Appendix 4E

Preliminary Final Report

30 June 2021

1. Company Details

INVEX THERAPEUTICS LTD

ABN 29 632 145 334

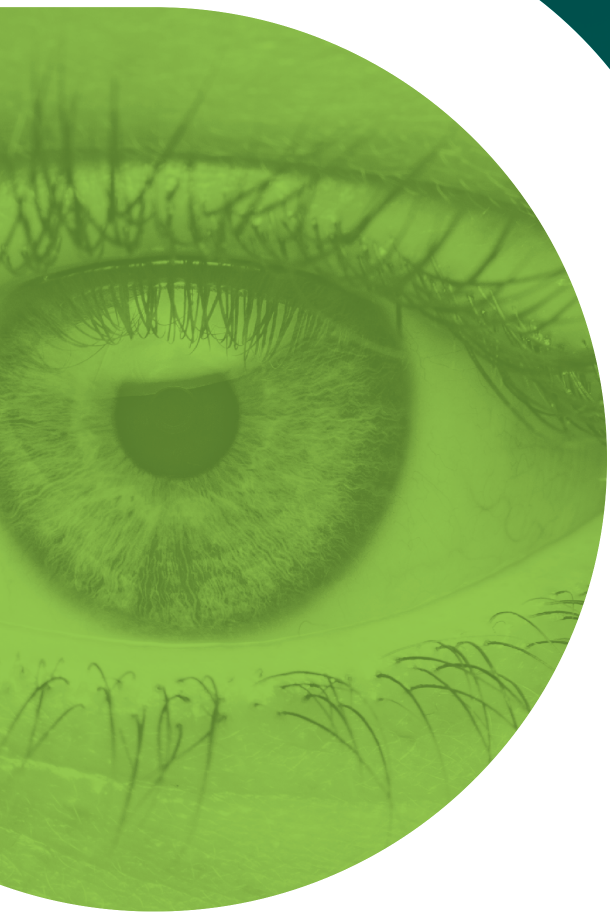
Report ending	30 June 2021
Corresponding period	30 June 2020

Results for announcement to the market

2. Consolidated Financial Results			June 2021 $	June 2020 $
Other income	down	4.17%	158,785	165,703
Loss after tax attributable to members	down	32.03%	(2,283,911)	(3,360,279)
Net Loss for the period attributable to members	down	32.03%	(2,283,911)	(3,360,279)
Net Tangible asset per share (cents)			0.43	0.36

3. Consolidated Statement of Comprehensive Income
Refer to attached Consolidated Financial Report.
4. Consolidated Statement of Financial Position
Refer to attached Consolidated Financial Report.
5. Consolidated Statement of Cashflows
Refer to attached Consolidated Financial Report.
6. Consolidated Statement of Changes in Equity
Refer to attached Consolidated 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.
None.

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 Consolidated Financial Report.
12. Foreign entities
Refer to attached Consolidated Financial Report note 18.
13. Commentary on results and explanatory information
Refer to Director's Report and Review operations in attached Consolidated Financial Report.
14. Audit
The financial statements on which the Consolidated Financial Report is based have been audited.
15. Annual General Meeting The Company will hold a virtual Annual General Meeting on Thursday 18 November 2021 at 4.00pm WST. Further details will be released to shareholders.



invex THERAPEUTICS

ANNUAL REPORT 2021

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KEY STATISTICS

A$1.6bn the annual Total Addressable Market for IIH in Europe and the United States	**3.4%** the estimated growth in IIH incidence per annum	**>90%** percentage of IIH patients who suffer headaches that are progressively more severe and frequent
2.7days average length of stay in hospital for an IIH admitted patient	**40%** the percentage of IIH patients who have repeated hospital admissions	**ZERO** number FDA/EMA cleared drug therapies for the treatment of IIH
37% the reduction in headache days per month from Invex Phase II trial of Exenatide in IIH versus placebo	**18-21%** reduction in intracranial pressure for IIH patients treated with Exenati-de in Invex Phase II trial versus placebo	**7/10yrs** market exclusivity – FDA/EMA orphan drug designation of Exenatide in IIH
£462M cost of IIH Per Annum to the UK healthcare system by 2030	**4.7x** increase in emergency IIH surgeries during the UK COVID-19 lockdown	**45%** of IIH patients felt life was harder under UK lockdown

CHAIRMAN'S LETTER

On behalf of the Board of Invex Therapeutics Ltd (Invex, the Company), I am pleased to present the Invex Annual Report to shareholders for the year ended 30 June 2021 (FY21).

Our focus during the year has been to leverage the very strong Phase II clinical trial data for Exenatide in the treatment of Idiopathic Intracranial Hypertension (IIH) by seeking regulatory advice and input from the European Medicines Agency (EMA) and US Food and Drug Adminsitration (FDA) for a Phase III trial of a proprietary formulation of Exenatide (trademarked Presendin™). IIH is a chronic condition that develops predominately in obsese women of child bearing age, where intracranial pressure (ICP) in the brain elevates siginficantly, resulting in disabling daily headaches and in some cases permanent vision loss.

Invex estimates the IIH annual addressable market in the United States (US) and European Union (EU) to be around A$1.6 billion, representing a treatable patient population of approximately 92,000 patients (based on prevalence). IIH is an orphan disease, with an incidence growing at 3.4% per annum. IIH results in a material deterioration of patients quality of life and repeat hospitalisations costing government healthcare systems significantly.

There are currently no approved treatments for IIH, repesenting an attractive market for Presendin™ upon clinical and regulatory success. We are therefore excited by our prospects in IIH.

As investors will appreciate, we are re-purposing Exenatide (currently marketed as Byetta® and Bydureon® in the treatment of Type II diabetes) for IIH for which we have obtained orphan drug designation in both the United States and Europe. As such, our path to market and market position is accelerated, by our ability to rely on existing safety and toxicity data from these already approved formulations of Exenatide and the potential to require one well-designed Phase III trial to file a marketing application for Presendin™.

Operations

Our small, dedicated team made significant progress in collaboration with our key scientific, medical and regulatory advisors as we sought scientific and Phase III study protocol advice from the EMA and FDA. In addition, we progressed manufacturing discussions with several contract manufacturing organisations (CMOs) capable of producing Presendin™ for clinical supply, and more particularly, commercial supply upon regulatory clearance(s). This process is ongoing; and the Company anticipates signing an agreement that preserves the Company's commercial opportunity in IIH by virtue of ensuring our in-market pricing strategies and a significant margin based on our commercial supply pricing suffient to attract sales and marketing partners, upon clinical and regulatory success.

In December, Invex successfully concluded its protocol assistance process with EMA. Overall the EMA were supportive of a single pivotal Phase III trial as sufficient for registration. The EMA agreed to a study design that would compare Presendin™ to placebo in IIH patients and require Presendin™ to demonstrate a reduction in a clinically meaningful endpoint such as monthly headache days, as well as a reduction in ICP. In parallel and with the benefit of the EMA protocol assistance, the Company submitted a Phase III study protocol and statistical analysis plan (SAP) to the FDA in March 2021. This was a significant achievement by the team.

