

**Invion Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity:	Invion Limited
ABN:	76 094 730 417
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

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

				\$
Revenues from ordinary activities	down	33.0%	to	2,330,027
Loss from ordinary activities after tax attributable to the owners of Invion Limited	up	55.5%	to	(1,482,951)
Loss for the year attributable to the owners of Invion Limited	up	55.5%	to	(1,482,951)

*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 \$1,482,951 (30 June 2020: \$953,894).

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	-	0.01

**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.

**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 have been audited and an unmodified opinion has been issued.

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**11. Attachments**

*Details of attachments (if any):*

The Annual Report of Invision Limited for the year ended 30 June 2021 is attached.

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**12. Signed**

Signed  \_\_\_\_\_

Tian Chew  
Chairman

Date: 4 August 2021



**Invion Limited**

**ABN 76 094 730 417**

**Annual Report - 30 June 2021**

**Invion Limited**  
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**30 June 2021**

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**Invion Limited**  
**Corporate directory**  
**30 June 2021**

**Directors**

Mr Thian Chew, Chairman (appointed Executive Chairman and CEO effective 1 November 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 Robert 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

**Notice of annual general meeting**

The details of the annual general meeting of Invion Limited to be held on or about 9 November 2021.

**Registered office**

Level 4, 100 Albert Road, South Melbourne Vic 3205 Australia  
P: (03) 9692 7222  
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 Audit Pty Ltd, Melbourne, Australia

**Stock exchange listing**

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

**Invion Limited**  
**Directors' report**  
**30 June 2021**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'the Group') 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 year ended 30 June 2021.

**Directors**

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

Mr Thian Chew, Chairman (appointed Executive Chairman and CEO effective 1 November 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 Robert Merriel, Non-executive Director (appointed effective 31 August 2020)  
Mr Alistair Bennallack, Non-executive Director (appointed effective 22 October 2020)

**Principal activities**

The Invion Group consists of Invion Limited and, at 30 June 2021, its wholly owned subsidiary, Epitech Dermal Science Pty Ltd. The activity of Invion during the period was directed to the development of the Photosoft™ technology for the treatment of a range of cancers. Invion has been appointed exclusive licensee in Australia and New Zealand of the Photosoft™ technology. The appointment has been made by technology licensor, The RMW Cho Group, a Hong Kong based group that has developed a number of unique and advanced technologies. Via an R&D services agreement between the two entities, continued the development of the Photosoft™ technology is funded by The RMW Cho Group.

**Dividends**

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

**Review of operations**

The loss for the consolidated entity for the year amounted to \$1,482,951 (30 June 2020: \$953,894).

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.

The Group's key achievements during the FY2021 financial year include optimising its Active Pharmaceutical Ingredient (API) ahead of potential clinical trials, broadening the longer-range opportunities for Photosoft™ technology beyond cancer, as well as expanding licenses into these new markets.

Invion is in the process of undertaking a circa \$4.5 million capital raising by way of a share placement as announced to the ASX on 2 June 2021, as part of its Co-Development Agreement and Exclusive Distribution and Licence Agreement between Invion and RMW Cho Group (RMW). Both parties will co-develop Photosoft™ technology for potential applications in atherosclerosis and infectious diseases (including viral, bacterial, fungal and parasitic) (Indications). Invion will have exclusive rights to the technology for these diseases in Asia Pacific (which excludes the Middle East, Russia and the specified territories of China, Hong Kong, Macau and Taiwan) (Territory).

Atherosclerosis is a disease where plaque builds up inside arteries and is a major contributor to the growing incidences of cardiovascular diseases, the largest cause of deaths worldwide<sup>[1]</sup>. The global market for atherosclerosis treatments is forecast to hit US\$56.6 billion by 2027 and Asia Pacific is the fastest growing market<sup>[2]</sup>.

Under this co-development agreement:

- for development activities that are not directly related to clinical trials or commercialisation of the Photosoft™ technology, for the Indications in the Territory, Invion will be responsible for 25% and RMW will be responsible for 75% of contributions; and
- for development activities that are directly related to clinical trials or commercialisation of the Photosoft™ technology, for the Indications in the Territory, Invion will be responsible for 75% and RMW will be responsible for 25% of contributions

[1] [https://www.who.int/health-topics/cardiovascular-diseases/#tab=tab\\_1](https://www.who.int/health-topics/cardiovascular-diseases/#tab=tab_1)

[2] <https://www.mordorintelligence.com/industry-reports/atherosclerosis-drugs-market>

**Invion Limited**  
**Directors' report**  
**30 June 2021**

The new agreement is in addition to Invion's Research and Development (R&D) Services Agreement with RMW that was signed in 2017. Under this R&D Services Agreement, Invion is leading the R&D program to develop Photosoft™ technology across a range of cancers. Invion owns the Australia and New Zealand license rights to the technology and all cancer-related research and clinical trials are funded by RMW.

On this front, Invion made a significant step forward as it worked with its research partner, Hudson Institute of Medical Research, to develop an improved API, which it called INV043.

The initial Proof-of-Concept (PoC) results showed that INV043 has ~600 times greater phototoxicity than Talaporfin sodium, a widely used photosensitiser, and ~50 times greater phototoxicity than Invion's previous API (IVX-P03).

Further, INV043 was selectively retained in malignant, but not healthy tissues, and there were no toxicity issues identified up to 50 times the therapeutic dose.

Just as importantly, significant regression was observed *in vivo* in T-cell lymphoma, triple negative breast and pancreatic cancer models when photoactivated INV043 was used to treat the cancers.

The initial PoC results also showed that INV043 may have dual theragnostic potential, whereby it can be used both for therapeutic and diagnostic applications. One specific wavelength of light (red) activates INV043 and causes rapid cancer cell death, while another wavelength (blue light) excites chromophore fluorescence, providing highly visible definition of tumour deposits and margins to the naked eye.

Another significant development during the 2021 financial year was the appointment of new board members and Chief Executive Officer.

Thian Chew took over the role of Chief Executive Officer, while remaining the Chairman of the Group, after Invion's previous CEO Craig Newton announced his retirement along with non-executive director Melanie Farris at the end of July last year.

Invion subsequently welcomed Robert Merriel and Alistair Bennallack to the Board as non-executive directors in August and October 2020, respectively. Mr Merriel brings deep healthcare sector experience and strong commercial expertise to the Board of Invion as he has 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).

Mr Bennallack has over 30 years' experience in business management and finance, strategic development, risk and compliance, international business, leadership and relationship management. He is currently the Chief Executive Officer of Village Roadshow Theme Parks Asia and Head of Risk at 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 year.

### **Matters subsequent to the end of the financial year**

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

On 2 June 2021, The Company entered into the Co-Development Agreement and Exclusive Distribution and Licence Agreement with RMW Cho Group Limited to co-develop Photosoft™ technology for the treatment of atherosclerosis and infectious diseases. As part of these agreements, subsequent to the year end, Invion is in the process of undertaking a circa \$4.5 million capital raising by way of a share placement as announced to the ASX on 2 June 2021, as part of its Co-Development Agreement and Exclusive Distribution and Licence Agreement between Invion and RMW Cho Group (RMW).

No other matter or circumstance has arisen since 30 June 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.

### **Likely developments and expected results of operations**

The likely developments in the operations of the Group and the expected results from those operations in future financial years will be affected by the success of management in reaching critical development and commercial milestones in its core program in relation to the development of the Photosoft™ technology. This could include developing and expanding existing and emerging commercial partnerships with leading global healthcare companies and securing one or more commercial transactions for the Group's drug asset under development.

### **Environmental regulation**

Invin is required to carry out its activities in accordance with applicable environment and human safety regulations in each of the jurisdictions in which it undertakes its operations. The Company is not aware of any matter that requires disclosure with respect to any significant regulations in respect of its operating activities, and there have been no issues of non-compliance during the year.

