

Appendix 4E

Preliminary Final Report

30 June 2019

1. Company Details

INVEX THERAPEUTICS LTD

ABN 29 632 145 334

Report ending
Corresponding period

30 June 2019
n/a

Results for announcement to the market

	June 2019 \$
2. Financial Results	
Revenue from ordinary activities	132
Loss after tax attributable to members	(232,122)
Net Loss for the period attributable to members	(232,122)
Net Tangible asset per share (cents)	0.22

The Company was incorporated on 8 March 2019 and this is the Company's first financial reporting period. Therefore, no comparative information is available.

3. Statement of Comprehensive Income
Refer to attached Financial Report.
4. Statement of Financial Position
Refer to attached Financial Report.
5. Statement of Cashflows
Refer to attached Financial Report.
6. Statement of Changes in Equity
Refer to attached Financial Report.
7. Dividends
The Directors do not propose that Invex Therapeutics Ltd will pay a dividend.
8. Details of Dividend Reinvestment Plan
Not applicable.
9. Details of entities over which control has been gained or lost during the period.
Not applicable.
10. Details of associates and joint ventures
Not applicable.

11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position
Refer to attached Financial Report.
12. Foreign entities
Not applicable.
13. Commentary on results and explanatory information
Refer to Director's Report and Review operations attached.
14. Audit
The financial statements on which the Financial Report is based have been audited.



ACN 632 145 334

INVEX THERAPEUTICS LTD (FORMERLY INVEX THERAPEUTICS PTY LTD)

**FINANCIAL REPORT
FOR THE PERIOD FROM INCORPORATION
ON 8 MARCH 2019 TO 30 JUNE 2019**

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Corporate Directory

This financial report includes the financial statements and notes of the Company consisting of Invex Therapeutics Ltd (formerly Invex Therapeutics Pty Ltd) (Invex or Company).

The Company's functional and presentation currency is Australian Dollars (\$).

A description of the Company's operations and principal activity is included in the review of operations and activities in the Directors' report on pages 4 to 13. The Directors' Report is not part of the Financial Report.

Directors:

Dr Jason Loveridge
Professor Alexandra Sinclair
Mr David McAuliffe
Ms Narelle Warren

Company Secretary:

Ms Narelle Warren

Registered Office & Principal Place of Business:

Level 1, 38 Rowland St
SUBIACO WA 6008
Tel: +61 8 6382 0137

Website: www.invextherapeutics.com

Auditors:

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

Bankers:

Westpac Banking Corporation

Solicitors:

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan St
PERTH WA 6000

Share Registry:

Automic Registry Services
Telephone: 1300 288 664
International: +61 2 9698 5414
Website: www.automicgroup.com.au

ASX code: IXC

Directors' Report

Your Directors present their report together with the financial statements of the Company, being Invex Therapeutics Ltd (formerly Invex Therapeutics Pty Ltd) (Invex or Company) for the financial period commencing from the date of incorporation being 8 March 2019 to 30 June 2019.

Director

The name of the Directors in office for the period from incorporation on 8 March 2019 until the date of this report are as follows. All Directors were in office for the entire period unless otherwise stated.

Dr Jason Loveridge

Non-executive Chairman

Appointed 8 March 2019

Dr. Loveridge is a founder of Invex and also CEO of 4SC AG, a German publicly listed oncology company. He has more than 25 years of international experience across Europe, Asia and the US in senior management positions in life sciences companies and as an investment professional dealing in both privately held and publicly traded companies. Additionally, he has substantial transactional experience in the sale and partnering of biotechnology assets.

Dr. Loveridge graduated in Biochemistry and Microbiology from the University of New South Wales, Australia, and holds a Ph.D. in Biochemistry from the University of Adelaide, Australia. He is also a fellow of the Royal Society of Medicine. Dr Loveridge is not considered an independent Director.

Current Directorships – Member of the Management Board of 4SC AG.

Former Directorships in last three years - Director of Actinogen Medical Ltd.

Interests in shares and options - 5,106,000 shares.

Professor Alexandra Sinclair

Executive Director – Chief Scientific Officer

Appointed 28 June 2019

Prof. Sinclair is a Clinician Scientist and Neurology Consultant in the Metabolic Neurology Group at the Institute of Metabolism and Systems Research, College of Medical and Dental Sciences, The University of Birmingham, UK.

Prof. Sinclair is a fellow of the British Medical Association, UK, the Association of British Neurologists, UK, the Royal College of Physicians, London, the Society for Endocrinology, the International Headache Society, the British Association of the Study of Headache, UK, the North American Neuro-ophthalmology Society and the European Headache Federation. Prof. Sinclair is not considered an independent Director.

Current directorships – None.

