

1. Company details

Name of entity:	Invision Limited
ABN:	76 094 730 417
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	10.4% to	3,476,784
Loss from ordinary activities after tax attributable to the owners of Invision Limited	down	10.4% to	(953,894)
Loss for the year attributable to the owners of Invision Limited	down	10.4% to	(953,894)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$953,894 (30 June 2019: \$1,064,098).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.01	0.01

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Invion Limited for the year ended 30 June 2020 is attached.

12. Signed

Signed



Thian Chew
Chairman

Date: 26 August 2020



Invion Limited

ABN 76 094 730 417

Annual Report - 30 June 2020

Invion Limited
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30 June 2020

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Invion Limited
Corporate directory
30 June 2020

Directors	Mr Thian Chew, Chairman Mr Craig Newton, Managing Director & CEO (appointed on 1 November 2019) Mr Alan Yamashita, Non-executive Director Ms Melanie Farris, Non-executive Director (appointed on 22 December 2019) Dr Greg Collier, Managing Director & CEO (retired on 31 October 2019) Dr James Campbell, Non-executive Director (retired on 21 December 2019)
Company secretary	Ms Melanie Leydin
Australia Business Number	76 094 730 417
Notice of annual general meeting	The details of the annual general meeting of Invion Limited are:
Registered office	Level 4, 100 Albert Road, South Melbourne Vic 3205 Australia P: (03) 9692 7222 E: investor@inviongroup.com W: www.inviongroup.com
Share register	Link Market Service Limited Locked Bag A14, Sydney South NSW 1235 Australia P: 1300 554 474 F: (02) 9287 0303 W: www.linkmarketservices.com.au
Auditor	Ernst & Young, Brisbane, Australia
Stock exchange listing	Invion Limited shares are listed on the Australian Securities Exchange (ASX code: IVX)

Invion Limited
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Invion Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were directors of Invion Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Thian Chew, Chairman
Mr Craig Newton, Managing Director & CEO (appointed on 1 November 2019)
Mr Alan Yamashita, Non-executive Director
Ms Melanie Farris, Non-executive Director (appointed on 22 December 2019)
Dr Greg Collier, Managing Director & CEO (retired on 31 October 2019)
Dr James Campbell, Non-executive Director (retired on 21 December 2019)

Principal activities

The Invion Group consists of Invion Limited and, at 30 June 2020, its wholly owned subsidiary, Epitech Dermal Science Pty Ltd. The activity of Invion during the period was directed to the development of the Photosoft™ technology for the treatment of a range of cancers. Invion has been appointed exclusive licensee in Australia and New Zealand of the Photosoft™ technology. The appointment has been made by technology licensor, RMW Cho Group, a Hong Kong based group that has funded and successfully commercialised a number of unique and advanced technologies. Via an R&D services agreement between the two entities, the development of the Photosoft™ is funded by RMW Cho Group.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$953,894 (30 June 2019: \$1,064,098).

Invion is a life-science company that is leading the global research and development of Photosoft™ technology for the treatment of a range of cancers. Invion holds the Australia and New Zealand license rights to the Photosoft™ technology. Research and clinical trials are funded by the technology licensor, RMW Cho Group, via an R&D services agreement with the Company.

On 30 September 2019 the Company announced advances in its formulation, manufacturing and optimisation process as it aims to develop a high purity compound which addresses all regulatory and clinical requirements and can be manufactured at large scale, allowing for efficient market supply. The additional effort led to the development of IVX-P03, a higher purity version of IVX-P02, to be followed by further optimisation.

On July 29 2020, the Company provided a business update wherein the Company advised that it had identified a number of promising new photosensitiser compounds, known as Active Pharmaceutical Ingredients (APIs). Initial laboratory studies indicated that a number of the new lead APIs display greater anticancer activity than the APIs previously identified, such as IVX-P02 and IVX-P03. The new APIs also appear to be more effective than current APIs at targeting specific cancers by being taken up more actively by certain cancer cells. The Company is thus shifting its focus from the further development of IVX-P03 to the progression of the new APIs.

Mr Craig Newton was appointed CEO effective 1 November 2019. Mr Newton joined Invion as Chief Operating Officer in April 2018. He has over 30 years of experience in senior business and operational roles gained at various leading pharmaceutical and biotech companies including CSL, Serono UK, Bio Nova International, AVAX Australia and Cryptome Pharmaceuticals. The Company announced that Dr Greg Collier was to retire as CEO effective 31 October 2019. Dr Collier retired from the Board at the close of the Annual General Meeting of Shareholders held 4 November 2019.

Invion Limited
Directors' report
30 June 2020

On 31 October 2019 the Company announced that it had signed a research agreement with world-renowned research organisation, Peter MacCallum Cancer Centre (known as "Peter Mac"). Under the agreement, Peter Mac will undertake pre-clinical and in-vitro studies on Invion's IVX-PDT Photodynamic therapy for ano-genital cancers, including penile and anal cancer. The Peter Mac pre-clinical studies, which commence in 2020, will be overseen by leading cancer research scientist, Professor Robert Ramsay, who is Group Leader and Joint-Head Gastrointestinal Cancer Program at Peter Mac. Associate Professor Nathan Lawrentschuk, urological surgeon and oncologist in the Uro-Oncology Service at Peter Mac will also be involved in the pre-clinical studies.

On 27 November 2019 the Company announced the results from a pre-clinical study undertaken by Hudson Institute of Medical Research. The study used the first batch of Australian-made Photosoft™ compound on mice with ovarian cancer. Researchers at Hudson Institute analysed both immediate and medium-term effects on tumours and observed the following: that Photosoft™ caused the immediate and specific death of tumour tissue, with no apparent adverse effects on the surrounding healthy tissues, and that the size of the tumours in animals treated with Photosoft™ Technology reduced to less than half of their original size over a three-week period. The pre-clinical study marked the first scientific demonstration of the Photosoft™ Technology in a clinically relevant model and supports Hudson Institute's original laboratory findings that Photosoft™ can rapidly kill cancer cells in vitro. These results were presented at the highly regarded Lorne Cancer Conference in February 2020 along with further data highlighting immune activation by Photosoft™.

On 15 April 2020 the company announced further data which linked tumour destruction using Photosoft™ technology with activation of the immune system, specifically an increased ratio of Teff-to-Treg cells observed in Photosoft™ treated mice in an ovarian cancer model which parallels similar changes typically associated with improved survival and treatment outcomes in ovarian cancer patients.

On 3 February 2020 the company announced that its wholly-owned subsidiary, EpiTech Dermal Science Pty Ltd, had signed a Research and Development Services Agreement with Guilin Pavay Biotechnology Co., Ltd ("Pavay Biotech") under which EpiTech was to be paid an upfront fee of \$250,000 plus ongoing R&D services fees to manage the research, development and production specifications for the supply of Australian-made dermatological ingredients that will be used in the formulation of dermatology products to be manufactured by Pavay Biotech. On 30 June 2020, the company announced that EpiTech had signed a Manufacturing and Supply Agreement with Pavay Biotech and had received its first order from the China-based company. Under the Agreement, EpiTech will supply Australian-made photoactive ingredients to Pavay Biotech for use in the formulation of a new range of dermatology products, which will be test-marketed to Chinese consumers.

