ANNUAL REPORT 2022

invex THERAPEUTICS

CONTENTS

COMPONENTS FOR INVEX'S SUCCESS

MANUFACTURING
Exclusive Agreement with Peptron, Inc. for 1x per week Presendin™ clinical and commercial supply.

REGULATORY
AU registration via TGA, UK registration via MHRA, European registration via EMA, U.S. clinical sites via FDA

CLINICAL
Single Phase III clinical trial designed with expert input.

FUNDING
$29.3 million cash – fully funds Phase III trial to registration.

CORPORATE HIGHLIGHTS

$29.3 million cash

$3.4m

FY22 Operating Cash Burn

$4.0m

Net Loss after Tax

$0.90m

Annual Corporate overhead (excluding R&D and share-based compensation)

$2.6 million

Investment into R&D

18%

Directors and Management share ownership

8

Core Invex team delivering on Presendin™ clinical and commercial pathways

>20

Consultants and advisors assisting Invex in delivering Presendin™ Phase III clinical trial

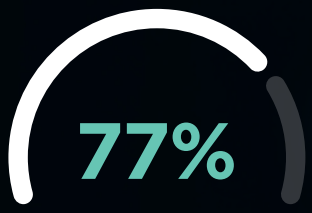
MARKET HIGHLIGHTS

$1.6 billion

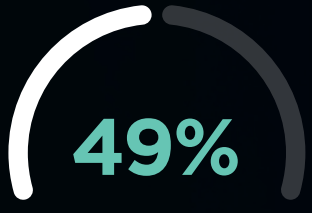
total annual addressable market for IIH in the EU, the UK and the US

IIH Patients Report:

severe impact of headache on daily life[1]



frequent visual problems[1]



felt their daily life was often severely impacted[1]

1. Witry, M., Kindler, C., Weller, J. et al. The patients' perspective on the burden of idiopathic intracranial hypertension. J Headache Pain 22, 67 (2021).

3.4%

annual growth in IIH incidence

24k

Annual number of newly diagnosed IIH patients (EU & UK)

16k

Annual number of newly diagnosed IIH patients (US)

700+

neuro-ophthalmologists in key Invex target markets (US, AU, UK, EU)

ACHIEVEMENTS

IIH EVOLVE single Phase III clinical trial in Idiopathic Intracranial Hypertension (IIH) to meet regulatory requirements of the EMA, TGA and MHRA

Australian Government
Department of Health
Therapeutic Goods Administration

EUROPEAN MEDICINES AGENCY
SCIENCE MEDICINES HEALTH

Medicines & Healthcare products Regulatory Agency

Peptron signed commercial agreement in September 2021

Professor Michael Wall leading IIH key opinion leader and Trial Steering Group Chairperson for the IIH EVOLVE Phase III Clinical Trial

Presendin™ the once per week sustained-release Exenatide formulation for clinical and commercial sale

IIH EVOLVE the Phase III registration trial for Presendin™ in IIH

12,000 patient doses per month at Peptron's existing manufacturing facility in Osong, Korea

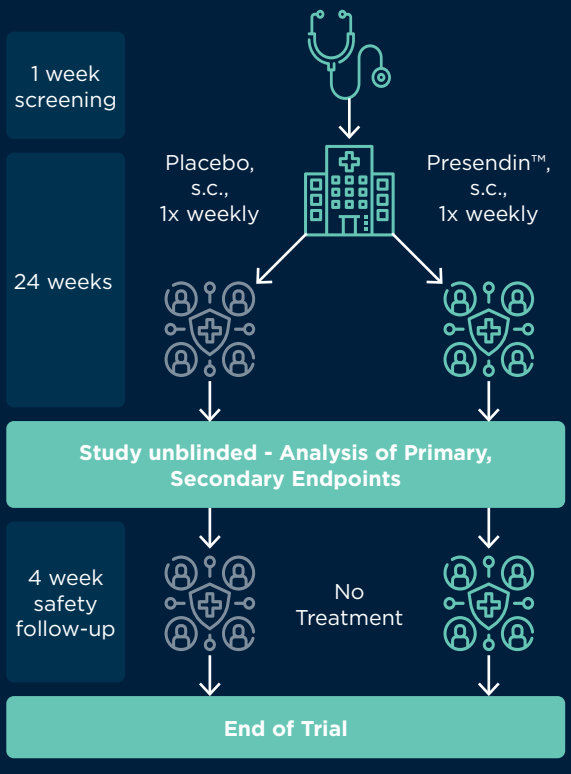
Best Abstract 2022 NANOS Annual Meeting for Phase II PRESSURE trial

WHAT IS IIH EVOLVE?

IIH Evolve is a randomised, double-blind, placebo-controlled, multicentre clinical trial to determine the safety and efficacy of Presendin™ in the treatment of IIH.

Primary Endpoint	Change in Intracranial Pressure (ICP) from baseline at 24 weeks
Secondary Endpoint	Change in Perimetric Mean Deviation (PMD) from baseline over 24 weeks
Secondary Endpoint	Change in Optical Coherence Tomography (OCT) measures over 24 weeks
Secondary Endpoint	Change in Monthly Headache Days (MHD) from baseline over 24 weeks
Safety	Adverse events rate, anti-drug antibodies, PK and general lab measures
Quality of Life	Patient reported outcomes (SF-36, ED-5D-5L, VFQ-25), monthly patient diary

Phase III Schematic



s.c. means sub-cutaneous (under the skin)

CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the Board of Invex Therapeutics Ltd (Invex, the Company) and its controlled entity (Group), I am pleased to present the Invex Annual Report to shareholders for the year ended 30 June 2022 (FY22).

During FY22 Invex has been very focussed on completing the necessary clinical, regulatory and manufacturing requirements in order to commence a single Phase III clinical trial (IIH EVOLVE) of a once per week formulation of Exenatide – Presendin™ – for the treatment of Idiopathic Intracranial Hypertension (IIH). We have made excellent progress during FY22 and will be in a position to recruit patients across the United Kingdom (UK), Australia, the United States (US), Europe, New Zealand and Israel in FY23. Our aim is to secure initial regulatory approval for Presendin™ in the major markets of European Union (EU), the UK and Australia.

IIH is a chronic condition that develops predominately in obese women of child bearing age, where intracranial pressure (ICP) in the brain elevates siginficantly, resulting in disabling daily headaches and in some cases permanent vision loss. There are currently no European Medicines Agency (EMA) and US Food and Drug Adminsitration (FDA) treatments approved for IIH. Hence, there is an urgent need to develop new drug treatments for these patients, who suffer from significant quality of life effects with IIH patients often requring multiple hospital admissions, representing a large cost to the healthcare system.

The economic cost of IIH is very significant. For example, the annual cost of IIH to the health system in England has been calculated to be almost £500 million by 2030. In Scotland, the incidence of IIH has increased to approximately 40 per 100,000 in obese females. Invex estimates the IIH annual addressable market in the US and EU/UK to be around A$1.6 billion, with a treatable patient population of approximately 92,000 patients (based on prevalence of the disease). Our approach seeks to ameliorate elevated ICP and therefore prevent the downstream impacts on these patients' vision and headaches.