Former directorships held in last three years – None.

Interests in shares and options - 2,500,000 shares.

Directors' Report (continued)

Mr David McAuliffe

Non-executive Director

Appointed 8 March 2019

Mr McAuliffe is an experienced company director and entrepreneur who has had over twenty years' experience, mostly in the international biotechnology field. During that time, he was involved in numerous capital raisings and in-licensing of technologies. He is a founder of several companies in Australia, France and the United Kingdom, many of which have become public companies. Mr McAuliffe has an Honours degree in Law, a Bachelor of Pharmacy degree and is the President of the Dyslexia – Speld Foundation WA (Inc). Mr McAuliffe is not considered an independent Director.

Current directorships - 4DS Memory Ltd.

Former directorships held in last three years - None

Interests in shares and options - 3,350,001 shares.

Ms Narelle Warren

Director/Company Secretary

Appointed 25 March 2019

Ms Warren is a Chartered Accountant with over 18 years of corporate advisory, financial management and company secretarial experience. Ms Warren has co-ordinated and assisted in a number of corporate transactions, including acquisitions, divestments and raising funds via private and public equity markets. She holds both a Bachelor of Laws and Bachelor of Commerce. Ms Warren is considered an independent Director.

Current directorships - None.

Former directorships held in last three years - None

Interests in shares and options - 200,000 shares.

Principal Activity

The principal activity of the Company during the period was the establishment of a biopharmaceutical company focused on the repurposing an already approved drug, Exenatide, for the efficacious treatment of neurological conditions derived from or involving raised intracranial pressure, such as idiopathic intracranial hypertension (IIH), acute stroke and traumatic brain injury.

No significant change in the nature of this activity occurred during the period.

Operating Results

The result of the Company for the period ended 30 June 2019 was a loss of \$232,122. The net loss of the Company predominantly relates to establishment costs of a public company, ASX listing and commencing the repurposing of Exenatide for neurological indications.

Directors' Report (continued)

Review of Operations

During the period the Company raised initial seed capital of \$500,000, in order to proceed to an Initial Public Offering (IPO) that was completed in June 2019 raising an additional \$12 million. Upon successful completion of the IPO the Company was assigned the Intellectual Property from the University of Birmingham and continued to fund its research and development programme.

Invex plans to use the funds raised to support the expansion of its intellectual property portfolio, complete the repurposing of Exenatide for the treatment of neurological conditions derived from or involving raised intracranial pressure, complete an on-going Phase II clinical study in IIH and initiate a second proof of concept clinical study in another indication. Results from the IIH Phase II clinical study are expected in the first half of 2020.

Dividends

No dividends were paid or recommended by the Directors since the commencement of the period.

Significant Changes in State of Affairs

Other than as outlined above, there were no significant changes in the Company's state of affairs during the period.

Events Arising Since the End of the Reporting Period

Since period end:

The Company was admitted to the Official List of the ASX on 3 July 2019 and commenced trading on the 5 July 2019.

No other significant events occurred after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Likely Developments

The Directors are hopeful the 2019/2020 year will see the Company make significant progress with its proposed research and development programme.

Meetings of Directors

During the period the following Director meetings were held.

Director	Board Meetings	
	Number Eligible to Attend	Number Attended
Dr Jason Loveridge	3	3
Prof Alexandra Sinclair	-	-
Mr David McAuliffe	3	3
Ms Narelle Warren	2	2

Directors' Report (continued)

Unissued Shares under Option

There are no unissued ordinary shares of Invex (formerly Invex Therapeutics Pty Ltd) under option at the date of this report.

Insurance of Officers and Indemnities

Subsequent to year end Invex paid a premium to insure the directors and secretaries of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

During the period, other services were performed in addition to their statutory duties. The details of the amount paid are disclosed in Note 18 of the financial report.

Environmental Regulations

The Company is not subject to significant environmental regulation in respect of its research and development activities.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

Directors' Report (continued)

Remuneration Report - Audited

The remuneration report outlines the remuneration arrangements which were in place during the period, and remain in place as at the date of this report, for the Directors and key management personnel of Invex.

The information provided in this remuneration has been audited as required by section 308(3C) of the *Corporations Act 2001*.

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

- A Principles used to determine the nature and amount of remuneration**
- B Details of remuneration**
- C Service agreements**
- D Share-based compensation**
- E Equity instruments held by key management personnel**
- F Loans to key management personnel**
- G Other transactions with key management personnel**

A Principles used to determine the nature and amount of remuneration

The Board has elected to establish a remuneration committee. However given the size of the current Board remuneration matters will be considered and approved by the full Board.

