

INVION LIMITED

ACN 094 730 417

Entitlement offer information booklet

2 for 7 pro rata non-renounceable entitlement offer at 2.5 cents per Share.

**Fully Underwritten by
Morgans Corporate Limited ACN 010 539 607 and
Patersons Securities Limited ACN 008 896 311**

Last date for acceptance and payment: 5.00pm (AEST) on 17 April 2015

If you are an eligible shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Underwriters



Legal Adviser



Table of contents

IMPORTANT NOTICES	1
Chairman's and Managing Director's letter	2
Summary of the Equity Raising	5
Risks	5
Key dates	6
Enquiries	6
1 Description and effect of the Offer	8
1.1 Overview	8
1.2 Issue of additional Shares under the Top Up Facility	8
1.3 Underwriting	9
1.4 Shortfall facility	9
1.5 Eligibility of Shareholders	9
1.6 Ranking of New Shares	10
1.7 Allotment	10
1.8 Capital structure	10
1.9 Current funding arrangements	11
1.10 Effect on Invion's financial position	11
1.11 Purpose of the Equity Raising	13
1.12 Broker handling fee	15
1.13 Information Availability	15
2 ASX announcements and investor presentation	16
3 How to apply	32
3.1 Shareholder's choices	32
3.2 Taking up all of your Entitlement and participating in the Top Up Facility	32
3.3 Taking up part of your Entitlement and allowing the balance to lapse	33
3.4 Allow your Entitlement to lapse	33
3.5 Consequences of not accepting your Entitlement	33
3.6 Payment	33
3.7 Entitlement and Acceptance Form is binding	34
3.8 Brokerage and Stamp Duty	34
3.9 Notice to Nominees and Custodians	34
4 Principal risk factors	35

4.1	Introduction	35
4.2	Specific risks	35
4.3	General market risks	39
5	Definitions-----	40
6	Corporate information -----	42

IMPORTANT NOTICES

This Information Booklet is dated 20 March 2015. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Entitlement Offer is being made without a prospectus under section 708AA Corporations Act (as notionally modified by ASIC Class Order 08/35). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

Invin may make additional announcements after the date of this Information Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than Invin has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares or Top Up Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Information Booklet is not to be distributed in, and no offer of New Shares or Top Up Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet (including an electronic copy) in other jurisdictions may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia or New Zealand.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Invin to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Invin shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by a New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 5. All references to currency are to Australian dollars and all references to time are to Australian Eastern Standard Time (AEST), unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. Invin considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Information Booklet or the subsequent disposal of any New Shares. Invin recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

Invin collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Invin.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Invin (directly or through the Share Registry). Invin collects, holds and will use that information to assess your Application. Invin collects your personal information to process and administer your shareholding in Invin and to provide related services to you. Invin may disclose your personal information for purposes related to your shareholding in Invin, including to the Share Registry, Invin's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Invin holds about you. To make a request for access to your personal information held by (or on behalf of) Invin, please contact Invin through the Share Registry.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by Invin or any of its officers.

Past performance

Investors should note that Invin's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Invin's future performance including Invin's future financial position or share price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Invin and certain plans and objectives of the management of Invin. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Invin, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Invin. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

Risks

Refer to the 'Risk factors' section of the Investor Presentation included in section 2 of this Information Booklet and in section 4 of this Information Booklet for a summary of general and specific risk factors that may affect Invin.

Chairman's and Managing Director's letter

20 March 2015

Dear Shareholder

We are pleased to write to you, as a valued shareholder of Invion Limited (**Invion**), and offer you the opportunity to participate in Invion's recently announced 2 for 7 fully underwritten non-renounceable entitlement issue of new ordinary shares in Invion (**New Shares**) at an issue price of 2.5 cents per New Share (**Entitlement Offer**).

On 20 March 2015, Invion announced its successful raising of approximately \$895,000 through a placement to institutional and sophisticated investors (**Placement**), to be followed by this Entitlement Offer (together, the **Equity Raising**).

The proceeds of the Equity Raising will be applied principally to fund the continuing development of Invion's three drug assets – INV102 (nadolol), INV103 (ala-Cpn10) and INV104 (zafirlukast) – with a particular focus on:

- progressing Invion's inhaled programs for its two drug assets INV102 & INV104; and
- ongoing phase II trials in COPD, asthma and systemic lupus erythematosus (lupus) including data analysis.

Funds will also be applied for ongoing working capital and the costs of the Equity Raising. These funds are budgeted to last until the end of Q3 2015 and further details are set out in section 1.11.

Invion is currently completing its INV103 (ala-Cpn10) and INV102 (nadolol) programs, with pivotal data anticipated within three to four months. Based on recent transactions in the industry it is anticipated that this data will enable the Company to negotiate a strategic investment by a recognised biotech fund, or provide a platform for the sale of the Company or its assets within six months.

Strategy update

Following a review of current operations, the Company has refocused on the core activities required to achieve key near to mid-term milestones and value-drivers. These include:

- completion of enrolment and dosing and receipt of data in the phase II clinical trial of INV103 (ala-Cpn10) in lupus patients;
- completion of dosing and receipt of data in the phase II clinical trial of oral INV102 (nadolol) in smoking cessation;
- completion of feasibility, production of tox and phase I clinical supplies, and pre-IND status for inhaled INV102 (nadolol); and
- selection of formulation and device for inhaled INV104 (zafirlukast) and partnering the program.

The benefits that are expected to flow from this initiative, for Invion and its shareholders, are described in Invion's investor presentation lodged with the Australian Securities Exchange (**ASX**) on 20 March 2015 (and included in this Information Booklet in section 2).

Funding arrangements

As part of the strategy update and capital raising process, the Company has concluded the share purchase and convertible security agreement with The Australian Special Opportunity Fund, effective on 24 March 2015.

In addition, the Company has entered into a research and development funding facility with Metamor Capital Partners Pty Ltd, to provide the Company with access to capital ahead of the anticipated receipt of its R&D tax incentive rebate. This funding facility provides Invion with a valuable capital management tool as it moves towards completion of current R&D activities and continues its partnering plans.

Further details on the arrangements with The Australian Special Opportunity Fund and Metamor Capital Partners Pty Ltd are set out in section 1.9.

The Directors are also supporting the Company with unsecured loans to provide further working capital and to allow for the finalisation of arrangements with The Australian Special Opportunity Fund.

Entitlement Offer details

Under the Entitlement Offer, eligible shareholders have the opportunity to invest at the price of 2.5 cents per New Share, which is the same price as the institutional investors who participated in the Placement. The issue price of 2.5 cents per New Share represents an approximate 36% discount to the closing price of Invion shares on 11 March 2015 (being the last trading day before announcement of the Equity Raising).

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Information Booklet. If you take up your entitlement, you can also apply for additional shares under a 'top-up' facility (refer to section 3 of this Information Booklet for more information).

The Entitlement Offer is fully underwritten by Morgans Corporate Limited ACN 010 539 607 and Patersons Securities Limited ACN 008 896 311 (the **Underwriters**).

The Entitlement Offer is non-renounceable and therefore your entitlements will not be tradeable on ASX or otherwise transferable.

Other information

This Information Booklet contains important information, including:

- the investor presentation referred to above, which was released to ASX on 20 March 2015, and provides information on Invion for you to consider;
- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions; and
- instructions on how to take up all or part of your Entitlement via BPAY.

The Entitlement Offer closes at 5.00pm (AEST) on 17 April 2015.

Please read in full the details on how to submit your application, which are set out in this Information Booklet. For further information regarding the Entitlement Offer, please call the Share Registry, Link

Market Services, on 1300 859 277 (within Australia) or +61 1300 859 277 (outside Australia), or visit the Company's website at www.inviongroup.com.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of Invion, we encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Dr Ralph Craven
Non-Executive Chairman



Dr Greg Collier
Managing Director & Chief Executive Officer

Summary of the Equity Raising

Placement	
Issue Price	2.5 cents per Share
Size	Approximately 35.8 million Shares
Gross proceeds	Approximately \$895,000
Entitlement Offer	
Ratio	2 New Shares for every 7 Existing Shares
Issue Price	2.5 cents per New Share
Size	Approximately 163.2 million New Shares
Gross proceeds	Approximately \$4.1 million
Total gross proceeds of the Equity Raising	Approximately \$5 million

Risks

The Directors believe the primary risks associated with an investment in Invion are:

Funding risk – the development of the respiratory franchise which includes progression to phase III clinical trials for oral INV102 (nadolol) in smoking cessation; plus the development of two inhaled drugs (INV102 & INV104) are the primary drivers of cash requirements in the coming 2 to 3 years. It is estimated \$10 to \$20 million will be required to complete phase III oral INV102, and reach phase II in the inhaled INV102 and inhaled INV104 programs. The funds raised under the Equity Raising are budgeted to last until the end of Q3 2015. To the extent the Company does not find an appropriate partner for its programs or an appropriate opportunity for the sale of the Company or the Company's assets, it may need to raise further funds, which may not be available when required or only available on unfavourable terms.

