminated tumour growth, highlighting its potential for cancer imaging and detection.

The Company reported that the next steps include performing further proof-of-concept studies looking at INV-043's effect on the immune response as well as exploring its potential to complement other therapies. We have been advised that it is the candidate compound for further cancer development. The compound is to be considered as a New Molecular Entity ("NME") and, as such, an extensive pre-clinical evaluation will be required before it may be administered to humans as an experimental drug.

We have been advised by Invion that the strategy is to look at diagnostic and therapeutic applications of Photosoft™ technology, including across multiple cancer types. The next steps will be to complete formal pre-clinical studies, *viz*. *in vivo* efficacy and safety, scaled-up manufacturing, and clinical trials. The AID indications are at a discovery stage although market potential for a successful product is clearly very significant.

1.2 Earlier Agreements

Invion has an agreement with RMWCG (referred to as the "2017 Agreement" in our earlier report) that gives Invion rights to use the Photosoft™ IP for research purposes, including clinical trials, and, once market approvals have been achieved, restricted distribution. The agreement allowed distribution of approved products to be used mainly, but not exclusively, for the diagnosis and treatment of cancer in the Territory defined as Australia and New Zealand.

The licence includes the exclusive right for the Licensee, Invion, to, without limitation:

- Set up and operate NGPDT cancer treatment centres within the Territory;
- Purchase the products through the Licensor for use or resale within the Territory.

Signed on the same date as the 2017 Agreement, was the R&D Services Agreement which defines Services as the clinical development, clinical trials and oversight services relating to NGPDT to be provided by Invion in Australia only in accordance with an agreed work program. RMWCG agrees to meet all fully burdened costs for global development of the IP.

The 2017 Agreement and R&D Services Agreement acknowledge the Licensor's right and ownership of trademarks, patents and other IP with improvements made by Invion as a consequence of the use of the IP to be owned by RMWCG.

On 2 June 2021 the Company entered into further agreements with RMWCG for the co-development of Photosoft™ for AID and distribution into Australasia and the Asia Pacific ("2021 Agreement"). Key attributes of these agreements are that:

- The Territory for the use of Photosoft™ for AID in the Asia Pacific Region (with defined countries) which includes high population nations, such as India, the Philippines, Indonesia and Bangladesh; and the wealthy economies of Japan, South Korea and Singapore; most of Asia excluding China and Taiwan, and the Caucasus and Central Asia countries of Georgia, Azerbaijan, Kazakhstan and Kyrgyzstan. All in all, a population of almost three billion people.

- Invion is responsible for securing the requisite regulatory and licensing approvals for the sale of products;

- Invion agrees to purchase all products it requires (whilst they are available from the Licensor) from the Licensor; and

- The Retail Price for the Products and Treatments and Procedures where the Products are used shall be agreed between the parties.

1.3 Intellectual Property

RMWCG has developed or acquired, along with the novel photosensitisers, considerable expertise in the administration of the drugs, their manufacturing, and light sources for drug activation.

The compounds are covered by a patent application published as WO2014/091241, *Chlorin derivative useful in photodynamic therapy and diagnosis*, which was filed in December 2013. It has been granted in Australia, China, Serbia, Singapore and remains pending in other countries. It has been refused in the Republic of Korea.
The patent includes the claims:

- The chemical chlorin e4 sodium and a method of preparation. This, we believe, covers the IVX compounds;
- The chemical's use in PDT or cytoluminescent therapy and for use in photodynamic diagnosis;
- Its use for the treatment of, amongst other conditions, atherosclerosis; a fungal, viral, chlamydial, bacterial or parasitic infectious disease; a disease characterised by benign or malignant cellular hyperproliferation or by areas of neovascularisation; and a benign or malignant tumour.

The patent has a 20-year validity, i.e. to 2033, in countries in which it is granted with the possibility of extensions in many jurisdictions.

A provisional patent was filed on 26 November 2020 in the United Kingdom in the name of RMWCG claiming, we have been advised, chemical compositions which include INV-043 as NMEs. These compounds are distinct from chlorin e4. Again, claims cover various cancers as well as other diseases. Assuming a full patent specification is filed in 2022, granted patents will have tenure to at least 2042.