Long Term Manufacturing Partner Secured – Peptron

In September 2021, Invex signed an exclusive long-term Collaboration and Manufacturing Agreement with Peptron, Inc. a biopharmaceutical company developing sustained-release peptide-based medicines based in Daejeon, Korea. Under the terms of the agreement, Peptron will provide Invex with access to its intellectual property, including an extensive preclinical and clinical data package, and GMP grade Presendin™ for all of its clinical trials in IIH as well as for commercial use, once Presendin™ is approved. The Agreement provides a defined price per dose for the global supply of Presendin™ for clinical studies and for the first ten years following the first commercial sale. In addition, Invex has granted Peptron an exclusive license to commercialise Presendin™ for IIH in Korea.

In December, Invex successfully completed an independent Qualified Person (QP) Audit of Peptron's manufacturing facility. A satisfactory QP Audit and the subsequent certification of manufactured batches of drug product by a QP is a requirement under European Union (EU) and UK law prior to importation of manufactured drug product into the EU and or the UK for clinical or commercial purposes. The completion of the QP Audit of Peptron and one of Peptron's key suppliers of manufacturing material will facilitate the importation of Presendin™ and placebo doses into clinical sites in Europe and the UK participating in Invex's IIH EVOLVE Phase III clinical trial. Following the successful QP audit, Invex placed an initial purchase order with Peptron for supply of a clinical batch of Presendin™ and placebo drug product for the IIH EVOLVE Phase III clinical trial.

Completion of Clinical and Regulatory Strategy

Following multiple interactions with global regulators and consultation with clinical advisory groups Invex announced a strategy aimed at bringing Presendin™ to market as quickly as possible by focusing on meeting the requirements for registration of Presendin™ in the EU, the UK and Australia utilising a trial design based on advice received from the European Medicines Agency

(EMA), the UK Medicines and Healthcare products Regulatory Agency (MHRA) and US FDA. Data from IIH EVOLVE will then be used to further inform discussions with the US FDA regarding the regulatory pathway for registration of Presendin™ in the US market. Accordingly, the Group's regulatory strategy will be sequential in nature in order to maximise the commercial opportunity and regulatory certainty.

Regulatory Submissions Seeking Approval to Commence IIH EVOLVE Filed and Several Approved

In December, Professor Michael Wall, MD was appointed as the Trial Steering Group Chairperson for the IIH EVOLVE Phase III clinical trial. Dr Wall is a Professor of Ophthalmology and Neurology at the University of Iowa College of Medicine and Director of the Iowa Visual Field Reading Center. He is a global key opinion leader in IIH having made a significant contribution to the clinical and scientific literature pertaining to the diagnosis, treatment and management of this disease and has led a significant number of important clinical trials in IIH.

IIH EVOLVE is a placebo-controlled, double-blind trial that will randomise 240 patients with newly diagnosed IIH to determine the efficacy and safety of Presendin™ versus placebo, administered once weekly over 24 weeks. The primary endpoint of the trial is the change in intracranial pressure from baseline with key secondary endpoints related to vision and headache outcome measures. Invex intends to open up to 40 clinical sites globally. Information on the trial is available at clinicaltrials.gov under Identifier NCT05347147.

In December 2021 Invex filed the first Human Research Ethics Committee (HREC) dossier in Australia seeking authorisation from an HREC representing several private hospitals in Australia. In parallel, Invex submitted a Clinical Trial Notification (CTN) to the Therapeutic Goods Administration (TGA). In early July, the Group secured HREC and TGA approvals. Associate Professor Celia Chen, Director at Vision SA, Consultant Ophthalmologist at Flinders Medical Centre will be a Principal Investigator for IIH EVOLVE in Australia.

"We have made excellent progress during FY22 and will be in a position to recruit patients across the United Kingdom (UK), Australia, the United States (US), Europe, New Zealand and Israel in FY23. Our aim is to secure initial regulatory approval for Presendin™ in the major markets of European Union (EU), the UK and Australia."

Invex has commenced the initiation of Australian IIH EVOLVE clinical trial sites and remains on track to commence patient recruitment once separate institutional authorisations are completed and study drug/placebo is available on-site. Additionally, Invex filed an additional separate HREC application for a single public hospital in Australia.

During the year, the Group made the necessary regulatory submissions to the UK MHRA through a Clinical Trial Authorisation (CTA). In late June 2022, Invex received notification the MHRA had approved the Group's CTA to commence the IIH EVOLVE Phase III clinical trial in the UK, for patients with IIH. In addition, Invex received a favourable ethical opinion from a Research Ethics Committee (REC), which is also a requirement prior to commencing the trial.

Invex also submitted its Investigational New Drug (IND) Application to the US FDA with the IND subsequently granted as announced to ASX on 19 August 2022.

Invex has now received approvals to proceed with the IIH EVOLVE study from a number of key regulatory agencies and while this has been a major undertaking for the Group during the last financial year, Invex is now in a strong position to commence patient recruitment in the second half of the 2022 calendar year.

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

Intellectual Property

Intellectual Property (IP) is key to Invex's business. Our orphan drug designations for Exenatide in IIH in both the US and Europe provides Invex with seven and ten years market exclusivity, respectively, upon regulatory clearance being granted. These orphan designations were secured from the FDA and EMA in 2017. Invex continued to make solid progress in expanding its patent and other intellectual property protection for Exenatide in pressure related disorders of the brain, including IIH, as well as the Company's trademark, Presendin™.

During the year, the European Patent Office notified Invex on the intention to grant the Company a European patent, designated patent number EP3188747 and titled "Elevated Intracranial Pressure Treatment." The patent was subsequently published on 8 September 2021. As with the Company's issued US patent, this additional European patent covers the use of GLP-1 receptor agonists, including Exenatide, in reducing elevated ICP associated with IIH, with the patent providing protection until at least August 2035. The granting of this patent for Europe, alongside the Company's issued patents in other major markets including the US and Japan provides broad IP protection as Invex progresses its clinical development plans for Presendin™.

COVID-19

The Coronavirus (COVID-19) pandemic continued to persist throughout the 2022 financial year, particularly in the first half, although country-wide lockdowns were avoided in the United Kingdom and elsewhere during the year. COVID-19 did not exhibit any significant adverse impact on the Group during the 2022 financial year, although, the Company did note some delays in completing a number of lead-in activities related to the IIH EVOLVE clinical trial as they related to manufacturing, assay development and regulatory turnaround times. The pandemic has also affected the Group's ability to hold in-person negotiations with the Group's manufacturing partner Peptron Inc. and limited travel for Group consultants and staff, which has been largely mitigated through the use of virtual meeting platforms.

Financials

The Group recorded a net loss after tax of $3.950 million for the year ended 30 June 2022 (FY22), an increase of 73% on the prior corresponding period (pcp). This was largely due to higher R&D costs of $2.642 million (FY21: $1.139 million), reflecting the necessary regulatory and clinical expenditure required to commence the IIH EVOLVE study, along with product manfuacturing costs of $0.327 million (FY21: NIL) associated with the purchase of drug product (Presendin™) and placebo from Peptron. In addition share-based payment expenses of $0.352 million (FY21: $0.562 million). The Group continued to prudently manage its cash reserves during the year, with an overall cash burn from operations for the 2022 financial year of $3.377 million (FY21: $1.678 million), including corporate and administrative overheads of $0.9 million (FY21: $0.74 million).

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

The Group remains in a strong financial position with cash and cash equivalents of $29.339 million as at 30 June 2022 (FY21: $32.777 million), which is sufficient to complete a Phase III pivotal trial for Presendin™ for registration purposes in IIH.