The following items will be considered and discussed as deemed necessary at the Board meetings:

- recommend the terms and conditions of employment for the Executive Directors and senior officers;
- undertake a review of the Executive Directors performance, at least annually, including setting with the Executive Directors goals for the coming year and reviewing progress in achieving those goals;
- consider and report on the recommendations of the Executive Directors on the remuneration of all direct reports; and
- develop and facilitate a process for Board and Director evaluation.

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of the directors. Non-executive directors' fees and payments are reviewed annually by the board. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Non-executive directors do not receive performance-based pay.

Directors' fees

The current base fees were last reviewed at the most recent remuneration committee meeting. Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

The maximum currently stands at \$250,000 per annum and will be approved by shareholders at its first annual general meeting of shareholders in November 2019.

Remuneration of executives consists of an un-risked element (base pay).

No dividends have been paid since incorporation to 30 June 2019.

Directors' Report (continued)

Remuneration Report - Audited (continued)

A Principles used to determine the nature and amount of remuneration (continued)

Additional fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements where applicable.

Executive pay

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has three components:

- base pay and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives through participation in the Invex Employee Share Option Plan.

Base pay

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Independent remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role.

Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

There are no short-term incentives outstanding.

Benefits

No benefits other than noted above are paid to Directors or management except as incurred in normal operations of the business.

Short term incentives

No benefits other than remuneration disclosed in the remuneration report are paid to Directors or management except as incurred in normal operations of the business.

Directors' Report (continued)

Remuneration Report - Audited (continued)

Long term incentives

Options are issued at the Board's discretion. There have been no options issued to employees at the date of this financial report.

Remuneration consultants

The Company did not engage any remuneration consultants during the period.

The Company will engage independent remuneration consultants should it look to make any changes to director fee levels to ensure they are in line with market conditions and any decisions are made free from undue influence from members of the Company's Key Management Personnel (KMP's).

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel of the Company are found below:

DIRECTOR	ROLE
Dr Jason Loveridge	Appointed 8 March 2019 Non-executive Chair
Prof. Alexandra Sinclair	Appointed 28 June 2019 Executive Director
David McAuliffe	Appointed 8 March 2019 Non-executive Director
Narelle Warren	Appointed 25 March 2019 Non-executive Director/Company Secretary

Key management personnel of the Company

	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options
	Cash salary & fees	Other	Non monetary benefits	Annual Leave	Super-annuation Pensions	Retire-ment benefits	Options		
30 June 2019	\$	\$	\$	\$	\$	\$	\$	\$	%
Directors									
<i>Non-executive directors</i>									
Dr Jason Loveridge	-	-	-	-	-	-	-	-	-
David McAuliffe	-	-	-	-	-	-	-	-	-
Narelle Warren	30,000	25,000 ¹	-	-	-	-	-	55,000	-
Sub-total Non-executive directors	30,000	25,000	-	-	-	-	-	55,000	-
<i>Executive directors</i>									
Prof. Alexandra Sinclair	-	-	-	-	-	-	-	-	-
Total key management personnel compensation	30,000	25,000	-	-	-	-	-	55,000	-

1. This amount is in relation to Ms Warren's Company Secretary, Finance and role and success fee of \$25,000 with the Company and invoiced to the Company by Concept Biotech Pty Ltd was accrued and remained payable as at 30 June 2019.

Directors' Report (continued)

Remuneration Report - Audited (continued)

C Service agreements

Executive directors

Name	Term of agreement	Base salary including superannuation	Termination benefit
Executive			
Prof. Alexandra Sinclair	Open	\$70,000 ¹	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.

¹ Remuneration of \$70,000 per annum payable post admission to the Official List of the ASX commencing 3 July 2019

Non-executive directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the directors appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the directors duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and
- confidentiality.

The Non-executive Director fees were not paid fees during the period.

Name	Term of agreement	Base salary including superannuation	Termination benefit
Non-Executive			
Dr Jason Loveridge - Consultancy	Open	\$35,000 ¹	Relevant notice periods apply, being 1 months' notice with reason.
Dr Jason Loveridge – Non-executive fee	Shareholder Approval by rotation	\$35,000 ¹	Nil
David McAuliffe- Non-executive fee	Shareholder Approval by rotation	\$35,000 ¹	Nil

¹ Remuneration entitlements to Directors commenced post admission to the Official List of the ASX on 3 July 2019

D Share-based compensation

Options

Options over shares in the Company are granted at the Directors' discretion.

No options were granted during the financial period.