### **Information on directors**

Name:	Mr Thian Chew, Chairman & CEO
Title:	Non-executive Director and Chairman, 1 December 2017 till 31 October 2020. Appointed Executive Chairman and CEO effective 1 November 2020.
Qualifications:	Bachelor of Information Systems, MA, MBA and CA
Experience and expertise:	Mr Chew has over 25 years' experience in investing, finance and transforming business operations. He is Managing Partner at Polar Ventures, a private investment and consulting firm that provides capital, strategic and operating solutions, focusing on small to mid-sized enterprises in Asia. Mr Chew was previously an Executive Director at Goldman Sachs (Hong Kong and New York) responsible for the firm's proprietary investments including growth capital, private equity and special situations in both private and public companies. Prior to this, he was a Consultant Project Manager to Morgan Stanley, New York. Mr Chew also held a number of positions in KPMG across Asia Pacific including Director at KPMG Consulting (Singapore and Sydney) where he led several large scale operational restructuring, post-merger integration, transformation, and business performance improvement programs. As a Senior Manager at KPMG (Taipei and Melbourne), he led several business process re-engineering initiatives, and also performed financial and information technology audit, risk and assurance engagements across multiple industries. Mr Chew holds an MBA from the Wharton School (Palmer Scholar), MA from the Lauder Institute, University of Pennsylvania, and a Bachelor of Information Systems from Monash University. Mr Chew is an Adjunct Professor at HKUST's MBA program and previously qualified as a chartered accountant.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	546,857,721
Interests in options:	36,920,613



**Invion Limited**  
**Directors' report**  
**30 June 2021**

Name:	Mr Craig Newton
Title:	Managing Director & CEO (Resigned on 31 October 2020)
Experience and expertise:	Craig has over 30 years of experience in senior business and operational roles gained at various leading global companies in the Healthcare industry, notably in the Medical Device, Pharmaceutical and Biotech sectors, among both large companies and small start-ups, with activity in Australasia, Asia and Europe. His tertiary and post-graduate qualifications cover Science and Business, including an executive program at Babson College, Boston. Experience encompasses Marketing, Sales Management, Operational and Project management, across diverse therapeutic areas, including oncology, haematology, cell therapies, fertility and cardiovascular disease. Organizations have included CSL, Serono UK, Bio Nova International, AVAX Australia and Cryptome Pharmaceuticals, with roles of "Chief Operating Officer", "Sales and Marketing Director" and "Business Unit Manager". Craig joined Invion as Chief Operating Officer in April 2018 before being appointed as CEO for Invion Ltd.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Nil
Interests in options:	46,338,127 unexercised vested options on the date of the resignation
Name:	Alan Yamashita
Title:	Non-executive Director
Qualifications:	MPA, BA
Experience and expertise:	Mr Yamashita is a highly experienced corporate consultant and investment professional, with over 40 years' experience in investment management, investment banking and alternative investment throughout the APAC region. From 1999 to 2005, Mr Yamashita was President and CEO of Search Investment Group and founding CEO and CIO of Search Alternative Investment Ltd (SAIL), a major private global hedge fund and private equity investment practice headquartered in Asia. Prior to Search Investments Group, Mr Yamashita was Managing Director and Head of Asia Capital Markets for Merrill Lynch from 1996 to 1998. Mr Yamashita is currently Managing Partner at Polar Ventures and has held numerous positions as a 16-year veteran of Goldman Sachs and an advisor to various companies, including Plantation Timber Partners, Wuhan; Duty Free Shoppers, Asia; TVSN, Shanghai; and Mizuho Alternative Investments LLC.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Nomination and Remuneration Committee
Interests in shares:	Nil
Interests in options:	26,320,618
Name:	Ms Melanie Farris
Title:	Non-executive Director (Resigned on 31 August 2020)
Experience and expertise:	Ms Farris has extensive experience in governance, finance and operations in public listed and unlisted environments. Melanie holds a Bachelor of Communication (Public Relations). She is a Fellow of the Governance Institute of Australia, a Fellow Associate of the Institute of Chartered Secretaries (UK) and a Member of the Australian Institute of Company Directors. Prior to being appointed as a Non-executive Director, Ms Farris had been serving Invion Limited as company secretary and Chief Financial Officer.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	56,000 (at the time of resignation as Non-executive Director)
Interests in options:	27,257,615 unexercised vested options on the date of the resignation.

**Invin Limited**  
**Directors' report**  
**30 June 2021**

Name: Robert Merriel  
 Title: Non-executive Director (Effective 31 August 2020)  
 Qualifications: CPA  
 Experience and expertise: Robert is a Certified Practising 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). He is currently on the Board of two biotechnology start-up companies, he has been a Director of two Venture Capital Funds and a Director and Company Secretary of several biotechnology focused medical research institute spin-off companies. Mr Merriel was appointed as the Chief Financial Officer, Chief Commercialisation Officer and Company Secretary of the Hudson Institute of Medical Research in May 2014, positions he continues to hold today.

Other current directorships: None  
 Former directorships (last 3 years): None  
 Special responsibilities: None  
 Interests in shares: None  
 Interests in options: 21,345,513

Name: Alistair Bennallack  
 Title: Non-executive Director (effective 22 October 2020)  
 Qualifications: CA  
 Experience and expertise: Mr Bennallack is currently the Chief Executive Officer of Village Roadshow Theme Parks Asia and Head of Risk at Village Roadshow Ltd with the primary executive responsibility for conceptualising, executing and delivering Village Roadshow's expansion into China and Asia. He is a former member of the Village Roadshow Ltd Executive Committee, current member of the Village Roadshow Theme Parks Executive Committee and current member of all Village Roadshow Ltd's Management and Risk Committees. His previous roles have 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).

Other current directorships: None  
 Former directorships (last 3 years): None  
 Special responsibilities: Chair of Audit and Risk Committee  
 Interests in shares: 13,333,333  
 Interests in options: 20,443,211

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Company secretary**

Ms Melanie Farris resigned as the Company Secretary on 31 July 2020. Ms Farris holds a Bachelor of Communication (Public Relations), and a Graduate Diploma in Applied Corporate Governance. She is a Fellow of the Governance Institute of Australia, a Fellow of the Institute of Chartered Secretaries (UK) and a Member of the Australian Institute of Company Directors.

Ms Melanie Leydin was appointed Company Secretary on 31 July 2020. Ms Leydin graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. Ms Leydin has over 25 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations and is a director and company secretary for a number of entities listed on the Australian Securities Exchange.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
T Chew	15	15	2	2
A Yamashita	15	15	3	3
C Newton	5	5	-	-
M Farris	3	3	-	-
R Merriel	12	12	2	2
A Bennallack	10	10	1	1

Held: represents the number of meetings held during the time the director held office.

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

#### ***Principles used to determine the nature and amount of remuneration***

The Group's guiding principle for remuneration is that remuneration should be simple and transparent, should reward achievement, and should facilitate the alignment of shareholder and executive interests. The Company's philosophy is that shareholder and executive interests are best aligned:

- by providing levels of fixed remuneration and 'at risk' pay sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's business strategy
- by ensuring 'at risk' remuneration is contingent on outcomes that grow and/or protect shareholder value; and
- by ensuring a suitable proportion of remuneration is received as a share-based payment

The Group aims to reward personnel with a level and mix of remuneration commensurate with their position and responsibilities so as to:

- attract and retain appropriately capable and talented individuals to the company;
- reward personnel for corporate and individual performance;
- align the interest of personnel with those of shareholders; and
- build a strong cohesive leadership team which can deliver execution excellence against the strategy

Remuneration consists of:

- total fixed remuneration: base salary and superannuation; and
- 'at risk' remuneration: short-term incentives (STI) and long-term incentives (LTI).