Corporate Governance & Diversity

There were no changes to the Board composition during the year. We were pleased to complete new agreements for Executive Directors, which included Professor Sinclair increasing her time commitment to the Group as a part-time employee. Professor Sinclair continues to provide expert input into the execution of the Group's Phase III clinical trial and in the assessment of potential new clinical indications by leveraging Invex's core strength in the treatment of pressure-related brain disorders with GLP-1 receptor agonists such as Presendin™ with academic centres of excellence.

During the year, the Board updated its Skills Matrix, which highlighted the Board currently has most of the appropriate skills and knowledge, experience and diversity required for a company of its size. In addition, the Board undertook a performance evaluation review relating to the scope and structure of Board meetings, compliance, risk management and strategy. The review has provided the Board with some areas for improvement; however, there were no notable areas of material concern for the Board.

Invex makes a significant commitment to diversity, by understanding all people are created differently and by accepting and respecting different points of views and leveraging them to learn from one another. Our small team has demonstrated an exceptional willingness to collaborate, engage and execute. Female representation at the Board level was 40%. Excluding the Executive Directors, 100% of Invex employees are female. Inclusive of Executive Directors, the representation is 83% female and 17% male.

Concluding Remarks

On behalf of the Board I would like to thank our employees, advisors and consultants for their significant efforts in advancing the IIH EVOLVE study and in particular for achieving approvals from key regulatory bodies such as the FDA, MHRA and TGA as well as for the overall solid progress we have made during the year. As Chairman, I fully appreciate that timelines in the drug development sector can seem long and arduous; however, we certainly thank shareholders for their support of the Group to date. Our aim is to build significant value for all shareholders, through careful clinical planning and execution to provide Presendin™ with every chance of clinical and commercial success.

We are certainly excited by what the 2023 financial year holds for Invex shareholders and we look forward to keeping you apprised of our progress.

Dr Jason Loveridge
Non-Executive Chairman

DIRECTORS' REPORT

Your Directors present their report together with the consolidated financial statements of the Invex Therapeutics Ltd (Invex or Company) and its controlled entity (Group) for the financial year ended 30 June 2022.

DIRECTORS

The name of the Directors in office for the year ended 30 June 2022 until the date of this report are as follows. All Directors were in office for the entire year unless otherwise stated.

Dr Jason Loveridge

Non-executive Chairman
Appointed 8 March 2019

Dr Loveridge is a founder of Invex Therapeutics and also CEO of 4SC AG, a German publicly listed oncology company. He has more than 30 years of international experience across Europe, Asia and the US in senior management positions in life sciences companies and as an investment professional dealing in both privately held and publicly traded companies. Additionally, he has substantial transactional experience in the sale and partnering of biotechnology assets.

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

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

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

Interests in shares and options – 3,374,462 shares and 800,000 unlisted options.

Professor Alexandra Sinclair

Executive Director – Chief Scientific Officer
Appointed 28 June 2019

Prof Alexandra Sinclair is a founder of Invex Therapeutics and a Clinician Scientist and practicing Neurology Consultant running the Translational Brain Science Group at the Institute of Metabolism and Systems Research, College of Medical and Dental Sciences, University of Birmingham, UK. She runs the Headache service and Idiopathic Intracranial Hypertension Service at University Hospital Birmingham NHS Foundation Trust.

Prof Sinclair pioneered the pre-clinical work identifying GLP-1RA's as a novel therapeutic approach to reduce brain pressure which she then progressed into a successful phase 2 clinical trial. She runs a translational research group focussed on developing novel therapeutics with forward translation to improve patient care. She is a member of the British Medical Association, UK, the Association of British Neurologists (ABN), UK and a Fellow of the Royal College of Physicians, London. Professor Sinclair is a member of the board for the European Headache Federation and is on the scientific committees for the North American Neuro-Ophthalmology Society (NANOS). She is also a council member for the British Association for the Study of Headache (BASH). Professor Sinclair has served on the MRC Neuroscience and Mental Health Board and the Midland Neuroscience Teaching and Research Fund Board, as well as being Chair of the Brain Research UK Scientific Advisory Board. Previously, she was an elected board member of the IHS. She was on the research committee for the Association for British Neurologists and was also the previous patron of the patient charity IIH UK.

Current directorships – None.

Former directorships held in last three years – None.

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

DIRECTORS' REPORT (CONT.)

Dr Thomas Duthy

Executive Director
Appointed 1 October 2020

Dr Duthy has over 18 years of direct financial markets experience having worked in sell-side equity research, and senior executive roles across investor relations and corporate development. Dr Duthy is the Founder and CEO of Nemean Group Pty Ltd, a boutique corporate advisory and investor relations firm specialising in delivering value-added services across the life sciences, medical devices, healthcare, technology and emerging company sectors.

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

Current directorships – None.

Former directorships held in last three years – Respiri Limited.

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

Dr Megan Baldwin

Non-executive Director
Appointed 16 February 2021

Dr Baldwin is CEO and Managing Director of Opthea Limited (ASX:OPT; NASDAQ:OPT), a late-stage biopharmaceutical company developing a novel therapy, OPT-302, to address the unmet need in the treatment of retinal eye diseases, including wet age-related macular degeneration (wet AMD). Under Dr Baldwin's leadership, Opthea has rapidly advanced its ophthalmology program through Phase I and Phase II clinical development and in October 2020 completed a $180 million IPO and listing on the US NASDAQ exchange to progress two pivotal Phase III studies in wet AMD. Dr Baldwin is currently over-seeing the expansion of the company's management team in the U.S. and preparing for commercialization of OPT-302.

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

Current directorships – Opthea Limited., Ausbiotech.

Former directorships held in last three years – None.

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

Mr David McAuliffe

Non-executive Director
Appointed 8 March 2019

Mr McAuliffe is an experienced company director and entrepreneur who has had over twenty years' experience, mostly in the international biotechnology field. During that time, he was involved in numerous capital raisings and in-licensing of technologies. He is a founder of several companies in Australia, France and the United Kingdom, many of which have become public companies. Mr McAuliffe has an Honours degree in Law, a Bachelor of Pharmacy degree and is the President of the Dyslexia – Speld Foundation WA (Inc). Mr McAuliffe is considered an independent Director.

Current directorships - 4DS Memory Limited.

Former directorships held in last three years – None.

Interests in shares and options - 3,350,001 shares and 200,000 unlisted options.

DIRECTORS' REPORT (CONT.)

Ms Narelle Warren

Company Secretary

Ms Warren is a Chartered Accountant with over twenty years of corporate advisory, financial management and company secretarial experience. Ms Warren has coordinated and assisted in numerous corporate transactions, including acquisitions, divestments and raising funds via private and public equity markets. She holds both a Bachelor of Laws and Bachelor of Commerce.

PRINCIPAL ACTIVITY

Invex is a biopharmaceutical Group focused on the repurposing of an already approved drug, Exenatide, for efficacious treatment of neurological conditions derived from or involving raised intracranial pressure (ICP). The Group's primary focus is Idiopathic Intracranial Hypertension (IIH), a severe condition of predominately overweight women of childbearing age, which can lead to disabling headaches and in some patients, permanent vision loss. The Group's lead program is the development of Presendin™ for IIH, which is currently at Phase III clinical stage.