Directors' Report (continued)

Remuneration Report - Audited (continued)

E Equity instruments held by key management personnel

Shareholdings

The numbers of shares in the Company held during the period by each director of Invex and other key management personnel of the Company, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2019 Name	Balance at the start of the period	Capital Raising shares subscribed for	On Market Purchases	Balance at appointment date	Balance at the end of the year
Directors					
Dr Jason Loveridge	-	5,106,000	-	-	5,106,000
Prof. Alexandra Sinclair	-	-	-	2,500,000	2,500,000
David McAuliffe	1	3,350,000	-	-	3,350,001
Narelle Warren	-	-	-	200,000	200,000
Total	1	8,456,000	-	2,700,000	11,156,001

9,337,041 shares were subject to escrow at 30 June 2019.

Option holdings

There were no options over ordinary shares in the Company issued during the period to directors of Invex and other key management personnel of the Company, including their personally related parties, are set out below.

F Loans with key management personnel

Key management personnel loans

There were no loans to or from key management personnel during the year ended 30 June 2019.

Directors' Report (continued)

Remuneration Report - Audited (continued)

G Other transactions with key management personnel

The following payments were made to Concept Biotech Pty Ltd, of which David McAuliffe and Narelle Warren are shareholders and directors, during the period for company secretarial work, financial and due diligence services. These services are provided on normal commercial terms and at arm's length.

	2019
	\$
Payments to Concept Biotech Pty Ltd	30,000
Amounts payable to Concept Biotech Pty Ltd	25,000
	<u>55,000</u>

This is the end of the Remuneration Report.

Signed in accordance with a resolution of the Board of Directors.



David McAuliffe
Non- Executive Director
Perth, Western Australia, 27 August 2019

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

As lead auditor of Invex Therapeutics Ltd for the period ended 30 June 2019, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Invex Therapeutics Ltd during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 27 August 2019

Statement of Profit or Loss and Other Comprehensive Income
For the period from incorporation on 8 March 2019 to 30 June 2019

		Period from incorporation on 8 March 2019 to 30 June 2019 \$
	Note	
Revenue from continuing operations	4	132
Research and development expenditure	5	(59,876)
ASX listing expenses	5	(105,102)
Administration expenses	5	(67,276)
Loss before income tax from continuing operations		(232,122)
Income tax expense	6	-
Loss for the period from continuing operations		(232,122)
Other comprehensive income for the period, net of tax		
<i>Items that may be reclassified subsequently to profit or loss</i>		-
Total other comprehensive income for the period, net of tax attributable to members of the company		(232,122)
Loss for the period is attributable to:		
Owners of Invex Therapeutics Limited (formerly Invex Therapeutics Pty Ltd)		(232,122)
Total comprehensive income for the period is attributable to:		
Owners of Invex Therapeutics Limited (formerly Invex Therapeutics Pty Ltd)		(232,122)
Loss per share (cents)	12	(0.98)

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

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$
ASSETS		
Current Assets		
Cash and cash equivalents	7	12,170,247
Other receivables	8	85,620
Total Current Assets		12,255,867
Non-current Assets		
Intangible assets	9	117,946
Total Non-current Assets		117,946
TOTAL ASSETS		12,373,813
LIABILITIES		
Current Liabilities		
Trade and other payables	10	935,491
Total Current Liabilities		935,491
TOTAL LIABILITIES		935,491
NET ASSETS		11,438,322
EQUITY		
Contributed equity	11	11,670,444
Accumulated losses	13	(232,122)
TOTAL EQUITY		11,438,322

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the period from incorporation on 8 March 2019 to 30 June 2019

	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
Balance as at 8 March 2019	1	-	1
(Loss) for the period	-	(232,122)	(232,122)
Other comprehensive income for the period	-	-	-
Total comprehensive (loss) for the period	-	(232,122)	(232,122)
Transactions with owners in their capacity as owners:			
Issue of share capital, net of transaction costs	11,670,443	-	11,670,443
Balance at 30 June 2019	11,670,444	(232,122)	11,438,322

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the period from incorporation on 8 March 2019 to 30 June 2019

	Note	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(230,264)
Interest received		132
Net cash outflow from operating activities	14	<u>(230,132)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition		<u>(8,191)</u>
Net cash outflows from investing activities		<u>(8,191)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscription proceeds received for ordinary shares		12,500,001
Capital raising costs		<u>(91,431)</u>
Net cash inflow from financing activities		<u>12,408,570</u>
Net increase in cash and cash equivalents held		12,170,247
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of financial period	7	<u>12,170,247</u>

The above Statement of Cash Flows should be read in conjunction with accompanying the notes.

Notes to the Financial Statements

1. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Invex Therapeutics Limited is a listed public company, incorporated and domiciled in Australia. Invex Therapeutics Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The Company was incorporated on 8 March 2019 and this represents the first reporting period for the Company. The financial report therefore does not include comparative information.