COVID-19 has had an impact on the company's operational activities. Temporary limitations in access to research and testing facilities at partner organisations and the consequent impact on the data collection led to delays in the commencement of clinical studies and the company decided to defer the commencement of the Phase 1b studies in both BCC and in ano-genital cancers until such time as greater certainty emerges regarding an end to the current COVID-19 crisis. In reaching this decision, the company also considered the unknown short-term availability of clinical centres alongside the potential availability of an improved API (as described above) for use in future clinical studies. Associated with these decisions, appropriate cost-saving and cash preservation measures were enacted.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

COVID-19 including its recent resurgence, particularly in Victoria where the majority of Invion's research and clinical partners are located, has imposed many challenges including the ongoing potential to directly impact the conduct of planned clinical studies. The Company has considered the unknown short-term availability of clinical centres alongside the potential availability of an improved API for use in future clinical studies and has come to the decision to defer the commencement of the Phase 1b studies in BCC and in ano-genital cancers until such time as greater certainty emerges regarding an end to the current COVID-19 crisis and to allow for the potential use of an improved API in those studies. Focused research work will therefore continue at the Company, but with a short-term focus on developing an improved drug product suitable and ready for scale-up and study in human clinical trials.

CEO Craig Newton will retire as MD & CEO, effective 31 October 2020. It is anticipated Chairman, Thian Chew, will become executive chairman and interim CEO from that time.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The likely developments in the operations of the Group and the expected results from those operations in future financial years will be affected by the success of management in reaching critical development and commercial milestones in its core program if the development of the Photosoft™ technology. This could include developing and expanding existing and emerging commercial partnerships with leading global healthcare companies and securing one or more commercial transactions for the Group's drug asset under development.

Environmental regulation

Invion is required to carry out its activities in accordance with applicable environment and human safety regulations in each of the jurisdictions in which it undertakes its operations. The Company is not aware of any matter that requires disclosure with respect to any significant regulations in respect of its operating activities, and there have been no issues of non-compliance during the year.

Information on directors

Name:	Mr Thian Chew, Chairman
Title:	Non-executive Director and Chairman, 1 December 2017
Experience and expertise:	Mr Chew has over 25 years' experience in investing, finance and transforming business operations. He is Managing Partner at Polar Ventures, a private investment and consulting firm that provides capital, strategic and operating solutions, focusing on small to mid-sized enterprises in Asia. Mr Chew was previously an Executive Director at Goldman Sachs (Hong Kong and New York) responsible for the firm's proprietary investments including growth capital, private equity and special situations in both private and public companies. Prior to this, he was a Consultant Project Manager to Morgan Stanley, New York. Mr Chew also held a number of positions in KPMG across Asia Pacific including Director at KPMG Consulting (Singapore and Sydney) where he led several large scale operational restructuring, post-merger integration, transformation, and business performance improvement programs. As a Senior Manager at KPMG (Taipei and Melbourne), he led several business process re-engineering initiatives, and also performed financial and information technology audit, risk and assurance engagements across multiple industries. Mr Chew holds an MBA from the Wharton School (Palmer Scholar), MA from the Lauder Institute, University of Pennsylvania, and a Bachelor of Information Systems from Monash University. Mr Chew is an Adjunct Professor at HKUST's MBA program and previously qualified as a chartered accountant.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	546,857,721
Interests in options:	27,257,615
Name:	Mr Craig Newton
Title:	Managing Director & CEO (Appointed CEO on 1 November 2019)
Experience and expertise:	
Other current directorships:	Craig has over 30 years of experience in senior business and operational roles gained at various leading global companies in the Healthcare industry, notably in the Medical Device, Pharmaceutical and Biotech sectors, among both large companies and small start-ups, with activity in Australasia, Asia and Europe. His tertiary and post-graduate qualifications cover Science and Business, including an executive program at Babson College, Boston. Experience encompasses Marketing, Sales Management, Operational and Project management, across diverse therapeutic areas, including oncology, haematology, cell therapies, fertility and cardiovascular disease. Organizations have included CSL, Serono UK, Bio Nova International, AVAX Australia and Cryptome Pharmaceuticals, with roles of "Chief Operating Officer", "Sales and Marketing Director" and "Business Unit Manager". Craig joined Invion as Chief Operating Officer in April 2018 before appointed as CEO for Invion Ltd.
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in options:	74,958,440

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Directors' report
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Name: Alan Yamashita
 Title: Non-executive Director
 Experience and expertise: Mr Yamashita is a highly experienced corporate consultant and investment professional, with over 40 years' experience in investment management, investment banking and alternative investment throughout the APAC region. From 1999 to 2005, Mr Yamashita was President and CEO of Search Investment Group and founding CEO and CIO of Search Alternative Investment Ltd (SAIL), a major private global hedge fund and private equity investment practice headquartered in Asia. Prior to Search Investments Group, Mr Yamashita was Managing Director and Head of Asia Capital Markets for Merrill Lynch from 1996 to 1998. Mr Yamashita is currently Managing Partner at Polar Ventures and has held numerous positions as a 16-year veteran of Goldman Sachs and an advisor to various companies, including Plantation Timber Partners, Wuhan; Duty Free Shoppers, Asia; TVSN, Shanghai; and Mizuho Alternative Investments LLC.

Other current directorships: Nil
 Former directorships (last 3 years): Nil
 Interests in shares: Nil
 Interests in options: 20,443,211

Name: Ms Melanie Farris
 Title: Non-executive Director (Appointed on 22 December 2019)
 Experience and expertise: Ms Farris has extensive experience in governance, finance and operations in public listed and unlisted environments. Melanie holds a Bachelor of Communication (Public Relations). She is a Fellow of the Governance Institute of Australia, a Fellow of Associate of the Institute of Chartered Secretaries (UK) and a Member of the Australian Institute of Company Directors. Prior to appointed as the Non-executive Director. Ms Farris had been serving Invion Limited as company secretary and Chief Financial Officer.

Other current directorships: Nil
 Former directorships (last 3 years): Nil
 Interests in shares: 56,000
 Interests in options: 45,429,358

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ms Melanie Farris resigned as the Company Secretary on 31 July 2020. Ms Farris holds a Bachelor of Communication (Public Relations), and a Graduate Diploma in Applied Corporate Governance. She is a Fellow of the Governance Institute of Australia, a Fellow of the Institute of Chartered Secretaries (UK) and a Member of the Australian Institute of Company Directors.

Ms Melanie Leydin was appointed Company Secretary on 31 July 2020. Ms Leydin graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. Ms Leydin has over 25 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations and is a director and company secretary for a number of entities listed on the Australian Securities Exchange.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
T Chew	9	9	2	2
G Collier	4	3	-	-
J Campbell	4	4	1	1
A Yamashita	9	9	1	1
C. Newton	5	5	-	-
M Farris	5	5	-	-

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Group's guiding principle for remuneration is that remuneration should be simple and transparent, should reward achievement, and should facilitate the alignment of shareholder and executive interests. The Company's philosophy is that shareholder and executive interests are best aligned:

- by providing levels of fixed remuneration and 'at risk' pay sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's business strategy
- by ensuring 'at risk' remuneration is contingent on outcomes that grow and/or protect shareholder value; and,
- by ensuring a suitable proportion of remuneration is received as a share-based payment

The Group aims to reward personnel with a level and mix of remuneration commensurate with their position and responsibilities so as to:

- attract and retain appropriately capable and talented individuals to the company;
- reward personnel for corporate and individual performance;
- align the interest of personnel with those of shareholders; and
- build a strong cohesive leadership team which can deliver execution excellence against the strategy

Remuneration consists of:

- total fixed remuneration: base salary and superannuation; and
- 'at risk' remuneration: short-term incentives (STI) and long-term incentives (LTI).

Total fixed remuneration

To ensure that the Company continues to attract, retain and motivate talented staff at a competitive cost, the Company will aim to align total fixed remuneration to the median rate paid by others operating in the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits. Total fixed remuneration will be reviewed using market data to determine what, if any, adjustments may need to be made to individual remuneration.