In April, Invex was granted a Type C meeting by the FDA Division of Neurology to review and provide written responses on the Company's planned Phase III clinical program for Presendin™. In June 2021, Invex received the Type C meeting response from the FDA. The FDA recommended Invex consider a clinically meaningful effect on visual function, such as Perimetric Mean Deviation (PMD) – a measure of change in the patient's visual field - as a primary endpoint to support an indication for Presendin™ in IIH. The FDA was open to Invex providing proposals for establishing the clinically meaningful effect of Presendin™ on visual function. With respect to ICP, the FDA considered this measure as an appropriate secondary endpoint for a registration trial, but not a primary endpoint that would support approval of Presendin™ in IIH. At the end of the reporting period, the Company has and continues to meet with its key regulatory and clinical advisors to determine the best design for a Phase III study of Presendin™ in IIH which would provide Invex with the broadest possible commercial opportunity.

COVID-19

The Coronavirus (COVID-19) pandemic declared in March 2020 persisted throughout the 2021 financial year with rolling lockdowns, particularly in Europe. While COVID-19 has not adversely impacted the Company financially (to 30 June 2021), the Company's quasi-virtual operation model meant that Invex experienced significant delays in a number of its lead-in activities required for the commencement of its planned Phase III trial in IIH. Notably, there were delays in obtaining the necessary third-party laboratory access to complete the formulation work for Presendin™.

COVID-19 has and continues to negatively impact IIH patients. Professor Sinclair (Invex Chief Scientific Officer and Medical Director) recently published a study that showed 4.7 fold increase in emergency surgical interventions to avoid permanent vision loss in IIH patients under lockdown in the UK. There was a 367% increase in surgical interventions due to impaired access to emergency care, delayed routine waiting times and lifestyle changes under lockdown. While a second IIH survey in the UK highlighted the significant quality of life impact on IIH patients under lockdown conditions with 45% of IIH patients feeling that living with IIH was harder with significant challenges to access to medical care.

Such multi-city lockdowns during COVID-19 continue to highlight the significant market need for new effective (non-surgical) therapies for IIH patients outside of a hospital.

Financials

The Company recorded a net loss after tax of $2.284 million for the year ended 30 June 2021 (FY21), a decrease of 32% on the prior corresponding period (pcp). This was largely due to lower R&D costs of $1.139 million (FY20: $1.591 million) as a result of the additional time required to progress drug manufacturing and the Phase III clinical program. In addition, share-based payment expenses of $0.562 million (FY20: $0.983 million) were recognised, with a one-off impairment write down and capital raising expenses reported in the previous period.

Such multi-city lockdowns during COVID-19 have highlighted the significant market need for new effective (non-surgical) therapies for IIH patients outside of a hospital setting.

Importantly, the Company is effectively structured as global virtual business model, with a small number of highly experienced executives and employees based in the UK utilising the significant and additional expertise of clinical, regulatory and manufacturing consultants, as required, to progress our key clinical program in Europe and the United States.

The Company remains in a strong financial position with cash and cash equivalents of $32.7 million as at 30 June 2021, which is sufficient to complete a Phase III pivotal trial for Presendin™ for registration purposes in IIH.

Intellectual Property

Intellectual Property (IP) is key to Invex's business. Our orphan drug designations for Exenatide in IIH in both the US and Europe provides Invex with seven and ten years market exclusivity, respectively, upon regulatory clearance being granted. During the reporting period Invex continued to make solid progress in expanding its patent and other intellectual property protection for Exenatide in pressure related disorders of the brain, including IIH, as well as the Company's trademark, Presendin™.

In November 2020, the Company received formal correspondence from the United States Patent and Trademark Office (USPTO) on the issuance of a US patent (Patent No. 10,835,579) for Invex covering the use of GLP1 receptor agonists, including Exenatide, in reducing elevated intracranial pressure (ICP) in a given subject.

The patent would provide protection until August 2035, an additional barrier to entry over and above market exclusivity provided by the Company's US and European orphan drug designations for Exenatide in IIH. Additional patents are pending for other key territories, including the European Union and Australia, which the Company expects will eventually be granted. Additional patents covering formulations of Exenatide have been filed and are currently pending.

During the year, Invex's trademark - Presendin™ - was formally registered by the US Patent and Trademark Office in April (Reg. No. 6,317,927), with additional registrations granted by the European Union Intellectual Property Office (Reg. No. 1558488) for Europe and IP Australia (Reg. No. 2133540) in Australia.

Corporate Governance

During the year, we strenghtened the capability and expertise of the Board with the appointment of additional experienced directors to the Company; Dr Tom Duthy, Executive Director and Dr Megan Baldwin, Non-executive Director.

Dr Tom Duthy is currently the CEO of Nemean Group Pty Ltd, a boutique corporate advisory and investor relations (IR) firm based in Adelaide, Australia. Dr Duthy was formerly the Global Head of Investor Relations & Corporate

The Company remains in a strong financial position with cash and cash equivalents of **$32.7 MILLION** as at 30 June 2021, which is sufficient to complete a Phase III pivotal trial for Presendin™ for registration purposes in IIH.

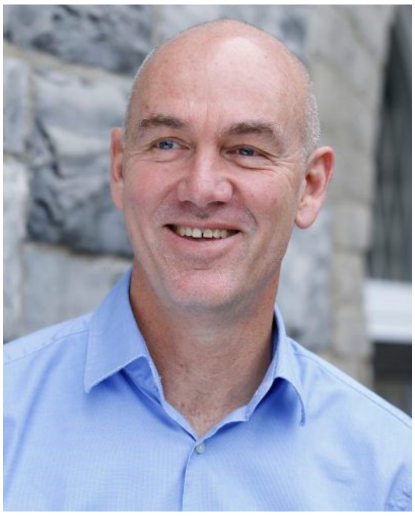
Development at Sirtex Medical Limited, which was sold to CDH Investments in September 2018 for $1.9 billion. Tom has over 17 years of direct financial market experience and was a former leading sell-side Healthcare & Biotechnology analyst at Taylor Collison Limited.

Dr Baldwin is CEO and Managing Director of Opthea Limited (ASX:OPT; NASDAQ:OPT), a late-stage biopharmaceutical company developing a novel therapy to address the unmet need in the treatment of retinal eye diseases, including wet age-related macular degeneration (wet AMD). Under Dr Baldwin's leadership, Opthea was added to the S&P/ASX 300 in June 2020 and in October 2020 completed a $180 million Initial Public Offering (IPO) and listing on the US NASDAQ exchange to progress two pivotal Phase III studies in wet AMD. Dr Baldwin is an experienced biotechnology executive, having over 20 years' experience working on therapeutic drug development programs for cancer and ophthalmic indications.

Concluding Remarks

On behalf of the Board I would like to thank our shareholders, IIH patients and key clinician and regulatory advisers for their support throughout the 2021 financial year. Despite the unique challenges presented by COVID-19, Invex made substantial progress in the development of Presendin™ and remains committed to its mission of developing innovative therapies that focus on pressure-related disorders of the brain. As we develop first in indication drugs, such as Presendin™, we expect to materially grow shareholder value as we achieve our clinical, regulatory and commerical objectives. The 2022 financial year will be an exciting one for the Company and we look forward to updating our shareholders on our progress.

Dr Jason Loveridge
Non-Executive Chairman



FINANCIAL REPORT

Directors' Report

Your Directors present their report together with the consolidated financial statements of the Invex Therapeutics Ltd (Invex or Company) and its controlled entity (Group) for the financial year ended 30 June 2021.

DIRECTORS

The name of the Directors in office for the year ended 30 June 2021 until the date of this report are as follows. All Directors were in office for the entire year 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 30 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 considered an independent Director.