### **Total fixed remuneration**

To ensure that the Company continues to attract, retain and motivate talented staff at a competitive cost, the Company will aim to align total fixed remuneration to the median rate paid by others operating in the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits. Total fixed remuneration will be reviewed using market data to determine what, if any, adjustments may need to be made to individual remuneration.

### **'At risk' remuneration**

'At risk' remuneration elements are paid/issued following the performance and remuneration review conducted by executive management; assessment by the Nomination and Remuneration Committee; and approval by the Board.

### **The Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The objective of the Nomination and Remuneration Committee is to assist the Board in fulfilling its duties and responsibilities by reviewing, advising and making recommendations to the Board on:

#### **(a) Nomination**

- Board composition and succession planning, taking into account diversity objectives and the mix of Director skills and experience;
- induction and continuing education for Directors;
- Board performance evaluation; and
- the performance of the CEO and key management personnel

#### **(b) Remuneration**

- implementing policies for the purposes of using remuneration to foster long-term growth and success;
- monitoring the implementation by management of the Board's strategic objectives and policies;
- remuneration for Non-Executive Directors; and
- remuneration and incentive arrangements for the CEO and other key management personnel.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### ***Non-executive directors' remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 15 July 2011, where the shareholders approved a maximum annual aggregate remuneration of \$750,000.

#### ***Executive remuneration***

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI comprise up to 50% of fixed remuneration in cash for the CEO. This short-term incentive will be payable at the absolute discretion of the Board and subject to funds being available on the attainment of annual predetermined performance milestones.

The long-term incentives ('LTI') are offered to incentivise, reward and retain personnel, and to align the interests of personnel and shareholders. The Nomination and Remuneration Committee considers the recommendation of the CEO regarding the issue of LTIs in light of the performance, financial position and current issued capital of the company. There will be no automatic grant of LTIs. At the discretion of the Board, the Company may also offer grants of LTIs as an award to incentivise high-quality prospective employees to join the company. The terms of any LTI grant are determined by the Board. LTI grants normally take the form of the issue of unlisted share options. Share options are normally issued under the company's equity incentive plan (EIP). All grants of equity are determined by the Board.

The Board reviews the general terms of new options to be issued. Options will be typically granted with an exercise price that is between a 40-60% premium to the market price of shares on the day of issue, and with an expiry date that is between three and four years from the date of issue. As LTIs are offered to incentivise, reward and retain personnel, options will typically vest over a number of years.

The terms of the options, and what happens to options in the event of cessation of employment, are at the discretion of the Board. However generally, in the event that a holder of unvested options ceases to be employed, then at the absolute discretion of the Board, if the ceasing of employment is due to death or permanent disability, or in any other circumstances determined by the Board to be on a "good leaver" basis, the next tranche of unvested options vests and becomes exercisable for 30 days after the last day of engagement, after which those options expire. If at the absolute discretion of the Board, the ceasing of employment occurs for any other reason than in "good leaver" circumstances, including, but not limited to, termination for cause, or due to resignation, all unvested options lapse immediately and the expiry date is taken to have occurred on the last day of engagement. In the event of a change of control, the Board, at its absolute discretion, may determine that a proportion or all unvested awards will vest.

#### *Voting and comments made at the company's 2020 Annual General Meeting ('AGM')*

At the 21 October 2020 AGM, 99.70% 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.

### **Details of remuneration**

#### *Amounts of remuneration*

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

**Invision Limited**  
**Directors' report**  
**30 June 2021**

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
<b>30 June 2021</b>							
<i>Non-Executive Directors:</i>							
T Chew <sup>(i)</sup>	30,000	-	-	-	-	13,995	43,995
M Farris <sup>(ii)</sup>	15,068	-	-	-	-	(61,946)	(46,878)
A Yamashita <sup>(iii)</sup>	54,744	-	-	-	-	41,984	96,728
R Merriel <sup>(iv)</sup>	41,660	-	-	3,960	-	126,952	172,572
A Bennallack <sup>(v)</sup>	34,672	-	-	3,296	-	127,157	165,125
<i>Executive Directors:</i>							
T Chew <sup>(vi)</sup>	266,000	-	15,846	-	-	41,984	323,830
C Newton <sup>(vii)</sup>	70,731	-	-	14,541	-	147,079	232,351
	512,875	-	15,846	21,797	-	437,205	987,723

- (i) \$30,000 of Director fee as Non-executive Director was paid through the issue of share options in lieu of cash.
- (ii) M. Farris resigned as Non-Executive Director on 31 August 2020. \$(61,946) of movement in share-based payments represent \$26,765 of share-based payment expenses on unvested options and \$(88,711) of reversal of share-based payment charge due to the forfeiture of options due to the resignation.
- (iii) Out of \$54,744 of Director fee, \$50,182 was paid through the issue of share options in lieu of cash and \$4,562 is payable as at 30 June 2021.
- (iv) R. Merriel was appointed as the Non-Executive Director on 31 August 2020. Out of \$45,620 of Director fee (inclusive of superannuation), \$37,494 was paid through the issue of share options in lieu of cash and \$4,166 is payable as at 30 June 2021.
- (v) A. Bennallack was appointed as the Non-Executive Director on 22 October 2020. Out of \$37,968 of Director fee (inclusive of superannuation), \$35,465 is payable as at 30 June 2021.
- (vi) T. Chew was appointed Executive Chairman and CEO effective 1 November 2020. \$266,000 of salary comprise of T. Chew's Executive Director fee of \$60,000 and CEO salary of \$206,000 for the period 1 November 2020 to 30 June 2021. Out of \$60,000 Director fee, \$52,500 was paid through the issue of share options in lieu of cash. Director fee of \$7,500 and CEO salary of \$206,000 is payable as at 30 June 2021.
- (vii) C. Newton resigned as the Managing Director & CEO on 31 October 2020.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
<b>30 June 2020</b>							
<i>Non-Executive Directors:</i>							
T Chew	90,000	-	-	-	-	104,112	194,112
J Campbell*	25,903	-	-	-	-	20,715	46,618
A Yamashita	54,740	-	-	-	-	78,084	132,824
M Farris**	117,062	-	-	-	-	173,520	290,582
<i>Executive Directors:</i>							
G Collier*	159,830	-	-	10,450	-	138,097	308,377
C Newton***	241,666	-	-	22,958	-	296,304	560,928
	689,201	-	-	33,408	-	810,832	1,533,441

**Invision Limited**  
**Directors' report**  
**30 June 2021**

- \* G. Collier retired as Managing Director & CEO on 31 October 2019 and J. Campbell retired as Non-Executive Director on 21 December 2019.
- \*\* M. Farris was appointed as Non-Executive Director on 22 December 2019. M. Farris's fee above relates to CFO and Company Secretary services provided by her to the Company on a consulting basis during the financial year ended 30 June 2020.
- \*\*\* C. Newton was appointed as Managing Director & CEO on 1 November 2019.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<i>Non-Executive Directors:</i>						
T Chew	100%	100%	-	-	-	-
M Farris*	100%	100%	-	-	-	-
A Yamashita	100%	100%	-	-	-	-
R Merriel**	100%	-	-	-	-	-
A Bennallack**	100%	-	-	-	-	-
<i>Executive Directors:</i>						
T Chew***	100%	100%	-	-	-	-
C Newton***	100%	100%	-	-	-	-

- \* M. Farris resigned as the Non-Executive Director on 31 August 2020.
- \*\* R. Merriel and A. Bennallack was appointed as the Non-Executive Director on 31 August 2020 and 22 October 2020, respectively.
- \*\*\* C. Newton resigned as the Managing Director & CEO on 31 October 2020 and T. Chew was appointed Executive Chairman and CEO effective 1 November 2020.

**Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Thian Chew
Title:	Non-executive Director and Chairman, 1 December 2017 till 31 October 2020. Appointed Executive Chairman and CEO effective 1 November 2020.
Agreement commenced:	1 November 2020
Term of agreement:	Remuneration: Total annual remuneration package of \$309,000.

**Short term Incentives:**

An annual short-term incentive of up to 50% of the Remuneration Package payable in cash net of any applicable deduction for income taxes etc. This short-term incentive will be payable at the absolute discretion of the Board and subject to funds being available on the attainment of annual predetermined performance milestones.

**Long term Incentive:**

Eligible to participate in the Company's equity participation plans. The amount, price and other terms of any securities issued (if any) is at the sole discretion of the Board and will be subject to the rules of the plans and to shareholder approval. The Employee will receive, subject to shareholder approval, up to 2.5 percent equity in the form of premium priced, non-dilutive options to be vested 25% up front, followed by 25% annually until the end of the third year. The options will expire after four years. In the event of a change of control after the first anniversary of continuous service, then the balance of any unissued shares subject to this clause will be issued and will vest immediately.

**Notice period:**

6 months' notice in writing.

### **Share-based compensation**

#### *Issue of shares*

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Date	Shares	Issue price	\$
Craig Newton	31 October 2020	24,165,189	\$0.01	256,152

#### *Options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
T Chew	5,451,523	12/02/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
T Chew	5,451,523	12/02/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
T Chew	5,451,523	12/02/2019	1/12/2020	12/02/2023	\$0.03	\$0.012
T Chew	5,451,523	12/02/2019	1/12/2021	12/02/2023	\$0.03	\$0.012
T Chew	5,451,523	12/02/2019	1/12/2022	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	1/12/2020	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	1/12/2021	12/02/2023	\$0.03	\$0.012
A Yamashita	4,088,642	12/2/2019	1/12/2022	12/02/2023	\$0.03	\$0.012
C Newton*	13,628,807	12/2/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
C Newton	13,628,807	12/2/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
C Newton	13,628,807	12/2/2019	1/12/2020	12/02/2023	\$0.03	\$0.012
M Farris**	9,085,872	12/2/2019	12/2/2019	12/02/2023	\$0.03	\$0.012
M Farris	9,085,872	12/2/2019	1/12/2019	12/02/2023	\$0.03	\$0.012
M Farris	9,085,872	12/2/2019	1/12/2020	12/02/2023	\$0.03	\$0.012
C Newton	1,362,881	31/10/2019	31/10/2019	30/10/2023	\$0.02	\$0.008
C Newton	1,362,881	31/10/2019	01/12/2019	30/10/2023	\$0.02	\$0.008
R Merriel	20,443,211	31/08/2020	31/08/2020	31/08/2024	\$0.02	\$0.006
A Bennallack	20,443,211	22/10/2020	22/10/2020	22/10/2024	\$0.02	\$0.006
C Newton	2,725,942	29/10/2020	29/10/2020	31/10/2024	\$0.01	\$0.006
T Chew	3,537,736	31/10/2020	31/10/2020	31/10/2024	\$0.00	\$0.011
A Yamashita	2,151,887	31/10/2020	31/10/2020	31/10/2024	\$0.00	\$0.011
R Merriel	1,116,492	15/12/2020	15/12/2020	31/10/2024	\$0.00	\$0.011
A Yamashita	1,222,558	15/12/2020	15/12/2020	31/10/2024	\$0.00	\$0.011
T Chew	2,010,052	15/12/2020	15/12/2020	31/10/2024	\$0.00	\$0.011
T Chew	2,525,590	07/04/2021	07/04/2021	31/10/2024	\$0.00	\$0.009
R Merriel	1,402,849	07/04/2021	07/04/2021	31/10/2024	\$0.00	\$0.009
A Yamashita	1,536,120	07/04/2021	07/04/2021	31/10/2024	\$0.00	\$0.009
T Chew	1,589,620	10/06/2021	10/06/2021	31/10/2024	\$0.00	\$0.014
R Merriel	882,961	10/06/2021	10/06/2021	31/10/2024	\$0.00	\$0.014
A Yamashita	966,842	10/06/2021	10/06/2021	31/10/2024	\$0.00	\$0.014

\* C. Newton resigned as the Managing Director and CEO on 31 October 2020.

\*\* M. Farris resigned as the Non-executive Director on 31 August 2020.

Options granted carry no dividend or voting rights.



**Invision Limited**  
**Directors' report**  
**30 June 2021**

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
T Chew	105,000	-	-	29%
A Yamashita	63,868	-	-	66%
R Merriel	164,447	(24,824)	-	91%
A Bennallack	127,157	-	-	77%
C Newton	17,473	-	(146,194)	7%
M Farris	-	-	(88,711)	-

**Additional information**

- Relative movements in Basic Earnings per share, Net tangible assets per share and Dividend per share (cents per share) for the last five years are as follows. Period end share price has been included as one measure of shareholder wealth:

	2021	2020	2019	2018	2017
Net tangible assets per share	-	-	-	-	-
Earnings per share (cents per share)	(0.03)	(0.03)	(0.05)	(0.02)	(0.14)
Share price at financial year end (cents)	1.30	0.80	1.50	3.40	0.30

**Additional disclosures relating to key management personnel**

**Shareholding**

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposal/ other movement	Balance at the end of the year
<b>Ordinary shares</b>					
T Chew	546,857,721	-	-	-	546,857,721
M Farris*	56,000	-	-	(56,000)	-
R Merriel**	-	-	2,500,000	(2,500,000)	-
A Bennallack***	-	-	13,333,333	-	13,333,333
	<u>546,913,721</u>	<u>-</u>	<u>15,833,333</u>	<u>(2,556,000)</u>	<u>560,191,054</u>

\* M. Farris resigned as the Non-Executive Director on 31 August 2020. The balance in other movement represents shares held by her on the date of resignation.

\*\* R. Merriel was appointed as the Non-Executive Director on 31 August 2020. The additions represents shares issued on the exercise of share options by R. Merriel during the year. 2,500,000 share disposal represents the sale of the shares.

\*\*\* A. Bennallack was appointed as the Non-Executive Director on 22 October 2020. The addition represents In-specie distribution on 1 June 2021 of Invision shares from Unlimited Innovation Group to A. Bennallack as its shareholder. The distribution happened after A. Bennallack was appointed as the Director on Invision Ltd.

**Invion Limited**  
**Directors' report**  
**30 June 2021**

*Option holding*

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
T Chew	27,257,615	9,662,998	-	-	36,920,613
A Yamashita	20,443,211	5,877,407	-	-	26,320,618
C Newton*	74,958,440	2,725,944	-	(77,684,384)	-
M Farris**	45,429,358	-	-	(45,429,358)	-
R Merriel	-	23,845,513	(2,500,000)	-	21,345,513
A Bennallack	-	20,443,211	-	-	20,443,211
	<u>168,088,624</u>	<u>62,555,073</u>	<u>(2,500,000)</u>	<u>(123,113,742)</u>	<u>105,029,955</u>

\* C. Newton resigned as the Managing Director & CEO on 31 October 2020. The balance in other movement represents 31,346,257 options lapsed as result of the resignation and balance 46,338,127 unexercised vested options held by him on the date of the resignation.

\*\* M. Farris resigned as the Non-Executive Director on 31 August 2020. The balance in other movement represents 18,171,743 options lapsed as result of the resignation and balance 27,257,615 unexercised vested options held by her on the date of the resignation.