'At risk' remuneration

'At risk' remuneration elements are paid/issued following the performance and remuneration review conducted by executive management; assessment by the Nomination and Remuneration Committee; and approval by the Board.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The objective of the Nomination and Remuneration Committee is to assist the Board in fulfilling its duties and responsibilities by reviewing, advising and making recommendations to the Board on:

(a) Nomination

- Board composition and succession planning, taking into account diversity objectives and the mix of Director skills and experience;
- induction and continuing education for Directors;
- Board performance evaluation; and
- the performance of the CEO and key management personnel

(b) Remuneration

- implementing policies for the purposes of using remuneration to foster long-term growth and success;
- monitoring the implementation by management of the Board's strategic objectives and policies;
- remuneration for Non-Executive Directors; and
- remuneration and incentive arrangements for the CEO and other key management personnel.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 15 July 2011, where the shareholders approved a maximum annual aggregate remuneration of \$750,000.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI comprise up to 30% of fixed remuneration for the CEO and between 10% and 25% for other personnel. To provide a framework for the assessment of performance and remuneration, each year, Key Performance Indicators (KPIs) will be determined on a corporate and individual basis, based on the Board approved annual operational plan. Corporate KPIs will be approved by the Board, and individual KPIs and commercial targets will be set by the CEO. STI calculations and actual payment are based on achievement of KPIs.

The long-term incentives ('LTI') are offered to incentivise, reward and retain personnel, and to align the interests of personnel and shareholders. The Nomination and Remuneration Committee considers the recommendation of the CEO regarding the issue of LTIs in light of the performance, financial position and current issued capital of the company. There will be no automatic grant of LTIs. At the discretion of the Board, the Company may also offer grants of LTIs as an award to incentivise high-quality prospective employees to join the company. The terms of any LTI grant are determined by the Board. LTI grants normally take the form of the issue of unlisted share options. Share options are normally issued under the company's equity incentive plan (EIP). All grants of equity are determined by the Board.

The Board reviews the general terms of new options to be issued. Options will be typically granted with an exercise price that is between a 40-60% premium to the market price of shares on the day of issue, and with an expiry date that is between three and four years from the date of issue. As LTIs are offered to incentivise, reward and retain personnel, options will typically vest over a number of years.

The terms of the options, and what happens to options in the event of cessation of employment, are at the discretion of the Board. However generally, in the event that a holder of unvested options ceases to be employed, then at the absolute discretion of the Board, if the ceasing of employment is due to death or permanent disability, or in any other circumstances determined by the Board to be on a "good leaver" basis, the next tranche of unvested options vests and becomes exercisable for 30 days after the last day of engagement, after which those options expire. If at the absolute discretion of the Board, the ceasing of employment occurs for any other reason than in "good leaver" circumstances, including, but not limited to, termination for cause, or due to resignation, all unvested options lapse immediately and the expiry date is taken to have occurred on the last day of engagement. In the event of a change of control, the Board, at its absolute discretion, may determine that a proportion or all unvested awards will vest.

Voting and comments made at the company's 2019 Annual General Meeting ('AGM')

At the 4 November 2019 AGM, 93.14% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

Invin Limited
Directors' report
30 June 2020

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
30 June 2020	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
T Chew	90,000	-	-	-	-	104,112	194,112
J Campbell*	25,903	-	-	-	-	20,715	46,618
A Yamashita	54,740	-	-	-	-	78,084	132,824
M Farris**	117,062	-	-	-	-	173,520	290,582
<i>Executive Directors:</i>							
G Collier*	159,830	-	-	10,450	-	138,097	308,377
C Newton***	241,666	-	-	22,958	-	296,304	560,928
	689,201	-	-	33,408	-	810,832	1,533,441

* G Collier retired as Managing Director & CEO on 31 October 2019 and J Campbell retired as Non-Executive Director on 21 December 2019.

** M Farris was appointed as Non-Executive Director on 22 December 2019. M Farris's fee above relates to CFO and Company Secretary services provided by her to the Company on a consulting basis during the financial year ended 30 June 2020.

*** C Newton was appointed as Managing Director & CEO on 1 November 2019.

As at 30 June 2020, \$45,000 was payable to T Chew, \$13,686 was payable to A Yamashita towards Director fee, \$12,000 was payable to M Farris towards CFO and Company Secretarial services and \$ 22,446 was payable to C Newton towards salary including superannuation contribution.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
30 June 2019	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
T Chew	90,000	-	-	-	-	48,055	138,055
J Campbell	54,740	-	-	-	-	36,041	90,781
A Yamashita*	20,796	-	-	-	-	36,041	56,837
<i>Executive Directors:</i>							
G Collier**	330,000	150,000	-	31,350	-	240,274	751,624
M Glass*	142,185	-	-	-	-	7,208	149,393
<i>Other Key Management Personnel:</i>							
C Newton***	195,000	12,500	-	19,712	-	120,137	347,349
M Farris***	166,000	-	-	-	-	80,091	246,091
	998,721	162,500	-	51,062	-	567,847	1,780,130

Invion Limited
Directors' report
30 June 2020

- * M Glass retired as director on 12 February 2019 and A Yamashita appointed as director on 12 February 2019
- ** On 12 February 2019, following Shareholder approval at the Company's General Meeting held 30 January 2019, the Company issued 8,333,333 fully paid ordinary shares for the short-term incentive bonus to MD/CEO to be paid in equity.
- *** During the first half of the year, C Newton was employed less than a full time equivalent. M Farris provides services to the Company on a consulting basis. Ms Farris provides the Chief Financial Officer declaration to Directors required under Section 295A of the Corporations Act.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Craig Newton
Title:	Managing Director and CEO from 1 November 2019 (COO till 31 October 2019)
Term of agreement:	<p>Remuneration:</p> <p>Base remuneration of \$280,000 per annum, plus statutory superannuation (full base rate) applied as follows:</p> <ul style="list-style-type: none">a. Effective 1 November 2019, a rate of \$250,000 per annum (commencing rate);b. The full base rate will apply effective from the date of first patient first visit (FPFV) into the first human clinical trial of the Photosoft technology;c. Upon FPFV, Craig Newton will be paid a one-time make-up payment of the difference between the commencing rate and the full base (retrospectively applying the full base rate) <p>Short term Incentives:</p> <p>Eligible to receive an annual bonus of up to 30% of base salary. Payout of any performance bonus is at the discretion of the Board</p> <p>Long term Incentives:</p> <p>Eligible to receive 13,628,807 options to buy shares in the company. Options will have an expiry date of 12 February 2023, an exercise price of not less than 150% of the share price on the day of issue and will vest in equal portions over four years commencing 1 December 2019.</p> <p>Notice period:</p> <p>accrued legal entitlements plus (a) severance of three months base salary if termination within 12 months of commencement date or (b) severance of six months base salary if termination after 12 months of commencement date.</p>

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Invision Limited
Directors' report
30 June 2020