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

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

Interests in shares and options – 3,374,246 shares and 800,000 unlisted options.

Professor Alexandra Sinclair

Executive Director – Chief Scientific Officer
Appointed 28 June 2019

Professor Alexandra Sinclair is a founder of Invex Therapeutics and 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. She runs the Headache service and Idiopathic Intracranial Hypertension Service at University Hospital Foundation Trust.

Professor Sinclair is a member of the British Medical Association, UK, the Association of British Neurologists (ABN), UK and a Fellow of the Royal College of Physicians, London. Professor Sinclair is a member of the board for the European Headache Federation and is on the scientific committees for the North American Neuro-Ophthalmology Society (NANOS). She is also a council member for the British Association for the Study of Headache (BASH). Professor Sinclair is on the MRC Neuroscience and Mental Health Board and the Midland Neuroscience Teaching and Research Fund Board, as well as being Chair of the Brain Research UK Scientific Advisory Board. Previously, she was an elected board member of the IHS and was the Deputy Chair for the Association for British Neurologists grouping for Headache and Pain (ABN AAG). She was on the research committee for the Association for British Neurologists and was also the previous patron of the patient charity IIH UK.

Current directorships – None.

Former directorships held in last three years – None.

Interests in shares and options - 2,500,000 shares and 800,000 unlisted options.

Dr Thomas Duthy

Executive Director
Appointed 1 October 2020

Dr Duthy has over 15 years of direct financial markets experience having worked in sell-side equity research, and senior executive roles across investor relations and corporate development. Dr Duthy is the Founder and CEO of Nemean Group Pty Ltd, a boutique corporate advisory and investor relations firm specialising in delivering value-added services across the life sciences, medical devices, healthcare, technology and emerging companies sectors.

Prior to establishing Nemean in October 2018, Dr Duthy was the Global Head of Investor Relations & Corporate Development at Sirtex Medical Limited (ASX:SRX), which was sold to CDH Investments in September 2018 for A$1.9 billion and remains the largest medical device transaction in Australian corporate history. Prior to Sirtex, Tom spent ten years as a leading sell-side Healthcare & Biotechnology analyst at Taylor Collison Limited, focused mainly on small cap companies. He is a Member of the Australian Institute of Company Directors (MAICD) and the Australasian Investor Relations Association (AIRA).

Current directorships – Respiri Limited.

Former directorships held in last three years – Respiri Limited

Interests in shares and options – 106,923 shares and 800,000 unlisted options.

Dr Megan Baldwin

Non-executive Director
Appointed 16 February 2021

Dr Baldwin is CEO and Managing Director of Opthea Limited (ASX:OPT; NASDAQ:OPT), a late-stage biopharmaceutical company developing a novel therapy to address the unmet need in the treatment of retinal eye diseases, including wet age-related macular degeneration (wet AMD). Under Dr Baldwin's leadership, Opthea has rapidly advanced its ophthalmology program through Phase I and Phase II clinical development, was added to the S&P/ASX 300 in June 2020 and in October 2020 completed a $180 million IPO and listing on the US NASDAQ exchange to progress two pivotal Phase III studies in wet AMD.

Dr Baldwin is an experienced biotechnology executive, having over 20 years' experience working on therapeutic drug development programs for cancer and ophthalmic indications. Prior to Opthea, Dr Baldwin was employed at Genentech (now Roche) as a postdoctoral researcher before moving to Genentech's commercial division. Dr Baldwin also serves on the Board of Ausbiotech. Dr Baldwin is considered an independent Director.

Current directorships – Opthea Limited, Ausbiotech

Former directorships held in last three years – Opthea Limited, Ausbiotech

Interests in shares and options - 400,000 unlisted options.

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 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 and 200,000 unlisted options.

Ms Narelle Warren

Company Secretary
Non-executive Director - Appointed 25 March 2019, Resigned 1 October 2020

Ms Warren is a Chartered Accountant with over twenty years of corporate advisory, financial management and company secretarial experience. Ms Warren has coordinated and assisted in numerous 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.

PRINCIPAL ACTIVITY

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 first program is the development of Presendin™ for IIH, a severe and chronic condition predominately in females of child bearing age, which can lead to disabling headaches in the vast majority of patients and permanent vision loss in a small percentage of patients.

The principal activity of the Group during the year has been the reformulation of Exenatide to optimise the delivery of the drug for patients with IIH, completing regulatory submissions and feedback from global regulatory bodies including the US Food and Drug Administration (FDA) and the European Medicines Agency (EMA) on a Phase III clinical trial in IIH, and the prosecution of the Group's patent portfolio. A Phase II clinical trial of Exenatide in IIH was completed during the 2020 financial year and the Company continued to progress its regulatory, manufacturing and reformulation activities throughout the 2021 financial year.

OPERATING RESULTS

The result of the Group for the year ended 30 June 2021 was a loss of $2,283,911 (2020: $3,360,279 loss). The net loss of the Group predominantly related to Research & Development costs of $1,139,122 associated with the Phase II clinical trial, intellectual property prosecution, reformulation work, regulatory advice and planning for a Phase III clinical trial, administration and corporate costs of $740,752 and non-cash items; share-based payments of $562,723.

REVIEW OF OPERATIONS

The Group is well funded to meet its medium term objectives, including the completion of a Phase III study for Presendin™, in IIH, drug manufacture and supply for the Group's planned clinical studies, commercial supply along with the commencement of a Phase II study for Presendin™ in a second indication.

Highlights include:

- 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™ compared to 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 and provided guidance that two well controlled studies would normally be required to support registration in the US.
  - Invex's proposed preclinical and human pharmacokinetic approach was broadly acceptable to both EMA and the FDA.
  - Both regulatory bodies indicated a reduction in monthly headache days of moderate to severe headaches is a clinically meaningful endpoint.
- During the year, Invex's trademark - Presendin™ - was formally registered by the US Patent and Trademark Office in April (Reg. No. 6,317,927), with additional registrations granted by the European Union Intellectual Property Office (Reg. No. 1558488) for Europe and IP Australia (Reg. No. 2133540) in Australia.
- 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 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 EMA. Invex now has sufficient regulatory input to complete the design of a Phase III trial to support market approval for Presendin™ in Europe, subject to meeting safety and efficacy requirements.
- In March 2021, Invex announced the filing of a pre- Investigational New Drug Application (pre-IND) / Type B meeting request with the US Food and Drug Administration (FDA) seeking further protocol assistance on a proposed Phase III clinical trial of Presendin™ in IIH patients.
- In April 2021, the Company received notification from the FDA Division of Neurology that it had granted Invex a Type C meeting based on the statement of purpose, objectives, and proposed agenda. In addition, the FDA determined that written responses only (WRO) to questions posed by Invex would be the most appropriate means for responding as part of the Type C meeting.
- In June 2021, the FDA provided WRO to the Type C meeting, requesting the Company demonstrate a clinically meaningful effect on visual function as the primary endpoint of a Phase III study in order to support regulatory clearance for the treatment of IIH in the United States. The FDA considered ICP an acceptable secondary endpoint, and overall, had few comments relating to the Company's planned measure of monthly headache days and other key headache measures.
- 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.

LIKELY DEVELOPMENTS

The Group has continued to lay solid foundations during its second year of operations and is actively progressing the necessary activities to commence a Phase III registration study of Presendin™ in IIH.

The Group's main regulatory strategy seeks to harmonise the Phase III design to meet the requirements of both the EMA and US FDA for registration of Presendin™ in IIH.