***This concludes the remuneration report, which has been audited.***

**Shares under option**

Unissued ordinary shares of Invion Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
12 February 2019	12 February 2023	\$0.03	199,434,882
31 October 2019	30 October 2023	\$0.02	2,725,761
1 July 2020	1 July 2024	\$0.02	15,928,570
31 August 2020	31 August 2024	\$0.02	20,443,211
22 October 2020	22 October 2024	\$0.02	20,443,211
29 October 2020	31 October 2024	\$0.01	2,725,942
31 October 2020	31 October 2024	\$0.00	5,689,623
15 December 2020	31 October 2024	\$0.00	3,232,610
7 April 2021	31 October 2024	\$0.00	4,081,051
10 June 2021	31 October 2024	\$0.00	3,439,423
			<u>278,144,284</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

### **Shares issued on the exercise of options**

The following ordinary shares of Invision Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
23 December 2020	\$0.00	250,000
13 April 2021	\$0.00	750,000
9 June 2021	\$0.00	1,500,000
		<u>2,500,000</u>

### **Indemnity and insurance of officers**

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### **Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### **Proceedings on behalf of the company**

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

### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

### **Officers of the company who are former partners of Grant Thornton Audit Pty Ltd**

There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

**Invision Limited**  
**Directors' report**  
**30 June 2021**

**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.

**Auditor**

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Thian Chew  
Chairman

4 August 2021

## 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 audit of Invion Limited for the year ended 30 June 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 4 August 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

[www.grantthornton.com.au](http://www.grantthornton.com.au)

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**Invision Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	6	2,330,027	3,476,784
Other income	7	89,386	72,570
<b>Expenses</b>			
Employee benefits expense	8	(958,428)	(872,105)
Depreciation and amortisation expenses	9	(277,867)	(277,906)
Administrative & corporate expenses	10	(889,096)	(862,368)
Share-based payment expense	11	(257,451)	(930,559)
Research & development expenses	12	(1,519,522)	(1,560,310)
<b>Loss before income tax expense</b>		(1,482,951)	(953,894)
Income tax expense	13	-	-
<b>Loss after income tax expense for the year attributable to the owners of Invision Limited</b>		(1,482,951)	(953,894)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Invision Limited</b>		<u>(1,482,951)</u>	<u>(953,894)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	34	(0.03)	(0.02)
Diluted loss per share	34	(0.03)	(0.02)

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

**Invision Limited**  
**Statement of financial position**  
**As at 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,036,818	618,843
Trade and other receivables	14	11,000	271,845
Other current assets	15	28,313	26,173
Total current assets		<u>1,076,131</u>	<u>916,861</u>
<b>Non-current assets</b>			
Property, plant and equipment	16	1,024	3,891
Intangibles	17	4,565,000	4,840,000
Total non-current assets		<u>4,566,024</u>	<u>4,843,891</u>
<b>Total assets</b>		<u>5,642,155</u>	<u>5,760,752</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	835,650	281,731
Employee benefits	19	15,846	34,091
Contract liability	20	-	11,000
Total current liabilities		<u>851,496</u>	<u>326,822</u>
<b>Total liabilities</b>		<u>851,496</u>	<u>326,822</u>
<b>Net assets</b>		<u>4,790,659</u>	<u>5,433,930</u>
<b>Equity</b>			
Issued capital	21	130,956,127	130,555,435
Reserves	22	2,429,194	1,990,206
Accumulated losses		(128,594,662)	(127,111,711)
<b>Total equity</b>		<u>4,790,659</u>	<u>5,433,930</u>

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

**Invin Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2021**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Options reserves \$</b>	<b>Convertible note reserve \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</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 year	-	-	-	(953,894)	(953,894)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(953,894)	(953,894)
<i>Transactions with owners in their capacity as owners:</i>					
Share option expense	-	930,559	-	-	930,559
Reserve reclassification*	-	(19,573,478)	(2,486,714)	22,060,192	-
Balance at 30 June 2020	<u>130,555,435</u>	<u>1,990,206</u>	<u>-</u>	<u>(127,111,711)</u>	<u>5,433,930</u>

\*The reclassified reserves relate to the value of lapsed options and convertible notes, for which the reserves were created through income statements in the prior years.

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Options reserves \$</b>	<b>Convertible note reserve \$</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 year	-	-	-	(1,482,951)	(1,482,951)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,482,951)	(1,482,951)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued in lieu of employee compensation	375,867	-	-	-	375,867
Shares issued on exercise of options	24,825	(24,825)	-	-	-
Options expense for options granted to Directors and employees, net of forfeited options	-	463,813	-	-	463,813
Balance at 30 June 2021	<u>130,956,127</u>	<u>2,429,194</u>	<u>-</u>	<u>(128,594,662)</u>	<u>4,790,659</u>

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



**Invision Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		2,634,500	3,537,000
Payments to suppliers and employees		(2,305,911)	(3,849,786)
Research and development tax incentive		-	91,770
COVID-19 incentives		89,300	68,000
		<u>417,889</u>	<u>(153,016)</u>
Interest received		86	546
		<u>417,975</u>	<u>(152,470)</u>
Net cash from/(used in) operating activities	33		
		<u>-</u>	<u>-</u>
Net cash from investing activities			
		<u>-</u>	<u>-</u>
Net cash from financing activities			
		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		417,975	(152,470)
Cash and cash equivalents at the beginning of the financial year		618,843	771,313
Cash and cash equivalents at the end of the financial year		<u>1,036,818</u>	<u>618,843</u>

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

## **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 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

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 4 August 2021. The directors have the power to amend and reissue the financial statements.

## **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.

The Invion Group ("the Group") consists of Invion Limited ("Invion" or "the Company") and its wholly owned subsidiary Epitech Dermal Science Pty Ltd. The Group is headquartered in Melbourne (Australia). This consolidated financial report of Invion Limited for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 4 August 2021.

## **Note 3. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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 year ended 30 June 2021 has been prepared on a going concern basis. The Group incurred an operating loss after income tax of \$1,482,951 (2020: \$953,894) for the year. At 30 June 2021 the Company had net assets of \$4,790,659 (30 June 2020: \$5,433,930) and a net current asset position of \$224,635 (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.

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 RMW 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.

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

The Directors are satisfied that notwithstanding the material uncertainty, on the basis RMW 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.

#### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

#### **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 30.

#### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Invion Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Invion Limited and its subsidiaries 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. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

#### **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.

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

**Revenue recognition**

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

The Group is in the business of performing research under contract. Revenue from contracts with customers is recognised when performance of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services, net of Goods and Services Tax (GST). The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

*Rendering of services*

Revenue from services is recognised at over time when performance of the service is transferred to the customer, generally when the relevant research expenditure is incurred. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, delivery). In determining the transaction price for the services, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

*Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Other income**

*Government grant – Jobkeeper*

Government grants are recognised when the right to receive a grant has been established and the company is entitled to it.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**Contract assets**

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Contract liabilities (or unearned income)**

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group completes the performance obligations under the contract.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	10%-50%
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit and loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**Research and development**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of the expected future benefit. Amortisation is recorded in the Consolidated Statement of Comprehensive Income. During the development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is as follows:

	Patents	Development Costs
Useful lives	Finite	Finite
Amortisation method used	Amortised on a straight-line basis over the period of the patent	Amortised on a straight-line basis over the expected period of available use
Internally generated or acquired	Acquired	Internally generated

**Patents -Intellectual property**

The Group made upfront payments to purchase patents. The patents have been granted for periods of up to 20 years by the relevant authority, often with the option of renewal at the end of this period.

**Impairment of non-financial assets**

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.

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

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Share-based payments*

Equity-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.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

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

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Invision Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.



#### **Note 4. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

##### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

##### *Impairment*

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If any such indication exists, the Group will estimate the recoverable amount of the asset. In assessing whether there is any indication that an asset may be impaired, the Group considers external and internal sources of information including market forces, the Group's market capitalisation, evidence of obsolescence, significant changes with an adverse effect on the Group or its assets, and any financial projections.

#### **Note 5. 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 30 June 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.