1.4 This Report

This valuation report has been prepared at the request of PKF Corporate and is to be relied upon by PKF Corporate in the preparation of its IER relating to the acquisition of a substantial asset from a related party or a shareholder holding shares in at least 10% of the Company's voting securities and the reasonableness of that transaction to the existing shareholders in Invion.

This report summarises our analysis of the Proposed Agreement's rights on the basis that the rights to distribution are valued as IPR&D for the development of Photosoft™, specifically INV-043, as a potential therapeutic and its use in the Territories. The indications we have considered for our financial modelling are skin cancers (melanoma and non-melanoma) as a topical cream or gel, and an IV product for internal cancers such as prostate, NSCLC, ovarian and penile cancers, and mesothelioma. The Company may choose to extend treatment to other forms of cancer and related diseases, and, if included, these may add to the valuation as determined herein, but recent activity has centred around these particular forms of cancers.

The Proposed Agreement extends rights to include Asia Pacific countries outside of Australasia. Australia and New Zealand are not part of this agreement as they are covered under the 2017 Agreement. For the purpose of our analysis, we have divided the Asia Pacific countries into Low Income Countries ("LIC") with an estimated population of 2.6 billion and High Income Countries ("HIC") being Singapore and Hong Kong (following classifications made by the World Health Organisation, "WHO").

The primary methodology for the valuations is the recognition that the right to future income is encompassed by the current valuation of the IPR&D, the outcomes on which sales revenue is dependent, and restricted to the geographic markets designated in the Proposed Agreement. The likelihood of realizing income under the agreement is equivalent to the LOA of the cancer applications themselves. Our approach employs a risk adjusted Net Present Value ("rNPV") of future free cash flows. The basis for estimating future cash flows is the incidence and prevalence of the targeted diseases using published data coupled with an estimated selling price determined by benchmarking against established and emerging therapies for cancer and knowledge of competition in determining a reasonable market penetration such that a realistic revenue stream may be established.

The valuation, therefore, relies on future revenue projections with no assurances in the way of precedent or forward contracts and from this perspective cash flows must be viewed as conjectural. Considerable due diligence and research have been undertaken by Acuity to substantiate assumptions used in financial models and the chosen methodology is one accepted by pharmaceutical and biotechnology firms and their analysts worldwide.

2. The Commercial Opportunity

In preparing the valuation we have considered the incidence of the following cancers, being those for which Invion has already conducted some evaluation:

- Ovarian cancer;
- Lung (NSCLC);
- Mesothelioma;
- Ano-genital (penile) cancer;
- Skin (Invion has been developing a topical formulation of its photosensitising agent, IVX-PDT, to treat superficial Basal Cell Carcinoma ("BCC"), Actinic Keratosis ("AK") and Squamous Cell Cancer ("SCC")).

The WHO presents the following data in relation to the incidence of these cancers.[4]

Table 1: Annual Incidence of Cancer in the Territories (Australia and NZ are included for comparative purposes)

	Melanoma	NMSC	Prostate	Lung	Ovarian	Meso-thelioma	Penile
Australia	16,171	58,839	16,973	13,162	1,397	870	131
NZ	2,801	10,271	3,938	2,425	320	130	21
Asia (LIC)	5,039	20,192	90,081	291,191	118,313	1,263	14,875
Asia (HIC)	82	509	4,212	12,341	1,141	23	68

PDT for the treatment of disease, and particularly cancer and eye diseases, has been clinically evaluated in a number of settings and, in one form or another, has been commercially available for several decades. Nonetheless, the treatment has not become mainstream because of issues related to the photosensitising agent and achieving adequate energy exposure within the target tissue, especially solid tumours.

The clinical potential of PDT was demonstrated in the mid-1990s when a photosensitiser called porfimer sodium (Photofrin®, Pinnacle Biologics, Inc) was approved for relieving symptoms and/or treating oesophageal cancer and NSCLC. Photofrin® was part of the first generation of photosensitisers based on a molecule found in the blood called hematoporphyrin. Those agents tend to stay in the patient's body for too long and don't respond to the longer wavelengths of light necessary for treatment depth. Consequently, various groups have worked on developing more effective and better-tolerated photosensitising agents.

