

Invex Therapeutics Ltd

(ACN 632 145 334)

APPENDIX 4D – HALF-YEAR FINANCIAL REPORT

Reporting period

Current period: Half year ended 31 December 2020

Previous corresponding period: Half year ended 31 December 2019

Results for announcement to market

	% increase/ (decrease)	31 December 2020	31 December 2019
Other income	25	114,549	91,870
Loss from ordinary activities after tax attributable to members	(5)	1,056,048	1,110,630
Net loss for the period attributable to members	(5)	1,056,048	1,110,630

Dividends

No dividends have been declared or paid during the period ended 31 December 2020. The Directors do not recommend the payment of a dividend in respect of the period ended 31 December 2020.

The Group does not have any dividend reinvestment plan in operation.

Explanation of results

Please refer to Results and Review of Operations within the Directors' Report for an explanation of the results.

Net tangible assets per security

Net tangible asset per share	31 December 2020 cents per share	30 June 2020 cents per share
Net tangible asset per share	43.90	18.80

Other

The Group has not gained or lost control of any other entities during the period.

There are no associates or joint ventures held by the Group.

Review Conclusion

This Report is based on the Half-Year financial report for the period ended 31 December 2020. The financial report has been subject to a review by an independent auditor and the review is not subject to a qualification.



HALF YEAR FINANCIAL REPORT

for the half year ended 31 December 2020

Invex Therapeutics Ltd
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CORPORATE INFORMATION

Directors

Prof. Alexandra Sinclair	Executive Director
Dr Thomas Duthy	Executive Director
Dr Jason Loveridge	Non-Executive Chairman
David McAuliffe	Non-Executive Director

Company Secretary

Narelle Warren

Registered and principal administrative office

Level 1, 38 Rowland Street
Subiaco WA 6008
Telephone: +61 8 9382 0137

Share Registry

Automic Registry Services
Level 5
126 Phillip Street
Sydney NSW 2000

Solicitors

Steinepreis Paganin
Level 1
Milligan Street
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 14
109 St Georges Terrace
Perth WA 6000

Auditors

BDO Audit (WA) Pty Ltd
38 Station St
Subiaco WA 6008

Securities Exchange Listing

Invex Therapeutics Ltd is listed on the Australian Securities Exchange (ASX Code: IXC)

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DIRECTORS' REPORT

Your Directors have pleasure in submitting their report together with the condensed consolidated financial statements of Invex Therapeutics Ltd (**Invex** or **Group**) and its controlled entity (**Invex UK**) for the half year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

DIRECTORS

The Directors in office at any time during the period and until the date of this report are as follows:

Professor Alexandra Sinclair	Executive Director	
Dr Thomas Duthy	Executive Director	- Appointed 1 October 2020
Dr Jason Loveridge	Non-Executive Chairman	
Mr David McAuliffe	Non-Executive Director	
Ms Narelle Warren	Non-Executive Independent Director	- Resigned 1 October 2020

The Directors have been in office since the start of the period to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

Invex is a biopharmaceutical Group focused on the repurposing of an already approved drug, Exenatide, for efficacious treatment of neurological conditions derived from or involving raised intracranial pressure (ICP). The Group's primary focus is Idiopathic Intracranial Hypertension (IIH), a severe condition of predominately in overweight women of childbearing age, which can lead to disabling headaches and in some patients, permanent vision loss. The Group's lead program is the development of Presendin™ for IIH. Having completed a Phase II trial in 2020, with commencement of a Phase III clinical trial during 2021. Presendin™ is the Group's filed (and granted) trademark name for reformulated Exenatide.

The principal activity of the Group during the period has been the completion and reporting of a positive Phase II clinical trial, the purpose of which was to obtain first clinical proof of concept for Exenatide in IIH and provide a basis to move into a pivotal Phase III trial by leveraging Invex's orphan drug status in Europe and the United States. In addition, the Group continued with the re-formulation of Exenatide into a once per day injectable formulation, Presendin™. The Group, alongside its key clinical and regulatory advisors, also concluded a protocol assistance process with the European Medicines Agency (EMA) and received initial protocol assistance from the US Food and Drug Administration (FDA). Invex now has sufficient regulatory input to complete the design of a single Phase III trial to support market approval for Presendin™ in Europe.