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
T Chew	5,451,523	12/02/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
T Chew	5,451,523	12/02/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
T Chew	5,451,523	12/02/2019	1/12/2020	12/02/2023	\$0.03	\$0.012
T Chew	5,451,523	12/02/2019	1/12/2021	12/02/2023	\$0.03	\$0.012
T Chew	5,451,523	12/02/2019	1/12/2022	12/02/2023	\$0.03	\$0.012
G Collier*	27,257,615	12/02/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
G Collier	24,986,147	12/02/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
J Campbell**	4,088,642	12/02/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
J Campbell	4,088,642	12/02/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	1/12/2020	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	1/12/2021	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	1/12/2022	12/02/2023	\$0.03	\$0.012
C Newton	13,628,807	12/2/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
C Newton	13,628,807	12/2/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
C Newton	13,628,807	12/2/2019	1/12/2020	12/02/2023	\$0.03	\$0.012
C Newton	13,628,807	12/2/2019	1/12/2021	12/02/2023	\$0.03	\$0.012
C Newton	13,628,807	12/2/2019	1/12/2022	12/02/2023	\$0.03	\$0.012
M Farris	9,085,872	12/2/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
M Farris	9,085,872	12/2/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
M Farris	9,085,872	12/2/2019	1/12/2020	12/02/2023	\$0.03	\$0.012
M Farris	9,085,872	12/2/2019	1/12/2021	12/02/2023	\$0.03	\$0.012
M Farris	9,085,872	12/2/2019	1/12/2022	12/02/2023	\$0.03	\$0.012
C Newton	1,362,881	31/10/2019	31/10/2019	30/10/2023	\$0.02	\$0.013
C Newton	1,362,881	31/10/2019	01/12/2019	30/10/2023	\$0.02	\$0.013
C Newton	1,362,881	31/10/2019	01/12/2020	30/10/2023	\$0.02	\$0.013
C Newton	1,362,881	31/10/2019	01/12/2021	30/10/2023	\$0.02	\$0.013
C Newton	1,362,881	31/10/2019	01/12/2022	30/10/2023	\$0.02	\$0.013

* G. Collier retired as the Managing Director and CEO effective 31 October 2019.

** J. Campbell retired as the Non-Executive Director effective 21 December 2019.

Options granted carry no dividend or voting rights.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
T Chew	-	-	-	54%
G Collier	-	-	120,064	45%
J Campbell	-	-	18,010	44%
A Yamashita	-	-	-	59%
C Newton	57,241	-	-	53%
M Farris	-	-	-	60%

Additional information

Relative movements in Basic Earnings per share, Net tangible assets per share and Dividend per share (cents per share) for the last five years are as follows. Period end share price has been included as one measure of shareholder wealth:

	2020	2019	2018	2017	2016
Net tangible assets per share	-	-	-	-	-
Earnings per share (cents per share)	(0.03)	(0.05)	(0.02)	(0.14)	(0.41)
Dividend per share (cents)	-	-	-	-	-
Share price at financial year end (cents)	0.80	1.50	3.40	0.30	0.40

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions /Disposal***	other movement	Balance at the end of the year
<i>Ordinary shares</i>					
T Chew	546,857,721	-	-	-	546,857,721
G Collier*	31,770,932	-	(3,000,000)	(28,770,932)	-
J Campbell**	4,186,772	-	-	(4,186,772)	-
M Farris***	56,000	-	-	-	56,000
	<u>582,871,425</u>	<u>-</u>	<u>(3,000,000)</u>	<u>(32,957,704)</u>	<u>546,913,721</u>

* G. Collier retired as the Managing Director and CEO effective 31 October 2019 and J. Campbell retired as the Non-Executive Director effective 21 December 2019. The balance in other movement represents shares held by them as at their respective dates of retirement.

** M Farris was appointed as the Non-Executive Director on 22 December 2019. The balance in other movement represents shares held by her on the date of the appointment.

*** Additions and disposal represents purchase and sale of shares during the year.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
T Chew	27,257,615	-	-	-	27,257,615
G Collier*	136,288,073	-	-	(136,288,073)	-
J Campbell**	20,443,211	-	-	(20,443,211)	-
A Yamashita	20,443,211	-	-	-	20,443,211
C Newton***	68,144,037	6,814,403	-	-	74,958,440
M Farris	45,429,358	-	-	-	45,429,358
	<u>318,005,505</u>	<u>6,814,403</u>	<u>-</u>	<u>(156,731,284)</u>	<u>168,088,624</u>

* G. Collier retired as the Managing Director and CEO effective 31 October 2019 and expired/other balance represents cumulative balance of 52,243,761 vested options held as at the date of retirement and 84,044,312 options expired on retirement.

** J. Campbell retired as the Non-Executive Director effective 21 December 2019 and balance in expired/other balance represents cumulative balance of 8,177,284 vested options held as at the date of retirement and 12,265,927 options expired on retirement.

*** C Newton was granted 6,814,403 options on his appointment as the Managing Director & CEO on 1 November 2019.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Invion Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
17 February 2015	18 November 2020	\$0.02	5,000
31 October 2019	12 February 2023	\$0.03	253,041,524
31 October 2019	30 October 2023	\$0.02	<u>6,814,403</u>
			<u><u>259,860,927</u></u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Invion Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Ernst & Young

There are no officers of the company who are former partners of Ernst & Young.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Invion Limited
Directors' report
30 June 2020

Auditor

Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Tian Chew
Chairman

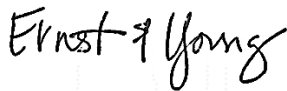
26 August 2020

Auditor's Independence Declaration to the Directors of Invion Limited

As lead auditor for the audit of the financial report of Invion Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Invion Limited and the entities it controlled during the financial year.



Ernst & Young



Jennifer Barker
Partner
26 August 2020

Invision Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

		Consolidated	
	Note	30 June 2020	30 June 2019
		\$	\$
Revenue from continuing operations	6	3,476,784	3,882,096
Other income	7	72,570	(28,823)
Expenses			
Employee benefits expense	8	(701,460)	(701,721)
Depreciation and amortisation expenses	9	(277,906)	(309,568)
Administration & corporate expenses	10	(889,405)	(1,411,608)
Rent and occupancy expense		(102,734)	(99,794)
Share-based payment expense	11	(930,559)	(1,350,168)
Research & development costs	12	(1,551,296)	(2,230,333)
Patent costs		(9,014)	(26,561)
Business development		(40,874)	(269,725)
Loss before income tax expense from continuing operations		(953,894)	(2,546,205)
Income tax expense	13	-	-
Loss after income tax expense from continuing operations		(953,894)	(2,546,205)
Profit after income tax expense from discontinued operations	14	-	1,482,107
Loss after income tax expense for the year attributable to the owners of Invision Limited	24	(953,894)	(1,064,098)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Unrealised exchange differences on translation of foreign subsidiary		-	(1,851,548)
Other comprehensive income for the year, net of tax		-	(1,851,548)
Total comprehensive income for the year attributable to the owners of Invision Limited		(953,894)	(2,915,646)
Total comprehensive income for the year is attributable to:			
Continuing operations		(953,894)	(4,397,753)
Discontinued operations		-	1,482,107
		(953,894)	(2,915,646)
		Cents	Cents
Loss per share for loss from continuing operations attributable to the owners of Invision Limited			
Basic loss per share	36	(0.02)	(0.05)
Diluted loss per share	36	(0.02)	(0.05)
Loss per share for loss attributable to the owners of Invision Limited			
Basic loss per share	36	(0.02)	(0.02)
Diluted loss per share	36	(0.02)	(0.02)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Invin Limited
Statement of financial position
As at 30 June 2020

