

21 February 2019

Lisa Banh

Senior Adviser, Listings Compliance

ASX Compliance

20 Bridge St

SYDNEY NSW 2000

via email to: ListingsComplianceSydney@asx.com.au

Dear Lisa

RESPONSE TO APPENDIX 4C QUERY

I refer to your letter dated 18 February 2019, regarding Invion Limited's Appendix 4C for the quarter ending 31 December 2018, and respond to your queries as follows:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

No. Following successful completion of the spin-out of its respiratory assets, the sole focus of Invion activities is the development and commercialisation of the Photosoft™ technology.

The development of Photosoft™ is funded via an R&D agreement with the technology licensor, The Cho Group. Under this agreement, which was approved by Invion shareholders at the 2017 AGM, The Cho Group funds the fully burdened costs of development - including research, development and associated overhead costs - to meet pre-agreed development milestones.

Funding and milestones are agreed on a quarterly basis by a Steering Committee between the parties.

The negative operating cashflow for the December quarter was related to timing of receipt of invoiced funds. As noted in the cover to the Appendix 4C, the company received its R&D services funding for activities undertaken in the December quarter in January 2019. This timing was pre-agreed by the parties in advance, as calendar year-end reconciliation of projects was being undertaken.

2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

For the reasons above, the Company does not have plans to raise further funds at this time.

3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, on the basis on the information provided above.

4. Please confirm that IVX is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

The Company confirms that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

5. Please confirm that IVX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IVX with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that the responses to the questions have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IVX with delegated authority from the board to respond to ASX on disclosure matters.

The Company does not consider there is any further information that may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2.

For and on behalf of the Board of Invion Limited,

Yours sincerely



MELANIE FARRIS

Company Secretary



18 February 2019

Ms Melanie Farris
Head of Operations & Company Secretary
Invision Limited
722 High Street East Kew
Victoria 3102

By email:

Dear Ms Farris

Invision Limited ('IVX'): Appendix 4C Query

ASX refers to IVX's Appendix 4C quarterly report for the period ended 31 December 2018 lodged with the ASX Market Announcements Platform and released on 29 January 2019 (the 'Appendix 4C').

ASX notes that IVX has reported:

- negative net operating cash flows for the quarter of \$1,004,000;
- cash at the end of the quarter of \$642,000; and
- estimated cash outflows for the next quarter of \$950,000.

It is possible to conclude, based on the information in the Appendix 4C, that if IVX were to continue to expend cash at the rate indicated by the Appendix 4C, IVX may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks IVX to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does IVX expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has IVX taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does IVX expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that IVX is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that IVX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IVX with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that IVX considers may be relevant to ASX forming an opinion on whether IVX is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEDT Thursday, 21 February 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in IVX's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, IVX's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to IVX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that IVX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in IVX's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

Lisa Banh
Senior Adviser, Listings Compliance (Sydney)