2. New and amended Accounting Standards and Interpretations issued but not yet effective

The following new and amended Accounting Standards and Interpretations have been identified as those which may impact the entity in the period of initial application. Based on current operations, the standards are not expected to have a material impact on the Company but will be reassessed as the business develops. They are available for early adoption at 1 July 2019, but have not been adopted by the Company:

- AASB 16 will affect primarily the accounting by lessors and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally operating expense will be replaced with interest and depreciation so key metrics like EBITDA will change.

Operating cashflows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cashflows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under AASB 16, a contract is, or contains, a lease if the contract conveys the right to control the use of the an identified asset for a period of time in exchange for consideration.

Notes to the Financial Statements (continued)

2. New and amended Accounting Standards and Interpretations issued but not yet effective (continued)

- IFRIC 23 Uncertainty over Income Tax Treatments which clarifies the application of the recognition and measurement criteria in IAS 12 Income Taxes when there is uncertainty over income tax treatments. This standard will be effective from 1 July 2019. The Interpretation specifically addresses the following:
 - Whether an entity considers uncertain tax treatments separately
 - The assumptions an entity makes about the examination of tax treatments by taxation authorities
 - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
 - How an entity considers changes in facts and circumstances.

3. Summary of Accounting Policies

The following material accounting policies adopted by the Company in the preparation of the financial report, have been consistently applied unless otherwise stated.

(a) Revenue recognition

Revenue is recognised when or as the Company transfers control of goods or services to a customer at the amount at which the Company expects to be entitled. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired.

(c) Income Tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements (continued)

3. Summary of Accounting Policies (continued)

(c) Income Tax (continued)

Deferred income taxes are calculated using the full liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(e) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits.

(f) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less loss allowance.

The Company applies the AASB 9 simplified approach to measure expected credit losses which uses lifetime expected loss allowance for trade receivables. Bad debts are written off when identified.

Notes to the Financial Statements (continued)

3. Summary of Accounting Policies (continued)

(g) Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and the liabilities carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalized cost of the asset.

(h) Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a General Meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

(i) Provisions, contingent liabilities and contingent assets

Provisions for legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(j) Trade and other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the period end and which are unpaid. These amounts are unsecured, have 30-60 day payment terms and are measured at amortised cost.

Notes to the Financial Statements (continued)

3. Summary of Accounting Policies (continued)

(k) Research and Development

Research expenditure is recognised as an expense is incurred.

Costs incurred on developments projects (relating to the development and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalized comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognised as an expense are not recognized as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(l) Intellectual Property

Intellectual property represents an intangible asset which underpins the business of the Company; this was acquired at the Company's inception and represents a capital contribution. Intellectual property is measured initially at fair value when it is probable that the future economic benefits arising as a result of the costs incurred will flow to the Company. This is subsequently measured on the cost model.

The Company assesses identifiable intangible assets as having either finite or indefinite useful lives. Intangible assets with finite lives are amortised over the useful life and assessed for impairment at least annually or whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least each financial year end.

(m) Impairment of assets

Non-financial assets

At the end of each reporting period, 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.

Financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. For financial assets measured at fair value, gains or losses will be recorded in profit or loss, or through Other Comprehensive Income (FVTOCI) if the Company has made an irrevocable election at the time of initial recognition to account for equity instruments through OCI.

Notes to the Financial Statements (continued)

3. Summary of Accounting Policies (continued)

(n) Critical Accounting Estimates and Judgments Required

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Research and development expenditure

Distinguishing the research and development phases of a new customized project and determining whether the recognition requirements for the capitalization of development costs are met requires judgement. The Company has expensed all costs relating to research and development expenditure to date on the basis that the capitalisation requirements have not been met.

The Company's consideration of whether its internal projects to develop drugs are in a research phase or development phase involves significant judgement.

The Company considers a project to be in a development phase when the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- There is intention to complete the project;
- The existence of a market to be able to sell output resulting from the project;
- How the intangible asset will generate probable future economic benefits;
- There is adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- Expenditure attributable to the project can be reliably measured.

Recoverability of the intangible assets

The entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 3(m). The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Notes to the Financial Statements (continued)

4. Revenue from continuing operations

	2019 \$
Interest income	132

5. Loss for the Period

The loss for the period before income tax includes the following specific expenses:

	2019 \$
(a) Research and development expenses	
Reformulation	55,633
Consumables	642
Patent expenses	3,601
Total	59,876
(b) ASX listing expenses	
ASX listing fee	88,988
Directors' criminal and bankruptcy checks	1,691
Consultants & Advisers	14,423
Total	105,102
(c) Administration expenses	
Accounting and company secretarial fees	20,136
Rent and office expenses	4,885
Audit fees	20,263
Travel and entertainment	10,320
Website and IT expenses	4,832
Logo, design and PR expenses	6,840
Total	67,276