#### **Note 6. Revenue**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
R&D services fee- over time	2,308,027	3,476,784
Sale of Chlorine mixture- point in time	22,000	-
<b>Revenue</b>	<b>2,330,027</b>	<b>3,476,784</b>

The above represents fees of \$2,308,027 earned from RMW Cho Group for Research and Development services provided.

**Note 7. Other income**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
COVID-19 Cash boost incentives	50,000	50,000
COVID-19 Job keeper incentives	39,300	18,000
Other income	-	4,024
Interest received	86	546
	<u>89,386</u>	<u>72,570</u>
Other income	<u>89,386</u>	<u>72,570</u>

**Note 8. Employee benefits expense**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Salaries, wages and fees	903,281	740,021
Superannuation	19,603	54,419
Employee entitlements	35,544	62,375
Other employee benefits expense	-	15,290
	<u>958,428</u>	<u>872,105</u>
	<u>958,428</u>	<u>872,105</u>

**Note 9. Depreciation and amortisation expenses**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Amortisation: Intangible amortisation	275,000	275,000
Depreciation of non-current assets: Plant and equipment	2,867	2,906
	<u>277,867</u>	<u>277,906</u>
	<u>277,867</u>	<u>277,906</u>

**Note 10. Administrative & corporate expenses**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Legal fees	84,233	30,688
Compliance costs	167,412	213,062
Consulting fees incl. accounting, business development	222,364	243,515
Insurance	170,296	153,157
Office, administration and corporate expenses	191,221	78,338
Rent and occupancy expenses	44,428	102,734
Business development expenses	9,142	40,874
	<u>889,096</u>	<u>862,368</u>
	<u>889,096</u>	<u>862,368</u>

**Note 11. Share-based payment expense**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Share-based payment expense	<u>257,451</u>	<u>930,559</u>
Share-based payment expense during the year relates to:		
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Expense arising from equity-settled share-based payment transactions	<u>257,451</u>	<u>930,559</u>

Refer to Note 35 for further details on the Group's share options.

**Note 12. Research & development expenses**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Pre-clinical trial costs	697,419	562,639
Drug production and supply	-	82,617
Consultancy fee -scientific and tech.	821,383	804,998
Other research and development	720	110,056
	<u>1,519,522</u>	<u>1,560,310</u>

**Note 13. Income tax expense**

The Company has recorded nil tax benefit for the period ended 30 June 2021 (2020: \$nil).

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense</i>		
Current tax	259,968	(56,636)
Deferred tax - origination and reversal of temporary differences	(26,697)	103,992
Income tax losses not recognised as a deferred tax asset	(233,271)	(47,356)
Aggregate income tax expense	<u>-</u>	<u>-</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(1,482,951)</u>	<u>(953,894)</u>
Tax at the statutory tax rate of 26% (2020: 27.5%)	(385,567)	(262,321)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non tax deductible items - permanent differences	138,599	332,688
Non assessable items - permanent differences	(13,000)	(13,750)
Movement in temporary differences not recorded	26,697	(103,992)
	<u>(233,271)</u>	<u>(47,375)</u>
Tax assets not recognised	<u>233,271</u>	<u>47,375</u>
Income tax expense	<u>-</u>	<u>-</u>

**Note 13. Income tax expense (continued)**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Tax assets at 26% (2020: 27.5%)		
Domestic tax losses	1,232,977	757,471
Temporary differences – including balances in equity	130,707	113,285
Total unrecorded tax assets	<u>1,363,684</u>	<u>870,756</u>

**Note 14. Current assets - trade and other receivables**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	11,000	247,326
GST receivable	-	24,519
	<u>11,000</u>	<u>271,845</u>

Trade receivables at 30 June 2020 contained a contract asset of \$159,566 which represented the right to consideration in exchange for services performed under the R&D Service Agreement with RMW Cho Group.

**Note 15. Current assets - Other current assets**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Prepayments	<u>28,313</u>	<u>26,173</u>

**Note 16. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	8,032	8,032
Less: Accumulated depreciation	(7,008)	(4,141)
	<u>1,024</u>	<u>3,891</u>

**Note 17. Non-current assets - intangibles**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Intellectual property - at cost	5,500,000	5,500,000
Less: Accumulated amortisation	(935,000)	(660,000)
	<u>4,565,000</u>	<u>4,840,000</u>

**Note 17. Non-current assets - intangibles (continued)**

*Reconciliations*

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

<b>Consolidated</b>	Photosoft \$	Total \$
Balance at 1 July 2019	5,115,000	5,115,000
Amortisation expense	(275,000)	(275,000)
Balance at 30 June 2020	4,840,000	4,840,000
Amortisation expense	(275,000)	(275,000)
Balance at 30 June 2021	<u>4,565,000</u>	<u>4,565,000</u>

Invision 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 cost of the licence and distribution agreement less accumulated amortisation.

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.

Invision 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. Initial results from the Proof-of-Concept (PoC) tests on INV043 undertaken showed great promise across a range of cancers. In light of significant progress in R&D research 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 licence.

**Note 18. Current liabilities - trade and other payables**

	<b>Consolidated</b> <b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Trade payables	448,923	105,670
Accrued expenses	90,823	117,375
Director related accruals	258,089	58,686
Other payables	37,815	-
	<u>835,650</u>	<u>281,731</u>

Refer to note 24 for further information on financial instruments.

**Note 19. Current liabilities - Employee benefits**

	<b>Consolidated</b> <b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Annual leave provisions	<u>15,846</u>	<u>34,091</u>

**Note 20. Current liabilities - Contract liability**

	Consolidated 30 June 2021	30 June 2020
	\$	\$
Contract liability	-	11,000

A contract liability represents the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group completes the performance obligations under the contract.

**Note 21. Equity - issued capital**

	30 June 2021 Shares	Consolidated 30 June 2020 Shares	30 June 2021 \$	30 June 2020 \$
Ordinary shares - fully paid	5,539,542,295	5,500,606,300	130,956,127	130,555,435

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	5,500,606,300		130,555,435
Balance	30 June 2020	5,500,606,300		130,555,435
Share issued in lieu of employee Compensation	11 August 2020	2,992,606	\$0.00	26,933
Share issued in lieu of employee Compensation	29 October 2020	33,443,389	\$0.00	348,934
Shares issued on exercise of options	22 December 2020	750,000	\$0.00	8,396
Shares issued on exercise of options	13 April 2021	250,000	\$0.00	2,798
Shares issued on exercise of options	9 June 2020	1,500,000	\$0.00	13,631
Balance	30 June 2021	5,539,542,295		130,956,127

*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.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**Note 21. Equity - issued capital (continued)**

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2020 Annual Report.

**Note 22. Equity - reserves**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Options reserve	<u>2,429,194</u>	<u>1,990,206</u>

*Option reserve*

Items recognised as an expense with respect to share-based consideration. The movement during the year is due to share option expense of \$463,813 for options granted to Directors and employees, net of forfeited options and reserve balance of \$24,825 taken to share capital on the exercise of the options.

**Note 23. Equity - dividends**

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

**Note 24. Financial instruments**

***Financial risk management objectives***

The Group's principal financial instruments comprise receivables, payables, cash, short-term deposits. The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and making assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through the development of future rolling cash flow forecasts. Financial assets and liabilities have contractual maturities of less than twelve months.

Risk management is carried out by senior finance consultants ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

***Market risk***

*Foreign currency risk*

The consolidated entity has limited transactions denominated in foreign currency and does not have significant exposure to foreign currency risk through foreign exchange rate fluctuations. At 30 June 2021, there were no creditors denominated in foreign currencies.

***Credit risk***

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to standardised financial assets, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial report. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments.

**Note 24. Financial instruments (continued)**

**Liquidity risk**

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources will be available as and when required, as well as ensuring capital raising initiatives are conducted in a timely manner as required.

