

## 1. Company details

Name of entity:	Invion Limited
ABN:	76 094 730 417
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

## 2. Results for announcement to the market

	\$
Revenues from ordinary activities	down 32.9% to 1,244,321
Loss from ordinary activities after tax attributable to the owners of Invion Limited	down 27.8% to (851,618)
Loss for the half-year attributable to the owners of Invion Limited	down 27.8% to (851,618)

### Dividends

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

### Comments

The loss for the consolidated entity after providing for income tax amounted to \$851,618 (31 December 2019: \$1,180,129).

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.01</u>	<u>0.01</u>

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### Current period

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

### Previous period

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

**Invion Limited**  
**Appendix 4D**  
**Half-year report**

**7. Dividend reinvestment plans**

Not applicable.

**8. Details of associates and joint venture entities**

Not applicable.

**9. Foreign entities**

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

Not applicable.

**10. Audit qualification or review**

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half year ended.

**11. Attachments**

*Details of attachments (if any):*

The Half year ended of Invion Limited for the half-year ended 31 December 2020 is attached.

**12. Signed**

Signed 

Date: 24 February 2021

Thian Chew  
Chairman



For personal use only

**Invion Limited**

**ABN 76 094 730 417**

**Half year ended - 31 December 2020**

# **Invion Limited**

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**31 December 2020**

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**Invion Limited**  
**Corporate directory**  
**31 December 2020**

Directors

Mr Thian Chew, Chairman (appointed Executive Chairman and CEO effective 31 October 2020)  
Mr Craig Newton, Managing Director & CEO (resigned effective 31 October 2020)  
Mr Alan Yamashita, Non-executive Director  
Ms Melanie Farris, Non-executive Director (resigned effective 31 August 2020)  
Mr Rob Merriel, Non-executive Director (appointed effective 31 August 2020)  
Mr Alistair Bennallack, Non-executive Director (appointed effective 22 October 2020)

Company secretary

Ms Melanie Leydin

Australia Business Number

76 094 730 417

Registered office

Level 4, 100 Albert Road, South Melbourne Vic 3205 Australia  
P: (03) 8618 6843  
E: [investor@inviongroup.com](mailto:investor@inviongroup.com)  
W: [www.inviongroup.com](http://www.inviongroup.com)

Share register

Link Market Service Limited  
Locked Bag A14, Sydney South NSW 1235 Australia  
P: 1300 554 474  
F: (02) 9287 0303  
W: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Auditor

Grant Thornton, Melbourne, Australia

Stock exchange listing

Invion Limited shares are listed on the Australian Securities Exchange (ASX code: IVX)

**Invion Limited**  
**Directors' report**  
**31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Invion Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

**Directors**

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

Mr Thian Chew, Chairman (appointed Executive Chairman and CEO effective 31 October 2020)  
Mr Craig Newton, Managing Director & CEO (resigned effective 31 October 2020)  
Mr Alan Yamashita, Non-executive Director  
Ms Melanie Farris, Non-executive Director (resigned effective 31 August 2020)  
Mr Rob Merriel, Non-executive Director (appointed effective 31 August 2020)  
Mr Alistair Bennallack, Non-executive Director (appointed effective 22 October 2020)

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$851,618 (31 December 2019: \$1,180,129).

Invion is a life science company that is leading the global research and development of Photosoft™ technology for the treatment of a range of cancers. In the first half of the FY2021 financial year, the Company and its research partners have made significant strides in improving and optimising the Active Pharmaceutical Ingredients (APIs), which are based on the original Photosoft™ technology.

The ongoing efforts are expected to result in a selection of one or more new APIs that aim to have greater anti-cancer activity and better cancer-targeting characteristics than earlier versions developed by Invion. Invion's research partners include world-leading research organisations like the Hudson Institute of Medical Research and the Peter MacCallum Cancer Centre.

The development of the new promising APIs was achieved against the backdrop of a very challenging environment that was brought on by the COVID-19 global pandemic. The ongoing disruption caused by the pandemic, particularly in the state of Victoria where Invion and its research partners are based, and the potential availability of improved APIs for use in future clinical studies, prompted Invion to temporarily defer the commencement of human trials using the Photosoft™ technology on a range of cancers.

Invion holds the Australia and New Zealand license rights to the Photosoft™ technology. Research and clinical trials are funded by the technology licensor, RMW Cho Group, via an R&D services agreement with the Company. Both Invion and RMW Cho remain fully committed to developing and commercialising the Photosoft™ technology.