RESULTS

The net loss attributable to members of the Group for the half year ended 31 December 2020 was \$1,056,048 (2019: \$1,110,630). This loss included; share based payments, costs associated with the reformulation and planning for the Phase III clinical trial and the compliance and administration costs of an ASX listed company. The Group's cash at bank was \$33,581,788 as at 31 December 2020.

REVIEW OF OPERATIONS

Operational Highlights

For the Half-Year period ended 31 December 2020, the Group is pleased to report the following achievements:

- In July 2020, the Group announced it had received initial scientific advice from both the EMA and the US FDA, regarding its proposed development plans for Presendin™ in IIH. The key highlights of the feedback were:
 - EMA indicated a single pivotal study of Presendin versus placebo would be sufficient to support a filing for regulatory approval for IIH in Europe;
 - The FDA stated they would need more information to evaluate the Company's proposed design, but did guide that two well controlled studies would likely be required to support registration in the US;
 - Invex's proposed preclinical and human pharmacokinetic approach was broadly acceptable to both EMA

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- and the FDA;
- Both regulatory bodies indicated a reduction in monthly headache days of moderate to severe headaches is a clinically meaningful endpoint.

DIRECTORS' REPORT (CONT'D)

REVIEW OF OPERATIONS (CONT'D)

Operational Highlights (Cont'd)

- In October 2020, the Group provided a comprehensive development update for Presendin in IHH, including the Group's preferred regulatory strategy, lead-in animal and human studies and further details on the proposed Phase III clinical trial.
- In November 2020, the Company successfully registered a trademark for Presendin™ in the European Union. This follows the successful registration of the same mark in the UK in Q2 CY2020. The Company has filed for trademark registrations for Presendin™ in additional jurisdictions which are currently pending.
- In November 2020, the Company also received formal correspondence from the United States Patent and Trademark Office (USPTO) on the issuance of a US patent for Invex covering the use of GLP1 receptor agonists, including Exenatide, in reducing elevated intracranial pressure (ICP) in a given subject.
- In December 2020, the Group concluded its protocol assistance process with the European Medicines Agency (EMA). Invex now has sufficient regulatory input to complete the design of a single Phase III trial to support market approval for Presendin™ in Europe, subject to meeting safety and efficacy requirements.
- The Group also presented at a number of investor events during the period, including the Bell Potter Healthcare Conference and the NWR Small Caps conference.

COVID-19

The COVID-19 pandemic and rolling government shutdowns has had an impact on Invex's development timeline. In particular the pandemic has affected the Group's ability to access - in a timely fashion - appropriate facilities for the animal pharmacokinetic work and associated analysis to complete the formulation development work. The selection of the preferred formulation candidate of Presendin™ for the planned Phase III clinical trial, which was expected in Q4 CY2020 has been delayed by one quarter at this time. From a regulatory perspective, the impact on COVID-19 has been minimal, with the Group obtaining the necessary protocol assistance from the EMA and FDA during the period.

Outlook

The Group continues to work on the necessary preparative work to commence a Phase III registration study for Presendin™ in 2021, including the completion of a final study protocol and submission to the different national health authorities. In addition, the Group anticipates filing a pre-IND / Type B request meeting with the FDA in Q1 CY2021 and receiving additional protocol assistance from the FDA around the middle of 2021. This approach is consistent with the Company's strategy of obtaining feedback from the EMA prior to seeking further protocol assistance with the FDA in order to – ideally - harmonise the phase three design such that it meets the requirements of both the EMA and US FDA (for registration of Presendin™ in IHH).

The Group also expects to select a preferred formulation candidate for Presendin™ and select a contract manufacturer for production of clinical trial material ahead of planned trials for 2021.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial period not otherwise disclosed in this report or the financial statements.

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DIRECTORS' REPORT (CONT'D)

AFTER BALANCE DATE EVENTS

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There have been, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Group that were not finalised at the date of this report.

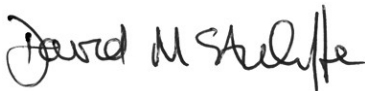
ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental Commonwealth or State regulations or laws.

DIVIDENDS

There were no dividends paid or declared or recommended since the start of the period.

Signed in accordance with a resolution of the Directors.