		Consolidated	
	Note	30 June 2020	30 June 2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		618,843	771,313
Trade and other receivables	15	271,845	120,575
Other current assets	16	26,173	50,270
Total current assets		<u>916,861</u>	<u>942,158</u>
Non-current assets			
Property, plant and equipment	17	3,891	4,819
Intangibles	18	4,840,000	5,115,000
Total non-current assets		<u>4,843,891</u>	<u>5,119,819</u>
Total assets		<u>5,760,752</u>	<u>6,061,977</u>
Liabilities			
Current liabilities			
Trade and other payables	19	281,731	490,567
Provisions	20	34,091	63,875
Unearned income	21	11,000	50,270
Total current liabilities		<u>326,822</u>	<u>604,712</u>
Total liabilities		<u>326,822</u>	<u>604,712</u>
Net assets		<u>5,433,930</u>	<u>5,457,265</u>
Equity			
Issued capital	22	130,555,435	130,555,435
Reserves	23	1,990,206	23,119,839
Accumulated losses	24	(127,111,711)	(148,218,009)
Total equity		<u>5,433,930</u>	<u>5,457,265</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Invin Limited
Statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital \$	Options reserves \$	Foreign currency translation reserves \$	Convertible note reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	132,140,700	19,432,957	1,851,548	2,486,714	(148,005,574)	7,906,345
Loss after income tax expense for the year	-	-	-	-	(1,064,098)	(1,064,098)
Other comprehensive income for the year, net of tax	-	-	(1,851,548)	-	-	(1,851,548)
Total comprehensive income for the year	-	-	(1,851,548)	-	(1,064,098)	(2,915,646)
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments (note 37)	150,000	1,200,168	-	-	-	1,350,168
Spin-out of subsidiary	(1,735,265)	-	-	-	851,663	(883,602)
Balance at 30 June 2019	<u>130,555,435</u>	<u>20,633,125</u>	<u>-</u>	<u>2,486,714</u>	<u>(148,218,009)</u>	<u>5,457,265</u>
Consolidated	Issued capital \$	Options reserves \$	Foreign currency translation reserves \$	Convertible note reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	130,555,435	20,633,125	-	2,486,714	(148,218,009)	5,457,265
Loss after income tax expense for the year	-	-	-	-	(953,894)	(953,894)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(953,894)	(953,894)
<i>Transactions with owners in their capacity as owners:</i>						
Share option expense	-	930,559	-	-	-	930,559
Reserve reclassification	-	(19,573,478)	-	(2,486,714)	22,060,192	-
Balance at 30 June 2020	<u>130,555,435</u>	<u>1,990,206</u>	<u>-</u>	<u>-</u>	<u>(127,111,711)</u>	<u>5,433,930</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Invion Limited
Statement of cash flows
For the year ended 30 June 2020

		Consolidated	
	Note	30 June 2020	30 June 2019
		\$	\$
Cash flows from operating activities			
Receipts from customers		3,537,000	3,299,935
Payments to suppliers and employees		(3,849,786)	(5,406,962)
Research and development tax incentive		91,770	-
COVID-19 incentives		68,000	-
		(153,016)	(2,107,027)
Interest received		546	1,334
Net cash used in operating activities	35	(152,470)	(2,105,693)
Cash flows from investing activities			
Payment for Property, Plant and Equipment		-	(6,054)
Subsidiary Bank Account transferred on spin-out		-	(7,554)
Net cash used in investing activities		-	(13,608)
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(152,470)	(2,119,301)
Cash and cash equivalents at the beginning of the financial year		771,313	2,891,371
Net foreign exchange differences		-	(757)
Cash and cash equivalents at the end of the financial year		618,843	771,313

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Invion Limited as a consolidated entity consisting of Invion Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Invion Limited's functional and presentation currency.

Invion Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 4, 100 Albert Road, South Melbourne Vic 3205 Australia	692 High Street, East Kew Vic 3102

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 August 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Corporate information

Invion Limited is a Company limited by shares incorporated in Australia whose shares have been publicly traded on the Australian Securities Exchange since its listing on 15 February 2011 (ASX:IVX). Invion is a clinical-stage life-sciences company that is leading the global clinical development of the Photosoft™ technology for the treatment of cancers. Invion has been appointed exclusive licensee in Australia and New Zealand of Photosoft™. The appointment has been made by technology licensor, The Cho Group, a Hong Kong based group that has funded and successfully commercialised a number of unique and advanced technologies. Via an R&D services agreement between the two entities, the research and clinical trials of Photosoft™ are funded by The Cho Group.

The Invion Group ("the Group") consists of Invion Limited ("Invion" or "the Company") and its wholly owned subsidiary IVX Cosmetics Pty Ltd. The Group is headquartered in Melbourne (Australia). This consolidated financial report of Invion Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 26 August 2020.

Note 3. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Note 3. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

As at reporting date, the Group has no material impact from this standard,

Going concern

This financial report for year ended 30 June 2020 has been prepared on a going concern basis. The Group incurred an operating loss after income tax of \$953,894 (2019: \$2,915,646) for the year. At 30 June 2020 the Company had net assets of \$5,433,930 (30 June 2019: \$5,457,265) and a net current asset position of \$590,039 (30 June 2019: \$337,446). In common with other companies in the biotechnology sector, the Group's operations are subject to risks and uncertainty due primarily to the nature of the drug development and commercialisation.

The ability of the Group to continue as a going concern and meet its strategic objectives is principally dependent upon funds continuing to be available for research and development expenditure and other principal activities. The Directors have identified funding risk as an area of uncertainty and material risk impacting the Group due to the dependency on the R&D Services Agreement with RMW Cho Group, and as similar to other companies in the biotechnology sector, recognise that further capital may be required to fund the Group's activities.

The Directors are satisfied that notwithstanding the material uncertainty, on the basis RMW Cho Group funding continues to be made available, there is a reasonable basis to conclude that adequate cash is available to meet the liabilities and commitments of the Group for a period of at least twelve months from the date of this report, and on that basis, are satisfied that the going concern basis of preparation is appropriate. No adjustment has been made to recorded assets and liability amounts and classifications should the group not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 32.

Note 3. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Invion Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Invion Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

The Group is in the business of performing research under contract. Revenue from contracts with customers is recognised when performance of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services, net of Goods and Services Tax (GST). The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Rendering of services

Revenue from services is recognised at the point in time when performance of the service is transferred to the customer, generally when the relevant research expenditure is incurred. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, delivery). In determining the transaction price for the services, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 3. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 3. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade receivables are recognised initially at the amount of consideration that is unconditional.

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities (or unearned income)

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group completes the performance obligations under the contract.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 3. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	10%-50%
Computer equipment	20%-50%
Furniture and fittings	10%-20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit and loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Comprehensive Income when the asset is derecognised.

Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of the expected future benefit. Amortisation is recorded in the Consolidated Statement of Comprehensive Income. During the development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is as follows:

	Patents	Development Costs
Useful lives	Finite	Finite
Amortisation method used	Amortised on a straight-line basis over the period of the patent	Amortised on a straight-line basis over the expected period of available use
Internally generated or acquired	Acquired	Internally generated

Note 3. Significant accounting policies (continued)

Patents -Intellectual property

The Group made upfront payments to purchase patents. The patents have been granted for periods of up to 20 years by the relevant authority, often with the option of renewal at the end of this period.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Note 3. Significant accounting policies (continued)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Invision Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 3. Significant accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Impairment

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If any such indication exists, the Group will estimate the recoverable amount of the asset. In assessing whether there is any indication that an asset may be impaired, the Group considers external and internal sources of information including market forces, the Group's market capitalisation, evidence of obsolescence, significant changes with an adverse effect on the Group or its assets, and any financial projections.

Note 5. Operating segments

Identification of reportable operating segments

The Invion Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The Invion Group operates as a clinical-stage life sciences (drug development) group. At 30 June 2020, the Group had operations in Australia only with its wholly owned subsidiary EpiTech Dermal Science Pty Ltd (previously IVX Cosmetics Pty Ltd). The Group does not consider that the risks and returns of the Group have been or are affected by differences in either the products or services it provides. The Group operates as one segment and as such in one geographical area. Group performance is evaluated based on operating profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Group financing (including finance costs and finance income) and income taxes are managed on a Group basis.