At as 30 June 2021, the Group's exposure on liquidity risk is on Trade and other payable of \$835,650 (2020: \$281,731) payable within next 12 months.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 25. Key management personnel disclosures**

**Directors**

The following persons were directors of Invision Limited during the financial year:

T Chew	Chairman (appointed Executive Chairman and CEO effective 1 November 2020)
A Yamashita	Non-executive Director
M Farris	Non-executive Director (resigned effective 31 August 2020)
C Newton	Managing Director & CEO (resigned effective 31 October 2020)
R Merriel	Non-executive Director (appointed effective 31 August 2020)
A Bennallack	Non-executive Director (appointed effective 22 October 2020)

**Compensation**

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	528,721	689,201
Post-employment benefits	21,797	33,408
Share-based payments	437,205	810,832
	<b>987,723</b>	<b>1,533,441</b>

**Note 26. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Audit services -</b>		
Audit or review of the financial statements- Grant Thornton Audit Pty Ltd	59,000	-
Audit or review of the financial statements- Ernst & Young	-	87,047
	<b>59,000</b>	<b>87,047</b>



**Note 27. Contingent liabilities**

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

**Note 28. 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 lease liability therefore recognised.

**R&D commitments:** At the Balance Date, the Company had contractual commitments to the value of \$0.35 million relating to R&D development activities (30 June 2020: \$0.13 million).

**Note 29. Related party transactions**

*Parent entity*

Invion Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 31.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

*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 year ended 30 June 2021, transaction with Mr Chew consisted of director's fees of \$90,000 and CEO salary of \$206,000. Director fee of \$7,500 and CEO salary of \$206,000 is payable as at 30 June 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 \$2,308,027 (2020: \$3,476,784). As at 30 June 2021, there is no balance included in trade receivables as contract asset (30 June 2020: \$159,566).

Mr Robert Merriel, Non-Executive Director of Invion Limited effective from 31 August 2020. He is also 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 year ended 30 June 2021, since the appointment of Mr Robert Merriel as the Non-Executive Director of Invion Ltd, \$523,823 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 30. Parent entity information**

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

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	<b>Parent</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(1,495,809)	(1,203,894)
Total comprehensive income	(1,495,809)	(1,203,894)

*Statement of financial position*

	<b>Parent</b>	<b>Parent</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Total current assets	813,273	655,861
Total assets	5,379,297	5,499,752
Total current liabilities	851,496	315,822
Total liabilities	851,496	315,822
Equity		
Issued capital	130,956,127	130,555,435
Options reserve	2,429,194	1,990,206
Accumulated losses	(128,857,520)	(127,361,711)
Total equity	<u>4,527,801</u>	<u>5,183,930</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 3, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 31. 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	
		30 June 2021 %	30 June 2020 %
Epitech Dermal Science Pty Ltd	Australia	100.00%	100.00%

**Note 32. Events after the reporting period**

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

On 2 June 2021, The Company had entered into the Co-Development Agreement and Exclusive Distribution and Licence Agreement with RMW Cho Group Limited to co-develop Photosoft™ technology for the treatment of atherosclerosis and infectious diseases. As part of these agreements, subsequent to the year end, Invion is in the process of undertaking a circa \$4.5 million capital raising by way of a share placement as announced to the ASX on 2 June 2021, as part of its Co-Development Agreement and Exclusive Distribution and Licence Agreement between Invion and RMW Cho Group (RMW).

No other matter or circumstance has arisen since 30 June 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 33. Reconciliation of loss after income tax to net cash from/(used in) operating activities**

	Consolidated	
	30 June 2021 \$	30 June 2020 \$
Loss after income tax expense for the year	(1,482,951)	(953,894)
Adjustments for:		
Depreciation and amortisation	277,867	277,906
Equity based compensation	900,686	930,559
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	99,140	(74,404)
Increase/(decrease) in trade and other payables	492,913	(263,583)
(Decrease)/ increase in provisions	(18,245)	(29,784)
(Decrease)/ increase in contract assets and liabilities	148,565	(39,270)
Net cash from/(used in) operating activities	<u>417,975</u>	<u>(152,470)</u>

**Note 34. Earnings per share**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Invision Limited	<u>(1,482,951)</u>	<u>(953,894)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>5,526,241,189</u>	<u>5,500,606,300</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>5,526,241,189</u>	<u>5,500,606,300</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.03)	(0.02)
Diluted loss per share	(0.03)	(0.02)

**Note 35. Share-based payments**

Summary of options granted and lapsed during the year ended 30 June 2021:

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

	Number of options 30 June 2021	Weighted average exercise price 30 June 2021	Number of options 30 June 2020	Weighted average exercise price 30 June 2020
Outstanding at the beginning of the financial year	259,860,927	\$0.03	351,059,116	\$0.03
Granted	78,483,641	\$0.01	6,814,403	\$0.02
Exercised	(2,500,000)	\$0.00	-	\$0.00
Expired	<u>(57,700,284)</u>	<u>\$0.03</u>	<u>(98,012,592)</u>	<u>\$0.03</u>
Outstanding at the end of the financial year	<u>278,144,284</u>	<u>\$0.00</u>	<u>259,860,927</u>	<u>\$0.03</u>

30 June 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
17/12/2015	18/11/2020	\$0.02	5,000	-	-	(5,000)	-
12/02/2019	12/02/2023	\$0.03	253,041,524	-	-	(53,606,642)	199,434,882
31/10/2019	31/10/2023	\$0.02	6,814,403	-	-	(4,088,642)	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	-	5,689,623	(1,116,492)	-	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	-	5,464,559	(1,383,508)	-	4,081,051
10/06/2021	31/10/2024	\$0.00	-	3,439,423	-	-	3,439,423
			<u>259,860,927</u>	<u>78,483,641</u>	<u>(2,500,000)</u>	<u>(57,700,284)</u>	<u>278,144,284</u>

**Note 35. Share-based payments (continued)**

Weighted average exercise price	\$0.03	\$0.01	\$0.00	\$0.03	\$0.03
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On 1 July 2020, a total of 15,928,570 options were issued to various employees of the Company. The options were vested immediately. The fair value of the options was determined at \$67,537 using Black Scholes option pricing model with the input as details below.

On 31 August 2020 and 22 October 2020, 20,443,211 options were issued each to R. Merriel and A. Bennallack as part of their appointment as Non-executive Directors of the Company. The options were vested immediately. The fair value of the options was determined at \$126,952 and \$127,157 respectively using Black Scholes option pricing model with the input as details below.

On 29 October 2020, 2,725,942 options were issued to C. Newton in his capacity as the CEO of the Company. The options were vested immediately. The fair value of the options was determined at \$17,473 using Black Scholes option pricing model with the input as details below.

Options issued between 31 October 2020 and 10 June 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 approval obtained in 2020 AGM.

The decrease in options by 57,700,284 comprised of 5,000 options which expired on during the year and 31,346,257 options forfeited upon resignation of C. Newton, 18,171,743 options forfeited upon the resignation of M. Farris as the Non-executive Director, and 8,177,284 options forfeited upon resignation of an employee of the Company.

30 June 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/05/2015	09/11/2019	\$0.04	1,702,353	-	-	(1,702,353)	-
17/12/2015	18/11/2020	\$0.02	5,000	-	-	-	5,000
12/02/2019	12/02/2023	\$0.03	349,351,763	-	-	(96,310,239)	253,041,524
31/10/2019	31/10/2023	\$0.02	-	6,814,403	-	-	6,814,403
			<u>351,059,116</u>	<u>6,814,403</u>	<u>-</u>	<u>(98,012,592)</u>	<u>259,860,927</u>
Weighted average exercise price			\$0.03	\$0.02	\$0.00	\$0.03	\$0.03

The weighted average share price during the financial year was \$0.03 (2020: \$0.01).