Presendin™ is a once per week, subcutaneous, sustained-release (SR) Exenatide microsphere formulation originally developed by Peptron, Inc. (KOSDAQ: 087010). Invex completed a Phase II trial in 2020 and expects to commence a single, Phase III clinical trial ("IIH EVOLVE") designed to meet the requirements for market approval of Presendin™ for the treatment of IIH in the European Union (EU), United Kingdom (UK) and Australia during 2022.

Presendin™ is the Group's filed (and granted) trademark name for reformulated Exenatide.

The principal activity of the Group during the period has been to plan and prepare to commence the Phase III IIH EVOLVE clinical trial.

OPERATING RESULTS

The result of the Group for the year ended 30 June 2022 was a loss of $3,950,183 (2021: $2,288,595 loss). The net loss of the Group predominantly related to Research & Development costs of $2,962,596 associated with the planning of the Phase III clinical trial, intellectual property prosecution, manufacturing costs and regulatory advice, administration and corporate costs of $900,286 and non-cash items; notably share-based payments of $352,390.

REVIEW OF OPERATIONS

The Group is well funded to meet its medium-term objectives, including the completion of a Phase III trial for Presendin™ in IIH, with the associated drug manufacture and supply for the Phase III trial. In addition, the Group may consider the commencement of a small Phase II study for Presendin™ in a second patient group.

FY22 highlights include:

- Granted key European patent for Exenatide
- Execution of an exclusive long-term Collaboration and Manufacturing Agreement with Peptron, Inc
- Completion of regulatory and clinical reviews – targeting single Phase III clinical trial for Presendin™
- Scientific presentations at leading neuro ophthalmology conferences in Europe and the US
- Successful completion of Qualified Person (QP) audit of Peptron
- First commercial order of Presendin™ for clinical trial purposes from Peptron
- Regulatory submissions for IIH EVOLVE clinical trial in Australia, UK, US and Europe completed

LIKELY DEVELOPMENTS

The Group has undertaken a significant amount of clinical and regulatory preparative work during FY22 and anticipates the commencement of the Phase III IIH EVOLVE clinical trial across a number of countries in the second half of the 2022 calendar year.

DIRECTORS' REPORT (CONT.)

DIVIDENDS

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 July 2022, Carol Parish was appointed Chief Operating Officer (COO) at the Group. Until 30 June 2022, Carol held the role as Head of Clinical Operations. Carol has been a pharmaceutical professional for over 33 years within the Pharmaceutical/Biotech industry, where she has been accountable for all Phases of drug development in multiple therapy areas. Prior to joining Invex, Carol was the Global Clinical Operations Lead at Intercept Pharmaceuticals (NASDAQ: ICPT) and has held various senior clinical positions at Stiefel Laboratories (acquired by GlaxoSmithKline in 2009) including Senior Director, Global Clinical Development for a new drug product, including collaborating with GSK Japan and China. Additionally, Carol spent over 20 years at Merck & Co (NYSE:MRK) and Johnson & Johnson (NYSE:JNJ).

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

MEETINGS OF DIRECTORS

During the year the following Director meetings were held.

	Board Meetings	
Director	**Number Eligible to Attend**	**Number Attended**
Dr Jason Loveridge	8	8
Prof Alexandra Sinclair	8	7
Dr Thomas Duthy	8	8
Mr David McAuliffe	8	8
Dr Megan Baldwin	8	8

ENVIRONMENTAL REGULATIONS

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

UNISSUED SHARES UNDER OPTION

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

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

DIRECTORS' REPORT (CONT.)

INSURANCE OF OFFICERS AND INDEMNITIES

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

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

PROCEEDINGS ON BEHALF OF THE GROUP

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

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

NON-AUDIT SERVICES

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

During the year, other services were performed in addition to their statutory duties. The details of the amount paid are disclosed in Note 20 of the consolidated financial report.

AUDITOR'S INDEPENDENCE DECLARATION

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

ADDITIONAL INFORMATION

The earnings of the consolidated entity to 30 June 2022 are summarised below:

	2022 $	2021 $
Sales revenue	—	—
EBITDA	(3,950,183)	(2,282,320)
EBIT	(3,950,183)	(2,282,320)
Loss after income tax	(3,950,183)	(2,282,320)

REMUNERATION REPORT - AUDITED

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

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

DIRECTORS' REPORT (CONT.)

KEY MANAGEMENT PERSONNEL

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

Director	Date of appointment/resignation	Role
Dr Jason Loveridge	Appointed 8 March 2019	Non-executive Chair
Prof Alexandra Sinclair	Appointed 28 June 2019	Executive Director
Dr Thomas Duthy	Appointed 1 October 2020	Executive Director
Dr Megan Baldwin	Appointed 16 February 2021	Non-executive Director
David McAuliffe	Appointed 8 March 2019	Non-executive Director
Narelle Warren	Appointed 8 March 2019	CFO & Company Secretary
Carol Parish	Appointed 1 July 2022	Chief Operating Officer

REMUNERATION POLICIES

The Board has not elected to establish a remuneration committee. Given the size of the current Board remuneration matters will be considered and approved by the full Board.

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

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

Non-executive Director's remuneration

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

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

The base fees are reviewed annually and were last reviewed at a recent Board meeting. Non-executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The current limit stands at $400,000 per annum and was approved by shareholders at its Annual General Meeting of shareholders in November 2021.

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

Executive remuneration

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

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

The executive remuneration framework has three components:

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

Fixed annual compensation

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

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

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

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

There are no short-term incentives outstanding.

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

Short term incentives

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

Long term incentives

The Group's current Employee Share Incentive Plan (ESIP) is designed to provide medium and long term incentives for all employees (including Non-executive and Executive Directors) and to attract and retain experienced Employees, Board Members and Executive Officers and provide motivation to make the Group more successful.

As incentive securities granted to Directors and Employees are considered to represent the value of the services received over the vesting period of the incentive security, the assessed value of the options are recognised and expensed over the vesting period. Incentive securities vesting during the period of issue are fully expensed under the accounting standards.

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

Voting and comments made at the Company's 2021 Annual General Meeting (AGM)

At the 2021 AGM, 96.8% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Remuneration consultants

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

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

Service agreements

During the year the Company entered into revised agreements with Executives. Prof. Alexandra Sinclair entered into an employment agreement on the 27 January 2022, commencing 1 March 2022. Dr Thomas

DIRECTORS' REPORT (CONT.)

Duthy entered into a deed of variation with the Company effective 1 April 2022. The details of the key terms of the revised agreements are set out below:

Name	Term of agreement	Remuneration	Termination benefit
Executive Directors			
Prof Alexandra Sinclair	Open	£145,000 plus statutory pension duties	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.
Dr Thomas Duthy – appointed 1 October 2020	Open	$180,000	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.