The Group expects to appoint a contract manufacturer for production of clinical trial material (and thereafter commercial supply) in 2021 ahead of initiating further its clinical studies in IIH.

DIVIDENDS

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not adversely financially impacted the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is changing rapidly and the Company's ability to operate normally is subject to measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and other economic stimulus that may be provided.

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

Directors' Report (cont.)

MEETINGS OF DIRECTORS

During the year the following Director meetings were held.

	Board Meetings	
Director	**Number Eligible to Attend**	**Number Attended**
Dr Jason Loveridge	7	7
Prof Alexandra Sinclair	7	7
Dr Thomas Duthy	6	6
Mr David McAuliffe	7	7
Dr Megan Baldwin	3	3
Ms Narelle Warren	1	1

ENVIRONMENTAL REGULATIONS

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

UNISSUED SHARES UNDER OPTION

Unissued ordinary shares of Invex Therapeutics Ltd under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exercise Price	Number Under Option
22 November 2019	22 November 2023	$0.60	2,200,000
21 January 2020	21 January 2023	$1.00	750,000
9 April 2020	9 April 2023	$0.60	60,000
20 October 2020	20 October 2023	$1.30	400,000
18 November 2020	18 November 2023	$1.30	800,000
8 April 2021	8 April 2024	$1.10	400,000
Total			**4,610,000**

INSURANCE OF OFFICERS AND INDEMNITIES

Invex paid a premium to insure the directors and company secretary of the Group.

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 Group, 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 Group. 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 GROUP

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

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

NON-AUDIT SERVICES

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

During the year, other services were performed in addition to their statutory duties. The details of the amount paid are disclosed in Note 23 of the consolidated financial report.

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.

ADDITIONAL INFORMATION

The statutory key performance indicators of the consolidated entity over the last three years to 30 June 2021 are summarised below:

	2021 $	2020 $	2019 $
Sales revenue	—	—	—
EBITDA	(2,283,911)	(3,360,279)	(232,122)
EBIT	(2,283,911)	(3,360,279)	(232,122)
Loss after income tax	(2,283,911)	(3,360,279)	(232,122)
Basic earnings per share	(0.03)	(0.06)	(0.01)
Share price as at 30 June	0.63	1.30	0.40

REMUNERATION REPORT - AUDITED

The remuneration report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and Key Management Personnel of the Group.

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

KEY MANAGEMENT PERSONNEL

Key Management Personnel are those persons who are responsible for directing and controlling the activities of the Group. The Board has determined that the key management personnel of the Group are the Non-executive Directors and Executives of Invex, whose details are set out below. The following Key Management Personnel during the period unless otherwise stated:

Director	Date of appointment/resignation	Role
Dr Jason Loveridge	Appointed 8 March 2019	Non-executive Chair
Prof Alexandra Sinclair	Appointed 28 June 2019	Executive Director
Dr Thomas Duthy	Appointed 1 October 2020	Executive Director
Dr Megan Baldwin	Appointed 16 February 2021	Non-executive Director
David McAuliffe	Appointed 8 March 2019	Non-executive Director
Narelle Warren	Appointed 25 March 2019/Resigned 1 October 2020	Non-executive Director
	Appointed 8 March 2019	Company Secretary

REMUNERATION POLICIES

The Board has not elected to establish a remuneration committee. 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 Director's remuneration

The compensation of Non-executive Directors is based on market practice, Director's duties and the level of accountability. The compensation policy is designed to attract and retain competent and suitably qualified Non-executive Directors and aims to align Director's interests with interests of shareholders. Non-executive Directors fees are paid a set fee plus statutory superannuation where appropriate, and are reimbursed for out-of-pocket expenses.

The Chair's fees are determined independently to the fees of Non-executive Directors based on comparative roles in the external market.

The base fees are reviewed annually and were last reviewed at a recent Board meeting. Non-executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The current limit stands at $250,000 per annum and was approved by shareholders at its first Annual General Meeting of shareholders in November 2019.

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.

Executive remuneration

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:

- fixed annual compensation comprising salary or fees and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives through participation in the Invex Employee Share Option Plan.

Fixed annual compensation

Executives receive their base salary/fees 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.

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.

Long term incentives

The Group's current Employee Share Option Plan (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 Group more successful.

As options granted to Directors and 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.

Other than options disclosed in the remuneration report there have been no options issued to Directors at the date of this financial report.

Voting and comments made at the Company's 2020 Annual General Meeting (AGM)

At the 2020 AGM, 100.00% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Remuneration consultants

The Group did not engage any remuneration consultants during the year.

The Group 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 Group's Key Management Personnel (KMP's).

Service agreements

Name	Term of agreement	Fees	Termination benefit
Executive Directors			
Prof Alexandra Sinclair	Open	$150,000	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.
Dr Thomas Duthy – appointed 1 October 2020	Open	$125,000	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration 2021	Performance based remuneration (%) 2021
Executive Directors		
Prof Alexandra Sinclair	150,000	47.59
Dr Thomas Duthy	125,000	54.40

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.

Remuneration of Key Management Personnel

Details of the remuneration of the Directors and the KMP's of the Group are found below:

	Short-term employee benefits			Leave allowances	Post-employment benefits	Share-based payments	Total	Performance based
2021	**Cash salary & fees**	**Cash bonus**	**Consulting fee**	**Annual and LSL**	**Superannuation Pensions**	**Options**		
Non-executive Directors	$	$	$	$	$	$	$	%
Dr Jason Loveridge	60,000	–	90,000	–	–	136,181	286,181	47.59
Dr Megan Baldwin	17,123	–	–		1,626	22,560	42,612	52.94
David McAuliffe	50,000	–	–	–	–	34,045	83,045	41.00
Total Non-executive Directors	127,123		90,000	–	1,626	192,786	411,838	
Executives								
Narelle Warren	130,000[1]	–	–	–	–	68,090	198,090	34.37
Prof Alexandra Sinclair	150,000	–	–	–	–	136,181	286,181	47.59
Dr Thomas Duthy	93,750[2]	–	–	–	–	111,865	205,615	54.40
Total Executives	373,750	–	–	–	–	316,136	689,886	
Total	**500,873**	**–**	**90,000**	**–**	**1,626**	**508,922**	**1,101,724**	**46.20**

1. This amount is in relation to Ms Warren's Company Secretary, Finance and role with the Company and paid by the Company to Concept Biotech Pty Ltd.
2. This amount is in relation to Dr Duthy's Executive Director role with the Company and paid by the Company to Nemean Group Pty Ltd.

2020	Short-term employee benefits			Leave allowances	Post-employment benefits	Share-based payments	Total	Performance based
	Cash salary & fees	Cash bonus	Consulting fees	Annual and LSL	Superannuation Pensions	Options		
Non-executive Directors	$	$	$	$	$	$	$	%
Dr Jason Loveridge	70,000	70,000[1]	–	–	–	173,546	326,469	53.16
David McAuliffe	35,000	–	–	–	–	43,387	91,310	35.77
Total Non-executive Directors	105,000	70,000	–	–	–	216,933	417,779	
Executives								
Narelle Warren	130,000[2]	–	–	–	–	86,773	229,696	37.78
Prof Alexandra Sinclair	70,000	70,000[1]	–		–	173,546	326,469	53.16
Total Executives	200,000	70,000	–	–	–	260,319	556,165	
Total	**305,000**	**140,000**	**–**	**–**	**–**	**477,252**	**973,944**	**47.55**

1. These amounts relate to bonuses paid to Dr Jason Loveridge and Prof Alexandra Sinclair in recognition of their additional time and effort in completion of the successful Phase II trial on time and within budget and also the $26.2 million capital raising.
2. This amount is in relation to Ms Warren's Company Secretary, Finance and role with the Company and paid by the Company to Concept Biotech Pty Ltd.