Note 6. Revenue

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
From continuing operations		
R&D services fee	<u>3,476,784</u>	<u>3,882,096</u>

The above represents fees of \$3,226,784 earned from RMW Cho Group for Research and Development services provided and \$250,000 upfront fee payable under the R&D Service Agreement signed between Invion's wholly-owned subsidiary, Epitech Dermal Science Pty Ltd and Guilin Pavay Biotechnology Co. Ltd.

Invision Limited
Notes to the financial statements
30 June 2020

Note 7. Other income

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
COVID-19 incentives	68,000	-
Interest received	546	1,334
Foreign exchange loss	4,024	(35,876)
Miscellaneous income	-	5,719
	<u>72,570</u>	<u>(28,823)</u>
Other income		

Note 8. Employee benefits expense

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Salaries, wages and fees	569,376	601,803
Superannuation	54,419	60,167
Employee entitlements	62,375	38,993
Other employee benefits expense	15,290	758
	<u>701,460</u>	<u>701,721</u>

Note 9. Depreciation and amortisation expenses

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Amortisation: Intangible amortisation	275,000	308,333
Depreciation of non-current assets: Plant and equipment	2,906	1,235
	<u>277,906</u>	<u>309,568</u>

Note 10. Administration & corporate expenses

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Legal fees	30,688	117,094
Compliance costs	213,062	278,133
Consulting fees incl. accounting, business development	243,515	634,559
Insurance	153,157	138,311
Other administration and corporate expenses	248,983	243,511
	<u>889,405</u>	<u>1,411,608</u>

Note 11. Share-based payment expense

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Share-based payment expense	<u>930,559</u>	<u>1,350,168</u>

Share based payment expense during the year relates to:

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Expense arising from equity-settled share-based payment transactions	930,559	1,200,168
Expenses arising from issue of short term incentive shares to MD/CEO	-	150,000
	<u>930,559</u>	<u>1,350,168</u>

Refer to Note 37 for further details on the Group's share options.

Note 12. Research & development costs

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Clinical trial costs	562,639	1,210,564
Drug production and supply	82,617	376,325
Feasibility studies	-	10,928
Other research and development	<u>906,040</u>	<u>632,516</u>
	<u>1,551,296</u>	<u>2,230,333</u>

Note 15. Current assets - trade and other receivables

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Trade receivables	247,326	28,805
R&D tax incentive rebate	-	91,770
GST receivable	24,519	-
	<u>271,845</u>	<u>120,575</u>

Trade receivables at 30 June 2020 contain a contract asset of \$159,566 which represents the right to consideration in exchange for services performed under the R&D Service Agreement with RMW Cho Group.

Note 16. Current assets - Other current assets

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Prepayments	<u>26,173</u>	<u>50,270</u>

Note 17. Non-current assets - property, plant and equipment

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Plant and equipment - at cost	8,032	6,054
Less: Accumulated depreciation	<u>(4,141)</u>	<u>(1,235)</u>
	<u>3,891</u>	<u>4,819</u>

Note 18. Non-current assets - intangibles

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Intellectual property - at cost	5,500,000	5,500,000
Less: Accumulated amortisation	<u>(660,000)</u>	<u>(385,000)</u>
	<u>4,840,000</u>	<u>5,115,000</u>

Note 18. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	INV102 \$	INV104 \$	Photosoft \$	Total \$
Balance at 1 July 2018	1,631,272	267,000	5,390,000	7,288,272
Exchange differences	266,762	-	-	266,762
Spin-out of assets	(1,068,288)	(233,666)	-	(1,301,954)
Amortisation expense	(829,746)	(33,334)	(275,000)	(1,138,080)
Balance at 30 June 2019	-	-	5,115,000	5,115,000
Amortisation expense	-	-	(275,000)	(275,000)
Balance at 30 June 2020	-	-	4,840,000	4,840,000

Invision is developing Photosoft™ technology as an improved next generation Photodynamic Therapy. The Photosoft™ commercialisation licence is reflected as an intangible asset and is being amortised over a 20 year period. The Photosoft™ commercialisation licence is being carried at the cost of the licence and distribution agreement less accumulated amortisation. The Directors are of the view that there have been no indicators of impairment to this carrying value due to both the short period since the transaction when an independent expert valued the licence, and the progress in the R&D development asset since that time.

At each Balance Date, the Group assesses whether there is any indication that an intangible asset may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount, and where the carrying amount of an asset may exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The Group assessed that there is no impact of COVID-19 on Photosoft™ commercialisation licence.

Note 19. Current liabilities - trade and other payables

	Consolidated 30 June 2020	30 June 2019
	\$	\$
Trade payables	105,670	308,092
Accrued expenses	117,375	144,380
Director related accruals	58,686	22,808
GST payable	-	15,287
	<u>281,731</u>	<u>490,567</u>

Refer to note 26 for further information on financial instruments.

Note 20. Current liabilities - provisions

	Consolidated 30 June 2020	30 June 2019
	\$	\$
Annual leave provisions	<u>34,091</u>	<u>63,875</u>

Note 21. Current liabilities - Unearned income

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Contract liability	<u>11,000</u>	<u>50,270</u>

A contract liability represents the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group completes the performance obligations under the contract.

Note 22. Equity - issued capital

	Consolidated			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>5,500,606,300</u>	<u>5,500,606,300</u>	<u>130,555,435</u>	<u>130,555,435</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2018	5,492,272,967		132,140,700
Shares issued to MD/CEO for short-term incentive payment in equity*		8,333,333	\$0.20	150,000
Spin-out of subsidiary**		-	\$0.00	(1,735,265)
Balance	30 June 2019	<u>5,500,606,300</u>		<u>130,555,435</u>
Balance	30 June 2020	<u>5,500,606,300</u>		<u>130,555,435</u>

*On 12 February 2019, following Shareholder approval at the Company's General Meeting held 30 January 2019, the Company issued 8,333,333 fully paid ordinary shares for the short-term incentive bonus to MD/CEO to be paid in equity.

**On 30 January 2019, the Shareholders of Invion approved the spin-out of subsidiaries, Invion, Inc. and Chronic Airway Therapeutics Limited (CAT) by way of equal capital reduction. \$1,735,265 represents the value of CAT shares.

*** There are no shares issued during the year ended 30 June 2020.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Note 22. Equity - issued capital (continued)

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2019 Annual Report.

Note 23. Equity - reserves

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Options reserve	1,990,206	20,633,125
Convertible note reserve	-	2,486,714
	<u>1,990,206</u>	<u>23,119,839</u>

Option reserve

Items recognised as an expense with respect to share-based consideration. The movement during the year is due to share option expense of \$930,559 and reserve balance of \$19,537,478 related to lapsed option taken to the accumulated losses.

Convertible note reserve

This represents the equity component of convertible notes which had lapsed and the reserve balance taken to the accumulated losses.

Note 24. Equity - accumulated losses

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Accumulated losses at the beginning of the financial year	(148,218,009)	(147,153,911)
Loss after income tax expense for the year	(953,894)	(1,064,098)
Transfer from options reserve	19,573,478	-
Transfer from other reserves	2,486,714	-
	<u>(127,111,711)</u>	<u>(148,218,009)</u>

Note 25. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 26. Financial instruments

Financial risk management objectives

The Group's principal financial instruments comprise receivables, payables, cash, short-term deposits. The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and making assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through the development of future rolling cash flow forecasts. Financial assets and liabilities have contractual maturities of less than twelve months.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The group has closed its foreign currency bank accounts in US Dollars (USD) during the year. The major foreign currency exposure is for trade creditors in USD. At 30 June 2020, there were no creditors denominated in US Dollars.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to standardised financial assets, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial report. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources will be available as and when required, as well as ensuring capital raising initiatives are conducted in a timely manner as required.