Notes to the Financial Statements (continued)

6. Income Tax

	2019 \$
(a) Income tax expense	
Current tax expense	-
Deferred tax expense	-
Total income tax expense/(revenue) from continuing operations	-
(b) Reconciliation of income tax expense to prima facie tax payable:	
Loss before income tax	(232,122)
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5%	(63,834)
Tax effect of:	
- entertainment	76
Tax losses not recognised	63,758
Income tax expense/(benefit)	-
The applicable weighted average effective tax rate are as follows:	27.5%
(c) Unrecognised deferred tax assets arising on timing difference and losses	
Accruals	4,125
Business related costs	19,416
Revenue tax losses	91,844
Capital raising costs in equity	206,506
	321,891

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) The company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) The company continues to comply with the conditions for deductibility imposed by law; and
- (c) No changes in income tax legislation adversely affect the company in utilising the benefits.

Notes to the Financial Statements (continued)

7. Cash and Cash Equivalents

	2019 \$
Cash at bank and in hand	12,170,274
	<u>12,170,274</u>

8. Other Receivables

	2019 \$
GST receivable	85,620
	<u>85,620</u>

There are no other receivables that are past due or impaired at 30 June 2019.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. At 30 June 2019, this is included as part of GST receivable above.

9. Intangible assets

Asset Acquisition

On 29 March 2019, the Company obtained the rights to the core intellectual property rights including orphan drug designations assigned to the Company by issuing fully paid ordinary shares in the capital of the Company equivalent to 18% of the total shares in the Company.

These assets have been accounted for as an intangible assets in accordance with AASB 138 Intangible Assets. Given the payment was made by way of issuing shares, the consideration transferred is fair value in accordance with AASB 2 Share based payments for a total purchase consideration of \$109,755.

	2019 \$
Shares issue to vendor	109,755
Acquisition costs	8,191
	<u>117,946</u>

Notes to the Financial Statements (continued)

10. Trade and Other Payables

	2019 \$
Trade payables	935,491
	<u>935,491</u>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

11. Contributed Equity

	2019 \$	2019 Number of shares
Ordinary shares on issue – fully paid	11,670,444	55,000,001
Total	<u>11,670,444</u>	<u>55,000,001</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation in proportion to the number and amount paid on the shares held.

Movement in fully paid ordinary shares on issue	2019 \$	2019 Number of shares
Ordinary shares issued on 8-03-19 on incorporation	1	1
Ordinary shares issued pursuant to Acquisition (Mar 19) (Refer Note 9)	109,755	4,500,000
Ordinary shares issued pursuant to Placement (Mar 19)	500,000	20,500,000
Initial Public Offering ¹	12,000,000	30,000,000
Cost of capital raising	(939,312)	-
Balance at end of financial period	<u>11,670,444</u>	<u>55,000,001</u>

¹ Shares for the Initial Public Offering were allotted on 28 June 2019. The Company was officially listed on the ASX on 3 July 2019 and commenced trading on the 5 July 2019.

Notes to the Financial Statements (continued)

12. Loss per share

Basic and diluted loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the loss and share data used in the basic and diluted loss per share:

	2019
Basic and Diluted (Loss) per Share (cents)	
Total basic and diluted loss per share (cents)	(0.98)
Loss per share	2019 \$
Net loss attributable to members of the Company	(232,122)
Earnings used in calculating basic and diluted earnings per share from continuing operations	(232,122)
	2019 Number of shares
Weighted average number of Ordinary Shares used in calculating basic and diluted earnings per share	23,596,492

Dilutive potential Ordinary Shares

As at balance date, there were no options on issue.

Conversions, Calls, Subscriptions or Issues after 30 June 2019

Subsequent to year end, the Company has not issued any shares.

Notes to the Financial Statements (continued)

13. Accumulated Losses

	2019
	\$
Net loss attributable to members of the company	(232,122)
Accumulated losses at the end of the financial period	(232,122)

14. Reconciliation of Net Cash Flows Operating Activities to Operating (Loss) After Tax

	2019
	\$
Loss (after income tax) for the period	(232,122)
Non-cash items included in profit or loss:	
Net changes in working capital:	
Increase in trade and other receivables	(18,510)
Increase in trade and other payables	20,500
Net cash used in operating activities	(230,132)

Non-cash investing and financing activities disclosed in other notes are:

Issue of shares for the acquisition of intellectual property rights (refer Note 9).

15. Financial Risk Management

The Company's principal financial instruments comprise cash, short-term deposits and trade payables.