During the reported period, Invion made a number of changes to its Board and Executive Team. On 31 October 2020, Invion's Chairman Thian Chew was appointed as Chief Executive Officer (CEO) and Executive Chairman following the retirement of Craig Newton, who was the Managing Director and CEO of Invion.

Meanwhile, Melanie Leydin was appointed Invion's Chief Financial Officer and Company Secretary in July 2020 to replace Melanie Farris, who had been with Invion since 2007, while Rob Merriel and Alistair Bennallack were appointed as Non-Executive Directors in August and October, respectively.

Mr Merriel, who replaced Melanie Farris, brings deep healthcare sector experience and strong commercial expertise to the Board of Invion. He is a Certified Practicing Accountant (CPA) with over 35 years of experience working in medical research (Hudson Institute of Medical Research and Baker Institute), large public healthcare services (Melbourne Health and Southern Health) and commercial organisations (Pacific Dunlop and Deloitte Consulting).

The appointment of Mr Bennallack further strengthened Invion's Board with his more than three decades of experience in business management and finance, strategic development, risk and compliance, international business, leadership and relationship management. Mr Bennallack is currently the Chief Executive Officer of Village Roadshow Theme Parks Asia and Head of Risk at Village Roadshow Ltd. His previous roles included Chief Financial Officer of Village Roadshow Ltd and General Manager Business Affairs of Village Roadshow Corporation Pty Ltd (controlling shareholder of Village Roadshow Ltd).

**Significant changes in the state of affairs**

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

**Invion Limited**  
**Directors' report**  
**31 December 2020**

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

  
Thian Chew

Chairman

24 February 2021

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727 Collins Street  
Melbourne Victoria 3008

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## Auditor's Independence Declaration

To the Directors of Invion Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Invion Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 24 February 2021

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**Invion Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
For the half-year ended 31 December 2020

	Note	31 December 2020	31 December 2019
		\$	\$
<b>Revenue</b>			
Other income	5	1,244,321	1,854,832
<b>Expenses</b>			
Cost of sales		(9,142)	-
Employee benefits expense		(566,517)	(402,863)
Depreciation and amortisation expenses		(139,121)	(138,788)
Administration & corporate expenses	7	(451,996)	(474,855)
Rent and occupancy expense		(22,828)	(52,606)
Share-based payment expense		(209,547)	(899,002)
Research & development costs	8	(785,436)	(1,038,655)
Patent costs		(720)	(3,766)
Business development		-	(28,092)
<b>Loss before income tax expense</b>		(851,618)	(1,180,129)
Income tax expense	9	-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Invion Limited</b>		(851,618)	(1,180,129)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of Invion Limited</b>		(851,618)	(1,180,129)
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	23	(0.02)	(0.02)
Diluted earnings per share	23	(0.02)	(0.02)

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

**Invion Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2020**

	<b>Consolidated</b> <b>31 December</b>	
Note	2020 \$	30 June 2020 \$

**Assets**

**Current assets**

Cash and cash equivalents	10	521,075	618,843
Trade and other receivables	11	215,983	271,845
Other current assets	12	115,152	26,173
Total current assets		<u>852,210</u>	<u>916,861</u>

**Non-current assets**

Property, plant and equipment		2,270	3,891
Intangibles	13	4,702,500	4,840,000
Total non-current assets		<u>4,704,770</u>	<u>4,843,891</u>

**Total assets**

5,556,980	5,760,752
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**Liabilities**

**Current liabilities**

Trade and other payables	14	187,872	281,731
Insurance premium funding		92,388	-
Provisions		-	34,091
Unearned income		-	11,000
Total current liabilities		<u>280,260</u>	<u>326,822</u>

**Total liabilities**

280,260	326,822
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**Net assets**

<u>5,276,720</u>	<u>5,433,930</u>
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**Equity**

Issued capital	15	130,939,698	130,555,435
Reserves	16	2,300,351	1,990,206
Accumulated losses		<u>(127,963,329)</u>	<u>(127,111,711)</u>

**Total equity**

<u>5,276,720</u>	<u>5,433,930</u>
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**Invion Limited**  
**Consolidated statement of changes in equity**  
For the half-year ended 31 December 2020