The options issued during the year were fair valued using the Black Scholes option pricing model using the following inputs:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2020	01/07/2024	\$0.01	\$0.02	89.00%	-	0.33%	\$0.004
31/08/2020	31/08/2024	\$0.01	\$0.02	92.00%	-	0.35%	\$0.006
22/10/2020	22/10/2024	\$0.01	\$0.02	93.00%	-	0.36%	\$0.006
29/10/2020	29/10/2024	\$0.01	\$0.01	93.00%	-	0.36%	\$0.006

**Invision Limited**  
**Directors' declaration**  
**30 June 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Thian Chew  
Chairman

4 August 2021

# Independent Auditor's Report

## To the Members of Invion Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Invion Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, 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:

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b 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 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred operating loss after income tax of \$1,482,951 (2020: \$953,894) for the year.

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. 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 doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key audit matters

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

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Share-based payments – note 35</b></p> <p>During the year, Invion Limited issued 78,483,641 share options to its Directors and employees in lieu of payment for services.</p> <p>Under AASB 2 <i>Share-based Payments</i>, these are to be recognised over the vesting period, and as a liability or equity depending on the employees' nomination of cash or shares.</p> <p>Share-based payment arrangements are a complex accounting area which include assumptions utilised in the fair value calculation and estimation regarding the number of options that are expected to become exercisable.</p> <p>As a result, share-based payment arrangements were considered a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining management's calculation and valuation of the employee share options;</li> <li>• Agreeing the share options to the relevant contractual agreements;</li> <li>• Analysing and assessing key inputs utilised in the model and obtaining from management evidence to support key assumptions;</li> <li>• Recalculating the value of the share options and checking that the fair value has been correctly allocated across the vesting period in line with AASB 2; and</li> <li>• Assessing the adequacy of the Group's disclosures in relation to share-based payments.</li> </ul>

## Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the financial report

The Directors of the Group 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have 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 at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/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 8 to 15 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Invion Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Group 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 4 August 2021

**Invion Limited**  
**Shareholder information**  
**30 June 2021**

**Invion Limited** ACN 094 730 417

**Registered Office**

Level 4, 100 Albert Road  
South Melbourne  
VIC 3205  
+61 (3) 9672 9222  
[www.inviongroup.com](http://www.inviongroup.com)

**Share Registry**

Shareholder information in relation to shareholding or share transfer can be obtained by contacting the Company's share registry:

Link Market Services, Locked Bag A14, Sydney South, NSW, 1235

Tel: 1300 554 474

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

For all correspondence to the share registry, please provide your Security-holder Reference Number (SRN) or Holder Identification Number (HIN).

**Change of address**

Changes to your address can be updated online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by obtaining a Change of Address Form from the Company's share registry. CHESS sponsored investors must change their address details via their broker.

**Annual General Meeting**

The Annual General Meeting will be held in Melbourne on or about 9 November 2021. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately upon dispatch.

The Closing date for receipt of nomination for the position of Director is Wednesday, 21 September 2021. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on Wednesday 21 September 2021, at the Company's Registered Office.

The Company notes that the deadline for the nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.

**Corporate Governance Statement**

The Company's 2021 Corporate Governance Statement has been released to the ASX on this day and is available on the Company's website at <https://www.inviongroup.com/Investor-Centre/company-info/corporate-governance>

**Annual report mailing list**

All shareholders are entitled to receive the Annual Report. In addition, shareholders may nominate not to receive an annual report by advising the share registry in writing, by fax, or by email, quoting their SRN/HIN.

**Securities exchange listing**

Invision's shares are listed on the Australian Securities Exchange and trade under the ASX code IVX. The securities of the Company are traded on the ASX under CHESS (Clearing House Electronic Sub-register System)

**ASX Shareholder Disclosures**

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is current as at 27 July 2021

**Invision Limited**  
**Shareholder information**  
**30 June 2021**

**1. Total securities on issue**

Description	Expiry	Listed	Unlisted
Fully paid ordinary shares		5,539,542,295	
Share options (\$0.03)	12.02.2023		199,434,882
Share options (\$0.02)	30.10.2023		2,725,761
Share options (\$0.02)	31.08.2024		20,443,211
Share options (\$0.177)	31.10.2024		20,443,211
Share options (\$0.0106)	31.10.2024		2,725,942
Share options (\$0.02)	01.07.2024		15,928,570
Share options (\$0.00)	31.10.2024		16,442,707
		<b>5,539,542,295</b>	<b>278,144,284</b>

**Total Fully diluted**

**5,817,686,396**

Top Holders	Securities	%
Top 20 holders	3,446,647,488	62.22%
Balance Of Register	2,092,894,807	37.78%
	<b>5,539,542,295</b>	

**2. Distribution of equity securities – ordinary shares**

Range	Securities	%	No of holders	%
100,001 and over	5,456,547,170	98.50	1,414	34.42
10,001 to 100,000	79,493,977	1.44	1,692	41.20
5,001 to 10,000	2,234,076	0.04	287	6.99
1,001 to 5,000	1,160,867	0.02	377	9.18
1 to 1,000	106,205	0.00	337	8.21
	<b>5,539,542,295</b>		<b>4,107</b>	
Unmarketable Parcels	-	-	-	-%

**3. Voting Rights**

Shareholders in Invision Limited have a right to attend and vote at general meetings. At a general meeting, individual shareholder may vote in person or by proxy. All quoted and unquoted share options, and convertible notes, have no voting rights.

**4. Substantial shareholders**

Associates of RMW Cho Group have notified the Company of their substantial holding. The holdings of the Associates are as listed below

Name	27 July 2021	% IC
POLAR VENTURES LIMITED	546,857,721	9.87
MR HONSUE CHO	599,173,638	10.81
SHENGLI WANG	681,440,371	12.30

## 5. Share buy-back

There is no current or planned buy-back of the Company's shares.

## 6. Statement in accordance with ASX Listing Rule 4.10.19

The Company confirms that it has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives

## 7. Twenty largest shareholders - ordinary shares

Rank	Name	27 July 2021	% IC
1	POLAR VENTURES LIMITED	545,217,721	9.84
2	NGPDT GREATER CHINA LIMITED	545,152,297	9.84
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	337,095,404	6.09
4	MR HONSUE CHO	284,626,482	5.14
5	ACSLNC PTY LTD <ACSLNC FAMILY A/C>	275,988,000	4.98
6	RMWC PTY LTD <RMWC FAMILY>	220,682,156	3.98
7	YONG CHEN	200,000,000	3.61
8	SHENGLI WANG	136,288,074	2.46
9	STEYNTON NOMINEES PTY LTD <GE SCOTT FAMILY A/C>	106,000,000	1.91
10	MING KIT HUI	98,576,667	1.78
11	RMWC PTY LTD <RMWC FAMILY A/C>	93,865,000	1.69
12	SHUBO MIAO	73,333,333	1.32
13	SHENWEI OU	66,666,667	1.20
13	MAK SIEW WEI	66,666,667	1.20
14	CITICORP NOMINEES PTY LIMITED	63,477,708	1.15
15	EQ INVESTMENT PTY LTD	62,500,000	1.13
16	PLATINUM HOMES LTD	62,333,333	1.13
17	MS YINGHUA MA	57,000,000	1.03
18	MR HONGHUI CHEN	52,786,440	0.95
19	MR ESMOND WONG & MRS QUYNH THI KIM NGUYEN	49,464,765	0.89
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	48,926,774	0.88
		<b>3,446,647,488</b>	<b>62.22</b>

## 8. Twenty largest shareholders - quoted share options

No options are quoted.

## 9. Holders of greater than 20% unquoted securities

No equity holders hold greater than 20% or more of the following unquoted equity securities (by class) of the Company.