

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

**1. Company details**

Name of entity: Invion Limited  
ABN: 76 094 730 417  
Reporting period: For the half-year ended 31 December 2021  
Previous period: For the half-year ended 31 December 2020

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	4.4% to	1,298,560
Loss from ordinary activities after tax attributable to the owners of Invion Limited	up	22.9% to	(1,046,509)
Loss for the half-year attributable to the owners of Invion Limited	up	22.9% to	(1,046,509)

*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 \$1,046,509 (31 December 2020: \$851,618).

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**3. Net tangible assets**

	Reporting period Cent	Previous period Cent
Net tangible assets per ordinary security	<u>0.21</u>	<u>0.01</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**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.

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**7. Dividend reinvestment plans**

Not applicable.

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

Not applicable.

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**9. Foreign entities**

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

Not applicable.

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**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.

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**11. Attachments**

*Details of attachments (if any):*

The Half year ended of Invion Limited for the half-year ended 31 December 2021 is attached.

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**12. Signed**

Signed  \_\_\_\_\_

Thian Chew  
Chairman

Date: 22 February 2022

**Invion Limited**

**ABN 76 094 730 417**

**Half year ended - 31 December 2021**

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**Invion Limited**  
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**31 December 2021**

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**Invion Limited**  
**Corporate directory**  
**31 December 2021**

Directors

Mr Thian Chew, Chairman and CEO  
Mr Alan Yamashita, Non-executive Director  
Mr Rob Merriel, Non-executive Director  
Mr Alistair Bennallack, Non-executive Director

Company secretary

Claire Newstead-Sinclair (appointed on 1 November 2021)

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  
W: www.inviongroup.com

Share register

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

Auditor

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 2021**

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 2021.

**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 and CEO  
Mr Alan Yamashita, Non-executive Director  
Mr Rob Merriel, Non-executive Director  
Mr Alistair Bennallack, Non-executive Director

**Review of operations**

Invion is a life sciences company that is leading the global research and development of Photosoft™ technology for the treatment of a range of cancers, atherosclerosis and infectious diseases. In the first half of the FY2022 financial year, the Company made significant progress in proving up its Active Pharmaceutical Ingredient (API) INV043, expanding its exclusive rights to the technology across multiple markets and successfully completing a \$12.1 million capital raising.

The latest Proof-of-Concept (PoC) studies that were carried out by Invion's research partner and world-leading research organisation, Hudson Institute of Medical Research, showed a complete regression of triple negative breast cancer (TNBC) *in vivo* following INV043 treatment.

The treatment appeared to have triggered an immune response as TNBC could not be re-established in treated mice. Further, there was no apparent scarring or other indication of prior tumour presence, and no evidence of either primary tumour or metastatic spread at autopsy.

Another significant development in the reported period was the expansion of Invion's exclusivity agreement with RMW Cho Group, the developer of Photosoft™ technology, which will give Invion access to markets with more than 2.8 billion people. Under the new agreement, both parties will co-develop Photosoft™ for cancer and related diseases (Indications), pursuant to which Invion will gain exclusive distribution rights to the technology in Asia Pacific<sup>1</sup> (Territory) for the Indications.

To fund the expanded agreement and working capital, Invion undertook a Share Placement to institutional and sophisticated investors and a Share Purchase Plan (SPP) that raised \$12.1 million via the sale of new shares priced at 2.2 cents with one free attaching option for every two new shares, exercisable at 4 cents and expiring 18 months from the issue date.

**Outlook**

Invion is building on its early success as it prepares to initiate clinical trials using its technology to treat cancers and advances its research into atherosclerosis and infectious diseases. Cancer remains the primary focus of the Company. Invion and its research partners, Hudson Institute and the Peter MacCallum Cancer Centre, are identifying target cancer indications for the clinical trials and these details are expected to be announced to the market before the end of the 2022 financial year.

Meanwhile, Hudson Institute is working on further PoC studies, including a larger TNBC study (primary tumour model) and a secondary study investigating the potential of INV043 using a metastatic model. The results from these studies are expected in the coming half year.

It is expected that these efforts will pave the way for Invion to initiate clinical trials on more than one cancer indication by the end of the calendar year. At this stage, the cancer targets for the initial human trials include basal cell carcinoma (BCC), which accounts for the majority of skin cancers in Australia, and an anogenital cancer.

