



Noxopharm Annual Report Year Ended 30 June 2022

Highlights

- **Noxopharm Annual Report released today**
- **Company builds pipeline of opportunities via two drug development programs**
- **Veyonda® trials continue, with enrolments and treatments progressing**

Sydney, 26 September 2022: Innovative biotech company **Noxopharm Limited (ASX:NOX)** is pleased to release its Annual Report for the 12 months ended 30 June 2022.

Commenting on Noxopharm's progress, Chairman Fred Bart said: "One of the key aspects of our refreshed science-driven strategy is building a pipeline of opportunities around two drug development programs, namely the Chroma™ and Sofra™ technology platforms. Focusing on cancer and inflammation respectively, these two platforms represent our ambition to advance the most promising life-saving therapies through the discovery, preclinical and clinical phases, building the value of our new assets and exploring out-licensing opportunities at critical steps along the way.

"These two new programs deepen and broaden the company's operations as Veyonda® trials continue. Enrolments and patient treatments are progressing, and new hospitals such as the prestigious Mayo Clinic have been added to those participating in the trials, reflecting our strategy of working with world-class partners wherever we can."

A full copy of the 2022 Annual Report is attached.

-ENDS-

About Noxopharm

Noxopharm Limited (ASX:NOX) is an innovative Australian biotech company discovering and developing novel treatments for cancer and inflammation.

It has three active drug development programs: its clinical drug candidate Veyonda®, plus two innovative technology platforms – Chroma™ (oncology) and Sofra™ (inflammation and autoimmunity), which provide the basis for active development of a growing pipeline of new proprietary drugs.

Noxopharm also has a major shareholding in the US biotech company Nyrada Inc (ASX:NYR), which is active in the areas of drug development for cardiovascular and neurological diseases.

To learn more, please visit: noxopharm.com

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Dr Gisela Mautner, CEO and Managing Director of Noxopharm, has approved the release of this document to the market on behalf of the Board of Directors.

Forward Looking Statements

This announcement may contain forward-looking statements. You can identify these statements by the fact they use words such as “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “plan”, “should”, “target”, “will” or “would” or the negative of such terms or other similar expressions. Forward-looking statements are based on estimates, projections and assumptions made by Noxopharm about circumstances and events that have not yet taken place. Although Noxopharm believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company’s control (including but not limited to the COVID-19 pandemic) that could cause the actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statement.



2022 Annual Report

**Delivering Science.
Transforming Lives.**



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Chairman's Letter

A year of progress and change

Dear fellow Shareholders,

Let me begin by acknowledging Noxopharm founder Dr Graham Kelly, who stepped down as CEO in early 2022 after being involved since the conception of the company in 2015. Graham continues his involvement at Board level as a Non-Executive Director, and was instrumental in our choice of his successor.

Graham's departure from the executive team meant that we welcomed Dr Gisela Mautner into the CEO position after serving as our Chief Medical Officer for three years.

Dr Mautner has vast international experience working in leadership roles for a number of the world's largest pharmaceutical companies. Her experience and successful

track record in launching new drugs, as well as a deep understanding of the complexities of scientific research and clinical trials, puts the company in a good stead as we execute and complete our current DARRT-2, CEP-2 and IONIC trials.

Gisela has an extremely strong management team supporting her, all of whom have extensive experience and expertise in their respective fields. I am very confident our team headed by Dr Mautner will deliver great value creation for our shareholders.

One of the key aspects of our refreshed science-driven strategy is building a pipeline of opportunities around



two drug development programs, namely the Chroma™ and Sofra™ technology platforms. Focusing on cancer and inflammation respectively, these two platforms represent our ambition to advance the most promising life-saving therapies through the discovery, preclinical and clinical phases, building the value of our new assets and exploring out-licensing opportunities at critical steps along the way.

These two new programs deepen and broaden the company's operations as Veyonda® trials continue. Enrolments and patient treatments are progressing, and new hospitals such as the prestigious Mayo Clinic have been added to those participating in the trials, reflecting our strategy of working with world-class partners wherever we can. We will keep shareholders updated on key clinical trial milestones as and when they occur, and the team remains focused on exploring commercial opportunities for Veyonda® in a global market with a significant need for new cancer treatments.

In regard to financials, we have a stable cash position, with the management team keeping a close eye on costs and directing resources where they will produce the greatest effect to meet our strategic goals.