Second generation photosensitisers, commonly based on the chlorophyll molecule, allowed the use of the longer wavelengths. Third generation photosensitisers are now being developed by various academic groups designed to better target the active agent to tumour tissue.

No PDT therapy has become mainstream for solid anti-cancer therapy. The agent, 5-aminolaevulinic acid (5-ALA), a porphyrin pro-drug, works faster than Photofrin® but has poor bioavailability. Esters of ALA, such as Metvix® (Galderna, Inc) for skin cancers and Hexvix® (Photocure ASA) for bladder cancer, have better bioavailability but are weak on long-wavelength absorption and so remain largely for diagnostic use only.

[4] World Health Organisation, International Agency for Research on Cancer. Cancer Today (https://gco.iarc.fr/today/home).

Temoporfin (Foscan®, Biolitec Pharma Ltd) proved useful therapeutically, and as a result gained European approval for the treatment of SCC and head and neck cancer but approval was declined in the US. As a chlorophyll derivative it has improved long-wavelength absorption, however the product is not water soluble resulting in poor tissue distribution leaving patients photosensitive for several weeks after initial illumination.

According to the research by Persistence Market Research, the global PDT market was estimated to have reached US$1,202 million in 2019.[5] The analyst projects the market to grow at a Compound Average Growth Rate ("CAGR") of 6.2% during the period 2019 to 2029. The growing prevalence and incidence of skin cancers and dermatology disorders, mostly BCC, psoriasis, AK, and rosacea, are boosting the demand for PDT.

The Brandessence Market Research Company Pvt Ltd, reported the PDT market as US$1,124 million in 2018 with an expectation it would reach US$1,679 million by 2025 with CAGR of 5.9% again driven by the dermatological market. North America accounted for largest share of around 35% of revenues.

3. Strengths & Risks Relevant the Valuations of Cancer Territory

Photosoft™ as a clinically acceptable cancer treatment modality is still in the development phase but its attributes include:

- The photosensitisers developed and patented by RMWCG are unique and the chlorin e4 versions have been in use in China by its inventors for some time. Although anecdotal, the Cho Group regularly administers Photosoft™ to patients in a clinic in Guangzhou and some of the findings were used to support the initial patent application. Phase 1 clinical trials for prostate cancer have been undertaken in Australia using an earlier manifestation of the photosensitiser which was found to be safe;

- The earlier compounds and, presumably, INV-043, are water soluble with good mucosal, for example sublingual, absorption and have high bioavailability and are rapidly metabolized. These properties improve delivery and enhance patient comfort, while limiting post treatment effects. The agents have high tumour specificity and are activatable at wavelengths suitable for treating solid tumours;

- There is evidence that Photosoft™ stimulates the innate immune system against the cancer achieving a synergistic effect with the photo-induced reactive oxygen destruction of cells;

- The new clinical candidate, INV-043, has been optimised by Invion and has completed proof-of-concept studies in cancer and demonstrated superior results to the earlier Photosoft™ compounds and a commercially available photosensitiser. It does, however, being a new agent, require full pre-clinical work-up;

- Invion realizes a major benefit from the involvement of RMWCG who will pay for the costly development of Photosoft™ for cancer treatments in Australia and NZ. Invion will, under the Proposed Agreement meet costs for the Cancer Territory;

- Photosoft™ may work well with cancer immunotherapy, with a proteomics analysis of proteins found in the urine of treated patients showing various immune-related biomarkers

Generally speaking, the development of pharmaceuticals, although following a well understood pathway, remains highly risky. Many hurdles cannot be resolved simply by better science or smarter thinking because the failures relate to poorly elucidated biochemical and immunological processes, disease pathways, potential toxicities of reagents and off-target interactions, some of which are only obvious once the drug enters human clinical trials. There are many companies that have failed in their endeavours to develop PTD, particularly for internal cancers.

[5]Synergy of Drugs and Devices in Phototherapy Treatment to Drive Photodynamic Therapy Market: Persistence Market Research June 10, 2019.