Invion is also expecting to release findings from early stage discovery work on atherosclerosis and infectious diseases in the current calendar year. The results from this work will enable it to identify specific areas of the diseases to target before it commences proof of concept studies on the targeted indications.

**Financial performance**

The loss for the consolidated entity after providing for income tax amounted to \$1,046,509 (31 December 2020: \$851,618).

<sup>1</sup> The Territory includes all Asia Pacific countries excluding China (other than Hong Kong, which is included in the Territory), Macau, Taiwan, Japan and South Korea. Invion's rights with respect to development and distribution of the Photosoft™ technology in Australia and New Zealand will continue to be covered under the existing agreements with RMW dated 31 August 2017.

**Invion Limited**  
**Directors' report**  
**31 December 2021**

**Significant changes in the state of affairs**

On 16 November 2021 Invion has entered into conditional agreements with RMW Cho Group Limited to co-develop Photosoft™ technology for cancer and related diseases, pursuant to which Invion will gain exclusive distribution rights to the Photosoft™ technology in Asia Pacific for the Indications.

On 22 November 2021, the Company issued 545,454,546 fully paid ordinary shares at an issue price of \$0.022 per share.

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

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

No matter or circumstance has arisen since 31 December 2021 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



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Thian Chew  
Chairman

22 February 2022

## 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 2021, 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, 22 February 2022



**Invion Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	5	1,298,560	1,244,321
Other income	6	80,013	89,368
<b>Expenses</b>			
Cost of sales		-	(9,142)
Employee benefits expense		(293,500)	(566,517)
Depreciation and amortisation expenses		(165,625)	(139,121)
Administration & corporate expenses	7	(636,478)	(447,824)
Share-based payment expense		(421,175)	(209,547)
Research & development costs	8	(908,304)	(785,436)
Patent costs		-	(720)
<b>Loss before income tax expense</b>		<b>(1,046,509)</b>	<b>(851,618)</b>
Income tax expense	9	-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Invion Limited</b>		<b>(1,046,509)</b>	<b>(851,618)</b>
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>		<b>(1,046,509)</b>	<b>(851,618)</b>
		<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 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	13,555,694	1,036,818
Trade and other receivables	11	189,215	11,000
Other current assets	12	162,159	28,313
<b>Total current assets</b>		<u>13,907,068</u>	<u>1,076,131</u>
<b>Non-current assets</b>			
Property, plant and equipment		1,039	1,024
Intangibles	13	6,649,375	4,565,000
<b>Total non-current assets</b>		<u>6,650,414</u>	<u>4,566,024</u>
<b>Total assets</b>		<u>20,557,482</u>	<u>5,642,155</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	309,659	835,650
Insurance premium funding		106,564	-
Provisions		27,731	15,846
<b>Total current liabilities</b>		<u>443,954</u>	<u>851,496</u>
<b>Total liabilities</b>		<u>443,954</u>	<u>851,496</u>
<b>Net assets</b>		<u>20,113,528</u>	<u>4,790,659</u>
<b>Equity</b>			
Issued capital	15	146,543,659	130,956,127
Reserves	16	3,211,040	2,429,194
Accumulated losses		<u>(129,641,171)</u>	<u>(128,594,662)</u>
<b>Total equity</b>		<u>20,113,528</u>	<u>4,790,659</u>

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

**Invision Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2021**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Options reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</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>(127,963,329)</u>	<u>5,276,720</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Options reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	130,956,127	2,429,194	(128,594,662)	4,790,659
Loss after income tax expense for the half-year	-	-	(1,046,509)	(1,046,509)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,046,509)	(1,046,509)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 15)	15,530,622	-	-	15,530,622
Options expense for:				
-Options granted to Directors and employees (note 24)	-	421,175	-	421,175
-Listed options issued to Lead Managers (note 24)	-	264,900	-	264,900
Options issued to Directors for Directors fee payables	-	152,681	-	152,681
Share option exercised	56,910	(56,910)	-	-
Balance at 31 December 2021	<u>146,543,659</u>	<u>3,211,040</u>	<u>(129,641,171)</u>	<u>20,113,528</u>