Overall, we are well-positioned to take the company forward, having strengthened our pipeline and progressed our trials over the previous 12 months. On behalf of the Board, I would like to thank our shareholders for their ongoing support as we work hard to deliver value across the entirety of our operations, and build a company that will deliver sustainable success both now and well into the future.

Yours Sincerely,



Fred Bart

Chairman



CEO's Letter

Expanding our strategy to deliver value



Dear fellow Shareholders,

It is both a pleasure and an honour to write my first Annual Report letter to you as CEO, and let me begin by thanking you all for your ongoing support of Noxopharm. Since assuming this role in early 2022, the senior management team and I have been very appreciative of the encouragement we've received from shareholders, and can assure you we are deeply committed to the success of this company.

For those of you who do not know me, my background is working in leadership roles around the world in many high-profile pharma companies to help them deliver new drugs to patients. This has given me not only direct experience of the journey from molecule to marketplace, but also a strong network of international industry relationships, all of which will prove very useful as we continue to grow Noxopharm.

Personally, I am driven by the desire to tackle some of the most debilitating illnesses of our time, and have worked on many of these in my career, from cancer to cardiovascular diseases. It was this passion that drove me to accept the opportunity to lead Noxopharm. My aim is to ensure the company maximises its potential as we mature our operations and sharpen our strategic ambitions.

Of course, I am not alone in this, and work closely with a highly skilled management team who deliver depth and strength across the company, from R&D knowledge in oncology and inflammation to significant financial and operational experience. Taken together, we have more than 100 years of scientific and pharmaceutical industry experience between us.

We also have some very talented younger scientists on our team, who every day are exploring new ways to build our future through experimentation, creativity and innovation – backed by rigorous scientific analysis and a commitment to data-driven decision-making. It is challenging to develop life-



“Our focus has been to expand our corporate strategy and quickly progress our preclinical pipeline of potential therapies under the Chroma™ and Sofra™ technology platforms.”

saving drugs, as it takes time, resources and determination, but I know that collectively we are up to the task.

We are today at a pivotal moment in our development. Our drug candidate Veyonda® is the subject of three ongoing clinical trials, and we have seen steady progress in these over the past 12 months. There have been some delays, with COVID affecting patient recruitment for example, but as these occurred we have mitigated any impacts on our timelines.

Our overarching approach is to partner with the very best organisations possible, and this past year has seen some eminent names added to those already participating in our Veyonda® trials. We have also secured Orphan Drug Designation for Veyonda®, for use in treatment of soft tissue sarcoma, delivering several commercial advantages to us.

Beyond Veyonda®, our focus has been to expand our corporate strategy and quickly progress our preclinical pipeline of potential therapies under the Chroma™ and Sofra™ technology platforms. The Chroma™ drug candidates have novel bioactive properties which we are exploring primarily in the anti-cancer space, for example looking at how our novel drug candidate CRO-67 targets pancreatic cancer, as seen in our promising results with the UNSW Sydney team and their state-of-the-art patient explant model. Note that other drugs in this platform could be directed at other forms of cancer in the future, as we regularly screen against a panel of cancer types.

In parallel, our Sofra™ platform is centred around short nucleic acid sequences called oligonucleotides, which can act on specific cell receptors to stop inflammation, which is a major source of many debilitating and lethal diseases. The way we use our proprietary oligonucleotides is a novel approach, which reflects our ambition to be innovators in our field.

As speed combined with the best science is a vital aspect for success, we foster strong relationships with leading research institutions such as Melbourne’s Hudson Institute of Medical Research, as well as UNSW, to leverage their world-class capabilities. It is a privilege for us to work with such gifted scientists and we will continue to invest in these collaborations, and others like them, as part of our strategy. You could say that we are a company of collaborators, as every year sees the Noxopharm family expanding and becoming more well known.

Our business model is based on the strategy of advancing proprietary and in-licensed drugs through the drug discovery and preclinical stages into clinical trials. And as we reach key value inflection points, we intend to out-license the drugs to optimise value for shareholders.

These building blocks represent the future of Noxopharm. As a team, we will focus on our three platforms – Chroma™, Sofra™ and Veyonda® – progressing our clinical trials and preclinical research in order to construct a robust enterprise that will make the most of commercial opportunities and deliver value to our shareholders, the owners of our company.

