INVION – HIGHLIGHTS OF APPENDIX 4E AND FULL YEAR FINANCIAL RESULTS

Melbourne, Australia and Delaware, United States, 28 AUGUST 2018: Invion Limited (ASX: IVX, "Invion" or "Company") has today released its Appendix 4E and Full Year Financial Results for the year ending 30 June 2018.

The 2018 financial year has been transformative for Invion, with the acquisition of the Australia and New Zealand commercialisation and distribution rights to the Photosoft™ technology, a new and improved Photodynamic Therapy (PDT) for the treatment of a range of cancers.

The commercialisation and distribution rights have been licensed from The Cho Group of Hong Kong. In return for the exclusive licence, at the 2017 AGM, the Shareholders of Invion approved the issue of new shares to The Cho Group for a licence value of $5.5 million at $0.002 per share.

As part of that transaction, The Cho Group has engaged Invion to conduct the global clinical development of the Photosoft™ technology and, via an R&D Services Agreement, is funding the fully burdened costs of the clinical trials and related research and manufacturing activities central to the technology's development.

"The Board's overarching strategic objective for the Group has been to identify and in-licence novel drug assets, enhance the value of these assets by mitigating risk along the clinical development pathway, and ultimately realise the commercial potential via out-licence or partnering," said Dr Greg Collier, CEO of Invion.

"Invion's partnership with The Cho Group puts the Company in a unique position, in that the fully burdened costs of the development of the Photosoft™ technology are funded by agreement against clearly defined milestones. This is enabling us to assess a number of potential development pathways with the aim of advancing into the clinic potentially as early as Q1 2019."

Invion has reported a net loss for the 12 months ended 30 June 2018 of $4,870,133 (2017: $2,199,737 loss). The Group's net assets at 30 June 2018 totalled $7,906,345 (2017: $4,007,199). This increase primarily relates to the in-licence during the period of the development and commercialisation rights in Australian and New Zealand to the Photosoft™ technology.

The Company's share price has improved to $0.034 in 2018, up from $0.003 in 2017 and $0.004 in 2016.

Capital Raise and licence of Photosoft™ technology

In August 2017, Invion announced a key strategic transaction with The Cho Group of Hong Kong, which has provided Invion with an exclusive licence as distributor and licensee in Australia and New Zealand for the Photosoft™ technology, a next-generation Photo Dynamic Therapy (PDT) for the treatment of a number of cancers.

In return for the exclusive licence, Invion agreed to issue new shares to The Cho Group for a licence value of $5.5 million at $0.002 per share.

Subsequent to the approval of the strategic transaction with The Cho Group by Invion shareholders in November 2017, Invion raised about $2.5 million before costs in a fully underwritten non-renounceable rights issue at $0.002 per share in February 2018.

Proceeds of the offer went towards general working capital and the repayment of debt.

Invion is also engaged to conduct the clinical development of Photosoft™ globally. The Cho Group will provide non-dilutive funding for the clinical trials and related development, in a clinical development program designed and managed by a joint steering committee between the two companies.

Research alliance with Hudson Institute

In March 2018, Invion signed an alliance agreement with Australia's Hudson Institute of Medical Research to collaborate on a range of research and development projects for the Photosoft technology.

Following the end of the period, in July 2018, Invion Hudson announced that Photosoft characterization studies had been completed in multiple ovarian cancer cell lines. Photosoft caused efficient and highly effective cancer destruction in vitro, with 100 per cent cell death achieved in a matter of minutes following light activation.

The results of the studies lay the groundwork for ongoing pre-clinical trials of the Photosoft™ technology as an indication for chemo-resistant, solid ovarian tumours.

Invion boosts scientific expertise

In March 2018, one of Australia's foremost ovarian cancer experts, Dr Andrew Stephens of the Hudson Institute of Medical Research, joined Invion's advisory board. Dr Stephens heads the Ovarian Cancer Biomarkers Research Laboratory at Hudson Institute.

Business development for respiratory assets

Invion is seeking to advance the Company's current respiratory assets - nadolol and zafirlukast - and continues to seek to identify potential commercial partners.

Impairment of intangible assets

Invion has recorded an impairment value pf $2,000,000 (2017: $4,400,000) against its nadolol respiratory asset (INV102). The Board remains confident of the science behind nadolol and the quality of its clinical development, but considers that the recoverable amount of INV102(nadolol) asset has decreased in the past year.

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About Invion

Invion is a clinical-stage life-sciences company that holds the Australia and New Zealand license to the Photosoft™ technology for the treatment of all cancers. Research and clinical trials are funded by the technology licensor, The Cho Group, which will provide non-dilutive funding to the Company. Invion is listed on ASX (ASX:IVX).

About Photodynamic Therapy (PDT)

Invion is developing Photosoft™ technology as an improved 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. In contrast to surgery, or radiotherapy and chemotherapy which are mostly immunosuppressive, PDT causes acute inflammation, expression of heat-shock proteins, and invasion and infiltration of a tumour by leukocytes.

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