Clinical trial risk - Invion's ability to obtain regulatory approval for its products and profitably commercialise its products is dependent upon its ability to conduct successful clinical trials which are inherently risky, depend upon the availability of patients and regulatory approvals, and have no guarantee of returning efficacious results or proving practical or cost effective.

Partnering risk - successful partnering will rely on the independent interpretation of the Company's clinical trial results and a decision that the product candidate will be approvable and profitable in the portfolio of the licensee.

Regulatory and reimbursement approval risk – Invion's ability to research, develop, manufacture and sell its products is dependent upon regulatory approvals in target markets, for which there is no guarantee of securing such approvals in a timely and cost effective manner. While submissions may be made for reimbursement in certain jurisdictions, there is no guarantee that Invion will be reimbursed for any costs associated with developing its products, which may adversely impact its financial position.

Toxicology – in parallel with clinical trials, Invion will continue to test its product candidates in animal species under controlled conditions governed by Good Laboratory Practices (GLP) and its equivalent regulations under the International Committee on Harmonisation (ICH). These studies could generate

results that identify previously unknown safety concerns, limit the use of product candidates to certain patient populations, or limit the doses that may be used below the doses needed to achieve efficacy.

Delay risk – the potential for delay of any of the key milestones presents a number of risks, including the ability to secure a commercial partner, receive regulatory classification and achieve revenues within estimated timeframes.

Manufacturing and distribution capability risk – Invion's ultimate success is dependent upon its ability, or that of its commercial partners, to scale up and maintain production within estimated time frames, and in accordance with regulatory standards.

Competition – Invion is aware that there are a number of products in development or recently approved for the treatment of autoimmune diseases, including lupus, as well as airway diseases including asthma and chronic bronchitis. One or more of these competitor products or product candidates may be sufficiently safe and effective so as to minimise the real or perceived value of Invion product candidates, thereby negatively affecting the value placed upon Invion's products for licensing or partnering.

Key dates

Activity	Date
Announcement of the Equity Raising	20 March 2015
Ex date	24 March 2015
Record Date for Entitlement Offer (7.00pm AEDT)	26 March 2015
Allotment of shares issued under the Placement	27 March 2015
Information Booklet and Entitlement & Acceptance Form despatched	30 March 2015
Entitlement Offer opens	30 March 2015
Closing date for acceptances under Entitlement Offer (5.00pm AEST)	17 April 2015
New Shares quoted on deferred settlement basis	20 April 2015
Announcement of results of Entitlement Offer and under-subscriptions	22 April 2015
Allotment of New Shares issued under the Entitlement Offer	24 April 2015
Despatch of holding statements for New Shares issued under the Entitlement Offer	27 April 2015
Normal ASX trading for New Shares issued under the Entitlement Offer commences	27 April 2015

This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriters, subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The last day to extend the Entitlement Offer is 14 April 2015. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

For further, information, telephone 1300 859 277 (inside Australia) and +61 1300 859 277 (outside Australia) between 8.30am and 5.00pm, Monday to Friday. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

If you have lost your Entitlement and Acceptance Form and would like a replacement form, you should contact the Share Registry on the above telephone numbers.

1 Description and effect of the Offer

1.1 Overview

The Entitlement Offer is a non-renounceable offer of 163,213,389 New Shares at 2.5 cents per New Share to raise about \$4.1 million (before direct offer costs including fees paid to the Underwriters, advisers and to providers of specific services to cover share registry, printing and postage costs).

The proceeds of the Equity Raising will fund the continuing development of Invion's three drug assets – INV102 (nadolol), INV103 (ala-Cpn10) and INV104 (zafirulkast) – as well as for general working capital.

Eligible Shareholders who are on Invion's share register on the Record Date are entitled to acquire 2 New Shares for every 7 Existing Shares held on the Record Date (**Entitlement**).

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The issue price of 2.5 cents per New Share represents a discount of approximately 36% to the closing price of Invion shares on 11 March 2015 (being the last trading day before announcement of the Equity Raising).

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX, nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. Eligible Shareholders may subscribe for all or part of their Entitlement.

Shareholders will have their interest in Invion diluted because of the issue of Shares under the Placement. In addition, Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in Invion further diluted.

Eligible Shareholders should be aware that an investment in Invion involves risks. The key risks identified by Invion are set out in section 4 of this Information Booklet.

1.2 Issue of additional Shares under the Top Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility.

There is no guarantee that those Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any. The number of New Shares available under the Top Up Facility will not exceed the shortfall from the Entitlement Offer. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion.

1.3 Underwriting

Morgans Corporate Limited ACN 010 539 607 and Patersons Securities Limited ACN 008 896 311 are Underwriters to the Entitlement Offer and have underwritten the full amount of the Entitlement Offer on the terms set out in the Underwriting Agreement. Customary with these types of arrangements:

- (a) the Underwriting Agreement includes a number of termination events, including market related termination events, including in the event that there is a 10% fall in the S&P/ASX 200 Index;
- (b) the Underwriters will receive:
 - (i) an underwriting fee of up to 5% of the gross proceeds of the Entitlement Offer (excluding GST); and
 - (ii) a corporate advisory fee of \$60,000;
- (c) the Underwriters are entitled to reimbursement of certain expenses; and
- (d) Invion has agreed to indemnify the Underwriters and others against their losses in connection with the Entitlement Offer.

1.4 Shortfall facility

A shortfall may arise if applications received for New Shares under the Entitlement Offer (including after the completion of the Top Up Facility (if any) and the Entitlements of Ineligible Shareholders) are less than the number of New Shares offered and the Underwriters or sub-underwriters do not acquire that shortfall under the Underwriting Agreement.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date to either existing or new Shareholders at their discretion. If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlement Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up as Shortfall Shares.

1.5 Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders.

An Eligible Shareholder is a Shareholder on the Record Date who:

- (a) has a registered address on the Invion share register in Australia or New Zealand or is a Shareholder that Invion has otherwise determined is eligible to participate; and
- (b) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

1.6 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares.

1.7 Allotment

Invin will make an application within seven days from the date of this Information Booklet for quotation of the New Shares on ASX. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than five Business Days after the close of the Entitlement Offer.

Application Monies will be held by Invin on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

1.8 Capital structure

Subject to the rounding up of fractional Entitlements and depending on the number of Invin options (if any) that are exercised before the Record Date, the capital structure of Invin following the issue of New Shares is expected to be as follows:

Existing Shares on issue as at 20 March 2015 (announcement of the Equity Raising)	571,246,860
Approximate new Shares issued under the Placement	35,826,290
Approximate new Shares issued under the Entitlement Offer	163,213,389
Approximate total number of Shares after the Equity Raising	770,286,539

Placement

Investors who receive shares under the Placement will not be entitled to participate in the Entitlement Offer.

Options

The above figures assume that no existing options over Invin Shares will be exercised prior to the Record Date. There are 59,900,000 existing options, comprising:

- (a) 1,700,000 options exercisable at \$0.517 each on or before 16 May 2015;
- (b) 16,875,000 options exercisable at \$0.09 each on or before 9 November 2017;
- (c) 10,525,000 options exercisable at \$0.10 each on or before 9 November 2017;
- (d) 23,800,000 options exercisable at \$0.12 each on or before 9 November 2018;
- (e) 3,500,000 options exercisable at \$0.0721 each on or before 11 November 2017; and
- (f) 3,500,000 options exercisable at \$0.0721 each on or before 12 November 2017.

The Options are held by Directors and employees of the Company, as well as the Australian Special Opportunity Fund (pursuant to the share purchase and convertible security agreement , as previously announced on 10 November 2014).

The board of Directors considers it is unlikely that any existing options will be exercised before the Record Date. In the event that any existing options are exercised, however, any proceeds raised will be applied to the general working capital of Invion.

Convertible security

In finalising arrangements with The Australian Special Opportunity Fund, and as compensation for concluding those arrangements, the Company will issue a new convertible security to the Fund on 24 March 2015.

The convertible security has a face value of \$250,000 and can be converted at any time at the election of the Fund after 15 December 2015, with some exceptions to allow for early conversion, including a change of control of the Company or if the VWAP of the Shares for 5 consecutive days is greater than 5 cents. The security may be converted to shares at the lesser of the Issue Price for the Entitlement Offer and 90% of the 20 day VWAP immediately preceding the day of conversion.