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

Name	Fixed remuneration 2022	Performance based remuneration (%) 2022
Executive Directors		
Prof Alexandra Sinclair	$315,373	7.67
Dr Thomas Duthy	$138,750	47.42

Non-executive Directors

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

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

Dr Jason Loveridge entered into a new Consultancy Agreement effective 1 February 2022. The Non-executive Director fees paid during the year:

Name	Term of agreement	Remuneration	Termination benefit
Non-Executive Directors			
Dr Jason Loveridge – Consultancy	Open	£110,000	Relevant notice periods apply, being 3 months' notice without reason.
Dr Jason Loveridge - Non-executive Chairman fee	Shareholder Approval by rotation	$60,000	Nil
Dr Megan Baldwin - Non-executive fee	Shareholder Approval by rotation	$50,000	Nil
David McAuliffe - Non-executive fee	Shareholder Approval by rotation	$50,000	Nil

Remuneration of Key Management Personnel

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

	Short-term employee benefits			Leave allowances	Post-employment benefits	Share-based payments	Total	Performance based
2022	**Cash salary & fees**	**Cash bonus**	**Consulting fee**	**Annual and LSL**	**Super-annuation Pensions**	**Options**		
Non-executive Directors	$	$	$	$	$	$	$	%
Dr Jason Loveridge	60,000	—	222,812[3]	—	—	26,193	309,005	8.48
Dr Megan Baldwin	50,000	—	—	—	—	84,169	134,169	62.73
David McAuliffe	50,000	—	—	—	—	6,549	56,549	11.58
Total Non-executive Directors	160,000	—	222,812	—	—	116,911	499,723	23.40
Executives								
Narelle Warren	130,000[1]	—	—	—	—	13,097	143,097	9.15
Prof Alexandra Sinclair	195,698	—	119,208	—	467	26,193	341,566	7.67
Dr Thomas Duthy	138,750[2]	—	—	—	—	125,114	263,864	47.42
Total Executives	464,448	—	119,208	—	467	164,404	748,527	
Total	**624,448**	**—**	**342,020**	**—**	**467**	**281,315**	**1,248,250**	**22.00**

1. This amount is in relation to Ms Warren's Company Secretary, Finance and role with the Company and paid by the Company to Concept Biotech Pty Ltd an entity which Narelle Warren and David McAuliffe are shareholders and directors.
2. This amount is in relation to Dr Duthy's Executive Director role with the Company and paid by the Company to Nemean Group Pty Ltd.
3. This amount is in relation to Dr Loveridge's consulting services with the Company and paid by the Company to Warambi Ltd.

2021	Short-term employee benefits: Cash salary & fees	Short-term employee benefits: Cash bonus	Short-term employee benefits: Consulting fee	Leave allowances: Annual and LSL	Post-employment benefits: Super-annuation Pensions	Share-based payments: Options	Total	Performance based
Non-executive Directors	$	$	$	$	$	$	$	%
Dr Jason Loveridge	60,000	—	90,000[3]	—	—	136,181	286,181	47.59
Dr Megan Baldwin	17,123	—	—	—	1,626	22,560	42,612	52.94
David McAuliffe	50,000	—	—	—	—	34,045	83,045	41.00
Total Non-executive Directors	127,123	—	90,000	—	1,626	192,786	411,838	
Executives								
Narelle Warren	130,000[1]	—	—	—	—	68,090	198,090	34.37
Prof Alexandra Sinclair	150,000	—	—	—	—	136,181	286,181	47.59
Dr Thomas Duthy	93,750[2]	—	—	—	—	111,865	205,615	54.40
Total Executives	373,750	—	—	—	—	316,136	689,886	
Total	**500,873**	**—**	**90,000**	**—**	**1,626**	**508,922**	**1,101,724**	**46.20**

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

DIRECTORS' REPORT (CONT.)

SHARE-BASED COMPENSATION

Incentive Securities

The Company's current Employee Incentive Plan (ESIP) was approved by Shareholders on 25 November 2021 and the previous Employee Incentive Option Plan (ESOP) was approved by the Board of Directors on 20 May 2019. The Incentive Plans are designed to provide medium and long term incentives for all employees (including Non-executive and Executive Directors) and to attract and retain experienced employees, board members and executive officers and provide motivation to make the Company more successful.

Under the ESIP, participants have not yet been granted incentive securities. Incentive securities only vest if certain milestones are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefit.

Any option may only be exercised after the option has vested and other conditions imposed by the Board have been satisfied. Options were granted under the ESOP for no consideration. Options granted under the ESOP carry no dividend or voting rights. When exercisable, shares allotted pursuant to the exercise of options will be allotted following receipt of relevant documentation and payments will rank equally with all other shares.

As options granted to employees are considered to represent the value of the services received over the vesting period of the options, the assessed value of the options is recognised and expensed over the vesting period. Options vesting during the period of issue are fully expensed under the accounting standards.

During the year 30 June 2022 no incentive securities were granted, no options were cancelled and no options were forfeited.

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

EQUITY INSTRUMENTS HELD BY KEY MANAGEMENT PERSONNEL

Shareholdings

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

2022 Name	Balance at the start of the year	Capital Raising shares subscribed for	Disposals	On Market Purchases/ On appointment	Balance at the end of the year
Directors					
Dr Jason Loveridge	3,374,426	—	—	—	3,374,426
Prof. Alexandra Sinclair	2,500,000	—	—	—	2,500,000
Dr Thomas Duthy	106,923	—	—	—	106,923
David McAuliffe	3,350,001	—	—	—	3,350,001
Dr Megan Baldwin	—	—	—	—	—
Narelle Warren	200,000	—	—	—	200,000
Total	**9,531,350**	**—**	**—**	**—**	**9,531,350**

DIRECTORS' REPORT (CONT.)

Option holdings

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

2022 Name	Balance at the start of the year	Granted as compensation	Exercised/ Expired	Balance at end of the year	Vested and exercisable	Un-vested	Fair value at grant date
Directors and KMP's							
Dr Jason Loveridge	800,000	—	—	800,000	800,000	—	$0.42
Prof Alexandra Sinclair	800,000	—	—	800,000	800,000	—	$0.42
Dr Thomas Duthy	800,000	—	—	800,000	400,000	400,000	$0.32
David McAuliffe	200,000	—	—	200,000	200,000	—	$0.42
Dr Megan Baldwin	400,000	—	—	400,000	200,000	200,000	$0.33
Narelle Warren	400,000	—	—	400,000	400,000	—	$0.42
Total	**3,400,000**	**—**	**—**	**3,400,000**	**2,800,000**	**600,000**	

LOANS WITH KEY MANAGEMENT PERSONNEL

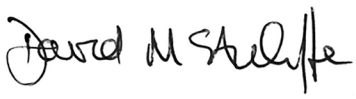
There were no loans to or from key management personnel during the year ended 30 June 2022.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other services provided with key management personnel which are not disclosed.

This is the end of the Remuneration Report.

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



David McAuliffe
Non-executive Director
Perth, Western Australia, 19 August 2022

AUDITORS' INDEPENDENCE DECLARATION

BDO

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Australia

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

As lead auditor of Invex Therapeutics Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Invex Therapeutics Ltd and the entity it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth

19 August 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Other income	4	262,132	158,785
Research and development expenditure	5	(2,962,596)	(1,139,222)
Finance, compliance and administration expenses	5	(900,286)	(740,752)
Share-based payment expenses	17	(352,390)	(562,723)
Loss before income tax from continuing operations		(3,953,140)	(2,283,911)
Income tax expense/benefit	6	—	—
Loss for the year from continuing operations		**(3,953,140)**	**(2,283,911)**
Other comprehensive income for the year, net of tax			
Items that may be reclassified subsequently to profit or loss		—	—
Exchange differences on translation of foreign operations, net of tax		2,957	1,591
Total other comprehensive income for the year, net of tax attributable to members of the Group		**(3,950,183)**	**(2,282,320)**
Loss for the year is attributable to:			
Owners of Invex Therapeutics Ltd		(3,950,183)	(2,282,320)
Total comprehensive income for the year is attributable to:			
Owners of Invex Therapeutics Ltd		(3,950,183)	(2,282,320)
Loss per share (cents)	11	(5.26)	(3.04)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	29,339,382	32,716,091
Other receivables		145,715	21,199
Total Current Assets		**29,485,097**	**32,737,290**
TOTAL ASSETS		**29,485,097**	**32,737,290**
LIABILITIES			
Current Liabilities			
Trade and other payables	8	1,004,214	658,614
Total Current Liabilities		**1,004,214**	**658,614**
TOTAL LIABILITIES		**1,004,214**	**658,614**
NET ASSETS		**28,480,883**	**32,078,676**
EQUITY			
Contributed equity	9	36,413,432	36,413,432
Reserves	10	1,896,903	1,541,556
Accumulated losses	11	(9,829,452)	(5,876,312)
TOTAL EQUITY		**28,480,883**	**32,078,676**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Contributed Equity $	Accumulated Losses $	Reserves	Total Equity $
Balance as at 1 July 2021	36,413,432	(5,876,312)	1,541,556	32,078,676
(Loss) for the year	—	(3,953,140)	—	(3,953,140)
Other comprehensive income for the year	—	—	—	—
Fx reserve movement	—	—	2,957	2,957
Total comprehensive (loss) for the year		(3,953,140)	2,957	(3,950,183)
Share-based payment reserve movement	—	—	352,390	352,390
Transactions with owners in their capacity as owners:	—	—	—	—
Issue of share capital, net of transaction costs	—	—	—	—
Balance as at 30 June 2022	**36,413,432**	**(9,829,452)**	**1,896,903**	**28,480,883**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(3,638,841)	(1,837,030)
R&D Tax rebate		182,251	—
Interest received		79,881	158,785
Net cash outflow from operating activities		**(3,376,709)**	**(1,678,245)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Subscription proceeds received for ordinary shares		—	8,647,547
Placement capital raising costs		—	(553,670)
Net cash inflow from financing activities		**—**	**8,093,877**
Net increase/(decrease) in cash and cash equivalents held		(3,376,709)	6,415,632
Cash and cash equivalents at the beginning of the year		32,716,091	26,300,459
Cash and cash equivalents at end of financial year	**7**	**29,339,382**	**32,716,091**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

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

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

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

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

2. NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

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

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

3. SUMMARY OF ACCOUNTING POLICIES

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

(a) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Invex Therapeutics Ltd (Company or Invex) as at 30 June 2022 and the results of all subsidiaries for the year then ended. Invex Therapeutics Ltd and its subsidiary together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(c) Foreign currency translation

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

Foreign currency transactions

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

Foreign operations

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

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

(d) Operating segments

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

(e) Revenue recognition

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

Interest income

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

(f) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

(g) Cash and Cash Equivalents

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

(h) Right-of-use asset

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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

(i) Lease liability

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

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

(j) Goods and Services Tax (GST)

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

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

(k) Trade and Other Receivables

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

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

(l) Trade and other Payables

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

(m) Share-based payments

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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.

(n) Equity, reserves and dividend payments

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

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

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

(o) Research and Development

Research expenditure is recognised as an expense is incurred.

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

(p) Income Tax

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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

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

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

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

(q) Impairment of assets

Non-financial assets

At the end of each reporting period, non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Financial assets

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

(r) Critical Accounting Estimates and Judgments Required

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

Coronavirus (COVID-19) pandemic

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

Research and development expenditure

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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

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

Share-based payment transactions

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

4. OTHER INCOME

	2022 $	2021 $
R&D Tax rebate	182,251	—
Interest income	79,881	158,785
	262,132	**158,785**

5. LOSS FOR THE YEAR

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

	2022 $	2021 $
(a) Research and development expenses		
Manufacturing expenses	326,498	—
Reformulation	—	106,828
Phase II Clinical Trial	—	15,779
Phase III Clinical Trial	762,449	106,073
Employee costs	509,892	395,097
Regulatory advice	189,548	—
Consultants	714,836	247,908
Scientific Advisory Board/Committees	1,094	2,652
CSO - Executive director fees	315,373	150,000
Patent expenses	142,907	114,886
Total	**2,962,596**	**1,139,222**
(b) Administration expenses		
Accounting and company secretarial fees	131,759	131,703
ASX, ASIC and bank fees	69,597	89,462
Executive Director's fees	138,750	93,750
Non-executive Director's fees	160,000	128,750
Legal fees	109,240	25,896
Rent and office expenses	20,980	31,626
Audit, corporate advice and tax fees	68,100	63,025
Travel and entertainment	30,891	(11,430)
Insurance	92,004	68,575
Investor relations and PR expenses	51,116	55,152
Share registry and shareholder meetings	20,122	30,785
Other general expenses	13,703	22,202
Unrealised fx gain	(26,408)	—
Website and IT expenses	20,432	11,256
Total	**900,286**	**740,752**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

6. INCOME TAX

	2022 $	2021 $
(a) The components of tax expense comprise:		
Current tax		
Deferred tax expense	—	—
Total income tax expense from continuing operations	—	—
Deferred income tax expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	—	—
Decrease/(increase) in deferred tax liabilities	—	—
	—	—
(b) The prima facie tax on profit from ordinary activities before income tax is reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(3,953,140)	(2,283,911)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2021: 30%)	(1,185,942)	(685,173)
Tax effect of:		
– share-based payments	105,717	168,187
– intellectual property costs	42,872	34,446
– entertainment	587	422
– other	—	127
– tax differential rate	232,932	77,448
Tax losses and temporary differences not recognised	804,374	403,894
Income tax expense/(benefit)	—	—
The applicable weighted average effective tax rate are as follows:	0%	0%
(c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net loss or other comprehensive income but directly debited or credited to equity.		
Current tax		
Net deferred tax	—	**166,109**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

	2022 $	2021 $
(d) Deferred tax assets		
Patents	34,576	29,801
Accruals	7,500	7,200
Business related costs	28,112	37,413
Australian tax losses	1,748,686	1,175,857
Unrealised fx losses	(7,922)	4,734
Foreign tax losses	207,379	211,221
Capital raising costs in equity	264,422	408,202
	2,282,753	**1,874,427**

7. CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank and on hand	29,339,382	32,716,091
	29,339,382	**32,716,091**

8. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables	138,778	11,333
Accruals and other payables	865,436	647,281
	1,004,214	**658,614**

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

9. CONTRIBUTED EQUITY

	2022 $	2022 Number of shares	2021 $	2021 Number of shares
Ordinary shares on issue – fully paid	36,413,432	75,153,848	36,413,432	75,153,848
	36,413,432	**75,153,848**	**36,413,432**	**75,153,848**

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

Movement in fully paid ordinary shares on issue	2022 $	2022 Number of shares	2021 $	2021 Number of shares
Balance at beginning of financial period	36,413,432	75,153,848	27,017,127	67,500,001
Placement (May 20 and July 20)	—	—	9,949,975	7,653,847
Cost of capital raising	—	—	(553,670)	—
Balance at end of financial year	**36,413,432**	**75,153,848**	**36,413,432**	**75,153,848**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

10. RESERVES

	2022 $	2021 $
Share-based payment reserve	1,898,630	1,546,240
Foreign currency translation reserve	(1,727)	(4,684)
	1,896,903	**1,541,556**

Nature and Purpose of Reserve

The share-based payment reserve records the value of options, performance rights and performance shares issued to the Group's directors, employees, and third parties. The value of the amount disclosed during the period reflects the value of options, performance rights and performance shares issued by the Group.

The Foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities.

Options outstanding at 30 June 2022

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

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at year end	Vested and exercisable at year end
22 Nov 2019	22 Nov 2023	$0.60	2,200,000	—	—	—	2,200,000	2,200,000
21 Jan 2020	21 Jan 2023	$1.00	750,000	—	—	—	750,000	750,000
9 April 2020	9 April 2023	$0.60	60,000	—	—	—	60,000	60,000
20 Oct 2020	20 Oct 2023	$1.30	400,000	—	—	—	400,000	200,000
18 Nov 2020	18 Nov 2023	$1.30	800,000	—	—	—	800,000	400,000
8 April 2021	8 April 2024	$1.10	400,000	—	—	—	400,000	200,000
			4,610,000	**—**	**—**	**—**	**4,610,000**	**3,810,000**

Reconciliation of movement in Share-based payment reserve:	Number of Options	Value $
Opening Balance - 1 July 2021		1,546,240
Share-based payment expense in respect to Director options on issue at 30 June 2022	2,200,000	72,032
Share-based payment expense in respect to employee options on issue at 30 June 2022	60,000	6,214
Share-based payment expense in respect to employee options on issue at 30 June 2022	400,000	64,681
Share-based payment expense in respect to Director options on issue at 30 June 2022	800,000	125,114
Share-based payment expense in respect to Director options on issue at 30 June 2022	400,000	84,169
Closing Balance – 30 June 2022	**4,610,000**	**1,898,630**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

11. LOSS PER SHARE

Basic and Diluted (Loss) per Share – cents	2022 $	2021 $
Total basic and diluted loss per share – cents	(5.26)	(3.04)

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

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

	2022 $	2021 $
Net loss attributable to members of the Group	(3,953,140)	(2,283,911)
Earnings used in calculating basic and diluted earnings per share from continuing operations	(3,953,140)	(2,283,911)

	2022 Number of shares	2021 Number of shares
Weighted average number of Ordinary Shares used in calculating basic and diluted earnings per share	75,153,848	75,132,821

Dilutive Potential Ordinary Shares

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

Conversions, Calls, Subscriptions or Issues after 30 June 2022

Subsequent to year end there have not been any conversions, calls, subscriptions or issues of securities.

12. ACCUMULATED LOSSES

	2022 $	2021 $
Accumulated losses at the beginning of the financial period	(5,876,312)	(3,592,401)
Net loss attributable to members of the Group	(3,953,140)	(2,283,911)
Accumulated losses at the end of the financial year	**(9,829,452)**	**(5,876,312)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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

	2022 $	2021 $
Loss (after income tax) for the year	(3,953,140)	(2,283,911)
Non-cash items included in profit or loss:		
Share-based payment expenses	352,390	562,723
Unrealised fx reserve movements	2,957	1,591
Net changes in working capital:		
Decrease/(increase) in trade and other receivables	(124,517)	95,682
Increase/(decrease) in trade and other payables	345,601	(54,330)
Net cash used in operating activities	**(3,376,709)**	**(1,678,245)**

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

Share-based payment expense (refer Note 17).

FX reserve movements (refer Note 10).

14. FINANCIAL RISK MANAGEMENT

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

The Group does not have any derivative instruments at 30 June 2022 and does not speculate in any financial instruments.

Financial Risks

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

Interest Rate Risk

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

The following table summarises interest rate risk for the Group.

		Fixed Interest Rate Maturing			
2022	Floating Interest Rate $	1 Year or Less $	1 to 5 Years $	Non-Interest Bearing $	Total $
Interest-bearing financial instruments					
Cash and cash equivalents	29,339,382	—	—	—	29, 339,382
	29,339,382	**—**	**—**	**—**	**29,339,382**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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

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

Liquidity Risk

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

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

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

2022	Total $	1 year or less $	1 – 5 years $	5+ years $
Financial liabilities due				
Trade and other payables	138,778	138,778	—	—
	138,778	**138,778**	**—**	**—**

2021	Total $	1 year or less $	1 – 5 years $	5+ years $
Financial liabilities due				
Trade and other payables	11,333	11,333	—	—
	11,333	**11,333**	**—**	**—**

Credit Risk Exposure

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

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

	2022 $	2021 $
Cash and cash equivalents:		
AA rated	29,339,382	32,716,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

Foreign currency risk

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

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

15. RELATED PARTY TRANSACTIONS

Key Management Personnel

There were no key management personnel, other than the directors and the CFO/Company Secretary, during the year ended 30 June 2022.

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

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

Transactions with key management personnel

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

	2022 $	2021 $
Short Term Benefits	966,468	590,873
Other non-cash Benefits	—	—
Post-Employment Benefits	467	1,626
Share-based payments	281,315	508,922
	1,248,250	**1,101,421**

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

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

16. INTERESTS IN SUBSIDIARY

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

		Ownership interest	
Name	Principal place of business / Country of incorporation	2022 %	2021 %
Invex Therapeutics Ltd	United Kingdom	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

17. SHARE-BASED PAYMENTS

Share-based payments made during the year ended 30 June 2022 are summarised below.

Recognised Share-based payment expense

	2022 $	2021 $
Options granted to Directors as incentive	281,315	508,922
Options granted to Advisers as incentive	—	(32,228)
Options granted to Employees as incentive	71,075	86,029
	352,390	**562,723**

Options granted to Directors and Employees for services

The Group's current Employee Share Option Plan (ESIP) was approved by Shareholders on 25 November 2021. The previous Employee Share Option Plan (ESOP) was approved by the Board of Directors on 20 May 2019 (Incentive Plans). The Incentive Plans are designed to provide medium and long term incentives for all employees (including Non-executive and Executive Directors) and to attract and retain experienced Employees, Board Members and Executive Officers and provide motivation to make the Group more successful.

Under the previous ESOP, participants have been granted options which only vest if certain milestones are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefit.

Any option may only be exercised after the option has vested and other conditions imposed by the board have been satisfied. Options are granted under the ESOP for no consideration. Options granted under the ESOP carry no dividend or voting rights. When exercisable, shares allotted pursuant to the exercise of options will be allotted following receipt of relevant documentation and payments will rank equally with all other shares.

As options granted to employees and directors are considered to represent the value of the services received over the vesting period of the options, the assessed value of the options are recognised and expensed over the vesting period. Options vesting during the year of issue are fully expensed under the accounting standards. There were no new incentive securities granted during the financial year. The total Directors and Employee Options expense for the period is outlined below.

Tranche	Valuation Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Vested at year end	Total Share-based payment expense for the year $
1	22 Nov 2019	22 Nov 2023	$0.60	2,200,000	—	2,200,000	72,032
3	9 April 2020	9 April 2023	$0.60	60,000	—	60,000	6,214
4	20 Oct 2020	20 Oct 2023	$1.30	400,000	—	200,000	64,681
5	18 Nov 2020	18 Nov 2023	$1.30	800,000	—	400,000	125,114
6	8 April 2021	8 April 2024	$1.10	400,000	—	200,000	84,169
Total				**3,860,000**	**—**	**3,060,000**	**352,210**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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

Tranche	1	3	4	5	6
Exercise price	$0.60	$0.60	$1.30	$1.30	$1.10
Expected volatility	75%	75%	80%	80%	80%
Expiry date (years)	4.00	3.00	3.00	3.00	3.00
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk free rate	0.77%	0.77%	0.77%	0.87%	0.77%
Value per option	$0.42	$0.55	$0.35	$0.32	$0.33

The vesting conditions attached to the Tranche 1, 3, 4, 5 and 6 Director and Employee Options are as follows:

- 50% of the Options will vest and become exercisable upon completion of 12 months continuous service from date of issue; and
- 50% of the Options vest and become exercisable upon completion of 24 months continuous service from date of issue.