The Non-executive Director fees paid during the year:

Name	Term of agreement	Base salary including superannuation	Termination benefit
Non-Executive Directors			
Dr Jason Loveridge – Consultancy	Open	$90,000	Relevant notice periods apply, being 1 months' notice with reason.
Dr Jason Loveridge – Non-executive fee	Shareholder Approval by rotation	$60,000	Nil
Dr Megan Baldwin[1]	Shareholder Approval by rotation	$50,000	Nil
David McAuliffe- Non-executive fee	Shareholder Approval by rotation	$50,000	Nil

1. Appointed 16 February 21.

SHARE-BASED COMPENSATION

Options

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.

During the year 30 June 2021 1,200,000 share options (2020: 2,200,000) were granted, no options were cancelled and no options were forfeited. These options were issued pursuant to the Invex Therapeutics Employee Share Option Plan.

Details of the share-based component issued during the year included in the remuneration are set out below.

Directors	Grant Date	Expiry Date	Exercise Price	Granted during the period	Vested during the Period	Fair value of each options Granted	Total Share-based payment expense for the year $
Dr Thomas Duthy	18 Nov 2020	18 Nov 2023	$1.30	800,000	–	$0.32	111,865
Dr Megan Baldwin	8 April 2021	8 April 2024	$1.10	400,000	–	$0.33	22,560
Total				**1,200,000**	**–**		**134,425**

The vesting conditions attached to the Director 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.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures. Options vest based on the provision of service over the vesting period whereby the director or other key management personnel becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

EQUITY INSTRUMENTS HELD BY KEY MANAGEMENT PERSONNEL

Shareholdings

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

2021 Name	Balance at the start of the year	Capital Raising shares subscribed for	Disposals	On Market Purchases/ On appointment	Balance at the end of the year
Directors					
Dr Jason Loveridge	3,336,000	38,246	–	–	3,374,246
Prof. Alexandra Sinclair	2,500,000	–	–	–	2,500,000
Dr Thomas Duthy	–	–	–	106,923	106,923
David McAuliffe	3,350,001	–	–	–	3,350,001
Dr Megan Baldwin	–	–	–	–	–
Narelle Warren	200,000	–	–	–	200,000
Total	**9,386,001**	**38,246**	**–**	**106,923**	**9,531,170**

Option holdings

The number of options over ordinary shares in the Company held during the year by each director and KMP of Invex Therapeutics Ltd, including their personally related parties, are set out below.

2021 Name	Balance at the start of the year	Granted as compensation	Exercised/ Expired	Balance at end of the year	Vested and exercisable	Un-vested	Fair value at grant date
Directors and KMP's							
Dr Jason Loveridge	800,000	—	—	800,000	400,000	400,000	$0.42
Prof Alexandra Sinclair	800,000	—	—	800,000	400,000	400,000	$0.42
Dr Thomas Duthy	—	800,000	—	800,000	—	800,000	$0.32
David McAuliffe	200,000	—	—	200,000	100,000	100,000	$0.42
Dr Megan Baldwin	—	400,000	—	400,000	—	400,000	$0.33
Narelle Warren	400,000	—	—	400,000	200,000	200,000	$0.42
Total	**2,200,000**	**1,200,000**	**—**	**3,400,000**	**1,100,000**	**2,300,000**	

LOANS WITH KEY MANAGEMENT PERSONNEL

There were no loans to or from key management personnel during the year ended 30 June 2021.

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 year for company secretarial work, financial and due diligence services. These services are provided on normal commercial terms and at arm's length.

	2021 $	2020 $
Payments to Concept Biotech Pty Ltd	130,000	130,000
	130,000	**130,000**

This is the end of the Remuneration Report.

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

David M'Auliffe

David McAuliffe
Non- Executive Director
Perth, Western Australia, 27 August 2021

Auditors’ Independence Declaration

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

As lead auditor of Invex Therapeutics Ltd for the year ended 30 June 2021, 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 and the entity it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 27 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Note	2021 $	2020 $
Other income	4	158,785	165,703
Research and development expenditure	5	(1,139,222)	(1,591,547)
Capital raising expenses	5	—	(158,743)
Finance, compliance and administration expenses	5	(740,752)	(674,354)
Impairment of intangible asset		—	(117,946)
Share-based payment expenses	19	(562,723)	(983,392)
Loss before income tax from continuing operations		(2,283,911)	(3,360,279)
Income tax expense/benefit	6	—	—
Loss for the year from continuing operations		**(2,283,911)**	**(3,360,279)**
Other comprehensive income for the year, net of tax			
Items that may be reclassified subsequently to profit or loss		—	—
Exchange differences on translation of foreign operations, net of tax		1,591	(6,275)
Total other comprehensive income for the year, net of tax attributable to members of the Group		**(2,282,320)**	**(3,366,554)**
Loss for the year is attributable to:			
Owners of Invex Therapeutics Ltd		(2,283,911)	(3,360,279)
Total comprehensive income for the year is attributable to:			
Owners of Invex Therapeutics Ltd		(2,282,320)	(3,366,554)
Loss per share (cents)	13	(3.04)	(5.98)

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

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	2021 $	2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	32,716,091	26,300,459
Other receivables	8	21,199	116,882
Total Current Assets		**32,737,290**	**26,417,341**
TOTAL ASSETS		**32,737,290**	**26,417,341**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	658,614	712,946
Unallocated shares	10	—	1,302,427
Total Current Liabilities		**658,614**	**2,015,373**
TOTAL LIABILITIES		**658,614**	**2,015,373**
NET ASSETS		**32,078,676**	**24,401,968**
EQUITY			
Contributed equity	11	36,413,432	27,017,127
Reserves	12	1,541,556	977,242
Accumulated losses	14	(5,876,312)	(3,592,401)
TOTAL EQUITY		**32,078,676**	**24,401,968**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Contributed Equity $	Accumulated Losses $	Reserves $	Total Equity $
Balance as at 1 July 2020	27,017,127	(3,592,401)	977,242	24,401,968
(Loss) for the year	—	(2,283,911)	—	(2,283,911)
Other comprehensive income for the year	—	—	—	—
Exchange difference on translation of foreign operations	—	—	1,591	1,591
Total comprehensive (loss) for the year	—	(2,283,911)	1,591	(2,282,320)
Share-based payment reserve movement	—	—	562,723	562,723
Transactions with owners in their capacity as owners:	—	—	—	—
Issue of share capital, net of transaction costs	9,396,305	—	—	9,396,305
Balance as at 30 June 2021	**36,413,432**	**(5,876,312)**	**1,541,556**	**32,078,676**