1.9 Current funding arrangements

As part of the strategy update and capital raising process, the Company has concluded the share purchase and convertible security agreement with The Australian Special Opportunity Fund, effective on 24 March 2015. As part of these arrangements, the existing convertible security and all other outstanding liabilities are to be repaid. The Australian Special Opportunity Fund is to retain its existing shares and options, and is to receive a new convertible security to the value of \$250,000 (referred to above).

In addition, the Company has entered into a research and development funding facility with Metamor Capital Partners Pty Ltd, to provide the Company with access to capital ahead of the anticipated receipt of its R&D tax incentive rebate. This funding facility provides Invion with a valuable capital management tool as it moves towards completion of current R&D activities and continues its partnering plans. This non-dilutive (non-equity related) secured facility has a limit of \$1.56 million and is due for repayment in full by 30 October 2016 from the proceeds of the Company's anticipated R&D tax incentive refund for the 2015 financial year.

The Directors are also supporting the Company with unsecured loans to provide further working capital and to allow for the finalisation of arrangements with The Australian Special Opportunity Fund.

1.10 Effect on Invion's financial position

Set out below is the historical statement of financial position of Invion as at 31 December 2014 (**Historical Financial Information**) and a pro-forma historical statement of financial position as at 31 December 2014 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**). The Financial Information has been prepared to illustrate the effect of the Equity Raising.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards.

The stated basis of preparation used in the preparation of the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles contained

in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in this section of the Information Booklet, as if those events or transactions had occurred as at 31 December 2014

	31-Dec-14 Historical	Placement	Rights Issue	31-Dec-14 Pro forma Historical
	\$			\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	1,909,903	830,088	3,781,200	6,521,191
Trade and other receivables	1,328,358	-	-	1,328,358
Other current assets	84,938	-	-	84,938
TOTAL CURRENT ASSETS	3,323,199	830,088	3,781,200	7,934,487
NON-CURRENT ASSETS				
Trade and other receivables	73,705	-	-	73,705
Property, plant and equipment	31,300	-	-	31,300
Intangible assets	11,535,284	-	-	11,535,284
TOTAL NON-CURRENT ASSETS	11,640,289	-	-	11,640,289
TOTAL ASSETS	14,963,488	830,088	3,781,200	19,574,776
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	2,172,144	-	-	2,172,144
Financial liabilities	1,508,954	-	-	1,508,954
Short-term provisions	79,499	-	-	79,499
TOTAL CURRENT LIABILITIES	3,760,597	-	-	3,760,597
NON-CURRENT LIABILITIES				
Deferred tax liabilities	4,437,299	-	-	4,437,299
Long-term provisions	16,957	-	-	16,957
TOTAL NON-CURRENT LIABILITIES	4,454,256	-	-	4,454,256
TOTAL LIABILITIES	8,214,853	-	-	8,214,853
NET ASSETS	6,748,635	830,088	3,781,200	11,359,923
EQUITY				
Issued capital	113,466,852	830,088	3,781,200	118,078,140
Reserves	22,203,929	-	-	22,203,929
Accumulated losses	(128,922,146)	-	-	(128,922,146)

TOTAL EQUITY	6,748,635	830,088	3,781,200	11,359,923
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Note 1: Pro Forma Adjustments

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that the following significant transactions occurred as at 31 December 2014:

Material transactions since 31 December 2014:

- a. the issue of 35,826,290 New Shares under the Placement, raising gross proceeds of \$895,757 less expenses of \$65,669;

The Entitlement Offer:

- b. the issue of 163,213,389 New Shares under the Entitlement Offer, expected to raise gross proceeds of \$4,080,335 less estimated Offer Costs of \$299,135.

Due to the nature of the pro forma adjustments, they do not represent the actual or prospective financial position of Invion.

Note 2: Cash and cash equivalents

The Company's pro forma historical cash position at 31 December 2014 adjusted for the Equity Raising is derived from actual cash as follows:

Cash as at 31 December 2014	1,909,903
Placement proceeds	895,757
Expenses of the Placement	(65,669)
Gross proceeds of the Entitlement Offer	4,080,335
Offer Costs of the Entitlement Offer	<u>(299,135)</u>
Pro forma historical cash balance	<u>6,521,191</u>

1.11 Purpose of the Equity Raising

The purpose of the Placement and the Entitlement Offer is to raise funds primarily to fund:

- (a) progression of clinical program for INV102 (nadolol) as an inhaled treatment for chronic obstructive pulmonary disease and cystic fibrosis;
- (b) progression of clinical program for INV104 (zafirlukast) as an inhaled treatment for asthma;
- (c) ongoing phase II trials in COPD, asthma and systemic lupus erythematosus (lupus) including data analysis; and
- (d) ongoing working capital, including clinical research team, administration, compliance, and intellectual property prosecution.

The use of funds (assuming that the Entitlement Offer is fully subscribed) is intended to be apportioned as follows:

Item	Mar-Aug 2015
	\$000's
Opening cash	1.009
Capital raising*	4.976
R&D Tax Rebate funding facility	1.489
Other income	0.405
Total funds available	7.880
Outflows	
Program spend in INV103 (ala-Cpn10)**	0.628
Program spend in INV102 (nadolol)**	2.625
Program spend on inhaled respiratory franchise**	1.941
Operating expenditure	
(a) Australian corporate salaries and director fees	0.122
(b) US R&D salaries and director fees	0.573
(c) Compliance (ASX, audit, share registry) , consultants (accounting, tax, legal, commercial) and other operating expenses	0.799
Settling of liabilities to The Australian Special Opportunity Fund***	0.430
Capital raising costs (including costs of R&D tax rebate facility)	0.558
Total outflow	7.678

* It is expected that the Equity Raising will fund the Company to the point of obtaining significant data that will position the Company to negotiate a strategic investment in the Company by a recognised biotech fund, or provide a platform for the sale of the Company or the assets of the Company.

** These amounts include current trade creditors for these programs.

*** As part of the update to strategy, the Company has concluded the share purchase and convertible security agreement with The Australian Special Opportunity Fund, effective on 24 March 2015, with the existing convertible security and all other outstanding liabilities to be repaid.

These funds are budgeted to last until the end of Q3 2015 which will be following the expected release of pivotal clinical data relating to the INV103 (ala-Cpn10) and INV102 (nadolol) programs (anticipated within three to four months). It is expected that positive clinical data from one or both of these trials will position the Company to negotiate a strategic investment in the Company by a recognised biotech fund or provide a platform for a trade sale of the Company or its assets.

1.12 Broker handling fee

A handling fee of 2% of the application amount (plus GST) of New Shares (subject to a maximum handling fee of \$300) (**Broker Handling Fee**) under the Entitlement Offer will be paid by the Underwriters to stockbrokers (being those entities being recognised as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a Broker Handling Fee on successful applications.

1.13 Information Availability

Eligible Shareholders can obtain a copy of this Information Booklet from the Invion website at www.inviongroup.com or by calling the Share Registry on 1300 859 277 (within Australia) or +61 1300 859 277 (outside Australia) at any time from 8.30am to 5.00pm during the Entitlement Offer period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.



Overview

1. Revised strategy

- > To position company for near term strategic partnership or trade sale

2. New funding arrangements

- > Conclusion of facility with The Australian Special Opportunity Fund
- > New R&D Tax rebate debt facility with Metamor Capital Partners
- > Further support with unsecured loans from Invion directors

3. Capital raising

- > Placement and non-renounceable entitlement offer
- > Underwritten by Morgans Corporate Limited and Patersons Securities Limited

4. Next milestones

Strategy update

Strategic streamlining of operations

- Refocus on core activities required to achieve key near to mid-term milestones and value-drivers.
- These include:
 - completion of enrolment and dosing and receipt of data in the phase II clinical trial of INV103 (ala-Cpn10) in lupus patients;
 - completion of dosing and receipt of data in the phase II clinical trial of oral INV102 (nadolol) in smoking cessation;
 - completion of feasibility, production of tox and phase I clinical supplies, and pre-IND status for inhaled INV102 (nadolol); and
 - selection of formulation and device for inhaled INV104 (zafirlukast) and partnering the program

Position company for strategic investment or trade sale

- Invion is currently completing its INV103 (ala-Cpn10) and INV102 (nadolol) programs, with pivotal data anticipated within 3-4 months. Based on recent transactions in the industry it is anticipated that this data will enable the Company to negotiate a strategic investment by a recognised biotech fund, or provide a platform for the sale of the Company or its assets within 6 months.