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

**Invio Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2021**

	<b>Note</b>	<b>Consolidated 31 December 2021 \$</b>	<b>31 December 2020 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		1,253,456	1,320,000
Payments to suppliers and employees		(2,392,050)	(1,507,136)
COVID-19 incentives		-	89,300
		<u>(1,138,594)</u>	<u>(97,836)</u>
Interest received		13	68
Other revenue		88,000	-
		<u>(1,050,581)</u>	<u>(97,768)</u>
<b>Cash flows from investing activities</b>			
Payments for intangibles	13	<u>(2,250,000)</u>	-
Net cash used in investing activities		<u>(2,250,000)</u>	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	15	16,637,500	-
Share issue transaction costs paid		<u>(818,043)</u>	-
Net cash from financing activities		<u>15,819,457</u>	-
Net increase/(decrease) in cash and cash equivalents		12,518,876	(97,768)
Cash and cash equivalents at the beginning of the financial half-year		<u>1,036,818</u>	<u>618,843</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>13,555,694</u></u>	<u><u>521,075</u></u>

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

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**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:

**Registered office**

Level 4, 100 Albert Road,  
South Melbourne, VIC 3205 Australia

**Principal place of business**

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 22 February 2022.

**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, atherosclerosis and infectious diseases. Through the Exclusion distribution and licencing agreements of 2017 and 2021, Invion has been appointed exclusive licensee of Photosoft™ in Australia, New Zealand and all Asia Pacific countries excluding China (other than Hong Kong), Macau, Taiwan, Japan and South Korea. 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 2017 R&D services agreement between the two entities, the research and clinical trials of Photosoft™ on cancer treatments are funded by The Cho Group. The research on atherosclerosis and infectious diseases will be co-funded by Invion and the Cho Group, through the recent Co-development Agreement in 2021.

**Note 3. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021 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 2021 has been prepared on a going concern basis. The Group incurred an operating loss after income tax of \$1,046,509 (2020: \$851,618) for the half-year. At 31 December 2021 the Company had net assets of \$20,113,528 (30 June 2021: \$4,790,659) and a net current asset position of \$13,463,114 (30 June 2021: \$224,635). 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 2021**

**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. During the half-year ended 31 December 2021, the Company undertook two placements of ordinary shares to professional and sophisticated investors raising \$16.7 million.

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 2021, 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 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
R&D services fee- over time	1,298,560	1,222,321
Sale of Chlorine mixture - at point in time	-	22,000
Revenue	<u>1,298,560</u>	<u>1,244,321</u>

The above represents fees of \$1,298,560 earned from RMW Cho Group for Research and Development services provided.

**Note 6. Other income**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Interest income	13	68
COVID-19 incentives	-	89,300
Reimbursement of expenses	80,000	-
Other income	<u>80,013</u>	<u>89,368</u>

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 7. Administration & corporate expenses**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Legal fees	71,041	35,287
Compliance costs	196,395	77,622
Consulting fees incl. accounting, business development	217,854	134,312
Insurance	92,573	82,046
Office, administration and corporate expenses	37,030	122,729
Rent and occupancy expenses	21,600	22,828
	<u>636,493</u>	<u>474,824</u>

**Note 8. Research & development costs**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Pre-clinical trial costs	384,586	342,913
Consultancy fee - scientific and tech.	523,718	442,523
	<u>908,304</u>	<u>785,436</u>

**Note 9. Income tax expense**

The Company has recorded nil tax expense for the period ended 31 December 2021 (2020: \$nil).

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

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	<u>13,555,694</u>	<u>1,036,818</u>

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

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	185,054	11,000
Other receivables	4,161	-
	<u>189,215</u>	<u>11,000</u>

Trade receivables at 31 December 2021 contain a contract asset of \$9,054 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 2021**

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

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Prepayments	<u>162,159</u>	<u>28,313</u>

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

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Intellectual property - at cost	7,750,000	5,500,000
Less: Accumulated amortisation	<u>(1,100,625)</u>	<u>(935,000)</u>
	<u>6,649,375</u>	<u>4,565,000</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>	Photosoft \$	Total \$
Balance at 1 July 2021	4,565,000	4,565,000
Additions	2,250,000	2,250,000
Amortisation expense	<u>(165,625)</u>	<u>(165,625)</u>
Balance at 31 December 2021	<u>6,649,375</u>	<u>6,649,375</u>

Invion is developing Photosoft™ technology as an improved next generation Photodynamic Therapy. The Photosoft™ commercialisation licence acquired in 2018 for \$5,500,000 was recognised as an intangible asset and is being amortised over a 20 year period. The Photosoft™ commercialisation licence is being carried at the cost of the licence and distribution agreement less accumulated amortisation.