The Company does not have any derivative instruments at 30 June 2019 and does not speculate in any financial instruments.

a) Financial Risks

The activities of the Company expose it primarily to the financial risks of interest rate risk, liquidity risk, foreign exchange risk and credit risk. The Board of Directors is responsible for monitoring and managing the financial risks of the Company. The Company Secretary/CFO monitors these risks by the review and analysis of monthly management accounts and other financial data.

b) Interest Rate Risk

The Company's main interest rate risk arises from cash held on deposit by Australian financial Institutions. Cash held in term deposits is subject to prevailing variable interest rates and expose the Company to cash flow interest rate risk.

Notes to the Financial Statements (continued)

15. Financial Risk Management (continued)

The following table summarises interest rate risk for the Company.

30 June 2019	Fixed Interest Rate Maturing				Total
	Floating Interest Rate	1 Year or Less	1 to 5 Years	Non- Interest Bearing	
	(\$)	(\$)	(\$)	(\$)	(\$)
Interest-bearing financial instruments					
Cash and cash equivalents	12,170,247	-	-	-	12,170,247
Total	12,170,247	-	-	-	12,170,247

The Company does not rely on the generation of interest on cash at bank to provide working capital and does not consider the exposure to be material to the Company and have therefore not undertaken any further analysis of exposure.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board of Directors manage liquidity risk by continually monitoring cash reserves and cashflow forecasts to ensure that financial commitments can be met as and when they fall due.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of equity funding.

The following table details the expected contractual maturity for its non-derivative financial liabilities.

2019	Total	1 year or less	1 – 5 years	5+ years
	\$	\$	\$	\$
Financial liabilities due				
Trade and other payables	935,491	935,491	-	-
Total	935,491	935,491	-	-

Notes to the Financial Statements (continued)

15. Financial Risk Management (continued)

d) Credit Risk Exposure

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash at bank. The carrying amount of the financial assets on the Statement of Financial Position represents the maximum credit exposure.

All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

	2019 \$
Cash and cash equivalents:	
AA rated	12,170,247

16. Related Party Disclosure

a) Key Management Personnel

There were no key management personnel, other than the directors, during the year ended 30 June 2019.

The names of each person holding the position of director of the Company during the financial period are set out below:

- Dr Jason Loveridge
- Prof. Alexandra Sinclair
- Mr David McAuliffe
- Ms Narelle Warren

Notes to the Financial Statements (continued)

16. Related Party Transactions (continued)

b) Transactions with key management personnel

- (i) Total key management personnel remuneration is as follows:

	2019 \$
Short Term Benefits	55,000
Post Employment Benefits	-
Share based payments	-
	<u>55,000</u>

- (ii) Nil loans were payable to or receivable from KMPs during or at the end of the financial year.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

17. Events Subsequent to Reporting Period

Since period end:

The Company was admitted to the Official List of the ASX and commenced trading on the 5 July 2019.

Other than as disclosed above, no matters or events have arisen since the end of the financial 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 periods.

18. Auditor's Remuneration

	2019 \$
Amounts paid or payable to BDO for:	
Audit services	
- an audit or review of the financial report of the entity	20,000
Total audit services	<u>20,000</u>
Independent Assurance Report	10,914
Total other services	<u>10,914</u>

19. Dividends

There are no dividends paid or payable at 30 June 2019.

Notes to the Financial Statements (continued)

20. Commitments

2019	Total	1 year or less	1 – 5 years	5+ years
	\$	\$	\$	\$
Phase II Clinical trial and reformulation	753,154	753,154	-	-
Total	753,154	753,154	-	-

There are no other commitments which require disclosure as at 30 June 2019.

21. Segment reporting

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of its research and development activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Company operated in one segment which is research and development activities within Australia. The Company is domiciled in Australia.

22. Contingent Liabilities and Contingent Assets

The Directors are not aware of any contingent liabilities or contingent assets which require disclosure as at 30 June 2019.

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the period ended on that date of the Company.
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the Executive Director as required by section 295A, of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by;



David McAuliffe
Non-executive Director

Perth, Western Australia, 27 August 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Invex Therapeutics Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Invex Therapeutics Ltd (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Invex Therapeutics Ltd, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the period ended on that date; and
- (ii) 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 Company in accordance with 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 (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for acquisition of core intellectual property rights