	<b>Issued capital \$</b>	<b>Options reserves \$</b>	<b>Convertible note reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
<b>Consolidated</b>					
Balance at 1 July 2019	130,555,435	20,633,125	2,486,714	(148,218,009)	5,457,265
Loss after income tax expense for the half-year	-	-	-	-	(1,180,129)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(1,180,129)	(1,180,129)
<i>Transactions with owners in their capacity as owners:</i>					
Share option expense	-	899,002	-	-	899,002
Reserve reclassification	-	-	(2,486,714)	2,486,714	-
Balance at 31 December 2019	<u>130,555,435</u>	<u>21,532,127</u>	<u>-</u>	<u>(146,911,424)</u>	<u>5,176,138</u>
 <b>Consolidated</b>					
Balance at 1 July 2020	130,555,435	1,990,206	-	(127,111,711)	5,433,930
Loss after income tax expense for the half-year	-	-	-	(851,618)	(851,618)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(851,618)	(851,618)
Shares issued in lieu of employee compensation	375,867	-	-	-	375,867
Shares issued on exercise of options	8,396	(8,396)	-	-	-
Options granted to Directors and employees	-	601,471	-	-	601,471
Forfeiture of unvested options	-	(282,930)	-	-	(282,930)
Balance at 31 December 2020	<u>130,939,698</u>	<u>2,300,351</u>	<u>-</u>	<u>(127,963,329)</u>	<u>5,276,720</u>

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

**Invion Limited**  
**Consolidated statement of cash flows**  
For the half-year ended 31 December 2020

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	1,320,000	1,645,010
Payments to suppliers and employees	(1,507,136)	(2,355,276)
Research and development tax incentive	-	57,826
COVID-19 incentives	89,300	-
Interest received	(97,836)	(652,440)
Net cash used in operating activities	68	155
	(97,768)	(652,285)
Net cash from investing activities		
	-	-
Net cash from financing activities		
	-	-
Net decrease in cash and cash equivalents	(97,768)	(652,285)
Cash and cash equivalents at the beginning of the financial half-year	618,843	771,313
Cash and cash equivalents at the end of the financial half-year	521,075	119,028

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 1. General information**

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

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

<b>Registered office</b>	<b>Principal place of business</b>
Level 4, 100 Albert Road, South Melbourne, VIC 3205 Australia	692 High Street, East Kew, VIC 3102 Australia

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2021.

**Note 2. Corporate information**

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

**Note 3. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

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

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

**Going concern**

This financial report for the six months ended 31 December 2020 has been prepared on a going concern basis. The Group incurred an operating loss after income tax of \$ 851,618 (2019: \$1,180,129) for the half-year. At 31 December 2020 the Company had net assets of \$5,276,720 (30 June 2020: \$5,433,930) and a net current asset position of \$571,950 (30 June 2020: \$590,039). In common with other companies in the biotechnology sector, the Group's operations are subject to risks and uncertainty due primarily to the nature of the drug development and commercialisation.

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 3. Significant accounting policies (continued)**

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

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

**Note 4. Operating segments**

*Identification of reportable operating segments*

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

The Invion Group operates as a clinical-stage life sciences (drug development) group. At 31 December 2020, the Group had operations in Australia only with its wholly owned subsidiary EpiTech Dermal Science Pty Ltd (previously IVX Cosmetics Pty Ltd). The Group does not consider that the risks and returns of the Group have been or are affected by differences in either the products or services it provides. The Group operates as one segment and as such in one geographical area. Group performance is evaluated based on operating profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Group financing (including finance costs and finance income) and income taxes are managed on a Group basis.

The information reported to the CODM is on a monthly basis.

**Note 5. Revenue**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
R&D services fee	1,222,321	1,854,832
Sale of Chlorine mixture	22,000	-
<b>Revenue</b>	<b>1,244,321</b>	<b>1,854,832</b>

**Note 6. Other income**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
COVID-19 incentives	89,300	-
Foreign exchange gains	-	3,511
Interest income	68	155
<b>Other income</b>	<b>89,368</b>	<b>3,666</b>

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 7. Administration & corporate expenses**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	\$	\$
Legal fees	35,287	6,808
Compliance costs	77,622	109,949
Consulting fees incl. accounting, business development	134,312	133,880
Insurance	82,046	85,107
Other administration and corporate expenses	122,729	139,111
	<b>451,996</b>	<b>474,855</b>

**Note 8. Research & development costs**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	\$	\$
Clinical trial costs	342,913	497,153
Drug production and supply	-	43,017
Other research and development	442,523	498,485
	<b>785,436</b>	<b>1,038,655</b>

**Note 9. Income tax benefit**

The Company has recorded nil tax benefit for the period ended 31 December 2020 (2019: \$nil).