At as 30 June 2020, the Group's exposure on liquidity risk is on Trade and other payable of \$281,731 (2019: 490,567) payable within next 12 months.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 27. Key management personnel disclosures

Directors

The following persons were directors of Invision Limited during the financial year:

T Chew	Non-executive Director and Chairman
J Campbell	Non-executive Director (retired on 21 December 2019)
A Yamashita	Non-executive Director
M Farris	Non-executive Director (appointed on 22 December 2019)
G Collier	Managing Director & CEO (retired on 31 October 2019)
C Newton	Managing Director & CEO (appointed on 1 November 2019)

Note 27. Key management personnel disclosures (continued)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Short-term employee benefits	689,201	1,161,221
Post-employment benefits	33,408	51,062
Share-based payments	810,832	567,847
	<u>1,533,441</u>	<u>1,780,130</u>

Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the company:

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
<i>Audit services -</i>		
Audit or review of the financial statements	<u>87,047</u>	<u>83,873</u>

Note 29. Contingent liabilities

The consolidated entity has no material contingent liabilities as at the date of this report.

Note 30. Commitments

Corporate commitments: The Company rents premises at East Kew in Victoria on a month-to-month basis. The agreement has no terms nor is there a make-good requirement upon termination of the agreement. The Company does not have lease agreements for telephone, copier or similar corporate overhead items. No lease liability therefore recognised.

R&D commitments: At the Balance Date, the Company had contractual commitments to the value of \$0.13 million relating to R&D development activities (30 June 2019: \$1.93 million).

Note 31. Related party transactions

Parent entity

Invision Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 33.

Key management personnel

Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the directors' report.

Note 31. Related party transactions (continued)

Transactions with related parties

Mr Thian Chew, Chairman of Invision Limited, is Managing Partner of Polar Ventures Limited. Polar Ventures Limited and The Cho Group are associates in accordance with section 12(2) of the Corporations Act. The Cho Group has entered into a consultancy agreement with Polar Ventures, pursuant to the terms of which Polar Ventures has agreed to provide general advice and support for The Cho Group's interests in its investment in Invision. For the year ended 30 June 2020, Mr Chew's Director's fees and Share based payment related to the share options granted comprised of \$90,000 and \$104,112 respectively.

The Group was engaged to conduct the clinical development of Photosoft™ globally. The Cho Group agreed to provide funding for the clinical trials and related development, in a clinical development program designed and managed by a joint steering committee between the two companies. Current revenue during the period was \$3,476,784 (2019:\$3,882,096). As at 30 June 2020 \$159,566 (30 June 2019: \$28,805) was included in trade receivables and a contract liability of nil (30 June 2019: \$50,270) included in unearned income.

All transactions were made on normal commercial terms and conditions and at market rates.

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	Parent
	30 June 2020	30 June 2019
	\$	\$
Loss after income tax	(1,203,894)	(1,064,098)
Total comprehensive income	(1,203,894)	(1,064,098)

Statement of financial position

	Parent	Parent
	30 June 2020	30 June 2019
	\$	\$
Total current assets	655,861	942,158
Total assets	5,499,752	6,061,977
Total current liabilities	315,822	604,712
Total liabilities	315,822	604,712
Equity		
Issued capital	130,555,435	130,555,435
Options reserve	1,990,206	20,633,125
Convertible note reserve	-	2,486,714
Accumulated losses	(127,361,711)	(148,218,009)
Total equity	5,183,930	5,457,265

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 32. Parent entity information (continued)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 3, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 3:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2020 %	30 June 2019 %
Epitech Dermal Science Pty Ltd (previously IVX Cosmetics Pty Ltd)	Australia	100.00%	100.00%

Note 34. Events after the reporting period

COVID-19 including its recent resurgence, particularly in Victoria where the majority of Invision's research and clinical partners are located, has imposed many challenges including the ongoing potential to directly impact the conduct of planned clinical studies. The Company has considered the unknown short-term availability of clinical centres alongside the potential availability of an improved API for use in future clinical studies and has come to the decision to defer the commencement of the Phase 1b studies in BCC and in ano-genital cancers until such time as greater certainty emerges regarding an end to the current COVID-19 crisis and to allow for the potential use of an improved API in those studies. Focused research work will therefore continue at the Company, but with a short-term focus on developing an improved drug product suitable and ready for scale-up and study in human clinical trials.

CEO Craig Newton will retire as MD & CEO, effective 31 October 2020. It is anticipated Chairman, Thian Chew, will become executive chairman and interim CEO from that time.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 35. Reconciliation of loss after income tax to net cash used in operating activities

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Note 35. Reconciliation of loss after income tax to net cash used in operating activities (continued)

	Consolidated	Consolidated
	30 June 2020	30 June 2019
	\$	\$
Loss after income tax expense for the year	(953,894)	(1,064,098)
Adjustments for:		
Depreciation and amortisation	277,906	309,568
Foreign exchange differences	-	(32,287)
Equity based compensation	930,559	1,350,168
Operating (profit)/loss after taxation from discontinued operations	-	(1,482,107)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(74,404)	(1,458)
Increase/(decrease) in trade and other payables	(263,583)	(311,798)
(Decrease)/ increase in provisions	(29,784)	(37,687)
(Decrease)/ increase in unearned income	(39,270)	(835,994)
Net cash used in operating activities	<u>(152,470)</u>	<u>(2,105,693)</u>

Note 36. Earnings per share

	Consolidated	Consolidated
	30 June 2020	30 June 2019
	\$	\$
<i>Loss per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Invision Limited	<u>(953,894)</u>	<u>(2,546,205)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>5,500,606,300</u>	<u>5,495,446,483</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>5,500,606,300</u>	<u>5,495,446,483</u>
	Cents	Cents
Basic loss per share	(0.02)	(0.05)
Diluted loss per share	(0.02)	(0.05)
	Consolidated	Consolidated
	30 June 2020	30 June 2019
	\$	\$
<i>Loss per share for loss</i>		
Loss after income tax attributable to the owners of Invision Limited	<u>(953,894)</u>	<u>(1,064,098)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>5,500,606,300</u>	<u>5,495,446,483</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>5,500,606,300</u>	<u>5,495,446,483</u>

Note 36. Earnings per share (continued)

	Cents	Cents
Basic loss per share	(0.02)	(0.02)
Diluted loss per share	(0.02)	(0.02)

Note 37. Share-based payments

Summary of options granted and lapsed during the year ended 30 June 2020:

Set out below are summaries of options granted under the plan:

	Number of options 30 June 2020	Weighted average exercise price 30 June 2020	Number of options 30 June 2019	Weighted average exercise price 30 June 2019
Outstanding at the beginning of the financial year	351,059,116	\$0.03	1,707,353	\$0.04
Granted	6,814,403	\$0.02	349,351,763	\$0.03
Expired	<u>(98,012,592)</u>	\$0.03	<u>-</u>	\$0.00
Outstanding at the end of the financial year	<u>259,860,927</u>	\$0.03	<u>351,059,116</u>	\$0.03

30 June 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/05/2015	09/11/2019	\$0.04	1,702,353	-	-	(1,702,353)	-
17/12/2015	18/11/2020	\$0.02	5,000	-	-	-	5,000
12/02/2019	12/02/2023	\$0.03	349,351,763	-	-	(96,310,239)	253,041,524
31/10/2019	31/10/2023	\$0.02	-	6,814,403	-	-	6,814,403
			<u>351,059,116</u>	<u>6,814,403</u>	<u>-</u>	<u>(98,012,592)</u>	<u>259,860,927</u>
Weighted average exercise price			\$0.03	\$0.02	\$0.00	\$0.03	\$0.03

30 June 2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
10/03/2014	09/11/2018	\$0.12	19,700,000	-	-	(19,700,000)	-
28/05/2015	09/11/2019	\$0.04	1,702,353	-	-	-	1,702,353
17/12/2015	18/11/2020	\$0.02	5,000	-	-	-	5,000
12/02/2019	12/02/2023	\$0.03	-	349,351,763	-	-	349,351,763
			<u>21,407,353</u>	<u>349,351,763</u>	<u>-</u>	<u>(19,700,000)</u>	<u>351,059,116</u>
Weighted average exercise price			\$0.09	\$0.03	\$0.00	\$0.12	\$0.03

The weighted average share price during the financial year was \$0.01 (2019: \$0.03).

