

ASX ANNOUNCEMENT: APPENDIX 4C

30 October 2015

The Manager
Company Announcements Office
ASX Limited
20 Bridge St
SYDNEY NSW 2000

Dear Sir

APPENDIX 4C

Invion Limited (ASX:IVX) is pleased to lodge its Appendix 4C for the quarter ending 30 September 2015.

The Company held cash reserves of \$0.5 million at the end of September, consistent with forecasts. Subsequent to the end of the quarter, on 9 October, the Company advised that its R&D tax incentive cash rebate of approximately \$2.4 million had been received, increasing cash reserves, and that the Company had fully repaid its funding facility with Metamor Capital Partners in the amount of \$1.04M.

In the September quarter, cash outflows relating to operating expenses were \$2.7 million, with R&D expenditure comprising \$1.8 million of this amount. Operating and R&D cash outflows have been significantly reduced from previous quarters which were intensive in R&D spend related to the completion of two phase II clinical trials, and feasibility works for Invion's inhaled respiratory drugs.

During the quarter, the Company announced that it had entered into a joint development and licensing agreement with Hovione Scientia Limited, for the development of a dry powder formulation of INV104 (zafirlukast) to be delivered by Hovione's inhaler as a potential therapy for asthma.

The Company also announced data from the completion of its phase II clinical trial of INV103 (ala-Cpn10) in patients with systemic lupus (SLE). The review of safety and biomarker data in 28 subjects showed that the study had met its objectives and supported the continued development of INV103 in longer and larger trials in patients with autoimmune diseases. This program is currently under discussion with a number of groups with a view to partnering the asset.

Also during the quarter, the Company announced data from its completed phase II clinical trial of INV102 (nadolol) in smoking cessation. The data from the 155 patient study demonstrated that INV102 treated smokers were more likely to stop smoking completely or dramatically reduce the number of cigarettes smoked, and that INV102 is a safe and effective treatment for patients with chronic bronchitis who are enrolled in smoking cessation programs. The Company is preparing a submission for an End of Phase II meeting with the US Food and Drug Administration (FDA), to facilitate the commencement of the phase III program.

Following the successful completion of major milestones across four drug development programs during 2015 to date, the Board has accelerated a strategic review of the business and its opportunities, and has appointed Ferghana Partners Group (New York, London, Boston) to progress various potential opportunities under review. Ferghana's expertise is in acquisitions, divestitures, corporate partnering and financial transactions in the global healthcare sector.

An Appendix 4C accompanies this announcement.

For and on behalf of the Board of Invion Limited

MELANIE FARRIS
Company Secretary and Head of Operations

Invion Limited ABN 76 094 730 417

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About Invion Limited

Invion is a life sciences company focussed on the development of treatments for major opportunities in respiratory and autoimmune disease. The Group has three drug assets in development across four development programs. INV102 (nadolo) is a beta adrenergic biased ligand targeted to reverse mucous metaplasia in the airway epithelium treat chronic inflammatory airway diseases. A large phase II study in smoking cessation reported successful data in Q4 2015 and feasibility for an inhaled version of the drug is well-progressed with 3M Drug Delivery Systems. A phase II asthma study funded by the US NIH is ongoing. INV104 (zafirlukast) is a leukotriene receptor antagonist (LTRA) that reduces inflammation, constriction of the airways, and the build-up of mucus in the lungs. An approved oral therapy, Invion is developing an inhaled version of the drug. INV103 (ala-Cpn10) is a modified, naturally occurring human protein which has been proposed as a founding member of the Resolution Associated Molecular Pattern (RAMPs) family hypothesised to maintain and restore immune homeostasis. Invion is an ASX listed company (ASX:IVX), with its clinical headquarters in Delaware, USA.

About Ferghana Partners Group

The Ferghana Partners Group (FPG) is an international provider of high level, independent corporate finance advice to firms in the Biotechnology, Pharmaceuticals, Diagnostics and Specialty Chemicals industries which together comprise the Life Sciences field. FPG provides advice on corporate partnering/development and ownership/business portfolio topics, such as Mergers, Acquisitions, Joint Ventures and Divestitures to its clients, as well as creating and executing Financial Transactions. The clients comprise established Specialty Chemical, Pharmaceutical and Diagnostics companies as well as emergent Pharma and Biotechnology companies with a therapeutic or diagnostic focus. Ferghana Partners LLP, is based in London, for UK and European business. It also covers Australia. Ferghana Partners Inc., is based in New York, for North American business (USA and Canada). It also has responsibility for Japan coverage.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

INVION LIMITED

ABN

76 094 730 417

Quarter ended ("current quarter")

30-September-2015

Consolidated statement of cash flows

Cash flows related to operating activities

			Current quarter	Year to date
			\$A'000	(3 months) \$A'000
1.1	Receipts from customers		-	-
	Payments for	(a) staff costs	(389)	(389)
		(b) patent costs	(111)	(111)
1.2		(c) research and development	(1,709)	(1,709)
		(d) leased assets	(2)	(2)
		(e) other working capital	(430)	(430)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		-	-
1.5	Interest and other costs of finance paid		(69)	(69)
1.6	Income taxes paid		-	-
1.7	Other	(a) Research & Development tax refund	-	-
		(b) Other	-	-
Net operating cash flows			(2,710)	(2,710)

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,710)	(2,710)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(2,710)	(2,710)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares	1,001	1,001
1.16 Proceeds from shares not yet issued	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.2 Other Creditors (costs of fund raising)	(146)	(146)
Net financing cash flows	855	855
Net increase (decrease) in cash held	(1,855)	(1,855)
1.21 Cash at beginning of quarter/year to date	2,285	2,285
1.22 Exchange rate adjustments to item 1.20	68	68
1.23 Cash at end of quarter/year to date	498	498

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2 (a)	166
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments to directors includes non-executive director fees and executive director salaries.

Separate to the amounts noted at 1.24 above, for the September quarter, approximately \$49,100 in fees were paid or were payable to McCullough Robertson Lawyers. Mr Brett Heading is a Partner at McCullough Robertson Lawyers.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cashflows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-
3.3 Convertible loan facility	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	498	2,285
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	498	2,285

Acquisitions and disposals of business entities

	Acquisitions	Disposals
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

This statement has been prepared under accounting policies which comply with accounting standards as defined
1 in the Corporations Act (except to the extent that information is not required because of note 2) or other
standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Original signed
(Company Secretary)



Date: 30-October-2015

Print name: Melanie Farris