The weighted average remaining contractual life of options outstanding at the end of the year was 1.04 years.

18. MATTERS SUBSEQUENT TO END OF FINANCIAL YEAR

On 1 July 2022, Carol Parish was appointed Chief Operating Officer (COO) at the Group. Until 30 June 2022, Carol held the role as Head of Clinical Operations. Carol has been a pharmaceutical professional for over 33 years within the Pharmaceutical/Biotech industry, where she has been accountable for all Phases of drug development in multiple therapy areas. Prior to joining Invex, Carol was the Global Clinical Operations Lead at Intercept Pharmaceuticals (NASDAQ: ICPT) and has held various senior clinical positions at Stiefel Laboratories (acquired by GlaxoSmithKline in 2009) including Senior Director, Global Clinical Development for a new drug product, including collaborating with GSK Japan and China. Additionally, Carol spent over 20 years at Merck & Co (NYSE:MRK) and Johnson & Johnson (NYSE:JNJ).

Other than as disclosed above, no matters or events have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

19. PARENT ENTITY INFORMATION

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022 $	**2021 $**
Loss after income tax	(4,692,091)	(1,579,841)
Total comprehensive income	(4,692,091)	(1,579,841)

Statement of financial position

	Parent	
	2022 $	**2021 $**
Total current assets	29,225,668	32,667,047
Total non-current assets	—	901,054
Total current liabilities	642,157	655,521
Total liabilities	642,157	655,521
Equity		
Issued capital	36,413,432	36,413,432
Reserves	1,898,630	1,541,556
Accumulated losses	(9,728,551)	(5,036,460)
Total equity	**28,583,511**	**32,918,528**

20. AUDITOR'S REMUNERATION

	2022 $	**2021 $**
Amounts paid or payable to BDO for:		
Audit services		
– an audit or review of the financial report of the entity	37,376	35,126
Total audit services	**37,376**	**35,126**
Corporate advisory services	2,000	—
Taxation services	5,658	2,500
Total other services	**7,658**	**2,500**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

21. DIVIDENDS

There are no dividends paid or payable at 30 June 2022.

22. COMMITMENTS

There are no other commitments which require disclosure as at 30 June 2022 (30 June 2021: nil).

23. SEGMENT REPORTING

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

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

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

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

24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent liabilities or contingent assets which require disclosure as at 30 June 2022 (30 June 2021 : nil).

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, and:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

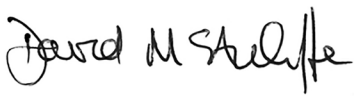
(ii) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Group.

(iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and

(b) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(c) The Directors have been given the declarations by the Executive Director as required by section 295A, of the *Corporations Act 2001*.

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



David McAuliffe
Non-executive Director

Perth, Western Australia, 19 August 2022

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the members of Invex Therapeutics Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Invex Therapeutics Ltd (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of 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.

We have not identified any key audit matters for Invex Therapeutics Ltd.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 19 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Invex Therapeutics Ltd, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 19 August 2022

CORPORATE GOVERNANCE STATEMENT

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

ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 4th Edition") where considered appropriate for Invex Therapeutics Ltd size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Group's corporate governance practises and copies of the Group's corporate governance policies and the 2022 Corporate Governance Statement, approved by the Board and applicable as at 30 June 2022 are available of the Group's website:

https://invextherapeutics.com/corporate-governance/

ASX ADDITIONAL INFORMATION

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

1. SHAREHOLDINGS

The issued capital of the Company as at 1 August 2022 is 75,153,848 ordinary fully paid shares. All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	233	143,116	0.19
1,001-5,000	483	1,331,649	1.77
5,001-10,000	240	1,921,496	2.56
10,001-100,000	438	15,102,038	20.09
100,001 and above	91	56,655,549	75.39
Total	**1,485**	**75,153,848**	**100.00**

Unmarketable parcels

There were 178 holders of less than a marketable parcel of ordinary shares representing a total of 88,383 shares.

2. TOP 20 SHAREHOLDERS AS AT 1 AUGUST 2022

	Name	Number of shares	%
1	TATTARANG	8,846,154	11.77
2	TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	4,000,000	5.32
3	DR JASON LOVERIDGE	3,374,462	4.49
4	MR DAVID JERIMIAH MCAULIFFE	3,350,001	4.46
5	JK NOMINEES PTY LTD <THE JK A/C>	3,000,000	3.99
6	ANTHONY GRIST	2,749,000	3.66
7	ALEXANDRA JEAN SINCLAIR	2,500,000	3.33
8	MRS KATHRYN SALKILLD	2,293,000	3.05
9	THE UNIVERSITY OF BIRMINGHAM	2,000,000	2.66
10	CITICORP NOMINEES PTY LIMITED	1,954,956	2.60
11	BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	1,625,000	2.16
12	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	1,448,175	1.93
13	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	1,250,000	1.66
14	CABLETIME PTY LTD <INGODWE A/C>	1,120,000	1.49
15	SANDHURST TRUSTEES LTD <COLLINS ST VALUE FUND A/C>	1,081,924	1.44
16	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	658,751	0.88
17	PETER KYROS PTY LTD <KYROS SF A/C>	588,616	0.78
18	PALLA NOMINEES PTY LTD <P C BLACKMAN S/F NO 2 A/C>	580,000	0.77
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	578,184	0.77
20	MAGAURITE PTY LTD <PETER NELSON SUPER FUND A/C>	560,000	0.75
	TOP 20 TOTAL	**43,558,223**	**57.96**
	TOTAL REMAINING HOLDERS BALANCE	31,595,625	42.04
	TOTAL	**75,153,848**	**100.00**

ASX ADDITIONAL INFORMATION (CONT.)

3. UNQUOTED SECURITIES

The unlisted options over shares in the Company as at 1 August 2022 are as follows:

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

4. VOTING RIGHTS

See note 12 of the financial statements.

5. SUBSTANTIAL SHAREHOLDERS AS AT 1 AUGUST 2022

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

6. RESTRICTED SECURITIES SUBJECT TO ESCROW PERIOD

There are no restricted securities.

7. ON-MARKET BUYBACK

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

8. COMPANY CASH AND ASSETS

In accordance with Listing Rule 4.10.19, the Company confirms that it has been using the cash and assets it had acquired at the time of admission and for the year ended 30 June 2022 in a way that is consistent with its business objective and strategy.

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CORPORATE DIRECTORY

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

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

A description of the Group's operations and principal activity is included in the review of operations and activities in the Directors' report on pages 8 to 19. The Directors' Report is not part of the Consolidated Financial Report.

Directors:

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

Company Secretary:

Ms Narelle Warren

Registered Office & Principal Place of Business:

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Tel: +61 8 6382 0137

Website: www.invextherapeutics.com

Auditors:

BDO
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Bankers:

Westpac Banking Corporation
Level 4 Tower 2 Brookfield Place
123 St Georges Terrace
Perth WA 6000

Solicitors:

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

Share Registry:

Automic Registry Services
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International: +61 2 9698 5414
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Designed and produced by ideate


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