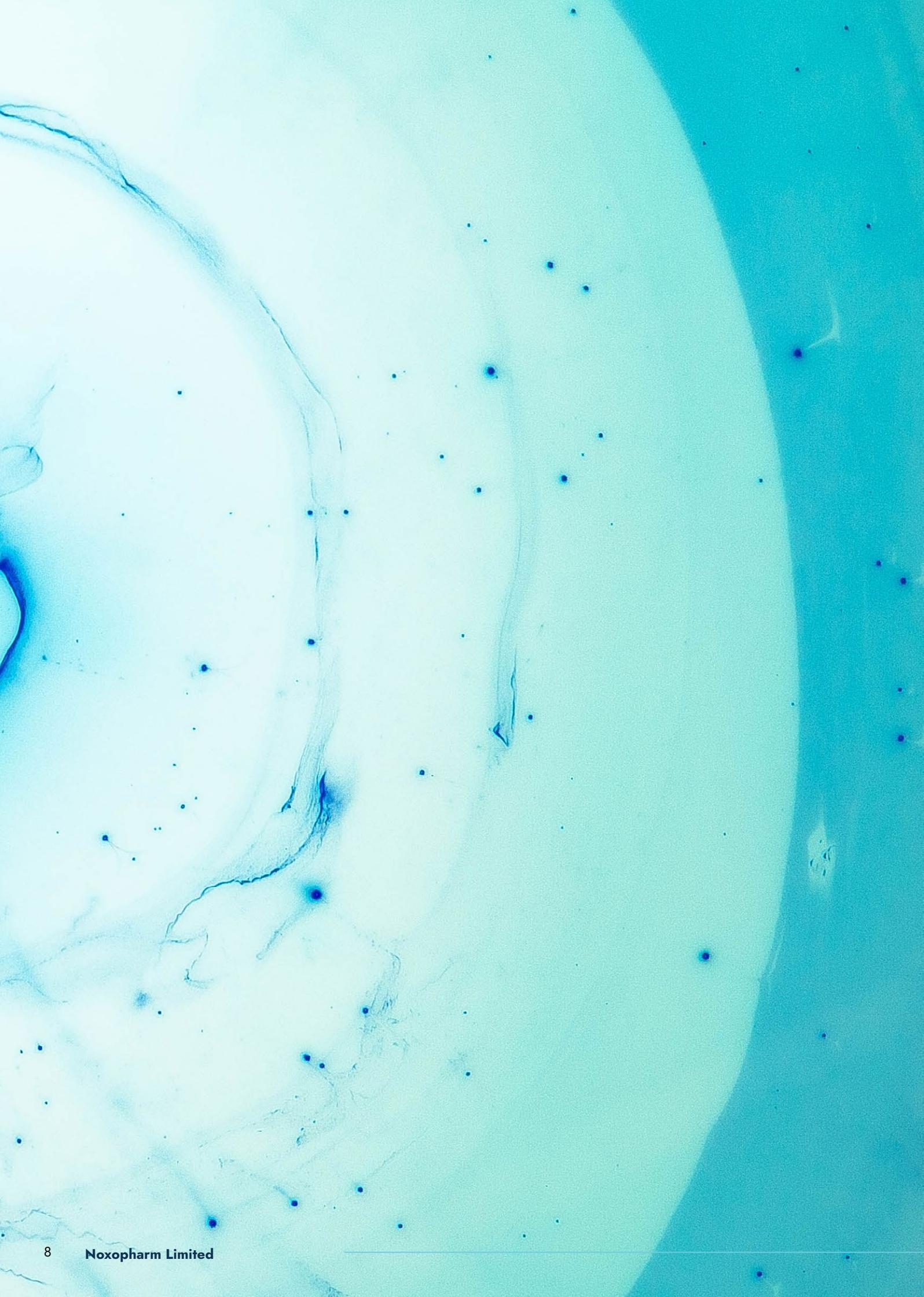
Thank you all for your ongoing support as we enter this promising new era, and continue to develop therapies to help people manage and overcome challenging diseases.