**Note 10. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
Cash at bank and in hand	<b>521,075</b>	<b>618,843</b>

**Note 11. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
Trade receivables	215,983	247,326
GST refundable	-	24,519
	<b>215,983</b>	<b>271,845</b>

Trade receivables at 31 December 2020 contain a contract asset of \$204,983 which represents the right to consideration in exchange for services performed under the R&D Service Agreement with RMW Cho Group.

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 12. Current assets - Other current assets**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2020</b>
	<b>2020</b>	<b>\$</b>
Prepayments	<u>115,152</u>	<u>26,173</u>

**Note 13. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2020</b>
	<b>2020</b>	<b>\$</b>
Intellectual property - at cost	5,500,000	5,500,000
Less: Accumulated amortisation	(797,500)	(660,000)
	<u>4,702,500</u>	<u>4,840,000</u>

*Reconciliations*

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

<b>Consolidated</b>	<b>Photosoft</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2020	4,840,000	4,840,000
Amortisation expense	(137,500)	(137,500)
Balance at 31 December 2020	<u>4,702,500</u>	<u>4,702,500</u>

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

**Note 14. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2020</b>
	<b>2020</b>	<b>\$</b>
Trade payables	55,220	105,670
Accrued expenses	70,075	117,375
Director related accruals	40,904	58,686
Other payables	21,673	-
	<u>187,872</u>	<u>281,731</u>

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 15. Equity - issued capital**

	Consolidated			
	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$	30 June 2020 \$
Ordinary shares - fully paid	5,537,792,295	5,500,606,300	130,939,698	130,555,435

*Ordinary shares*

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

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

*Share buy-back*

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

**Note 16. Equity - reserves**

	Consolidated			
	31 December 2020 \$	30 June 2020 \$		
Options reserve	2,300,351	1,990,206		

*Option reserve*

Items recognised as an expense with respect to share-based consideration.

**Note 17. Equity - dividends**

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

**Note 18. Contingent liabilities**

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

**Note 19. Commitments**

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

R&D commitments: At the Balance Date, the Company had \$nil contractual commitments relating to R&D development activities (30 June 2020: \$0.13 million).

**Note 20. Related party transactions**

*Parent entity*

Invion Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 21.

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 20. Related party transactions (continued)**

*Transactions with related parties*

Mr Thian Chew, Executive Chairman and CEO of Invion Limited, is Managing Partner of Polar Ventures Limited. Polar Ventures Limited and The Cho Group are associates in accordance with section 12(2) of the Corporations Act. The Cho Group has entered into a consultancy agreement with Polar Ventures, pursuant to the terms of which Polar Ventures has agreed to provide general advice and support for The Cho Group's interests in its investment in Invion. During the half year ended 31 December 2020, payments to Mr Chew consisted of director's fees of \$7,500 and \$60,000 of share options granted in lieu of the director's fee.

The Group was engaged to conduct the clinical development of Photosoft™ globally. The Cho Group agreed to provide funding for the clinical trials and related development, in a clinical development program designed and managed by a joint steering committee between the two companies. Current revenue during the period was \$1,244,321 (2019:\$1,854,832). As at 31 December 2020 \$204,983 (30 June 2020: \$159,566) was included in trade receivables as contract asset.

Mr Rob Merriel, Non-Executive Director of Invion Limited effective from 31 August 2020, is Chief Financial Officer, Chief Commercialisation Officer and Company Secretary of the Hudson Institute of Medical Research ('Hudson'). Invion Ltd has an R&D Alliance agreement with Hudson. During the half year ended 31 December 2020, since the appointment of Mr Rob Merriel as the Non-Executive Director of Invion Ltd, \$169,316 has been invoiced by Hudson under the R&D Alliance agreement.

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

**Note 21. Interests in subsidiaries**

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

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

**Note 22. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 23. Earnings per share**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Invion Limited	(851,618)	(1,180,129)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>5,514,605,319</u>	<u>5,500,606,300</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>5,514,605,319</u>	<u>5,500,606,300</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.02)	(0.02)
Diluted earnings per share	(0.02)	(0.02)

**Invion Limited**  
**Directors' declaration**  
**31 December 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Thian Chew  
Chairman

24 February 2021

## Independent Auditor's Review Report

To the Members of Invion Limited

### Report on the review of the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Invion Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- (a) giving a true and fair view of Invion Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of \$851,618 during the half-year ended 31 December 2020 and cash outflows from operations of \$97,768. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

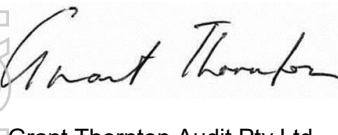
### Directors' responsibility for the half-year financial report

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

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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



Grant Thornton

Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 24 February 2021