- **DR GREG COLLIER APPOINTED AS INTERIM EXECUTIVE CHAIR FOLLOWING MR BRETT HEADING'S RETIREMENT FROM THE BOARD**

- **OPERATIONAL UPDATE**

Brisbane, Australia and Delaware, United States, 1 February 2016: Following Mr Brett Heading's appointment as a Partner of the international law firm, Jones Day, Australian drug development company Invion Limited (ASX:IVX) announces Mr Heading's resignation from the Board of Directors, and is pleased to advise that Dr Greg Collier has been appointed as Interim Executive Chair of the Board.

Mr Heading joined the Board as a Non-Executive Director of Invion Limited (then CBio Limited) in February 2012, bringing extensive experience in capital raisings, mergers and acquisitions and board governance gained over 27 years as a company director of listed and unlisted companies in the life sciences, property, agribusiness and energy sectors. Mr Heading was appointed Chair of the Board of Invion on 29 April 2015.

Dr Greg Collier said: "My colleagues on the Board and the entire Invion team will always be extremely grateful to Brett for his leadership, skill and deep commitment to Invion and its shareholders. Brett's contribution in bringing the company to this crucial point cannot be overstated, and we look forward to continued interactions in a legal capacity."

Dr Collier has served as Managing Director and CEO of Invion since 3 May 2013. His transition to interim Executive Chair will take immediate effect.

"Invion is in a transitional phase in its development, with the completion of major clinical development milestones in the last six months and the appointment of Ferghana Partners Group to assist the Board determine onward strategic options.

"Given this critical intermediate time, the Board has determined that the appointment of an interim executive chair is the most appropriate action for continued strong leadership, focussed strategic effort, cash preservation and minimal corporate disruption," Dr Collier said.

Regarding Committee Structure: The Board of Invion has two committees – the Audit and Risk Management Committee, and the Nomination and Remuneration Committee. The Board Charter states that both committees have a minimum of three members, all of which should be independent, non-executive directors. At this interim time and in light of the current Board composition, the Board considers that these committees will operate with two members only, being independent, non-executive directors Dr James Campbell and Mr Warren Brown.

Operational update:

Invion's development agenda is buoyed by the release in late 2015 of positive Phase 2 trial results from a study of INV102 (nadolol) as new treatment to assist smoking cessation. The study demonstrated

good safety – a critical and positive outcome for a drug that has to date been contraindicated in airway disease - and has paved the way for a novel therapy that will complement existing drugs potentially making them safer and more effective.

These results underpin Invion's broader strategy of seeing INV102 developed as a first in class treatment for other chronic airway conditions like COPD, asthma and cystic fibrosis. Each of these diseases have a substantial unmet medical need, as well as great commercial opportunity. Work on the inhaled version of INV102 is being carried out with 3M Drug Delivery Systems, and the program currently has pre-IND status with the FDA.

Invion's second asset, INV104 (zafirlukast) is being developed in collaboration with Hovione Scientia Limited, in a program designed to bring the first inhaled, dry powder version of zafirlukast to market using Hovione's proprietary inhalation hardware technology. This program has pre-IND status and Invion has received agreement from the FDA to accelerate development of the novel formulation and device. Production of material for toxicology studies has commenced.

The Board continues to seek a commercial partner for Invion's third asset, INV103 (ala-Cpn10). Extensive analysis of trial results has shown relevant target cell activity and these findings are now included in a comprehensive data package that has been provided to potential pharmaceutical partners.

With three drug assets in three phase 2 clinical trials across four development programs, Invion achieved the below milestones in 2015 and working to realise value from its assets:

- ✓ Blind-broken interim data from phase 2 smoking cessation trial of INV102 (nadolol)
- ✓ Pre-IND status for inhaled INV102 (nadolol) as a potential therapy for asthma, COPD & cystic fibrosis
- ✓ Manufacture of toxicology and clinical supplies and commencement of toxicology studies for inhaled INV102 (nadolol)
- ✓ Data from phase 2 clinical trial of INV013 (ala-Cpn10) in lupus patients
- ✓ Selection of formulation and device for inhaled INV104 (zafirlukast)
- ✓ Commencement of manufacture of toxicology and clinical supplies for INV104 (zafirlukast)
- ✓ Completion of dosing in phase 2 smoking cessation trial of INV102 (nadolol)
- ✓ Positive safety and efficacy data from phase 2 oral INV102 (nadolol) study in patients undergoing smoking cessation
- ✓ Completion of enrolment of NIH-funded phase 2 study of INV102 (nadolol) in asthma patients

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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 Q4 2015, Invion reported 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 is fully recruited and will complete dosing in 1H 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. Invion is an ASX listed company (ASX:IVX), with operations in Brisbane, Australia and 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.