Key audit matter	How the matter was addressed in our audit
As disclosed in note 9 of the financial report, on 29 March 2019, the Company acquired the core intellectual property rights including orphan drug designations in Core Materials by issuing fully paid ordinary shares in the capital of the Company. Given the payment was made by way of issuing shares; the consideration transferred is at fair value and has been accounted for as a share based payment in accordance with AASB 2. The asset acquired by the Company has been accounted as an intangible asset in accordance with AASB 138. The accounting for this transaction is a key audit matter as this represents a significant transaction during the period and requires judgement and the use of assumptions regarding their recognition and measurement.	Our procedures included, but were not limited to the following: - obtaining an understanding of the transaction, including an assessment of whether the transaction constituted an asset acquisition or business combination; - reviewing relevant agreements to understand the key terms and conditions of the transaction; - holding discussions with management to understand the share-based payment arrangements in place; - assessing the appropriateness and accuracy of the consideration paid; - reviewing management's determination of the fair value of the share-based payments; - assessing the ownership of the intellectual property rights transferred to the Company in line with the agreements; and - assessing the adequacy and completeness of the related disclosures in Note 2(g), Note 2(l) and Note 9.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the period ended 30 June 2019, 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 we do not express any form of assurance conclusion thereon.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the period ended 30 June 2019.

In our opinion, the Remuneration Report of Invex Therapeutics Ltd, for the period ended 30 June 2019, 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.

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 27 August 2019

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of Invex Therapeutics Ltd (**Company**). The Board of Directors (**Board**) supports a system of corporate governance to ensure that the management of Invex Therapeutics Ltd is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 3rd Edition") where considered appropriate for Invex Therapeutics Limited size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Company's corporate governance practises and copies of Company's corporate governance policies and the 2019 Corporate Governance Statement, approved by the Board and applicable as at 30 June 2019 are available of the Company's website:

<http://www.invextherapeutics.com/company/corporate-governance>

ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Shareholdings

The issued capital of the Company as at 27 August 2019 is 55,000,001 ordinary fully paid shares. All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	174	114,869	0.21
1,001-5,000	265	782,300	1.42
5,001-10,000	104	853,903	1.55
10,001-100,000	226	7,530,376	13.69
100,001 and above	67	45,718,553	83.12
Total	836	55,000,001	100.00

Unmarketable parcels

There were 114 holders of less than a marketable parcel of ordinary shares.

2. Top 20 Shareholders as at 27 August 2019

	Name	Number of shares	%
1	Minderoo Group Pty Ltd	5,000,000	9.09
2	Tisia Nominees Pty Ltd <Henderson Family A/C>	4,000,000	7.27
3	JK Nominees Pty Ltd <The JK Fund A/C>	4,000,000	7.27
4	Warambi Sarl	3,540,000	6.44
5	Oakton Nominees Pty Ltd <Grist Investment A/C>	3,225,000	5.86
6	Mr David Jeremiah McAuliffe <The Lazy D9M Investment A/C>	3,225,001	5.86
7	Alexandra Jean Sinclair	2,500,000	4.55
8	The University of Birmingham	2,000,000	3.64
9	Dr Jason Loveridge	1,566,000	2.84
10	Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	1,250,000	2.27
11	Bannaby Investments Pty Limited	1,250,000	2.27
12	Cityscape Asset Pty Ltd <Cityscape Family A/C>	1,173,781	2.13
13	BNP Paribas Nominees Pty Ltd HUB 24 Custodial Serv Ltd DRP	995,000	1.81
14	HSBC Custody Nominees (Australia) Limited	623,210	1.13
15	Ms Sophie Alice Loveridge	523,000	0.95
16	Ms Alexandra Loveridge	523,000	0.95
17	Ms Kathryn Mary Salkilld	523,000	0.95
18	Peter Kyros Pty Ltd <Kyros SF A/C>	500,000	0.91
19	Alba Capital Pty Ltd	500,000	0.91
20	Denlin Nominees Pty Ltd	425,000	0.77
	Total	37,341,992	67.89
	Total remaining holders balance	17,658,009	32.11

ASX Additional Information (continued)

3. Unquoted securities

There are no unlisted options over shares in the Company as at 27 August 2019.

4. Voting rights

See note 11 of the financial statements.

5. Substantial shareholders as at 27 August 2019

Holder	Number of shares held	% of issued capital held
Dr Jason Loveridge	5,106,000	9.28
Minderoo Group Pty Ltd	5,000,000	9.09
Anthony J Grist	4,000,000	7.27
JK Nominees Pty Ltd <The JK Fund A/C>	4,000,000	7.27
Tisia Nominees Pty Ltd <Henderson Family A/C>	4,000,000	7.27
David J McAuliffe	3,350,001	6.09
Total	25,456,001	46.27

6. Restricted securities subject to escrow period

2,680,793 ordinary shares escrowed 12 months from issue.

21,069,220 ordinary shares escrowed 24 months from quotation.

7. On-market buyback

There is currently no on-market buyback program for any of Invex's listed securities.

8. Company cash and assets

In accordance with Listing Rule 4.10.19, the Company confirms that it has been using the cash and assets it had acquired at the time of admission and for the period ended 30 June 2019 in a way that is consistent with its business objective and strategy.