3



Funding arrangements

Share Purchase & Convertible Security agreement (SPCSA) with The Australian Special Opportunity Fund (ASOF)

- As part of the update to strategy, the Company has mutually agreed to conclude the SPCSA with ASOF, effective on 24 March 2015. The existing convertible security and all other outstanding liabilities will be repaid.
- As compensation for the conclusion of the SPCSA, ASOF will retain existing shares and options, and receive a new convertible note to the value of \$250,000. This Note cannot be converted until after 15 December 2015, with some minor exceptions (e.g. change of control, share price >5c).

Funding from directors

- Additional unsecured (non-equity related) debt funding provided by Invion directors for working capital and for repayment of outstanding liabilities under the SPCSA.

R&D tax offset funding

- Agreement with Metamor Capital Partners to access capital ahead of the anticipated receipt of its R&D Tax incentive rebate. This funding facility provides Invion with a valuable capital management tool as it moves towards completion of current R&D activities and continues its partnering plans.
- This non-dilutive (non-equity related) secured facility has a limit of A\$1.56M and is due for repayment in full by 30 October 2016 from the proceeds of the Company's anticipated R&D Tax incentive refund for the 2015 financial year.

4



Capital raising overview

Placement and underwritten non-renounceable entitlement offer

Offer overview

Offer Details

- > A Placement to institutional and sophisticated investors of approximately 35.8 million shares at an Offer Price of 2.5 cents per new ordinary share to raise approximately \$895,000 to be followed by Entitlement Offer to existing shareholders targeted to raise approximately \$4.1 million.

Pricing

- > The Offer Price of 2.5 cents represents a 36% discount to the closing price on 11 March 2015 of 3.9 cents.

Use of funds

- > These funds are budgeted to last until the end of Q3 2015 which will be following the expected release of pivotal clinical data relating to the INV103 (ala-Cpn10) and INV102 (nadolol) programs (anticipated within 3-4 months). It is expected that positive clinical data from one or both of these trials will position the company to negotiate a strategic investment in the company by a recognised biotech fund or provide a platform for a trade sale of the company or its assets.

Other

- > New securities issued pursuant to the Placement will rank equally with Invion's existing securities.
- > Morgans Corporate Limited and Patersons Securities Limited are underwriters and Joint Lead Managers to the Offer.

Estimated use of funds

\$'000's	Mar-Aug 2015
Opening cash	1,009
Capital raising *	4,976
R&D Tax Rebate funding facility	1,489
Other income	0,405
Total funds available	7,880
Outflows	
Program spend in INV103 (ala-Cpn10) **	0,628
Program spend in INV102 (nadolol) **	2,625
Program spend on Inhaled respiratory franchise **	1,941
Operating expenditure	
– Australian corporate salaries and director fees	0,122
– US R&D salaries and director fees	0,573
– Compliance (ASX, audit, share registry), consultants (accounting, tax, legal, commercial) and other operating expenses	0,799
Settling of liabilities to SPCSA ***	0,430
Capital raising costs (including costs of R&D tax rebate facility)	0,558
Total outflow	7,678

* It is expected that this capital raising will fund the Company to the point of obtaining significant data that will position the Company to negotiate a strategic investment in the Company by a recognised biotech fund, or provide a platform for the sale of the Company or the assets of the Company.

** These amounts include current trade creditors for these programs

*** As part of the update to strategy, the Company has concluded the Share Purchase and Convertible Security Agreement with The Australian Special Opportunity Fund, effective on 24 March 2015, with the existing convertible security and all other outstanding liabilities to be repaid.

7

Timetable

Activity	Date
Announcement of the Placement and Entitlement Offer	20 March 2015
Mailing of the Entitlement Offer details	23 March 2015
Ex-date	24 March 2015
Record Date for Entitlement Offer (7.00pm (Sydney time))	26 March 2015
Information Booklet and Entitlement & Acceptance Form despatched	30 March 2015
Entitlement Offer opens	30 March 2015
Closing date for acceptances under Entitlement Offer (5.00pm (Sydney time))	17 April 2015
New Shares quoted on deferred settlement basis	20 April 2015
Company notifies ASX of under subscriptions	22 April 2015
Allotment of New Shares under the Entitlement Offer	24 April 2015
Despatch of holding statements for New Shares Issued under the Entitlement Offer	27 April 2015
Normal ASX trading for New Shares Issued under the Entitlement Offer commences	27 April 2015

This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Joint Lead Managers, subject to the Listing Rules. The last date to extend the closing date is 14 April 2015. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

8

Pro forma Balance Sheet

	31-Dec-14 Historical	Placement	Entitlement Offer	31-Dec-14 Pro forma Historical
Current Assets				
Cash and cash equivalents	1,909,903	830,088 ^a	3,781,200 ^b	6,521,191
Trade and other receivables	1,328,358	-	-	1,328,358
Other current assets	84,938	-	-	84,938
Total Current Assets	3,323,199	830,088	3,781,200	7,934,487
Non-Current Assets				
Trade and other receivables	73,705	-	-	73,705
Property, plant and equipment	31,300	-	-	31,300
Intangible assets	11,535,284	-	-	11,535,284
Total Non-Current Assets	11,640,289			11,640,289
Total Assets	14,963,488	830,088	3,781,200	19,674,776
Current Liabilities				
Trade and other payables	2,172,144	-	-	2,172,144
Financial liabilities	1,508,954	-	-	1,508,954
Short-term provisions	79,499	-	-	79,499
Total Current Liabilities	3,760,597	-	-	3,760,597
Non-Current Liabilities				
Deferred tax liabilities	4,437,299	-	-	4,437,299
Long-term provisions	16,957	-	-	16,957
Total Non-Current Liabilities	4,454,256	-	-	4,454,256
Total Liabilities	8,214,853	-	-	8,214,853
Net Assets	6,748,635	830,088	3,781,200	11,369,923
Equity				
Issued capital	113,466,852	830,088	3,781,200	118,078,140
Reserves	22,203,929	-	-	22,203,929
Accumulated losses	(128,922,146)	-	-	(128,922,146)
Total Equity	6,748,635	830,088	3,781,200	11,369,923

Notes to the Pro Forma Balance Sheet:

Pro Forma Adjustments:
The Pro Forma Historical financial information has been derived from the Historical financial information and has been prepared on the basis that the following significant transactions occurred as at 31 December 2014:

Material transactions since 31 December 2014:

a) The issue of 15,835,290 New Shares under the Placement, raising gross proceeds of \$861,767 less expenses of \$68,686.

The Entitlement Offer:

b) The issue of 168,113,889 New Shares under the Entitlement Offer, expected to raise gross proceeds of \$1,080,145 less estimated Offer Costs of \$289,185.

9



Company overview and key milestones

Invion: targeting inflammation

Invion: targeting inflammation

- > Global life sciences group in pharmaceutical drug development
- > Expertise and assets target chronic inflammation in two key areas of human health:
 - > inflammatory airways disease (respiratory disease)
 - > inflammation caused by autoimmune disease
- > Executive Directors with proven track record
 - > Dr Greg Collier, MD & CEO: former MD & CEO ChemGenex Pharmaceuticals (sold to Cephalon \$230M); 150+ peer reviewed publications; Roche Award for Excellence
 - > Dr Mitchell Glass, EVP R&D & CMO: 5 FDA-approved drugs, senior executive roles at AZ & GSK, Board certified pulmonary and critical care specialist
- > Growing a broad pipeline of drug assets that target improved patient outcomes and major commercial opportunities
- > Operations: Brisbane, Australia; Delaware, USA

11



Invion's assets

Respiratory

- > **INV102 (nadolol)**: a beta blocker (beta adrenergic biased ligand) currently used to treat high blood pressure, coronary chest pain (angina) and migraine, is being repurposed to treat chronic inflammatory airway diseases (e.g. asthma and COPD).
- > **INV104 (zafirlukast)**: a leukotriene receptor antagonist (LTRA) that reduces inflammation, constriction of the airways and the build-up of mucus in the lungs, is being developed as an inhaled therapy to treat asthma in adults and children.
- > INV102 & INV104 are the foundations of invion's inhaled respiratory drug franchise