Some of the commercial risks commonly encountered by biotech companies and which are relevant to Invion are:

- Patent protection is paramount to success in biotechnology and is the key attribute supporting valuations and the motive driving acquisitions in the field. The current patent has been granted in some countries, but not the major western markets of the Japan, USA and Europe. In any event, this patent will expire at the end of 2033 allowing six or seven years, by our estimate, of market protection. The new provisional patent is important to ensure extended product life, at least to INV-043, but remains at risk until a full specification is granted.

- While PDT development has traditionally been left to small or start-up biotechnology companies, cancer drug development is the realm of large pharmaceutical companies and well financed biotechs. With substantially greater capital and other resources they are able to expend more funds and effort than Invion/RMWCG on R&D and promotion. Competitors may develop more effective, more affordable or more convenient treatments.

- Time to market is critical with any new technology, particularly in the medical technology fields. Adequate capital, competent skills, and partnerships with market leaders are essential to expediting development and commercialization

- There may be a reliance on partners and collaborators to conduct studies, including Contract Research Organization ("CRO"s) and research institutions for clinical trials and Contract Manufacturing Organizations ("CMO"s). Poor performance, bad advice or failure of these collaborators will have a devastating impact on costs and progress.

We have considered these strengths and risks in preparing our valuations.

4. Valuation Methodologies

For the purpose of our valuation opinion, current market value is defined as the amount at which the IP assets could be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Techniques used for valuing intangible assets, including IPR&D, generally fall into three main categories:

1. Cost Based;
2. Market Based; and
3. Revenue Based.

We examined several approaches, many of which were considered not applicable to the business activities and developmental status of Invion, or proposed distribution rights. These are briefly discussed in the following sections. The preferred valuation method, that relying on a risk adjusted NPV of projected net benefit, is presented in further detail in Section 5.2.

4.1 Cost Based Methods

There are several cost approach valuation methods, the most common being the reproduction cost and the replacement cost methods. Often these may be based on the historical costs incurred by the original developer. Generally, however, patents provide a market monopoly for the originator's inventions and it would be very difficult for a third party to replicate the technology with equivalent utility, specificity and activity without infringing those patents.

Although drug development is extremely costly, future benefits are considered to be worthy of the investment and deals to acquire promising R&D-stage programs may be an order of magnitude higher than the past expenditure. Patents, research results and regulatory approvals are the key asset underpinning inter-industry acquisitions and represent more than a cost-to-replicate the technology. Expeditated time to market realised through an asset's acquisition as opposed to its reproduction is also a consideration in purchase price.

We consider that cost based methods are not applicable to the IPR&D and, hence, the distribution rights.

4.2 Market Based Methods

Market based methods estimate an entity's fair market value by considering the exchange price for transactions in its shares or the fair market value of comparable companies. Market based methods include:

- Capitalisation of maintainable earnings;
- Analysis of an entity's recent share trading history;
- Industry specific methods; and
- Comparable companies or transactions.

The capitalisation of maintainable earnings method estimates value based on an entity's future sustainable earnings and an appropriate earnings multiple. An earnings multiple may derive from market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the entity's earnings are relatively stable. Invion does not meet this criterion.

The most recent trading history of shares in the subject company provides evidence of the fair market value of the entity where they are publicly traded in an informed and liquid market. The current valuation is for future distribution rights in defined countries and it is unlikely that investors have factored this into the share price.

Techniques based on analysis of transactions between companies, equity valuations or capitalisations of comparable companies have considerable merit in the pharmaceuticals sector. There is no shortage of transactions taking place in the pharmaceutical industry where one company licenses IP from another or enters into a collaborative venture. There are also many fund raisings, both private placements and initial public offerings, which may be used as analogies.

Comparison is possible only where a transaction relates to an identifiable unit of IP or platform technology that is reasonably analogous or, in the case of the value placed on a company, where that company is virtually single purpose and technically equivalent to the subject company or IP. Such criteria are often difficult to meet and comparable analyses are usually used only to support the values derived with other methodologies or to provide a "ball park" estimate. In the current case of licence valuations, the restriction of product sales to certain countries also limits the use of comparable company analyses.

While we have sought suitable analogies for a valuation by comparables the nature of the proposed distribution rights restricted use of the approach.