	Contributed Equity $	Accumulated Losses $	Reserves $	Total Equity $
Balance as at 1 July 2019	11,670,444	(232,122)	—	11,438,322
(Loss) for the year	—	(3,360,279)	—	(3,360,279)
Other comprehensive income for the year	—	—	—	—
Exchange difference on translation of foreign operations	—	—	(6,275)	(6,275)
Total comprehensive (loss) for the year	—	(3,360,279)	(6,275)	(3,366,554)
Share-based payment reserve movement	—	—	983,517	983,517
Transactions with owners in their capacity as owners:	—	—		
Issue of share capital, net of transaction costs	15,346,683	—	—	15,346,683
Balance as at 30 June 2020	**27,017,127**	**(3,592,401)**	**977,242**	**24,401,968**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,837,030)	(1,769,096)
Interest received		158,785	165,703
Net cash outflow from operating activities		**(1,678,245)**	**(1,603,393)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Subscription proceeds received for ordinary shares		8,647,547	16,250,000
Subscription proceeds received for options		—	125
IPO capital raising costs		—	(847,881)
Placement capital raising costs		(553,670)	(971,066)
Subscriptions proceeds unallocated		—	1,302,427
Net cash inflow from financing activities		**8,093,877**	**15,733,605**
Net increase in cash and cash equivalents held		6,415,632	14,130,212
Cash and cash equivalents at the beginning of the year		26,300,459	12,170,247
Cash and cash equivalents at end of financial year	7	**32,716,091**	**26,300,459**

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

Notes to the Consolidated 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 and is the parent entity. Invex Therapeutics Limited is a for-profit entity for the purpose of preparing the financial statements.

These consolidated financial statements comprise the Company and its controlled entity at the end of, or during the year (together referred to as 'the Group') and were authorised for issue by the Board of Directors.

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.

2. NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

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.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

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

(a) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 21.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Invex Therapeutics Ltd (Company or Invex) as at 30 June 2021 and the results of its subsidiary for the year then ended. Invex Therapeutics Ltd and its subsidiary together are referred to in these financial statements as the 'consolidated entity'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

(c) Foreign currency translation

The financial statements are presented in Australian dollars, which is Invex's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(d) Operating segments

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

(e) Revenue recognition

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount at which the Group 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.

(f) 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 Group assesses whether there is objective evidence that a financial instrument has been impaired.

(g) Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(h) Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(i) Share-based payments

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

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

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

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

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

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

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

(j) 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.

(k) 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.

(l) 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 Group 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.

(m) 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.

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 Group 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 Group'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 Group 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.

(n) 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.

(o) Trade and other Payables

Trade and other payables represent liabilities for goods and services provided to the Group 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.

(p) Provisions, contingent liabilities and contingent assets

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group 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 Group 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.

(q) 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.

(r) 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 Group 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 Group has made an irrevocable election at the time of initial recognition to account for equity instruments through OCI.

(s) 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 Group.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 Group has expensed all costs relating to research and development expenditure to date on the basis that the capitalisation requirements have not been met.

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

The Group 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.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

4. OTHER INCOME

	2021 $	2020 $
Interest income	158,785	165,703

Notes to the Consolidated Financial Statements (cont.)

5. LOSS FOR THE YEAR

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

	2021 $	2020 $
(a) Research and development expenses		
Reformulation	106,828	227,791
Phase II Clinical Trial	15,779	621,377
Phase III Clinical Trial	106,073	—
Employee costs	395,097	28,932
Consultants	247,908	262,367
Scientific Advisory Board	2,652	10,999
PK Studies	—	86,314
CSO fees	150,000	140,000
Patent expenses	114,886	213,767
Total	**1,139,222**	**1,591,547**

	2021 $	2020 $
(b) Capital raising expenses		
ASX listing/quotation fees	—	27,583
Corporate advisory and consultants	—	131,160
Total	**—**	**158,743**

	2021 $	2020 $
(c) Administration expenses		
Accounting and company secretarial fees	131,703	134,652
ASX, ASIC and bank fees	89,462	45,290
Executive Director's fees	93,750	—
Non-executive Director's fees	128,750	70,000
Legal fees	25,896	68,661
Rent and office expenses	31,626	28,943
Audit and tax fees	63,025	47,136
Travel and entertainment	(11,430)	73,845
D&O Insurance	68,575	51,691
Investor relations and PR expenses	55,152	105,451
Share registry and shareholder meetings	30,785	—
Other general expenses	22,202	37,117
Website and IT expenses	11,256	11,568
Total	**740,752**	**674,354**

6. INCOME TAX

	2021 $	2020 $
(a) The components of tax expense comprise:		
Current tax		
Deferred tax expense	–	–
Total income tax expense from continuing operations	**–**	**–**
Deferred income tax expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	–	–
Decrease/(increase) in deferred tax liabilities	–	–
	–	**–**
(b) The prima facie tax on profit from ordinary activities before income tax is reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(2,283,911)	(3,360,279)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2020: 30%)	(685,173)	(1,008,084)
Tax effect of:		
- share-based payments	168,187	295,018
- intellectual property costs	34,446	99,514
- change in corporate tax rate	–	(29,263)
- entertainment	422	1,882
- other	127	552
- tax differential rate	77,448	13,578
Tax losses and temporary differences not recognised	403,894	628,803
Income tax expense/(benefit)	**–**	**–**
The applicable weighted average effective tax rate are as follows:	30%	30%
(c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net loss or other comprehensive income but directly debited or credited to equity.		
Current tax		
Net deferred tax	**166,109**	**270,995**

Notes to the Consolidated Financial Statements (cont.)

	2021 $	2020 $
(d) Deferred tax assets		
Patents	29,801	1,080
Accruals	7,200	6,600
Business related costs	37,413	62,406
Australian tax losses	1,175,857	736,768
Unrealised fx losses	4,734	—
Foreign tax losses	211,221	40,735
Other	—	(194)
Capital raising costs in equity	408,202	385,872
	1,874,427	**1,233,267**

7. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank and on hand	32,716,091	26,300,459
	32,716,091	**26,300,459**

8. OTHER RECEIVABLES

	2021 $	2020 $
GST/VAT receivable	21,199	116,882
	21,199	**116,882**

There are no other receivables that are past due or impaired at 30 June 2021.

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 2021, this is included as part of GST receivable above.

9. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	11,333	30,398
Accruals and other payables	647,281	682,548
	658,614	**712,946**

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

10. UNALLOCATED SHARES

	2021 $	2020 $
Unallocated shares	—	1,302,247
	—	**1,302,247**

Following shareholder approval on the 29 June 2020, these shares were allotted on the 2 July 2020.

11. CONTRIBUTED EQUITY

	2021 $	2021 Number of shares	2020 $	2020 Number of shares
Ordinary shares on issue – fully paid	36,413,432	75,153,848	27,017,127	67,500,001
	36,413,432	**75,153,848**	**27,017,127**	**67,500,001**

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	2021 $	2021 Number of shares	2020 $	2020 Number of shares
Balance at beginning of financial period	27,017,127	67,500,001	11,670,444	55,000,001
Placement (May 20 and July 20)	9,949,975	7,653,847	16,250,000	12,500,000
Cost of capital raising	(553,670)	—	(903,317)	—
Balance at end of financial year	**36,413,432**	**75,153,848**	**27,017,127**	**67,500,001**

12. RESERVES

	2021 $	2020 $
Share-based payment reserve	1,546,240	983,517
Foreign currency translation reserve	(4,684)	(6,275)
	1,541,556	**977,242**

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.