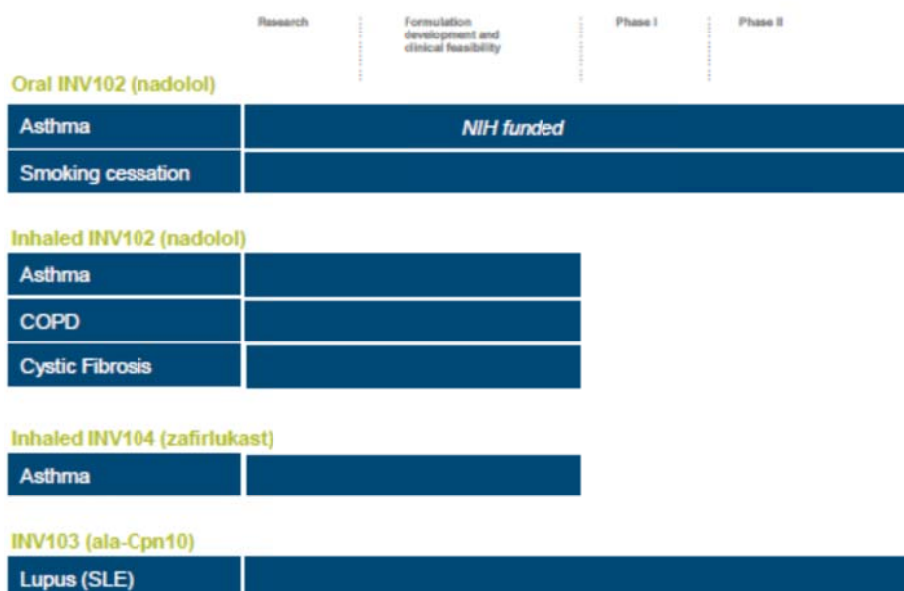
Autoimmune

- > **INV103 (ala-Cpn10)**: a modified naturally occurring human protein and member of the Resolution Associated Molecular Pattern (RAMPs) family, hypothesised to maintain and restore immune homeostasis, is being developed to treat systemic lupus erythematosus (lupus or SLE).
- > Early partnering opportunity

12



Pipeline



Recent INV102 (nadolol) milestones and clinical data

- > Phase II smoking cessation trial blind-broken interim data released Jan 15. Clinically relevant changes in four biomarkers of inflammation demonstrated:
 - > IL-8, a powerful chemoattractant for inflammatory cells, was stable between visits 6 and 7, with a median decrease in IL-8 levels compared to placebo which showed a median increase in IL-8 levels;
 - > ERK2, a biomarker for the beta arrestin pathway, showed a greater median decrease than placebo-treated patients resulting in a lower median value at visit 7 (487 v 1,910 pg/mL);
 - > MUC 1, a glycoprotein that lines the surface of epithelial cells in the lung, showed a modest median decrease in patients receiving nadolol and placebo; and
 - > Neutrophils, the white blood cells that are the hallmark of inflammation of chronic bronchitis decreased 7% (mean) versus a mean increase of 1.4% in placebo patients.
- > Full trial enrolment announced 2 Feb 15

14

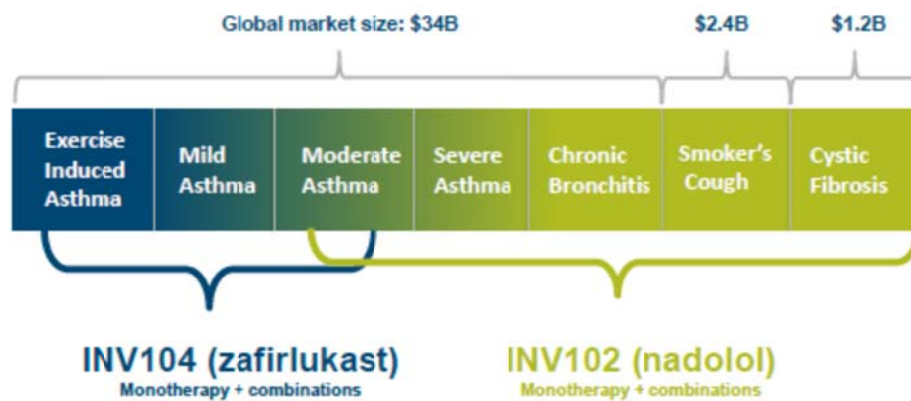


Targeting chronic inflammatory airway disease

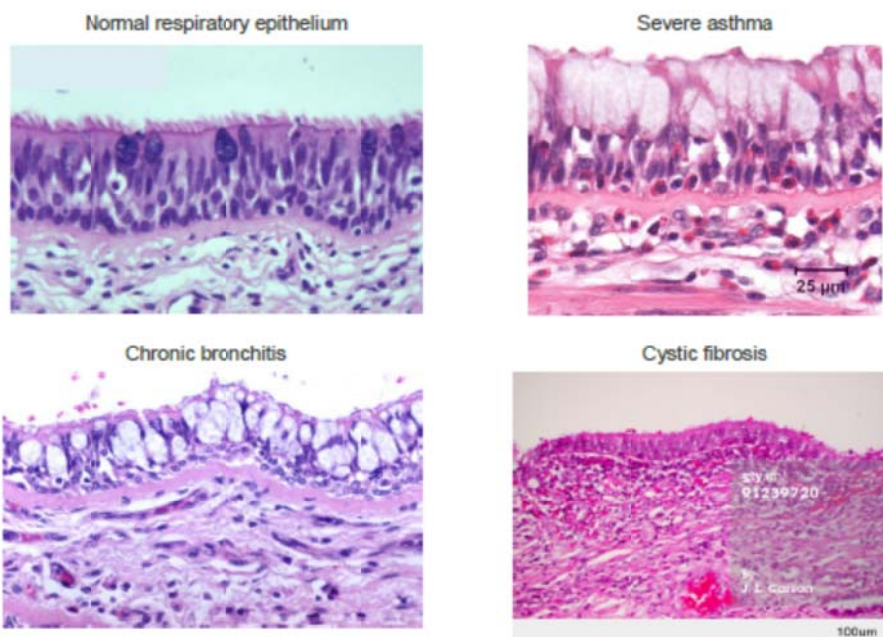
INV102 (nadolol)

INV104 (zafirlukast)

Spectrum of airway disease and opportunities

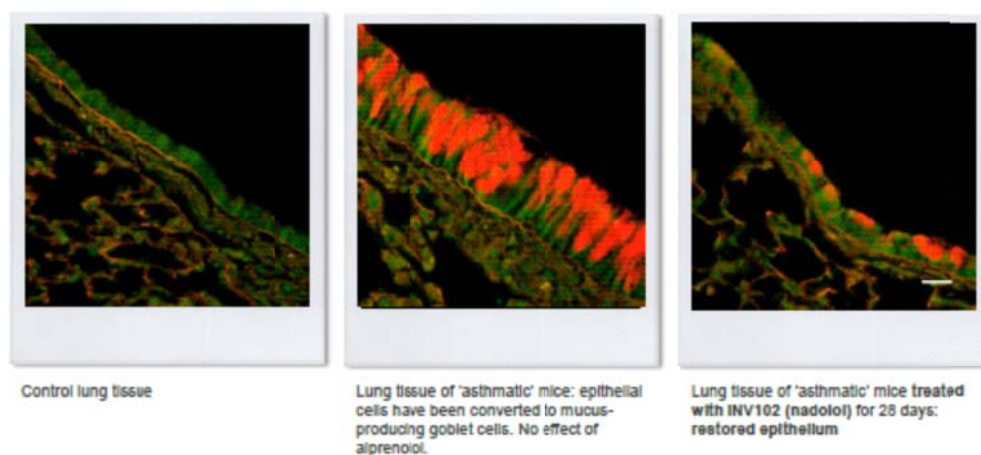


The critical role of the epithelium in severe airway disease



17

INV102 reverses epithelial changes in pre-clinical studies



Reference: Nguyen LP, et al., 2011. Complementary anti-inflammatory effects of a β -blocker and a corticosteroid in an asthma model. Arch Pharmacol. 2011; Oct 2.

18

INVION
Targeting inflammation

INV102 reverses epithelial changes via inhibition of the beta-arrestin pathway

- INV102 development is based on the science of Richard A. Bond PhD, Professor of Pharmacology, U Houston. In collaboration with nobel-prize winning Robert Lefkowitz, Dr Bond undertook studies on the spontaneous activity of G-protein-coupled receptors and compounds functioning as inverse agonists. Dr Bond's research has demonstrated that INV102 has been shown to inhibit the beta-arrestin signalling pathway.