4.3 Methods Based on Future Prospects

A technique suitable for valuing a business or a project, such as IPR&D, with strong and relatively predictable future prospects is based on a DCF analysis. To assume any level of credibility, the DCF must incorporate reasonable cash flow predictions, with justifiable assumptions regarding sales estimates, expenses and revenue timings. These are then valued to present day using a discount rate, often following probability adjustment, that recognises the time value of money and risks involved in achieving the forecast cash flows.

In the circumstance where the projections are not founded on firm contracts or supported by historical performance, and even where they are, it is appropriate to include some form of adjustments, covering development and achieving market penetration, as well as generalized industry or market risks. It is recognised that probability adjustments based on published stage transitional likelihoods provides an acceptable approach to valuing pharmaceutical R&D.

Probability adjusted cash flows are then discounted to provide an NPV at an appropriate discount. The usual discount rate is a company's Weighted Average Cost of Capital ("WACC") which reduces to the Capital Assets Pricing Model ("CAPM") in the absence of debt. The CAPM for Invion may be determined using the following formula:

$$CAPM = Rf + \beta \times (Rm - Rf)$$

Where:

Rf is the Risk Free Rate of Return. To estimate the risk-free rate, the Australian Ten-Year Bond Rate of 1.5% is used.

Rm is the Expected Market Return and (Rm – Rf) the Risk Premium being the premium over the risk-free rate that an investor requires to invest in the market portfolio. The current Expected Market Return for investors is around 6.0% to 7.0%.

Beta (β) of a particular investment is a reflection of its risk expressed as a percentage of the volatility to that of a market portfolio, i.e. a portfolio of stocks sufficiently diversified to reflect average market movements. Examination of a basket of listed early-stage oncology companies suggest a suitable beta of between 1.4 and 1.6 for Invion.[6]

We consider a CAPM in the range 7.8% and 10.3% as an appropriate base value. To the CAPM may be added a specific company risk premium, a metric that considers the size and financial stability of Invion and the stages of development of product(s) where none has reached market. We suggest that a company premium of 2% to 3% may be applicable suggesting a discount rate range of approximately 10% to 13% as applicable to Invion.

For the purpose of valuing the proposed distribution rights, we consider Invion's opportunities internationally as more risky and less manageable for an Australian entity and have added a further premium such that our preferred discount rate is 13%.

The discount rate is be applied following probability adjustment of cash flows which account for the technical likelihood of success.

5. Valuation Opinion

5.1 Comparables Analysis

Comparisons may be made with early-stage cancer development companies listed on the ASX and on other exchanges but, as the current exercise relates to specific territories and excludes the major global markets on which valuations usually hinge, no companies were considered as suitably comparable. Similarly, we could not identify any acquisitions of companies or rights that were restricted to the Territories or a similar group of countries.

5.2 Revenue Based Analysis

The primary methodology used by Acuity for determining a valuation of the Cancer Territory as listed in the Proposed Agreement is the rNPV of projected future cash flows with the assumption that the distribution rights are underpinned by the present IPR&D value and its future market potential in the defined countries.

In accordance with the 2017 Agreement, all product development is paid for by RMWCG and Invion has ongoing expenses limited to additional development for the Cancer Territory and associated business development costs. We have included in our analysis the cost of preparing dossiers for the regulatory authorities in the Cancer Territory and a significant product launch cost of 50% of first year's sales revenue. We have assumed that sales will commence in the Cancer Territory one year after the Photosoft™ launch in Australia.

[6] Infront Analytics (https://www.infrontanalytics.com, accessed June 2020).

Cancer incidence rates have been obtained from the WHO's International Agency for Research on Cancer ("IARC").[7] We have considered two distinct products, an IV product for treating solids cancers and a relatively lower cost topical formulation, or a treatment course with lower active API requirement, for skin cancers, melanoma and non-melanoma. Product, for purposes of our evaluation, is the photosensitizing agent, INV-043, being a pre-clinical asset. Following approval as a medical procedure for skin malignancies, Invion will distribute product directly to clinics in Australia realizing an ASP of US$1,500 per treatment course, as outline in the earlier Acuity report. For internal cancers, such as mesothelioma, NSCLC, ovarian, prostate and penile, the number of procedures and dosage levels, benchmarked against competitive products, will achieve an ASP of US$18,750 per patient in Australia.