In October 2019, 6,814,403 Unlisted options were granted to Craig Newton on his appointment as MD/CEO. The fair value of the options was determined as of \$57,241 using the Black Scholes option pricing model using the following inputs:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
31/10/2019	31/10/2023	\$0.01	\$0.02	105.00%	-	0.83%	\$0.008

Invision Limited
Directors' declaration
30 June 2020

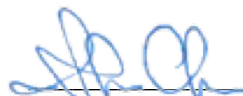
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Thian Chew
Chairman

26 August 2020

Independent Auditor's Report to the Members of Invion Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Invion Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 of the financial report which indicates the Group incurred a loss from continuing operations after income tax of \$953,894 for the year ended 30 June 2020 (30 June 2019: \$2,546,205) and is dependent on the continued funding from its R&D Services Agreement to maintain its operations. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. We have determined the matter described in the *Material Uncertainty Related to Going Concern* section of this report to be the key audit matter to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

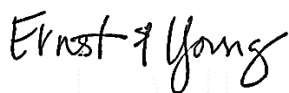
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 13 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Invion Limited for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Jennifer Barker
Partner
Brisbane
26 August 2020

Invion Limited
Shareholder information
30 June 2020

Invion Limited ACN 094 730 417

Registered Office

Level 4, 100 Albert Road
South Melbourne
VIC 3205
+61 (3) 9672 9222
www.inviongroup.com

Share Registry

Shareholder information in relation to shareholding or share transfer can be obtained by contacting the Company's share registry:

Link Market Services, Locked Bag A14, Sydney South, NSW, 1235

Tel: 1300 554 474

Email: registrars@linkmarketservices.com.au

www.linkmarketservices.com.au

For all correspondence to the share registry, please provide your Security-holder Reference Number (SRN) or Holder Identification Number (HIN).

Change of address

Changes to your address can be updated online at www.linkmarketservices.com.au or by obtaining a Change of Address Form from the Company's share registry. CHESS sponsored investors must change their address details via their broker.

Annual General Meeting

The Annual General Meeting will be held in Melbourne on or about 14 October 2020. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately upon dispatch.

The Closing date for receipt of nomination for the position of Director is Wednesday, 2 September 2020. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on Wednesday 2 September 2020, at the Company's Registered Office.

The Company notes that the deadline for the nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.

Corporate Governance Statement

The Company's 2020 Corporate Governance Statement has been released to the ASX on this day and is available on the Company's website at <https://www.inviongroup.com/Investor-Centre/company-info/corporate-governance>

Annual report mailing list

All shareholders are entitled to receive the Annual Report. In addition, shareholders may nominate not to receive an annual report by advising the share registry in writing, by fax, or by email, quoting their SRN/HIN.

Securities exchange listing

Invion's shares are listed on the Australian Securities Exchange and trade under the ASX code IVX. The securities of the Company are traded on the ASX under CHESS (Clearing House Electronic Sub-register System).

ASX Shareholder Disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is current as at 17 August 2020.

Invion Limited
Shareholder information
30 June 2020

1. Total securities on issue

ASX Code	Description	Expiry	Listed	Unlisted
IVX	Fully paid ordinary shares		5,503,598,906	-
IVXAU	Share options (\$0.02)	30/10/2023	-	6,814,403
IVXAS	Share options (\$0.0175)	09/11/2020	-	5,000
IVXAT	Share options (\$0.03)	12/02/2023	-	253,041,524
			<u>5,503,598,906</u>	<u>259,860,927</u>

Total Fully diluted

5,763,432,833

Top Holders	Securities	%
Top 20 holders	4,260,161,098	77.41%
Balance of Register	<u>1,243,437,808</u>	22.59%

Total Issued Capital 5,503,598,906

Range	Securities	%	No of holders	%
100,001 and Over	5,422,505,885	98.53%	1,446	34.80%
10,001 to 100,000	77,439,845	1.41%	1,687	40.60%
5,001 to 10,000	2,357,020	0.04%	302	7.27%
1,001 to 5,000	1,189,955	0.02%	386	9.29%
1 to 1,000	<u>106,201</u>	-	<u>334</u>	8.04%
	<u>5,503,598,906</u>		<u>4,155</u>	

Unmarketable Parcels 28,511,497 0.52% 2,005 48.26%

3. Voting Rights

Shareholders in Invion Limited have a right to attend and vote at general meetings. At a general meeting, individual shareholder may vote in person or by proxy. All quoted and unquoted share options, and convertible notes, have no voting rights.

4. Substantial shareholders

Associates of RMW Cho Group have notified the Company of their substantial holding. The holdings of the Associates are as listed below

Rank	Name	17 Aug 2020	% IC
1	UNLIMITED INNOVATION GROUP LIMITED	2,814,302,977	51.16%
2	POLAR VENTURES LIMITED	545,217,721	9.91%
3	MR HONSUE CHO	284,626,482	5.17%
5	RMWC PTY LTD	93,865,000	1.71%
169	POLAR VENTURES LIMITED	1,640,000	0.03%

5. Share buy-back

There is no current or planned buy-back of the Company's shares.

6. Statement in accordance with ASX Listing Rule 4.10.19

The Company confirms that it has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives

7. Twenty largest shareholders - ordinary shares

Rank	Name	17 Aug 2020	% IC
1	UNLIMITED INNOVATION GROUP LIMITED	2,814,302,977	51.14%
2	POLAR VENTURES LIMITED	545,217,721	9.91%
3	MR HONSUE CHO	284,626,482	5.17%
4	BNP PARIBAS NOMINEES PTY LTD	148,461,528	2.70%
5	RMWC PTY LTD	93,865,000	1.71%
6	CITICORP NOMINEES PTY LIMITED	47,530,735	0.86%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,578,943	0.70%
8	MR ESMOND WONG & MRS QUYNH THI		
9	KIM NGUYEN	37,384,765	0.68%
10	MR WEI JIN	30,328,618	0.55%
11	EQ WONG SUPER PTY LTD	28,750,347	0.52%
12	BNP PARIBAS NOMS PTY LTD	28,872,944	0.51%
13	MS YINQI LING	23,529,412	0.43%
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	21,565,622	0.39%
15	MR SHENGWEI OU	17,706,452	0.32%
16	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	17,537,713	0.32%
17	MS KAM YEE CHAN	15,426,031	0.28%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,261,309	0.28%
19	MR YONGPING ZHAO	13,976,005	0.25%
20	JEAN-LUC TETARD	13,157,895	0.24%
21	CARLOS ADOLFO MUNOZ	13,157,895	0.24%
	DR HUY TRAN	11,922,704	0.22%
		<u>4,261,161,098</u>	

8. Twenty largest shareholders - quoted share options

No options are quoted.

9. Holders of greater than 20% unquoted securities

No equity holders hold greater than 20% or more of the following unquoted equity securities (by class) of the Company.