19

INVION
Targeting inflammation

Respiratory therapeutics: oral program
INV102 (nadolol)

Oral INV102: emerging phase II clinical data

Phase II asthma trial (NIMA): interim analysis

- > Randomised, placebo-controlled, 60 patient clinical trial in patients with mild asthma
- > High % of patients (> 90%) tolerated titration to maximum possible dose without severe adverse events
- > No pattern of cardiovascular or respiratory effects in patients during the four hours of observation required after each titration dose
- > Patients demonstrated no requirement to increase rescue medication usage – provided either as a short-acting beta-agonist (SABA) or as an anti-muscarinic agent
- > Next milestone: completion of enrolment anticipated 2H 2015 per NIAID

Phase II smoking cessation trial: status

- > Randomised, placebo-controlled, 136 patient clinical trial in patients with chronic cough due to smoking who have failed to quit multiple times previously
- > Q1 2015 sputum sample analysis showed positive effects of Nadolol versus placebo on airway inflammation and blockade of beta arrestin pathway
- > Sputum data supports ongoing development of inhaled INV102
- > Enrolment completed Jan 2015
- > Data package to support partnering discussions EOPII meeting targeted for 2H2015
- > Next milestones: completion of dosing anticipated 1H2015

21



Respiratory therapeutics: inhaled program

INV102 (nadolol) in asthma, COPD & cystic fibrosis

INV104 (zafirlukast) in asthma

Inhaled INV102: program status

- > Collaboration with 3M Drug Delivery systems
- > Target outcome: proprietary formulation and device using 3M's proprietary pressurised metered dose inhalation (pMDI) technology
- > Collaboration encompasses manufacture for toxicology and phase I studies
- > Formulation and device selected
- > Toxicology supplies manufactured
- > Clinical supply manufacturing underway



23



Inhaled INV104: program status

- > First inhaled non-steroidal anti-inflammatory drug for asthma
- > Ongoing collaboration to develop proprietary formulation and device
- > Largely risk mitigated development based on chemistry, inhaled toxicology and inhaled proof of concept studies conducted by ICI/ Zeneca under Mitchell Glass
- > Well defined CMC/TOX/ADME and safety profile: > 4M patients as oral Accolate® (AZ)
- > 7 studies showed excellent prevention of asthma, cold air and exercise induced bronchospasm (EIB) without detectable drug blood levels

24



Targeting chronic inflammation caused by
autoimmune disease
INV103 (ala-Cpn10)

INV103 phase II lupus trial: interim blinded data

- > Double-blind, randomised, placebo-controlled clinical trial in lupus patients. Up to 40 subjects in up to 5 cohorts (8 patients per cohort), increasing dose and increasing disease severity. Doses 10mg, 30mg, 100mg, 300mg
- > Data analysed from lower dose cohorts - 10mg and 30mg twice weekly dosing
- > Good safety demonstrated – no pattern of adverse events
- > Safety profile now supportive of concurrent testing of:
 1. higher doses – 100mg twice-weekly is a tenfold increase over previously tested highest doses; and
 2. patients with more severe disease – i.e. showing signs of renal impairment
- > Business development and partnering activities geared towards maximising potential commercial opportunities from emerging data

Invion: key milestones next 6-8 months

1H 2015

- ✓ Blind-broken interim data from phase II smoking cessation trial
- ✓ Completion of enrolment of INV102 oral (nadolol) in smoking cessation
- Pre-IND status for inhaled INV102 (nadolol) as a potential therapy for asthma, COPD & cystic fibrosis
- Manufacture toxicology supplies and commencement of toxicology studies for inhaled INV102 (nadolol)
- Full enrolment and completion of dosing in phase II study of INV103 (ala-Cpn10) in lupus patients
- Selection of formulation and device for inhaled INV104 (zafirlukast)

2H 2015

- Completion and final data from phase II oral INV102 (nadolol) study in patients undergoing smoking cessation
- Completion of enrolment of NIH-funded phase II study of INV102 (nadolol) in asthma patients

*The information above (and where reflected elsewhere in this presentation) sets out indicative timeframes and assumes:

1. Invision will continue to obtain the full benefit of the available R&D tax incentive for its eligible R&D activities and clinical trials.
2. The studies will proceed based on budgeted costs, assuming normal patient recruitment and clinical trial timelines, and with no material regulatory hurdles.
3. Ordinary R&D expenditure will continue broadly at the same levels as for past financial years.

27



Key risks for investors

- **Funding risk** – the development of the respiratory franchise which includes progress to phase III clinical trials for oral INV102 (nadolol) in smoking cessation; plus the development of two inhaled drugs (INV102 & INV104) are the primary drivers of cash requirements in the coming 2 to 3 years. It is estimated \$10 to \$20 million will be required to complete phase III oral INV102, and reach phase II in the inhaled INV102 and inhaled INV104 programs. The funds raised under the Equity Raising are budgeted to last until the end of Q3 2015. To the extent the Company does not find an appropriate partner for its programs or an appropriate opportunity for the sale of the Company or the Company's assets, it may need to raise further funds, which may not be available when required or only available on unfavourable terms.
- **Clinical trial risk** - Invision's ability to obtain regulatory approval for its products and profitably commercialise its products is dependent upon its ability to conduct successful clinical trials which are inherently risky, depend upon the availability of patients and regulatory approvals, and have no guarantee of returning efficacious results or proving practical or cost effective.
- **Partnering risk** - successful partnering will rely on the independent interpretation of our clinical trial results and a decision that the product candidate will be approvable and profitable in the portfolio of the licensee.
- **Regulatory and reimbursement approval risk** – Invision's ability to research, develop, manufacture and sell its products is dependent upon regulatory approvals in target markets, for which there is no guarantee of securing such approvals in a timely and cost effective manner. While submissions may be made for reimbursement in certain jurisdictions, there is no guarantee that Invision will be reimbursed for any costs associated with developing its products, which may adversely impact its financial position.

28



Key risks for investors

- > **Toxicology** – in parallel with clinical trials, Invion will continue to test its product candidates in animal species under controlled conditions governed by Good Laboratory Practices (GLP) and its equivalent regulations under the International Committee on Harmonisation (ICH). These studies could generate results that identify previously unknown safety concerns, limit the use of product candidates to certain patient populations, or limit the doses that may be used below the doses needed to achieve efficacy.
- > **Delay risk** – the potential for delay of any of the key milestones, presents a number of risks, including the ability to secure a commercial partner, receive regulatory classification and achieve revenues within estimated timeframes.
- > **Manufacturing and distribution capability risk** – Invion's ultimate success is dependent upon its ability, or that of its commercial partners, to scale up and maintain production within the estimated time frame, and in accordance with regulatory standards.
- > **Competition** – Invion is aware that there are a number of products in development or recently approved for the treatment of autoimmune diseases, including lupus, as well as airway diseases including asthma and chronic bronchitis. One or more of these competitor products or product candidates may be sufficiently safe and effective so as to minimize the real or perceived value of Invion product candidates, thereby negatively affecting the value placed upon our products for licensing or partnering.

29



Corporate snapshot

Sector	Life Sciences (Biotechnology)
Principal activities	Clinical-stage pharmaceutical drug development
Pipeline	3 drug assets, multiple clinical and pre-clinical programs
Operations	Australia & USA
ASX code	IVX
Share price (11-Mar-15)	\$0.039 (3.9 cents)
Shares on issue * (11-Mar-15)	~571.25M
Options on issue	~60M
Market cap (11-Mar-15)	~\$22.2M
Cash at bank (31-Dec-14)	\$1.9M

30



Targeting inflammation

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- The information in this presentation does not constitute personal investment advice. The presentation is not intended to be comprehensive or provide all information required by investors to make an informed decision on any investment in Invion Limited ACN 094 730 417 (Company). In preparing this presentation, the Company did not take into account the investment objectives, financial situation and particular needs of any particular investor.
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Targeting inflammation

Dr Greg Collier
Managing Director and CEO
Invion Limited

GPO Box 1557
Brisbane, QLD, 4001
Australia
P: +61 7 3295 0500
E: greg.collier@inviongroup.com
W: www.inviongroup.com

Investor Presentation
March | 2015

3 How to apply

3.1 Shareholder's choices

The number of New Shares to which Eligible Shareholders are entitled under the Entitlement Offer (i.e. their Entitlement) is shown on the accompanying Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to section 3.2);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement lapses (refer to section 3.3); or
- (c) allow their Entitlement to lapse (refer to section 3.4).

Ineligible Shareholders may not take up any of their Entitlements.

Invision reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (AEST) on 17 April 2015** (however, that date may be varied by Invision, in accordance with the Listing Rules and the Underwriting Agreement).

3.2 Taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

If you have applied to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 3.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than **5.00pm (AEST) on 17 April 2015** at the address set out below:

By hand delivery (not to be used if mailing)

Invision Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

By post

Invision Limited
C/- Link Market Services Limited
GPO BOX 3560
Sydney NSW 2001

You may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being

made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than **5.00pm (AEST) on 17 April 2015**.