In determining market potential for products in the Cancer Territory, we have made the following assumptions concerning the target populations and treatment costs:

- We have investigated incidence numbers for the relevant cancers in Asia Pacific countries grouped as LIC or HIC as presented by the IARC;
- Drug product in the Cancer Territory is distributed by a third party with revenues to Invion reduced relative to Australia and New Zealand ASP to account for the distributors' fees;
- Income received by Invion for topical treatments is US$800 in LIC and US$1,000 in HIC, and for IV treatment is US$8,000 in LIC and US$15,000 in HIC.

We have assumed an exchange rate of one Australian dollar equals US$0.73 (based on the past three month average).

The horizon for the cash flow estimates is 21 years on the understanding that the provisional patent was filed in 2021 and assuming the Company files a full specification in April 2022. The risks of this occurring and of subsequently being granted have been incorporated into the probability adjustment.

COGS and SG&A as fractions of sales revenue have been based on an analysis of pharmaceutical company metrics as obtained from annual reports.

The LOA is as determined by Thomas, *et al*.[3] We have included a pre-clinical likelihood of 90% based on the fact that a full patent application has not been lodged and further pre-clinical experimentation will be required. We have increased the Phase 2 transitional likelihood for INV-043 relative to Thomas, *et al*.'s 23.4% to 30.0% because of the experience available with NGPDT in China. Our modelling approach applies the transitional probabilities to revenues and expenses subsequent to passing the relevant development phase, i.e. cash flows during and after Phase 1 are reduced to 90%, those occurring during and after Phase 2, 44% (90% x 48.8%), etc. for an overall LOA of 5.8% (this adjustment being applied to all cash flows projected after marketing approvals.

We have assumed an Australian corporate tax rate of 30% as revenues will exceed the $50 million threshold for the lower small business tax rate with losses carried forward to profitability. The Company has considerable accumulated losses and, during the term of our modelling, it is assumed pays no tax.

The model assumes that Australian studies are conducted in a manner adequate to satisfy international regulatory authorities. However, we have allowed for a small number of additional patients in the Phase 3 studies to satisfy regulators in the Cancer Territory. We have also allowed for the translation costs of regulatory submissions and national fees.

[7] World Health Organisation, International Agency for Research on Cancer. Cancer Today (https://gco.iarc.fr/today/home).

Other assumptions are summarised in Table 2.

Table 2: Assumptions used in Cancer Territory Valuation Model

	Topical		I/V	
Territory	LIC	HIC	LIC	HIC
Target Pop'n (thou)	25,231	590	515,723	17,785
Development Time (years)	5	5	5	5
Regulatory Assessment (years)	1	1	1	1
Launch Year	2028/29	2028/29	2028/29	2028/29
Peak Market Penetration	8.0%	15.0%	5.0%	10.0%
ASP (US$)	$800	$1,000	$8,000	$15,000
Est. Peak Sales (US$'mil)	1.9	0.1	230.1	29.8
COGS	29%		29%	
SG&A	28%		28%	
LOA	5.8%		5.8%	
Discount Rate	13%		13%	
Company Tax Rate	30%		30%	
Valuation (USD'mil)	**5.96**			
(AUD'mil)	**8.16**			

Our analysis supports an after-tax valuation for the Cancer Territory of A$8.2 million.

5.2.1 Sensitivity Analyses

The valuations of the Cancer Territory presented in the previous section employs a probability weighted NPV method which relies on estimation of many inputs or assumptions to the financial projections. As many of these assumptions are, at best, estimates and may change with time and as development advances, we subjected these to a sensitivity analysis using variance ranges that we consider reasonable. These include:

- Treatable patient population, market penetration and ASP (plus or minus 10% in the two HIC and 20% in the other countries);
- Currency exchange rate AUD:USD (plus or minus 10%);
- Development costs (plus or minus 20%);
- Probability of success in completing product development and achieving marketing approvals (plus or minus 10%);
- SG&A and COGS (plus or minus 10%);
- Tax rate (plus or minus 10%);
- Discount rate (plus or minus 10%); and
- Time to launch (plus or minus 1 year).