During the current period, the company entered into the Co-development Agreement with RMW Cho Group (RMWCG) to co-develop Photosoft™ technology also referred to as Next Generation Photo Dynamic Therapy (NGPDT) for potential applications in atherosclerosis and infectious diseases (including viral, bacterial, fungal and parasitic) ('the Indications'). Based on the terms of the Co-development Agreement, in consideration of the contributions of \$2,250,000 made by the company for the joint development of the NGPDT under this Agreement, RMWCG granted to Invion Limited an exclusive licence to use the NGPDT IP (including any improvements thereof) and any inventions, and to distribute products and procedures, in relation to the Indications in the Asia Pacific (excluding the Middle East, Russia and the specified territories of China, Hong Kong, Macau and Taiwan) on the terms and conditions agreed between RMWCG and Invion Limited in the Exclusive Distribution and Licence Agreement. This commercialisation licence is reflected as an intangible asset and is being amortised over a 20-year period.

At each Balance Date, the Group assesses whether there is any indication that an intangible asset may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount, and where the carrying amount of an asset may exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 13. Non-current assets - intangibles (continued)**

Invion made a significant step forward in its research and development activities as it worked with its research partner, Hudson Institute of Medical Research, to develop an improved API, which it called INV043. With the latest Proof-of-Concept (PoC) studies carried out on INV043 showing great promise across a range of cancers, the company is expanding its research and development activities to Atherosclerosis and Infectious Diseases. In light of significant progress in research and development on cancer treatment using the Photosoft technology, management did not observe any indicators for impairment to this carrying value. There have been no indicators of any technological obsolescence to the Photosoft™ technology. The Group assessed that there is no impact of COVID-19 on Photosoft™ commercialisation licences.

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

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade payables	211,952	448,923
Accrued expenses	74,760	90,823
Director related accruals	20,358	258,089
Other payables	2,589	37,815
	<u>309,659</u>	<u>835,650</u>

**Note 15. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 December</b>	<b>30 June 2021</b>	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>6,416,513,644</u>	<u>5,539,542,295</u>	<u>146,543,659</u>	<u>130,956,127</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2021	5,539,542,295		130,956,127
Placement of shares	30 September 2021	321,428,571	\$0.01	4,500,000
Shares issued on exercise of options	4 October 2021	1,000,000	\$0.01	13,943
Shares issued on exercise of options	5 October 2021	2,838,217	\$0.02	42,967
Placement of shares	22 November 2021	545,454,546	\$0.02	12,000,000
Placement of shares	10 December 2021	6,250,015	\$0.02	137,500
Cost of raising capital		-	\$0.00	(1,106,878)
Balance	31 December 2021	<u>6,416,513,644</u>		<u>146,543,659</u>

*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.

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 16. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Options reserve	<u>3,211,040</u>	<u>2,429,194</u>

*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 2021: \$0.35 million).

**Note 20. Related party transactions**

*Parent entity*

Invion Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 21.

*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 2021, transactions with Mr Chew consisted of director's fees of \$45,000 and CEO salary of \$154,500. Director fee of \$7,500 and CEO salary of \$77,250 is payable as at 31 December 2021.

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 \$1,298,560 (2020: \$1,244,321). As at 31 December 2021 \$9,054 (30 June 2021: nil) was included in trade receivables as contract asset.

Mr Rob Merriel, Non-Executive Director of Invion Limited, 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 2021, \$379,506 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.

**Invion Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**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 2021 %	30 June 2021 %
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 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 23. Earnings per share**

	Consolidated	
	31 December 2021 \$	31 December 2020 \$
Loss after income tax attributable to the owners of Invion Limited	<u>(1,046,509)</u>	<u>(851,618)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>5,823,168,938</u>	<u>5,514,605,319</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>5,823,168,938</u>	<u>5,514,605,319</u>
	Cents	Cents
Basic earnings per share	(0.02)	(0.02)
Diluted earnings per share	(0.02)	(0.02)

**Note 24. Share-based payments**

Share based payments expense during the period is \$421,175 (2020: 209,547) of which relates to options issued to Directors, KMP and other employees of the company.