If you do not return the Entitlement and Acceptance Form, amounts received by Invion in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares under the Top Up Facility as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The Directors reserve their right to allot and issue New Shares under the Top Up Facility at their discretion.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to <https://investorcentre.linkmarketservices.com.au/Login.aspx/Login> and following the instructions.

3.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required under section 3.2.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and Invion receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

3.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

3.5 Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Underwriters or sub-underwriters or under the Top Up Facility.

No party is anticipated to acquire a relevant interest in voting Shares exceeding 20% as result of the Entitlement Offer, the Placement, or any Entitlement Offer shortfall.

3.6 Payment

The consideration for the New Shares (including under the Top Up Facility) is payable in full on application by a payment of 2.5 cents per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Invion Limited – Entitlement Offer**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

3.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms of this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer; and
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand.

3.8 Brokerage and Stamp Duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

3.9 Notice to Nominees and Custodians

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand, and beneficial holders of Shares who are institutional or professional investors in other countries that Invion has approved as being a country in which investors are eligible to participate, as well as any other country to the extent Invion may determine it is lawful and practical to make the Entitlement Offer.

4 Principal risk factors

4.1 Introduction

An investment in Invion should be considered speculative. This section identifies the major risks associated with an investment in Invion.

4.2 Specific risks

Funding risk

Funds raised under the Equity Raising are budgeted to last until the end of Q3 2015. Invion is continuing its CPN10 and INV102 programs, with the aim to obtain significant data that will position the Company to negotiate a strategic investment in the Company by a recognised biotech fund or provide a platform for a trade sale of the Company or its assets. If the data is not significant, or Invion is unable to negotiate a strategic investment or sale in or around the end of Q3 2015, further funds will need to be raised for the Company's ongoing operations.

There is no assurance that the Company will be able to raise further capital if and when it is required, or that the terms associated with raising that capital will be satisfactory to the Company. If Invion is unsuccessful in obtaining funds when they are required, Invion may need to delay or eliminate its research and development, commercialisation or manufacturing activities, or other aspects of its business, have to license or sell its technologies on unfavourable terms, or scale down or cease operations. If Invion raises funds by issuing Shares or borrowing, the terms may not be favourable and may dilute the ownership of its Shareholders.

Clinical trial risk

Invion's ability to achieve profitability is dependent on a number of factors, including its ability to complete successful clinical trials, obtain regulatory approval for its product candidates, and successfully commercialise those product candidates or technologies. The Company is also dependent on commercially attractive markets remaining available to it.

The development of biomedical therapies is inherently risky and subject to factors beyond the Company's control. The industry is highly regulated, subject to intense competition and reliant on the timely availability of clinical trial patients. Invion may be unable to secure necessary approvals from regulatory agencies and institutional bodies (clinics and hospitals) to conduct clinical trials. There is also no assurance that products developed using Invion's technology will prove to be safe and efficacious in clinical trials, or that the regulatory approval to manufacture and market its products will be received. Clinical trials might also potentially expose Invion to product liability claims in the event its products in development have unexpected effects on clinical subjects.

To the extent it is available on reasonable terms, Invion intends to maintain clinical trial insurance, however there is no guarantee such insurance will be held valid or be sufficient to cover any liability which may arise.

Invion has commenced clinical trials as discussed the Investor Presentation. These trials have many associated risks which may impact the Company's profitability and future productions and commercial potential. They may prove unsuccessful or non efficacious, impracticable or costly. The clinical trials could be terminated which will likely have a significant adverse affect on the Company, the value of its securities and the future commercial development of INV102, INV103 and INV104.

Formulations of INV102, INV103 and INV104 are currently being tested for stability in parallel with the clinical trials. If product stability is not maintained, the product may be required to be reformulated, leading to associated costs and delays. The clinical trials could also be delayed or aborted as a result of this occurring.

Regulatory and reimbursement approvals

The research, development, manufacture, marketing and sale of products using Invion's technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas including but not limited to the FDA.

Therapeutic products developed using Invion's technology must undergo a comprehensive and highly regulated development and review process before receiving approval for marketing. The process includes the provision of clinical data relating to the quality, safety and efficacy of the products for their proposed use.

Products may also be submitted for reimbursement approval for research and development costs, for example. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions.

Furthermore, any of the products utilising Invion's technology may be shown to be unsafe, non-efficacious, difficult or impossible to manufacture on a large scale, uneconomical to market, compete with superior products marketed by third parties or not be as attractive as alternative treatments.

Risk of delay

The Company may experience delay in achieving a number of critical milestones, including securing a commercial partner, completion of clinical trials, obtaining regulatory or reimbursement approvals, manufacturing, product launch and sales. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.

Commercialisation of products

Invion has not yet commercialised its technology (except for cell culture products) and as yet has no material revenues. There is no assurance that Invion will generate significant revenues or that Invion will ever achieve profitability.

There is no assurance that Invion will attract and retain appropriate strategic partners or that any such partners will perform and meet commercialisation goals or make licensing payments.

Commercial, manufacturing and distribution capability

Invion's ultimate success is dependent upon its ability, and or that of its commercial partners, to manufacture its products on a commercial scale, with continuity of supply and in accordance with current Good Manufacturing Practices, prescribed by the Therapeutic Goods Administration (TGA) and other regulatory authorities. In the event that the Company or any one or more of Invion's commercial partners discontinue operations for any reason, this may result in substantial cost and delay.

Delays and difficulties in the manufacture of products for trials or commercial purposes or with packagers or distributors could delay market introduction and subsequent sales of Invion's products. More particularly, any contamination or other failure in the manufacture of the compounds that are supplied or subsequently manufactured could result in delay, increased

costs, exposure to liability for breach of obligations as well as regulatory and statutory standards, loss of funding and / or regulatory approval.

The inability of Invion to scale up and maintain production within the estimated timeframe may potentially result in an adverse financial impact for the Company both in the short and medium term.

Dependence on commercial partnering

Invion will need to enter into one or more commercial partnering agreements to launch the marketing and sales of its lead products as described in this Information Booklet. These agreements may require Invion or its partners to undertake or fund certain R&D activities, make payments on achievement of certain milestones and pay royalties or make profit-sharing payments when and if a product is sold. As such, these agreements will be critical to Invion's ability to derive revenue and the timing of those revenues.

The success of Invion's partnering arrangements may depend on the resources devoted to them by itself or its industry partners. Collaborative agreements may be terminable by Invion's partners. Non-performance, suspension or termination of agreements is likely to have a material and adverse impact on Invion's business, financial condition and results of operations.

Retention of key personnel and contract researchers

Because of the specialised nature of Invion's business, Invion is highly dependent upon qualified, scientific, technical and managerial personnel. There is significant competition for qualified personnel in Invion's business.

Invion and its collaborators may not be able to attract and retain the qualified personnel necessary for the development of its business. The loss of the services of existing personnel, as well as the failure to recruit additional key scientific, technical, managerial and other personnel in a timely manner could harm Invion's R&D programs and its business.

Intellectual property

Invion's success will depend in part on its ability to obtain commercially valuable patent claims and to protect its intellectual property. Accordingly, Invion and its research partners face the following risks and uncertainties with respect to the licensed patents and any other patents subsequently licensed or issued to Invion:

- lodged patent applications may not result in issued patents or may take longer than expected for patents to issue;
- the claims of any patents that are issued may not provide meaningful protection;
- Invion and its research partners may not be able to develop additional proprietary technologies that are patentable;
- patents issued to Invion or its industry partners may not provide a competitive advantage;
- other companies may challenge issued patents;
- other companies may independently develop similar or alternative technologies to those of Invion or duplicate Invion's technology;
- other companies may design around Invion's technologies; and
- if letters patent do not issue in respect of a licensed patent, then the value of Invion's intellectual property rights may be significantly diminished. Further, any information

contained in the licensed patents will become part of the public domain, so that it will not be protected as confidential information.

As legal regulations and standards relating to the validity and scope of patents continue to evolve, the degree of future protection for Invion's proprietary rights is uncertain.

Invion may incur substantial costs in asserting any patent or intellectual property rights and in defending legal action against it relating to intellectual property rights. Such disputes could substantially delay Invion's product development or commercialisation activities.

Invion may from time to time need to acquire or licence intellectual property from third parties to develop and commercialise its own suite of intellectual property and products. There is no guarantee such acquisition or licence can be obtained or, if obtained, that it will be on reasonable commercial terms.

Grant funding

Invion and its partners may from time to time receive government grants. These grant monies are typically payable on achievement of certain scientific and commercial milestones. If those milestones are not achieved, grant monies may be suspended. Invion may also be required to repay some or all of the grant monies if it breaches the terms of the grant, or if it obtains additional funding for the relevant activities from other sources, and in other circumstances. The laws and policies that apply to grant funding are constantly under review. If these laws and policies change, Invion's access to grant funding may be reduced or cease.

