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Invion to spinout respiratory assets, advance clinical development in China

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Australia-based Invion recently announced plans to spin off its two assets aimed at treating chronic airway disease into a new public unlisted company, which will develop the products in China, with plans to advance into Phase 3 clinical trials in 2019. The two respiratory assets are INV102 (nadolol) and INV104 (zafirlukast).

If the demerger is completed, Invion will transfer all of its shares in subsidiary, Invion Inc., as well as respiratory assets held in Invion to a newly established Australian public, unlisted company, Chronic Airway Therapeutics Limited (**CAT**). Eligible Invion shareholders will be entitled to one CAT share for each Invion share they hold as at the record date, while retaining their existing Invion shareholding. Invion will continue to be listed on the ASX, however there is no current intention to list CAT on any stock exchange.

The demerger is intended to maximise potential value for Invion shareholders, by providing a separate structure for each entity to fund and advance its clinical development programs, establish stand-alone teams to focus on the development of its respective assets, and benefit from the upside gained as each company delivers on milestones related to clinical development and regulatory clearance.

Invion completed feasibility, preclinical and clinical studies on its respiratory assets over three years to the end of 2015, and has been seeking to out-license or sell the assets to a commercial partner without success.

CAT has been established to advance the development of the two assets for the Chinese market, with intentions to file an Investigational New Drug (IND) application with the Chinese Food and Drug Administration (CFDA) within 12 months.

“This is a positive development for Invion’s shareholders. Invion has a promising asset for the treatment of various cancers which we expect will enter into clinical trials in 2019, and uniquely, our license partner The Cho Group will fund the global research and development costs for these programs,” said Dr Greg Collier, Managing Director and CEO of Invion.

“The demerger of Invion’s respiratory assets will ensure the Invion team can be singularly focused on the Photosoft™ technology, and at the same time, will provide an opportunity for the onward development and potential regulatory approval and commercial success of the respiratory assets in the key China market.

“The demerger also provides a separate structure to fund and develop the respiratory assets which we believe have great promise and could deliver value to shareholders in their own right. CAT has a clear strategy for development in China where chronic respiratory disease, including COPD, is a major healthcare issue.”