Yours sincerely,



Dr Gisela Mautner

CEO



Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Noxopharm Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

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

- Mr. Frederick Bart, Non-Executive Chairman
- Dr. Graham Kelly, Non-Executive Director (resigned executive positions 1 February 2022 and appointed Non-Executive Director 1 February 2022)
- Mr. Peter Marks, Non-Executive Director and Deputy Chairman
- Mr. Boris Patkin, Non-Executive Director
- Dr. Gisela Mautner, Chief Executive Officer and Managing Director (appointed 1 February 2022)

Principal activities

The consolidated entity's principal activity in the course of the current financial year continued to be drug development, with the primary focus being the clinical development of Veyonda® (Idronoxil) as an adjuvant therapy in chemotherapy and radiotherapy in the treatment of late-stage cancers. There were no significant changes in the nature of the Company's principal activity during the financial year.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$18,666,810 (30 June 2021: \$9,346,749).

During the financial year, the consolidated entity has achieved the following milestones:

- The Clinical Development Program continues to make solid progress this year with three cancer trials underway: DARRT-2, CEP-2 and IONIC;
- Regulatory: US FDA granted Investigational New Drug status for the use of Veyonda® in combination with doxorubicin for the treatment of Sarcoma (CEP-2 trial); and IND status was granted to Veyonda® in prostate cancer (and other solid tumours) for the DARRT-2 trial;
- DARRT-2 Phase 2 Trial saw a second dose cohort of patients treated with 1200mg of Veyonda®, and the dose was found to be safe and well tolerated. Approval has been given to progress the study, and treatment of the third cohort of patients with a 1600mg dose of Veyonda® will commence. The trial is now open for enrollment in the US, Europe and Australia;
- CEP-2 Phase 1 Trial saw the first dose cohort of patients enrolled, with recruitment ongoing. Orphan Drug Designation was granted to Veyonda® for the use in soft tissue Sarcoma by the US FDA in early 2022;
- The IONIC Trial recruitment is progressing steadily, with the final site expected to be activated shortly;
- LuPIN study completed during the year, with results published in the Journal of Nuclear Medicine in January 2022;
- The pre-clinical drug platforms Chroma™ and Sofra™ continue to mature with a growing pipeline of drug candidates as part of a strategy of expanding the portfolio of assets and the profile of the Company in the global pharmaceutical industry.

Significant changes in the state of affairs

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

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

| | |
|--------------------------------------|--|
| Name: | Mr. Frederic Bart |
| Title: | Non-Executive Chairman |
| Experience and expertise: | <p>In 1985, Mr Bart was appointed the Managing Director of Textile Industries Australia. The Group employed over 1,200 people and distributed product to many countries worldwide. The Company manufactured and distributed the majority of bed linen in Australia under brands like Sheridan and ACTIL. The Company was sold in 1987.</p> <p>In 1989, Mr Bart established and chairs a number of private companies under the umbrella of the Bart Group which covered hotels, retail, commercial and residential land development and technologies which still continue to operate. The Group today employs in excess of 1,000 people and is active in many local and overseas markets.</p> <p>In 2001, Mr Bart became Chairman of Electro Optic Systems Holdings Limited (ASX: EOS). Since that time it has grown to be one of Australia's premier defence companies with activities in many countries worldwide employing over 400 people and is currently included in the S&P/ASX 300.</p> <p>In September 2000, Mr Bart became a director and Chairman of Audio Pixels Holdings Limited (ASX: AKP). Audio Pixels is developing the first digital speaker in the world and currently has a market capitalisation of over \$600m.</p> <p>In 2013, Mr Bart became Director and majority shareholder of Immunovative Therapies Limited, a private Israeli company involved in the manufacture of vaccines for the treatment of certain forms of cancer. The Company has undertaken trials in both collateral and liver cancers.</p> <p>In March 2018, Mr Bart joined the Board of Weebit Nano Limited (ASX: WBT). Weebit is a developer of memory technology (1,000 X faster, 1,000 X more energy efficient and 100X higher endurance) than existing flash memory technologies.</p> |
| Other current directorships: | Fred Bart is Chairman of ASX listed company, Audio Pixels Holdings Limited and is a director of Weebit Nano Limited. Mr Bart is also a director of Immunovative Therapies Limited, an Israeli company involved in the manufacture of cancer vaccines for the treatment of most forms of cancer. |
| Former directorships (last 3 years): | Electro Optics Systems Holdings Limited (ASX:ESO) - resigned 27 July 2021. |
| Interests in shares: | 5,618,651 |
| Interests in options: | 3,846,154 |