Competition

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Invion's products may compete with existing alternative treatments that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same conditions that Invion is targeting. Some of these companies may have, or develop, technologies superior to Invion's own technology.

Some competitors of Invion may have substantially greater financial, technical and human resources than Invion. In addition, academic institutions, government agencies, and other public and private organisations conducting research may seek intellectual property protection with respect to potentially competitive products or technologies. These organisations may also establish exclusive collaborative or licensing relationships with Invion's competitors. Invion is also dependent upon its ability and the ability of third party collaborators or licensees, to sell and market its products and to develop and commercialise products based on Invion's technology.

Legislation, regulation and tenure

The Company's activities in the biomedical industry are subject to legislation, regulations and approvals. The impact of existing or new laws, or their interpretation in the Courts, could have a material adverse effect on the Company. Further, the Company will, from time to time, require various government regulatory approvals for its operations and must comply with those laws. There is a risk of delay, increased cost or failure to get those approvals.

Litigation

In February 2012 legal proceedings were commenced against four former officers of the Company. The proceedings relate to the resignations on or about 12 October 2011 of the

Company's then executive chairman, chief executive officer, chief financial officer and company secretary (**Defendants**); and gross payments made to these officers.

On 4 June 2014, the Supreme Court of Queensland (**Court**) delivered judgment in favour of the Company, and determined that the defendants were required to repay the sum of \$1,071,482 to the Company. The Company also received final orders against the Defendants in the sum of approximately \$67,000 for costs of interlocutory matters. The Court also dismissed the counterclaim by the Defendants.

As previously disclosed, the Defendants have lodged a notice of appeal against the Court decision. The appeal was heard on 23 February 2015 and the Company is currently awaiting judgment.

There is a risk that the Company may in future be the subject of or required to commence litigation in addition to that noted above. There is, however, no other litigation currently underway or threatened.

4.3 General market risks

Share market investments

Like the shares of all ASX listed companies, Invion's share price might rise or fall and they may trade at prices below or above the Issue Price. There can be no assurance that an active trading market will always exist for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company, including for example exchange rates and investor sentiment. These fluctuations and factors might adversely affect the price of the Shares. These risks apply generally to any investment in the stock market.

General economic conditions

Invion's operating and financial performance is influenced by a variety of general economic and business conditions, both domestic and global, including the level of inflation, commodity prices, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or a sudden unexpected change (or 'shock') in economic conditions, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

Accounting Standards

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the Directors' and Invion's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Invion's financial statements.

Taxation risks

A change to the current taxation regime in Australia or overseas may affect Invion and its Shareholders. Personal tax liabilities are the responsibility of each individual investor. Invion is not responsible for either taxation or penalties incurred by investors.

5 Definitions

These definitions are provided to assist the understanding of some of the expressions used in this Information Booklet.

Term	Definition
AEDT	means Australian Eastern Daylight Savings Time.
AEST	means Australian Eastern Standard Time.
Applicant	means an Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or has arranged for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.
Application	means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.
Application Monies	means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Business Day	means a business day as defined in the Listing Rules.
Closing Date	means 17 April 2015, the day the Entitlement Offer closes, or any other date that the Directors in their absolute discretion determine, subject to the Listing Rules.
Company or Invion	means Invion Limited ACN 094 730 417.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of Invion.
Eligible Shareholder	means a Shareholder as at the Record Date who is not an Ineligible Shareholder.
Entitlement	means the right to subscribe for New Shares under the Entitlement Offer.
Entitlement and Acceptance Form	means the Entitlement and Acceptance Form accompanying this Information Booklet.
Entitlement Offer	means the non-renounceable entitlement offer to Eligible Shareholders to subscribe for 2 New Shares for every 7 Existing Shares of which the Shareholder is the registered holder on the Record Date, at the Issue Price pursuant to this Information Booklet.
Equity Raising	means the Entitlement Offer and the Placement.

Term	Definition
Existing Shares	means the Shares already on issue in Invion as at the Record Date.
Ineligible Shareholder	means a Shareholder as at the Record Date whose registered address is not located in Australia or New Zealand.
Information Booklet	means this document.
Investor Presentation	means the presentation to investors, in section 2 of this Information Booklet.
Issue Price	means 2.5 cents per New Share.
Listing Rules	means the official listing rules of ASX.
New Shares	means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued as Top Up Shares Shortfall Shares or to Underwriters or sub-underwriters.
Placement	means the offer of new Shares to institutional investors, announced on 20 March 2015 and to complete on 27 March 2015.
Record Date	means 7.00pm (AEDT) on 26 March 2015.
Shareholders	mean holders of Shares.
Shares	means fully paid ordinary shares in the capital of Invion.
Share Registry	means Link Market Services Limited ACN 083 214 537.
Shortfall Shares	means those New Shares not taken up by Eligible Shareholders under the Entitlement Offer, together with those New Shares to which any Ineligible Shareholders would otherwise have been entitled.
Top Up Facility	means the facility described in section 1.2 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.
Top Up Shares	means extra Shares a Shareholder may apply for in excess of their Entitlement under the Top Up Facility.
Underwriters	means Morgans Corporate Limited ACN 010 539 607 and Patersons Securities Limited ACN 008 896 311.
Underwriting Agreement	means the underwriting agreement dated 20 March 2015 between Invion and the Underwriters.

6 Corporate information

COMPANY

Invion Limited
ACN 094 730 417

REGISTERED OFFICE

c/- McCullough Robertson Lawyers
Level 11, 66 Eagle Street
Brisbane QLD 4000
P: (07) 3295 0500
E: investor@inviongroup.com
www.inviongroup.com

DIRECTORS

Dr Ralph Craven, Non-Executive Chairman
Dr Greg Collier, Managing Director and CEO
Dr Mitchell Glass, Chief Medical Officer, Executive Director
Dr James Campbell, Non-Executive Director
Mr Brett Heading, Non-Executive Director
Mr Warren Brown, Non-Executive Director

COMPANY SECRETARY

Ms Melanie Farris

SHARE REGISTRY

Link Market Services Limited
Level 15 324 Queen Street
Brisbane QLD 4000
P: 1300 554 474
www.linkmarketservices.com.au

UNDERWRITERS TO THE OFFER

Morgans Corporate Limited
ACN 010 539 607
Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000
www.morgans.com.au

Patersons Securities Limited
ACN 008 896 311
Level 15, 333 Collins Street
Melbourne VIC 3000
www.psl.com.au

AUDITOR

Ernst & Young
111 Eagle Street
Brisbane, QLD 4000
P: (07) 3011 3333
www.ey.com/AU/

LEGAL ADVISOR TO THE OFFER

McCullough Robertson Lawyers
Level 11 Central Plaza Two
66 Eagle Street
Brisbane QLD 4000
www.mccullough.com.au



Targeting inflammation

Invion Limited

ABN 76 094 730 417

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 554 474
ASX Code: IVX

Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

**Number of Eligible Shares held as at
the Record Date, 7:00pm (Sydney time)
on 26 March 2015:**

**Entitlement to New Shares
(on a 2 New Shares for 7 basis):**

**Amount payable on full acceptance
at 2.5 cents per Share:**

Offer Closes 5:00pm (Sydney time):	17 April 2015
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 2 New Shares for every 7 Existing Shares that you hold on the Record Date, at an Offer Price of 2.5 cents per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Entitlement offer information booklet dated 20 March 2015. The Entitlement offer information booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Entitlement offer information booklet. This Entitlement and Acceptance Form should be read in conjunction with the Entitlement offer information booklet.

If you do not have a paper copy of the Entitlement offer information booklet, you can obtain a paper copy at no charge, by calling the Invion Limited Offer Information Line on 1300 859 277 (within Australia) or +61 1300 859 277 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (Sydney time) on 17 April 2015. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.



Billers Code: 574723

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (Sydney time) on 17 April 2015.

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



Targeting inflammation

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of additional New Shares

C Total number of New Shares accepted (add Boxes A and B)

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Invion Limited” and crossed “Not Negotiable”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

INVION LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. The Entitlement offer information booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Entitlement offer information booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Invion Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by 2.5 cents.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Invion Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Invion Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Invion Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Entitlement offer information booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Invion Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Invion Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 17 April 2015. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Invion Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Invion Limited Offer Information Line on 1300 859 277 (within Australia) or +61 1300 859 277 (from outside Australia) between 8:30am and 5:30pm (Sydney time) Monday to Friday.