Options outstanding at 30 June 2021

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

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at year end	Vested and exercisable at year end
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	30,000
20 Oct 2020	20 Oct 2023	$1.30	—	400,000	—	—	400,000	—
18 Nov 2020	18 Nov 2023	$1.30	—	800,000	—	—	800,000	—
8 April 2021	8 April 2024	$1.10	—	400,000	—	—	400,000	—
			3,510,000	**1,600,000**	**—**	**(500,000)**	**4,610,000**	**1,880,000**

Reconciliation of movement in Share-based payment reserve:	Number of Options	Value $
Opening Balance - 1 July 2020	—	983,517
Share-based payment expense in respect to Director options on issue at 30 June 2021	2,200,000	374,497
Share-based payment expense in respect to adviser options on issue at 30 June 2021	750,000	(32,228)
Share-based payment expense in respect to employee options on issue at 30 June 2021	60,000	21,035
Share-based payment expense in respect to employee options on issue at 30 June 2021 and granted during the period	400,000	64,994
Share-based payment expense in respect to Director options on issue at 30 June 2021 and granted during the period	800,000	111,865
Share-based payment expense in respect to Director options on issue at 30 June 2021 and granted during the period	400,000	22,560
Closing Balance – 30 June 2021	**4,610,000**	**1,546,240**

13. LOSS PER SHARE

Basic and Diluted (Loss) per Share – cents	2021 $	2020 $
Total basic and diluted loss per share – cents	(3.04)	(5.98)

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:

	2021 $	2020 $
Net loss attributable to members of the Group	(2,283,911)	(3,360,279)
Earnings used in calculating basic and diluted earnings per share from continuing operations	(2,283,911)	(3,360,279)

	2021 Number of shares	2020 Number of shares
Weighted average number of Ordinary Shares used in calculating basic and diluted earnings per share	75,153,848	56,165,385

Dilutive Potential Ordinary Shares

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

14. ACCUMULATED LOSSES

	2021 $	2020 $
Accumulated losses at the beginning of the financial period	(3,592,401)	(232,122)
Net loss attributable to members of the Group	(2,283,911)	(3,360,279)
Accumulated losses at the end of the financial year	**(5,876,312)**	**(3,592,401)**

15. RECONCILIATION OF NET CASH FLOWS OPERATING ACTIVITIES TO OPERATING (LOSS) AFTER TAX

	2021 $	2020 $
Loss (after income tax) for the year	(2,283,911)	(3,360,279)
Non-cash items included in profit or loss:		
Write-off acquisition costs	—	117,946
Share-based payment expenses	562,723	983,392
Unrealised fx reserve movements	1,591	(6,275)
Net changes in working capital:		
Decrease in trade and other receivables	95,682	36,487
(Decrease)/increase in trade and other payables	(54,330)	624,976
Net cash used in operating activities	**(1,678,245)**	**(1,603,393)**

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

Share-based payment expense (refer Note 19).

FX reserve movements (refer Note 12).

16. FINANCIAL RISK MANAGEMENT

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

The Group does not have any derivative instruments at 30 June 2021 and does not speculate in any financial instruments.

Financial Risks

The activities of the Group 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 Group. The Company Secretary/CFO monitors these risks by the review and analysis of monthly management accounts and other financial data.

Interest Rate Risk

The Group'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 Group to cash flow interest rate risk.

The following table summarises interest rate risk for the Group.

2021	Floating Interest Rate	Fixed Interest Rate Maturing: 1 Year or Less	Fixed Interest Rate Maturing: 1 to 5 Years	Non-Interest Bearing	Total
	$	$	$	$	$
Interest-bearing financial instruments					
Cash and cash equivalents	32,716,091	—	—	—	32,716,091
	32,716,091	**—**	**—**	**—**	**32,716,091**

2020	Floating Interest Rate	Fixed Interest Rate Maturing: 1 Year or Less	Fixed Interest Rate Maturing: 1 to 5 Years	Non-Interest Bearing	Total
	$	$	$	$	$
Interest-bearing financial instruments					
Cash and cash equivalents	26,300,459	—	—	—	26,300,459
	26,300,459	**—**	**—**	**—**	**26,300,459**

The Group 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 Group and have therefore not undertaken any further analysis of exposure.

Liquidity Risk

Liquidity risk is the risk that the Group 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 Group'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.

2021	Total $	1 year or less $	1 - 5 years $	5+ years $
Financial liabilities due				
Trade and other payables	658,614	658,614	–	–
	658,614	**658,614**	**–**	**–**

2020	Total $	1 year or less $	1 - 5 years $	5+ years $
Financial liabilities due				
Trade and other payables	712,946	712,946	–	–
	712,946	**712,946**	**–**	**–**

Credit Risk Exposure

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group'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.

	2021 $	2020 $
Cash and cash equivalents:		
AA rated	32,716,091	26,300,459

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

17. RELATED PARTY TRANSACTIONS

Key Management Personnel

There were no key management personnel, other than the directors, during the year ended 30 June 2021.

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

- Dr Jason Loveridge
- Prof. Alexandra Sinclair
- Dr Thomas Duthy
- Dr Megan Baldwin
- Mr David McAuliffe
- Ms Narelle Warren

Notes to the Consolidated Financial Statements (cont.)

Transactions with key management personnel

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

	2021 $	2020 $
Short Term Benefits	590,873	445,000
Other non-cash Benefits	—	51,692
Post Employment Benefits	1,626	—
Share-based payments	508,922	477,252
	1,101,224	**973,944**

(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.

18. INTERESTS IN SUBSIDIARY

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

		Ownership interest	
Name	Principal place of business / Country of incorporation	2021 %	2020 %
Invex Therapeutics Ltd	United Kingdom	100	100

Invex Therapeutics Ltd UK was incorporated on 12 December 2019.

19. SHARE-BASED PAYMENTS

Share-based payments made during the year ended 30 June 2021 are summarised below.

Recognised Share-based payment expense

	2021 $	2020 $
Options granted to Directors as incentive	508,922	477,252
Options granted to Advisers as incentive	(32,228)	500,582
Options granted to Employees as incentive	86,029	5,558
	562,723	**983,392**

Options granted to Directors and employees for services

The Group'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 Group 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 Directors and Employee Options expense for the period is outlined below.

Tranche	Valuation Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Vested during the year	Total Share-based payment expense for the year
1	22 Nov 2019	22 Nov 2023	$0.60	2,200,000	—	1,100,000	347,497
3	9 April 2020	9 April 2023	$0.60	60,000	—	30,000	48,035
4	20 Oct 2020	20 Oct 2023	$1.30	—	400,000	—	64,994
5	18 Nov 2020	18 Nov 2023	$1.30	—	800,000	—	111,865
6	8 April 2021	8 April 2024	$1.10	—	400,000	—	22,560
Total				**2,260,000**	**1,600,000**	**1,130,000**	**594,951**

Appropriate values for the options using the Black Scholes Model applying the following inputs.

Tranche	1	2	3	4	5	6
Share price	$0.71	$1.17	$0.92	$0.96	$0.805	$0.78
Exercise price	$0.60	$1.00	$0.60	$1.30	$1.30	$1.10
Expected volatility	75%	75%	75%	80%	80%	80%
Expiry date (years)	4.00	3.00	3.00	3.00	3.00	3.00
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk free rate	0.77%	0.77%	0.77%	0.77%	0.87%	0.77%
Value per option	$0.42	$0.62	$0.55	$0.35	$0.32	$0.33

The vesting conditions attached to the Tranche 1, 3, 4, 5 and 6 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; and
- 50% of the Options vest and become exercisable upon completion of 24 months continuous service from date of issue.