Summary of options granted and lapsed during the half-year ended 31 December 2021 are as below:

**Listed options**

Details	Grant date	Options
Balance	01/07/2021	-
Listed Options issued to Lead Manager in relation to the Placement <sup>(i)</sup>	11/11/2021	30,000,000
Listed Options issued under Placement and Share purchase plan <sup>(ii)</sup>	17/12/2021	<u>254,981,422</u>
Balance as at 31 December 2021		<u><u>284,981,422</u></u>

**Invision Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 24. Share-based payments (continued)**

During the half-year ended 31 December 2021 following listed options were granted:

- (i) 30,000,000 listed fully vested options (exercisable at \$0.04, expiring 18 months from the date of issue) issued in total to Evolution Capital Pty Ltd and 180 Markets Pty Ltd in consideration for lead manager services provided to the Company (Lead Manager Options). The fair value of the Lead Manager Options issued was \$264,900 being the market price of the options on the date of the grant.
- (ii) 254,981,422 listed fully vested options (exercisable at \$0.04, expiring 18 months from the date of issue) were issued as free attaching options in conjunction with the capital raising activities as announced on 23 September 2021.

**Unlisted Options**

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

31 December 2021

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
12/02/2019	12/02/2023	\$0.03	199,434,882	-	-	-	199,434,882
31/10/2019	31/10/2023	\$0.02	2,725,761	-	-	-	2,725,761
01/07/2020	01/07/2024	\$0.02	15,928,570	-	-	-	15,928,570
31/08/2020	31/08/2024	\$0.02	20,443,211	-	-	-	20,443,211
22/10/2020	22/10/2024	\$0.02	20,443,211	-	-	-	20,443,211
29/10/2020	31/10/2024	\$0.01	2,725,942	-	-	-	2,725,942
31/10/2020	31/10/2024	\$0.00	4,573,131	-	-	-	4,573,131
15/12/2020	31/10/2024	\$0.00	4,349,102	-	-	-	4,349,102
07/04/2021	31/10/2024	\$0.00	4,081,051	-	(19,341)	-	4,061,710
10/06/2021	31/10/2024	\$0.00	3,439,423	-	(882,961)	-	2,556,462
16/09/2021*	31/10/2024	\$0.00	-	3,737,125	(97,698)	-	3,639,427
30/09/2021*	31/10/2024	\$0.00	-	2,838,217	(2,838,217)	-	-
30/09/2021**	23/09/2025	\$0.02	-	138,488,557	-	-	138,488,557
07/12/2021*	31/10/2025	\$0.00	-	2,979,408	-	-	2,979,408
			<u>278,144,284</u>	<u>148,043,307</u>	<u>(3,838,217)</u>		<u>422,349,374</u>

\* 3,737,125 options issued on 16 September 2021, 2,838,217 option issued on 30 September 2021 and 2,979,408 options issued on 7 December 2021 were issued at nil exercise price to the Directors in-lieu of cash for the Directors fee payable. These were issued based on the approvals obtained in 2020 AGM, 2021 AGM and General Meeting on 23 September 2021.

\*\* 138,488,557 options were issued to Thian Chew, Executive Chair and CEO, on 30 September 2021 under the Company's Employee Share Option Plan based on approval obtained in the General Meeting on 23 September 2021.

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30/09/2021 <sup>(a)</sup>	23/09/2025	\$0.01	\$0.02	90.00%	-	0.43%	\$0.008
11/11/2021 <sup>(b)</sup>	16/06/2023	\$0.03	\$0.04	94.00%	-	0.39%	\$0.009

(a) The valuation model inputs for options with the grant date 30 September 2021 relates to 138,488,557 unlisted options issued to Thian Chew, Executive Chair and CEO.

(b) The valuation model inputs for options with the grant date 11 November 2021 relates to 30,000,000 listed options issued to Evolution Capital Pty Ltd and 180 Markets Pty Ltd.

**Invision Limited**  
**Directors' declaration**  
**31 December 2021**

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 2021 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

22 February 2022

# Independent Auditor's Report

To the Members of Invion Limited

Report on the review of the half year financial report

## Conclusion

We have reviewed the 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 2021, 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 the Invion Limited financial position as at 31 December 2021 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.

## 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 2021 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 Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 22 February 2022

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