David McAuliffe
Non-Executive Director
15 February 2021

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF INVEX THERAPEUTICS LTD

As lead auditor for the review of Invex Therapeutics Ltd for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Invex Therapeutics Ltd and the entity it controlled during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 15 February 2021

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Other income	3	114,549	91,870
Research and development expenses		(548,266)	(755,402)
Administration and corporate costs		(341,965)	(314,528)
Share based payments	4	(280,366)	(132,570)
Loss before income tax		(1,056,048)	(1,110,630)
Income tax benefit/(expense)		-	-
Loss after tax for the period attributable to the members of Invex Therapeutics Ltd		(1,056,048)	(1,110,630)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations, net of tax		(2,185)	(26)
Total comprehensive loss for the period attributable to the members of Invex Therapeutics Ltd		(1,058,233)	(1,110,656)
Basic and diluted loss per share (cents per share) for the period attributed to the members of		(1.41)	(2.02)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents		33,581,788	26,300,459
Other receivables		72,762	116,882
Total Current Assets		33,654,550	26,417,341
TOTAL ASSETS		33,654,550	26,417,341
LIABILITIES			
Current Liabilities			
Trade and other payables	5	634,144	712,946
Unallocated Shares		-	1,302,427
Total Current Liabilities		634,144	2,015,373
TOTAL LIABILITIES		634,144	2,015,373
NET ASSETS		33,020,406	24,401,968
EQUITY			
Issued capital	6	36,413,432	27,017,127
Reserves	7	1,255,423	977,242
Accumulated losses		(4,648,449)	(3,592,401)
TOTAL EQUITY		33,020,406	24,401,968

The above Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2020

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	11,670,444	-	(232,122)	11,438,322
Loss for the period	-	-	(1,110,630)	(1,110,630)
Fx reserve movements	-	(26)	-	(26)
Total comprehensive loss for the period	-	(26)	(1,110,630)	(1,110,656)
Share-based payment reserve	-	132,570	-	132,570
Balance at 31 December 2019	11,670,444	132,544	(1,342,752)	10,460,236
	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2020	27,017,127	977,242	(3,592,401)	24,401,968
Loss for the period	-	-	(1,056,048)	(1,056,048)
Fx reserve movements	-	(2,185)	-	(2,185)
Total comprehensive loss for the period	-	(2,185)	(1,056,048)	(1,058,233)
Share- based payments reserve	-	280,366	-	280,366
Transaction with owners, directly recorded in equity:				
Issue of share capital, net of transaction costs (Refer Note 6)	9,396,305	-	-	9,396,305
Balance at 31 December 2020	36,413,432	1,255,423	(4,648,449)	33,020,406

The above Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2020

	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(927,097)	(570,944)
Interest received	114,549	91,870
Net cash flows used in operating activities	(812,548)	(479,074)
Cash flows from financing activities		
Subscription proceeds from ordinary shares	8,647,547	-
Payments for capital raising costs	(553,670)	(847,881)
Net cash flows used in financing activities	8,093,877	(847,881)
Net increase/(decrease) in cash and cash equivalents	7,281,329	(1,326,955)
Cash and cash equivalents at beginning period	26,300,459	12,170,247
Cash and cash equivalents at end period	33,581,788	10,843,292

The above Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2020

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Invex Therapeutics Ltd (**Invex** or **Company**) is a listed public company incorporated and domiciled in Australia and is the parent Company. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2020 comprises the Company and its subsidiaries (together referred to as the “Group”).

A description of the nature of the Group’s operations and its principal activities is included in the Directors’ Report which does not form part of this financial report.

The condensed consolidated financial statements were authorised by the Board of Directors on the date of signing the Directors’ Declaration.

a) Basis of Preparation

The half-year financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards 134 ‘Interim Financial Reporting’ and the Corporations Act 2001.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year condensed financial statements, the half-year has been treated as a discrete reporting period.

It is recommended that this financial report be read in conjunction with the annual financial report for the period ended 30 June 2020 and any public announcements made by Invex Therapeutics Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Invex Therapeutics Ltd is a company Ltd by shares. The financial report is presented in Australian currency and all amounts noted are in Australian dollars unless otherwise noted. Invex Therapeutics is a for-profit entity.

Apart from as disclosed at c) The accounting policies have been consistently applied by the consolidated entity and are consistent with those applied in the previous financial period.

b) Adoption of new and revised accounting standards

These condensed consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the period ended 30 June 2020, except for the impact of the new and amended standards and interpretations issued by the AASB.