The vesting conditions attached to the Tranche 2 Options are as follows:

- 250,000 of the Options vest from date of issue.
- 250,000 of the Options will vest and become exercisable 6 months from date of issue.
- 250,000 of the Options will vest and become exercisable 9 months from date of issue.

Options granted to Advisers (Tranche 2)

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. An expense of $82,398 for the options vested during the year was recognised and an adjustment of ($114,626) for the forfeiture of the advisor options.

The weighted average remaining contractual life of options outstanding at the end of the year was 2.04 years.

20. MATTERS SUBSEQUENT TO END OF FINANCIAL YEAR

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not adversely financially impacted the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is changing rapidly and the Company's ability to operate normally is subject to measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and other economic stimulus that may be provided.

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.

21. PARENT ENTITY INFORMATION

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

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $	2020 $
Loss after income tax	(1,579,841)	(3,224,497)
Total comprehensive income	(1,579,841)	(3,224,497)

Statement of financial position

	Parent	
	2021 $	2020 $
Total current assets	32,667,047	26,393,062
Total non-current assets	901,054	157,095
Total current liabilities	655,521	2,006,132
Total liabilities	655,521	2,006,132
Equity		
Issued capital	36,413,432	27,017,127
Reserves	1,541,556	983,517
Accumulated losses	(5,036,460)	(3,456,619)
Total equity	**32,918,528**	**24,544,025**

22. AUDITOR'S REMUNERATION

	2021 $	2020 $
Amounts paid or payable to BDO for:		
Audit services		
– an audit or review of the financial report of the entity	35,126	35,291
Total audit services	**35,126**	**35,291**
Taxation services	2,500	2,000
Total other services	**2,500**	**2,000**

Notes to the Consolidated Financial Statements (cont.)

23. DIVIDENDS

There are no dividends paid or payable at 30 June 2021.

24. COMMITMENTS

There are no other commitments which require disclosure as at 30 June 2021.

25. SEGMENT REPORTING

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

26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent liabilities or contingent assets which require disclosure as at 30 June 2021.

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 2021 and of the performance for the year ended on that date of the Group.

   (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 Group 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 2021

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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) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year 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 the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year 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 Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 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.

Measurement of Share-Based Payments

Key audit matter	*How the matter was addressed in our audit*
During the financial year ended 30 June 2021, the Group issued options to employees and key management personnel, as disclosed in Note 19 of the financial report. The Group performed calculations to record the related share based payment expense in accordance with AASB 2 *Share Based Payments* in the consolidated statement of profit or loss and other comprehensive income. Refer to Notes 3(i) and 3(s) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these arrangements. Due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the Group's calculation of the share based payment expense to be a key audit matter.	Our procedures included, but were not limited to the following: • Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists to assess the assumptions used in the Group's calculation being the share price of the underlying equity, risk free rate and volatility; • Assessing the allocation of the share-based payment expense over the relevant vesting period; and • Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the 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 ability of the group 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 Group 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:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 12 to 20 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Invex Therapeutics Ltd, for the year ended 30 June 2021, 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

Jarrad Prue

Director

Perth, 27 August 2021

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 (Group). 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 4th Edition") where considered appropriate for Invex Therapeutics Ltd 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 Group's corporate governance practises and copies of Group's corporate governance policies and the 2021 Corporate Governance Statement, approved by the Board and applicable as at 30 June 2021 are available of the Group'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 4 August 2021 is 75,153,848 ordinary fully paid shares. All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	235	150,448	0.20
1,001-5,000	517	1,413,741	1.88
5,001-10,000	254	2,001,368	2.66
10,001-100,000	439	14,589,135	19.41
100,001 and above	92	56,999,156	75.84
Total	**1,537**	**75,153,848**	**100.00**

Unmarketable parcels

There were 150 holders of less than a marketable parcel of ordinary shares representing a total of 68,368 shares.

2. TOP 20 SHAREHOLDERS AS AT 4 AUGUST 2021

	Name	Number of shares	%
1	TATTARANG	8,846,154	11.77
2	TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	4,000,000	5.32
3	ANTHONY GRIST	3,597,700	4.79
4	DR JASON LOVERIDGE	3,374,462	4.49
5	MR DAVID JERIMIAH MCAULIFFE	3,350,001	4.46
6	JK NOMINEES PTY LTD <THE JK A/C>	3,000,000	3.99
7	ALEXANDRA JEAN SINCLAIR	2,500,000	3.33
8	MRS KATHRYN SALKIILD	2,293,000	3.05
9	THE UNIVERSITY OF BIRMINGHAM	2,000,000	2.66
10	BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	1,625,000	2.16
11	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	1,518,175	2.02
12	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,390,000	1.85
13	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	1,250,000	1.66
14	CITICORP NOMINEES PTY LIMITED	1,184,837	1.58
15	SANDHURST TRUSTEES LTD <COLLINS ST VALUE FUND A/C>	1,081,924	1.44
16	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	655,050	0.87
17	PETER KYROS PTY LTD <KYROS SF A/C>	583,616	0.78
18	PALLA NOMINEES PTY LTD <P C BLACKMAN S/F NO 2 A/C>	580,000	0.77
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	561,504	0.75
20	MAGAURITE PTY LTD <PETER NELSON SUPER FUND A/C>	560,000	0.75
	TOP 20 TOTAL	**43,951,423**	**58.48**
	TOTAL REMAINING HOLDERS BALANCE	**31,202,425**	**41.52**
	TOTAL	**75,153,848**	**100.00**

3. UNQUOTED SECURITIES

The unlisted options over shares in the Company as at 4 August 2021 are as follows:

Holder	Number of options held	% of issued capital held
MR JASON LOVERIDGE	800,000	17.35
ALEXANDRA JEAN SINCLAIR	800,000	17.35
CIPA INVESTMENTS PTY LTD <CIPA INVESTMENTS A/C>	800,000	17.35
WACC PTY LTD <PROGRESSIVE GLOBAL FUND A/C>	750,000	16.27
DR MEGAN BALDWIN	400,000	8.68
CAROL PARISH	400,000	8.68
PHILUCHNA PTY LTD <PM & NA WARREN FAMILY A/C>	400,000	8.68
DAVID JERIMIAH MCAULIFFE <THE LAZY D9M INVESTMENT A/C>	200,000	4.34
EMMA HILTON	60,000	1.30
TOTAL	**4,610,000**	**100.00%**

4. VOTING RIGHTS

See note 12 of the financial statements.

5. SUBSTANTIAL SHAREHOLDERS AS AT 4 AUGUST 2021

Holder	Number of options held	% of issued capital held
TATTARANG	8,846,154	11.77
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	4,000,000	5.32
Total	**12,846,154**	**17.09**

6. RESTRICTED SECURITIES SUBJECT TO ESCROW PERIOD

There are no restricted securities.

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 year ended 30 June 2021 in a way that is consistent with its business objective and strategy.

This financial report includes the consolidated financial statements and notes of the Group consisting of Invex Therapeutics Ltd and its controlled entity (Invex Therapeutics UK).

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

A description of the Group's operations and principal activity is included in the review of operations and activities in the Directors' report on pages 6–20. The Directors' Report is not part of the Consolidated Financial Report.

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Corporate Directory

Directors:

Dr Jason Loveridge
Professor Alexandra Sinclair
Dr Thomas Duthy
Dr Megan Baldwin
Mr David McAuliffe

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:

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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:

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