The most significant of these with respect to the Proposed Agreement is discount rate with a change to valuation of approximately +23.5% at a rate of 11.7% and -19.4% at a rate of 14.3%; development time with 12 months delay reducing the valuation by 19.6% and speeding up development by 12 months increasing it by 22.1%. Market size, exchange rate, SG&A costs and LOA have almost proportionate effects. Development costs are of lesser significance due to the high rewards expected from successful launch of products.

We have selected a range of valuations that is plus or minus 20% of the preferred valuation for a range of $6.5 million to $9.8 million.

6. Sources of Information

We have prepared our valuation using publicly accessible information and a number of confidential documents provided by Invion, including the Proposed Agreement. Most of the assumptions on the timings and costs for the development of the proposed products are our own although we did discuss these with the Company. Market shares, COGS and other expenses were also developed by Acuity.

We relied on earlier communications with Thian Chew, Chairman and CEO, on a number of matters for the preparation of this report.

We reviewed and updated our previous searches of the scientific and medical literature, and patent databases.

7. Disclaimer

The valuation makes certain assumptions in relation to the revenue prospects. In preparing this report we have relied on information provided by Invion, complemented by our own experience in drug and medical technology development, and independent searches of the literature. We can provide no assurance that material provided by the Company was complete and accurate although we have no reason to suspect that this was not the case. We have exercised all due care in verifying the information provided and found no reason to doubt its reliability.

A draft of this report was supplied to Invion to confirm factual accuracy and some changes were made to reflect their comments.

Acuity does not guarantee that the outcomes described in this report will actually occur because of possible changes in the markets and the Company's own actions, which are beyond our ability to forecast.

Acuity has acted independently in preparing this report and neither its Director nor staff have any pecuniary or other interest in Invion and RMWCG, their related entities or associates that could reasonably be regarded as affecting its ability to give an unbiased opinion. Acuity will receive normal professional fees for the preparation of this report and, with the exception of these fees, will not receive any other direct or indirect benefits.

Acuity does not hold an Australia Financial Services Licence and provides no opinions or recommendations relating to the suitability of Invion as an investment, acquisition or for any other purpose, and provides no advice concerning the proposed transaction.

The cash flow models used in the valuation makes the assumption that Invion will, or will have, sufficient funds to support further development and maintenance of the IP. Without adequate funds, the value of the IP may not be realised. Additionally, delays in research and/or in securing collaborations could impact severely on the valuation.

In preparing this report we have had regard to the Regulatory Guide RG 112, *Independence of experts*, issued by the Australian Securities and Investment Commission and AASB 13, *Fair Value Measurement*, issued by the Australian Accounting Standards Board.

8. Experience and Qualifications

Acuity provides management consulting to technology-based companies. The company is skilled in the development of business plans and the technical, commercial and financial analyses of engineering and science-based projects. An area of special interest is the provision of advice to investors and financial institutions on the funding of high technology R&D and the exploitation of outcomes.

The current valuation was undertaken by Acuity's Managing Director, David Randerson. Dr Randerson specializes in the valuation of intangible assets, and business entities whose main assets are intangibles, with particular expertise in IP and IPR&D. Valuations have been performed for purposes of licensing, capital raising and investment, sale, depreciation and amortization, impairment, purchase price allocation, consolidation, mergers, acquisitions, stock options and goodwill.

Dr Randerson has experience with valuing pharmaceuticals, stem cells, medical devices, diagnostics, agriculture, biochemical and cell culture technologies and environmental products. In the fields of physical and applied sciences, he has valued software, internet, electronics, telecommunications, mining and petrochemical projects, process engineering, production engineering and automotive technologies. Research-in-process is of particular interest to Dr Randerson.

Dr Randerson has a Bachelor of Chemical Engineering (Monash University), Master of Science in Applied Science (UNSW) and a Doctorate of Philosophy in Biomedical Engineering (UNSW). He is a Fellow of the Australian Institute of Company Directors and a member of the Institution of Chemical Engineers. He has worked in academia at the University of Munich and University of Queensland, and in industry with Conzinc Riotinto, Union Carbide and Johnson & Johnson. He was founder and managing director of one of Australia's first publicly listed biotechnology companies, specializing in the production of therapeutic monoclonal antibodies and recombinant proteins.