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.

c) Changes to critical accounting estimates and judgements

The preparation of the Group’s condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liabilities affected in future periods.

The critical accounting estimates and judgements adopted in the half-year financial report are consistent with those applied in the preparation of the Group’s annual report for the period ended 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2020

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NOTE 2: SEGMENT REPORTING

The chief operating decision maker has been identified as the Board of Directors.

The Company has one operating segment being clinical drug development that is consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

In the half year ended 31 December 2020 the Group operated in one segment only.

NOTE 3: OTHER INCOME

	31 December 2020	31 December 2019
	\$	\$
Interest and other income		
Interest revenue	114,549	91,870
	114,549	91,870

NOTE 4: SHARE-BASED PAYMENTS

Share-based payments made during the period ended 31 December 2020 are summarised below.

(a) Recognised Share-based Payment Expense

	31 December 2020	31 December 2019
	\$	\$
Options granted to Adviser for services	82,398	-
Forfeiture of Adviser options	(114,626)	-
Options granted to Directors and Employees as incentive	312,594	132,570
	280,366	132,570

(b) Options granted to Directors and Employees for services

The Company's current Employee Share Option Plan (**ESOP**) was approved by the board of directors on 20 May 2019. The ESOP is designed to provide medium and long term incentives for all employees (including non-executive and executive directors) and to attract and retain experienced employees, board members and executive officers and provide motivation to make the Company more successful.

Under the ESOP, participants have been granted options which only vest if certain milestones are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefit.

Any option may only be exercised after the option has vested and other conditions imposed by the board have been satisfied. Options are granted under the ESOP for no consideration. Options granted under the ESOP carry no dividend or voting rights. When exercisable, shares allotted pursuant to the exercise of options will be allotted following receipt of relevant documentation and payments will rank equally with all other shares.

As options granted to employees are considered to represent the value of the services received over the vesting period of the options, the assessed value of the options are recognised and expensed over the vesting period. Options vesting during the period of issue are fully expensed under the accounting standards. The total Employee Options expense for the period is outlined below.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 4: SHARE-BASED PAYMENTS (CONT'D)

Tranche	Valuation Date	Expiry Date	Exercise Price	Balance at start of Period	Granted during the period	Vested during the Period	Total Share-based payment expense for the Period
1	22 Nov 2019	22 Nov 2023	\$0.60	2,200,000	-	1,100,000	260,157
2	9 April 2020	9 April 2023	\$0.60	60,000	-	-	12,472
3	20 Oct 2020	20 Oct 2023	\$1.30	-	400,000	-	18,496
4	18 Nov 2020	18 Nov 2023	\$1.30	-	800,000	-	21,469
Total				2,260,000	1,200,000	1,100,000	312,594

Appropriate values for these Directors and Employee options granted during the period using the Black Scholes Model applying the following inputs.

	3	4
Share price	\$0.96	\$0.805
Exercise price	\$1.30	\$1.30
Expected volatility	80%	80%
Expiry date (years)	3.00	3.00
Expected dividends	Nil	Nil
Risk free rate	0.77%	0.80%
Value per option	\$0.35	\$0.32

The vesting conditions attached to the Director and Employee Options are as follows

- 50% of the Options will vest and become exercisable upon completion of 12 months continuous service from date of issue.
- 50% of the Options vest and become exercisable upon completion of 24 months continuous service from date of issue.

(c) Options granted to Advisers

On 21 January 2020 the Company issued 1,250,000 options to advisers in relation to services provided. The agreement with the adviser was terminated on 12 December 2020 and the remaining unvested 500,000 options were forfeited pursuant to the agreement.

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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2020

NOTE 4: SHARE-BASED PAYMENTS (CONT'D)

Valuation Date	Expiry Date	Exercise Price	Balance at start of Period	Granted during the period	Vested during the Period	Forfeited during the Period	Total Share-Based payment expense for the Period
21 Jan 2020	21 Jan 2023	\$1.00	1,250,000	-	750,000	(500,000)	\$(32,228)*

*This amount is inclusive of \$82,398 for the options vested during the period and \$(114,626) for the forfeiture of the adviser options in the period. (Refer Note 4(a))

The vesting conditions have been met as follows:

- 250,000 of the Options will vest and become exercisable upon execution of the Agreement;
- 250,000 of the Options will vest and become completion of 6 months continuous service from date of issue; and
- 250,000 of the Options vest and become exercisable upon completion of 9 months continuous service from date of issue.

