ASX ANNOUNCEMENT

INVION
Targeting inflammation

INVION LIMITED AGM: INTERIM EXECUTIVE CHAIR'S ADDRESS AND PRESENTATION

Brisbane, Australia and Delaware, United States, 14 November 2016: Invion Limited (ASX: IVX) is pleased to provide the Interim Executive Chair's Address and Presentation to the 2016 Annual General Meeting of Shareholders being held today at 10.00am (AEST) at the offices of Jones Day, Level 28, Waterfront Place, 1 Eagle Street, Brisbane.

Address to Shareholders by Dr Greg Collier, Interim Executive Chair

I am very pleased to see you all today, and provide this update on Invion's programs and operations in the past 12 months. Since we last addressed Shareholders in this forum, your Company has undertaken, progressed and delivered on several commitments and milestones.

As shareholders are aware, following the completion of major development milestones in four programs in late 2015, the Company's focus has been on activities aimed at realising value for one or all of the company's three drug assets.

Activities directed towards further progression along the development pathway for nadolol commenced this year with Invion's meeting in March with the US FDA. During the meeting, the Company and the FDA engaged in a productive dialogue on the design and regulatory target of the Phase 3 plan for oral nadolol, and the Company was able to highlight the role that airway healing can play in enabling smokers to successfully quit smoking, even after several previous failures. This discussion also enabled the Company to place the smoking cessation program into the wider context of developing nadolol as a therapy for COPD and other chronic airway diseases.

In May, the Company presented data from its Phase 2 smoking cessation clinical trial to the Annual Meeting of the American Thoracic Society. The key points of the presentation were that nadolol was safe and well-tolerated in the treated population of patients, that the high majority of patients achieved full dose of 100mg/day; that, there was no differentiation in the safety profile of patients treated with nadolol versus placebo; and that, critically, data showed a statistically significant reduction in mucus protein MUC5AC, which rebounded after treatment cessation.

I think it is relevant to take a moment and reflect on the importance of this finding.

Nadolol, currently contraindicated in airway disease, has now been shown in a large, controlled phase 2 clinical trial to be safe and well tolerated by patients. Interim data from the Company's phase 2 study in mild asthma patients has also demonstrated this.

This is an important finding, but does not guarantee a home run. As Shareholders know, in all clinical and medical research and development, prevailing medical thinking presents a major hurdle that must be overcome in order to achieve adoption of new opportunities.

We know that nadolol blocks the beta-arrestin pathway, which is strongly implicated in the phenotype of chronic airway disease, and that by blocking this pathway and reversing abnormal mucus production, nadolol represents a promising and novel method of treating an underlying cause of chronic airway diseases including asthma and COPD.

This has formed the foundation of our messaging to potential partners and collaborators in business development discussions, which I will come back to shortly.

For zafirlukast, you will know that the Company's collaboration with Hovione is designed to bring the first inhaled, dry powder version of zafirlukast to market using Hovione's proprietary inhalation hardware technology.

The reasoning behind this development program is the Company's position that delivery of this non-steroidal drug via an inhaled route will provide superior benefit to patients and bypass problems currently associated with its systemic delivery. Hovione's critical work on formulation and manufacturing has meant we have made good progress along this development path and we are looking to partner this program also, so as to progress the drug into clinical trials.

In parallel therefore with the above accomplishments, we have this year undertaken a comprehensive program of business development and partnering activities, and I will address this now.

The Board's overarching strategic objective has been to enhance the value of the Company's assets by continuing to mitigate risk along each program's development pathway, and to ultimately realise the potential of those assets.

To this end, the corporate and business strategy has been focused on identifying and developing potential partners, and in late 2015, the Company appointed Ferghana Partners Group for a period of six months to increase our reach and progress various potential commercial opportunities. Since the end of that appointment in the first half of this year, we have continued to actively pursue a number of these introductions and discussions.

Business development and partnering discussions have extended to pharmaceutical companies, health and other funds, and like-minded biotechnology groups, and we have been both strategic and comprehensive in our approach.

We have done this against a backdrop of significant and ongoing cost reduction, in order to preserve cash as we work to deliver a transaction.

At least year's AGM we reported on the work undertaken to partner the Cpn10 program following the completion of the phase 2 study in lupus patients. Following global reach and numerous early discussions, this program has not yet been partnered, however it remains in our efforts.

For the respiratory asset package, we have been in contact with over 40 major pharmaceutical and biotechnology companies and funds interested in our programs and small number of discussions are active and well progressed. We remain highly engaged in both the process and ultimate delivery of value to Shareholders.

We therefore continue to work towards executing a sale or licence deal of Invion's intellectual property.

The Board is grateful for the continued interest and support regularly demonstrated by Shareholders as we engage in this pursuit.

Onto other matters, as in previous years it is appropriate to note the status of prior litigation against former directors of the Company. The Board has always stood firm in its commitment to bring the matter to resolution as quickly as possible and to use all avenues available to it to do so, and to this end pursued bankruptcy proceedings against the former directors to recover the judgment debt. Sequestration orders were made in the early part of 2016, and a Trustee in Bankruptcy appointed. To date, no amounts from the awarded judgement have been recovered through this process, but the process did enable the Company to recover some taxes previously paid.

Before closing, I take this opportunity to thank my colleagues on the Board, and for all those who continue to work to realise value for the Company.

I also thank you, our shareholders, for your continued support and active participation in Invion.

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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. Invion has three drug assets in development across four development programs: **INV102 (nadolol)** is a beta adrenergic biased ligand targeted to reverse mucous metaplasia in the airway epithelium treat chronic inflammatory airway diseases. In Q2 2016, Invion reported to the Annual Meeting of the American Thoracic Society (ATS) that data from a 155 patient phase 2 study of oral INV102 in smoking cessation demonstrated good safety and that treated patients were more likely to stop smoking completely or dramatically reduce the number of cigarettes smoked. Feasibility for an inhaled version of the drug to potentially treat COPD and cystic fibrosis is well-progressed with 3M Drug Delivery Systems, and toxicological studies have commenced. In addition, a phase 2 study of oral INV102 in mild asthma patients funded by the US NIH completed dosing in 1H 2016, with data anticipated 2H 2016. **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 FDA-approved oral therapy, Invion is, through a joint development and licensing agreement with Hovione Scientia Limited, developing a proprietary dry powder formulation of the drug for the development of INV104 (zafirlukast) as a potential inhaled therapy for asthma. **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 reported final data from its phase 2 clinical trial in lupus patients in Q3 2015. 30mg and 100mg iv twice weekly showed reduced response to stimulation by LPS after 1 month of dosing. These data, which reflect relevant activity at the target cell type in patients with a target (autoimmune) disease, has formed the foundation of partnering discussions for this program.