

## SPIN OUT OF RESPIRATORY ASSETS AND CHRONIC AIRWAY THERAPEUTICS LIMITED

SHAREHOLDER Q&A

**Melbourne, Australia, 21 February 2019:** Invion Limited (ASX:IVX) (**Company** or **Invion**) provides this Q&A further to its recent confirmation of the spin-out of its respiratory assets and the transfer of Invion's shares in Chronic Airway Therapeutics Limited (CAT) to the shareholders of Invion by way of an equal capital reduction. The Q&A has been prepared to address questions that the Company has received.

**1. Has the ATO ruling mentioned in the NOM for the EGM been released?**

Yes, the ATO published its ruling following shareholder approval of the transaction and the completion of the transaction. Class Ruling CR 2019/13 is available here:

<https://www.ato.gov.au/law/view/view.htm?docid=%22CLR%2FCR201913%2FNAT%2FATO%2F00001%22>.

Invion recommends you download the PDF of CR 2019/13 (available here: <https://www.ato.gov.au/law/view/pdf/pbr/cr2019-013.pdf>) for your records.

**2. Are there any public reports, financial information or list of directors?**

As a public, unlisted company, CAT will lodge audited annual financial statements with ASIC and will maintain its corporate information in accordance with the reporting requirements of the *Corporations Act 2001* (Cth). The Directors of CAT (as at the date of this Q&A) are detailed in pages 16-18 of the Notice of Meeting: <https://www.asx.com.au/asxpdf/20181221/pdf/441frb74jx5v0r.pdf>. Once CAT's website is launched (see below) the website will contain additional information for CAT shareholders.

**3. What is the cost base for the CAT shares?**

In accordance with paragraph 28 of the Class Ruling 2019/13, the cost base for CAT shares is equal to \$0.0003159, being the market value of each CAT share worked out as at the time of their acquisition. An example is shown below, based on an example cost base of \$0.01 per Invion share. Invion recommends you discuss and confirm your cost base of shares, and the potential capital gains tax consequences, with your tax advisor.

- Cost base per Invion share at 11 February 2019 = \$0.01
- Capital reduction (market value of each CAT share) = \$0.0003159
- Reduced cost base per Invion share = \$0.0096841
  
- Cost base per CAT share = \$0.0003159

**4. Are there any plans for a share buyback or listing on an exchange?**

There are currently no plans for a share buyback or for listing CAT on any exchange.

**5. How will I find out what is happening with CAT in the future?**

CAT's website [www.chronic-airway-therapeutics.com](http://www.chronic-airway-therapeutics.com) is currently under development. Once launched, the website will host investor information, corporate presentations, and financial reports. It is anticipated CAT's website will have a facility to enable shareholders to subscribe for updates. CAT's contact details are also listed below.

**6. I have shares in CAT which is a private company. How do I sell these shares?**

CAT is a public, unlisted company. There is therefore no exchange or other public marketplace for the trading of CAT shares. Shareholders of CAT are able to privately trade shares off-market if they identify a party wishing to acquire CAT shares. At this time, CAT does not maintain a register of persons wishing to buy or sell CAT shares and is unable to assist with locating a buyer for your CAT shares. CAT may review this in future if there is a demand. Should you wish to sell or transfer CAT shares after locating a buyer or transferee, please contact the Share Registry, Link Market Services (see below section 8), to obtain a share transfer form and further information on the process.

**7. What do I do if I do not want to hold shares in CAT?**

The Shareholders of Invion voted at the EGM held 30 January 2019 and approved the spin-out of the respiratory assets, and for the distribution of all of the CAT Shares held by Invion to the Shareholders of Invion (on a 1:1 basis). Accordingly, all Invion shareholders have received CAT shares even if they did not vote in favour of the resolution or if they did not wish to receive CAT shares. If you do not wish to hold shares in CAT you may seek to trade them privately off-market, however as noted above at this time, CAT does not maintain a register of persons wishing to buy or sell CAT shares and is unable to assist with locating a buyer for your CAT shares.

**8. If I trade shares how do I register this?**

If you have located a buyer or transferee for CAT shares, you should contact the Share Registry: Link Market Services Limited on P: 1300 554 474 (toll free from within Australia) or + 61 2 8280 7100 (from international) or via email at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au). The website for Link Market Services is [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**9. What are contact details for CAT?**

Chronic Airway Therapeutics Limited  
722 High Street  
East Kew, VIC 3102  
P: 61 3 9081 6005  
E: [investor@chronic-airway-therapeutics.com](mailto:investor@chronic-airway-therapeutics.com)  
W: [www.chronic-airway-therapeutics.com](http://www.chronic-airway-therapeutics.com)

**10. Additional information and reference documents?**

Shareholders of Invion should refer to the following announcements for additional information on the capital reduction and CAT:

Original announcement on spin-out: <https://www.asx.com.au/asxpdf/20180905/pdf/43y1x1s0mj38s0.pdf>

For business activity and plans for CAT: see pages 13 & 14 of the Notice of EGM  
<https://www.asx.com.au/asxpdf/20181221/pdf/441frb74jx5v0r.pdf>

Tax implications for Invion shareholders:  
<https://www.asx.com.au/asxpdf/20181221/pdf/441fr64lwwl300.pdf>

General Update: <https://www.asx.com.au/asxpdf/20181129/pdf/440s869jfbrys.pdf>

Appointment by CAT of CRO for clinical program:  
<https://www.asx.com.au/asxpdf/20180927/pdf/43ydpdzphnvzrp9.pdf>