NOTE 5: TRADE AND OTHER PAYABLES

	31 December 2020 \$	30 June 2020 \$
Current:		
Trade payables ⁽¹⁾	21,479	30,398
Accruals & other payables ⁽²⁾	612,665	682,548
	634,144	712,946

(1) Current trade payables are non-interest bearing and are normally settled on 30-day terms.

(2) \$596,806 of the balance relates to accrual for services provided by University of Birmingham.

NOTE 6: ISSUED CAPITAL

	Number of Shares	Value \$
Opening balance – 1 July 2019	55,000,001	11,670,444
Placement to institutional and sophisticated investors – Tranche 1	12,500,000	16,250,000
Costs of share issued		(903,317)
Closing Balance – 30 June 2020	67,500,001	27,017,127
Placement to institutional and sophisticated investors – Tranche 2	7,653,847	9,949,975
Costs of share issued		(553,670)
Closing balance – 31 December 2020	75,153,848	36,413,432

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6: ISSUED CAPITAL (CONT'D)

Capital Management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maximise the returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

The Board is constantly reviewing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the Board may issue new shares, return capital to shareholders or sell assets to reduce debt.

The Group was not subject to any externally imposed capital requirements during the period.

NOTE 7: RESERVES

Nature and Purpose of Reserve

The Share-based payment reserve records the value of options, performance rights and performance shares issued to the Group's directors, employees, and third parties. The value of the amount disclosed during the period reflects the value of options, performance rights and performance shares issued by the Group.

The Foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities.

	31 December 2020	30 June 2020
	\$	\$
Foreign currency translation reserve	(8,460)	(6,275)
Share-based payment reserve	1,263,883	983,517
Total Reserves	<u>1,255,423</u>	<u>977,242</u>

Options outstanding at 31 December 2020

The following options over ordinary shares of the Company were granted at reporting date:

Grant Date	Expiry Date	Exercise Price	Balance at start of Period (number)	Granted During the Period (number)	Exercised during the Period (number)	Forfeited during the Period (number)	Balance at Period end (number)	Vested and exercisable at Period end (number)
22 Nov 2019	22 Nov 2023	\$0.60	2,200,000	-	-	-	2,200,000	1,100,000
21 Jan 2020	21 Jan 2023	\$1.00	1,250,000	-	-	(500,000)	750,000	750,000
9 April 2020	9 April 2023	\$0.60	60,000	-	-	-	60,000	-
20 Oct 2020	20 Oct 2023	\$1.30	-	400,000	-	-	400,000	-
18 Nov 2020	18 Nov 2023	\$1.30	-	800,000	-	-	800,000	-
Total			3,510,000	1,200,000	-	(500,000)	4,210,000	1,850,000

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE 7: RESERVES (CONT'D)

Reconciliation of movement in Share-based payment reserve:

	\$
Opening Balance - 1 July 2020	983,517
Share-based payment expense in respect to options on issue as at 31 December 2020 and granted during the period	280,366
Closing Balance – 31 December 2020	<u>1,263,883</u>

NOTE 8: EVENTS OCCURRING AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the events discussed above, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

NOTE 9: COMMITMENTS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

The Directors are not aware of any contingent liabilities that may arise from the Company's operations as at 31 December 2020 (30 June 2020: \$753,154 commitments relating to the Phase II clinical trial and reformulation).

NOTE 10: RELATED PARTY DISCLOSURES

On the 1 October 2020 Dr Thomas Duthy was appointed as an Executive Director pursuant to an agreement with the Company which provided for remuneration of \$125,000 per annum. Following shareholder approval the Company issued 800,000 unlisted options on the 18 November 2020. Refer to Note 4.

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DIRECTORS' DECLARATION

The directors of Invex Therapeutics Ltd declare that:

- (a) the financial statements comprising the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - i. comply with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
 - ii. give a true and fair view of the Group's financial position as at 31 December 2020
 - iii. and of its performance of the half year ended on that date
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors



David McAuliffe
Non-Executive Director
15 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Invex Therapeutics Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Invex Therapeutics Ltd (the Company) and its subsidiary (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 15 February 2021