An understanding of physical and life sciences, research and development, project management, probability and statistics, discounted cash flow methodologies, real options analysis, life cycle forecasting, engineering depreciation and functional obsolescence analysis, are amongst the important tools in which Dr Randerson has competence.

As principal of Acuity for 30 years, Dr Randerson has prepared in excess of 300 detailed valuations in biomedical sciences and 120 in applied sciences.

Schedule 3 Terms of Placement Options, SPP Options and Broker Options

(a) Consideration for grant

No consideration is payable for the grant of Placement Options, SPP Options and Broker Options.

(b) Exercise Price

The exercise price of each Placement Option, SPP Option and Broker Option is $0.04 (**Exercise Price**).

(c) Expiry

The Placement Options, SPP Options and Broker Options will expire on 5.00 pm (AEST) on the day that is 18 months from their issue. After this time, any unexercised options will automatically lapse.

(d) Entitlement to Shares

Each Placement Option, SPP Option and Broker Option entitles the holder to subscribe for one fully paid Share upon exercise of the option and payment of the Exercise Price prior to their expiry date.

(e) Terms of exercise

The Placement Options, SPP Options and Broker Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price to the Company, at any time on or after the date of issue and allotment of the options and before their expiry date. On the valid exercise of the New Options and payment of the Exercise Price, Invion will issue Shares ranking equally in all respects with all other Shares on issue.

(f) Rights to participate

Holders of Placement Options, SPP Options and Broker Options do not have any right to participate in new issues of securities in the Company made to Shareholders generally without exercising the option. However, Invion will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least three business days after the issue is announced, giving the holders of the Placement Options, SPP Options and Broker Options the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue.

(g) Quotation

The Placement Options, SPP Options and Broker Options will be quoted on ASX.

(h) Capital reorganisation

If, at any time, the issued capital of Invion is reconstructed (including consolidation, sub-division, reduction or return), all rights of holders of the Placement Options, SPP Options and Broker Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(i) Bonus Issues

A holder of Placement Options, SPP Options and Broker Options does not have the right to participate in bonus issues or new issues of securities offered to Shareholders until Shares are allotted to the holder of the options and pursuant to the exercise of the options.

If Invion makes a bonus issue to existing Shareholders and no Share has been issued in respect of that option before the record date for determining entitlements to the issue, then the number of Shares over which that option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.

(j) Pro rata issues

If Invion makes a pro rata issue (other than a bonus issue) to existing Shareholders and no Share has been issued in respect of the Placement Option, SPP Option or Broker Option before the record date for determining entitlements to the issue, then the Exercise Price will be changed in the manner permitted by the Listing Rules applying at the time of the pro rata issue.

(k) Registered holders

Invion is entitled to treat the holder of a Placement Option, SPP Option and Broker Option as the absolute holder of that option and is not bound to recognise any equitable or other claim to, or interest in, that option on the part of any person other than the holder, except as ordered by a court of competent jurisdiction or as required by statute.

Invion Limited
ABN 76 094 730 417

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Invion Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474

X99999999999

For personal use only

PROXY FORM

I/We being a member(s) of Invion Limited and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **12.00pm (AEDT) on Tuesday, 29 March 2022** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting. Shareholder who wish to participate in the AGM online may register in advance for the meeting:
https://us02web.zoom.us/webinar/register/WN_LM536fMKTa-2kQRyA2Lgaw

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2 VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

		For	Against	Abstain*
1	Approval to acquire a licence and distribution rights to Next Generation Photodynamic Therapy (NGPDT) from RMW Cho Group Limited	☐	☐	☐
2a	Ratification of prior issue of Placement Shares	☐	☐	☐
2b	Ratification of Placement Options	☐	☐	☐
2c	Ratification of SPP Options	☐	☐	☐
2d	Ratification of Broker Options	☐	☐	☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12.00pm (AEDT) on Sunday, 27 March 2022,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

BY MAIL

Invion Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)