| | |
|---|---|
| Name: | Dr. Graham Kelly |
| Title: | Non-Executive Director |
| Experience and expertise: | <p>Graham graduated with degrees in Science (1968) and Veterinary Science (1969) from The University of Sydney. After graduation he joined the newly-formed Department of Transplant Surgery in the Faculty of Medicine at The University of Sydney, gaining a Doctor of Philosophy in 1972. The subject of his PhD thesis was the manufacture and use of a novel drug for the treatment of tissue rejection in kidney transplant recipients, with that drug subsequently being commercialised and used globally in kidney transplantation. Graham was appointed Senior Research Fellow in Experimental Surgery at The University of Sydney, contributing through research in the areas of organ recovery for transplantation and liver transplant surgery. The increased susceptibility of organ transplant recipients to malignant cancer eventually led Graham to focus on the causes of that phenomenon, and in turn, to the broader issue of the link between diet and the incidences of certain cancers. The latter area of research led to a research interest in dietary isoflavones and their role in human health.</p> <p>Graham developed a theory that dietary isoflavones were metabolised within the body into novel chemicals that possessed important hormone-like functions, and as such made important contributions to human health. That theory provided the basis for Graham leaving academia and founding the company, Norvet Ltd, which listed on the ASX in 1994. That company subsequently changed its name to Novogen Ltd and listed in the US on NASDAQ (1998). Graham was variously CEO, Executive Chairman and an Executive Director of Novogen, 1994-2006. He also was Executive Chairman of Marshall Edwards Inc (MEI) which listed on London's AIM exchange (2001) and NASDAQ (2003). MEI subsequently became MEI Pharma Inc. Graham resigned from his executive and Board positions at Novogen and MEI in 2006.</p> <p>In early-2012, Graham addressed the matter of the transport of isoflavones in the blood of humans, conducting formulation studies in a private capacity that led shortly thereafter to the concept behind NOX66. After leaving Novogen in 2015, Graham established private biotechnology company Noxopharm Limited in order to commercialise NOX66. Noxopharm became a public company in August 2016.</p> <p>Graham was also the founder of a fourth biotechnology company, Nyrada Inc. in September 2017. Nyrada (ASX:NYR) became a public company in January 2020. Nyrada is a drug development company with a focus on cardiovascular and traumatic brain injury treatments. Noxopharm is currently the major shareholder.</p> |
| Other current directorships: | N/A |
| Former directorships (last 3 years): | Nyrada Inc. (resigned 8 September 2020) |
| Interests in shares: | 36,152,294 |
| Interests in options: | 1,820,513 |

| | |
|--------------------------------------|---|
| Name: | Mr. Peter Marks |
| Title: | Non-Executive Director and Deputy Chairman |
| Experience and expertise: | <p>Peter has over 35 years' experience in corporate advisory, investment banking and capital market's activities. Over the course of his long career, he has specialised in capital raising IPOs, cross border and M&A transactions, corporate underwriting and venture capital transactions for companies based in Australia, the US and Israel. He has been involved in a broad range of transactions with a special focus in the life sciences, biotechnology, medical technology, high tech and more recently in the resources sectors. Peter has served as both an Executive as well as Non-Executive Director of a number of different companies listed on the ASX, Nasdaq and AIM markets.</p> <p>Peter holds a Bachelor of Economics, Bachelor of Laws and a Graduate Diploma in Commercial Law from Monash University, Australia. He also holds an MBA from the University of Edinburgh, Scotland.</p> |
| Other current directorships: | Alterity Therapeutics Limited (ASX:ATH) - since 29 July 2005 (formerly known as Prana Biotechnology Limited and Iris metals (ASX:IR1) - since December 2020. |
| Former directorships (last 3 years): | Fluence Corporation Limited (ASX:FLC) - resigned 31 March 2020; Elsie Limited (ASX:ELS) - resigned 30 November, 2021 and Nyrada Limited (ASX:NYR) - resigned 1 August 2022. |
| Interests in shares: | 900,000 |
| Interests in options: | 66,667 |

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| Name: | Mr. Boris Patkin |
| Title: | Non-Executive Director |
| Experience and expertise: | <p>Boris brings comprehensive market knowledge, thorough research and years of experience in investment markets and Business Consulting.</p> <p>Boris's experience lends itself to Financial and Investment advising but also as a business consultant to further enhance business opportunities in Medical technology and in sourcing other opportunities to enhance investments. Boris has worked extensively with Israeli companies to explore various opportunities in the Medical and disruptive technology space.</p> <p>Boris has developed an in-depth understanding of industry trends and gained valuable insight into domestic and international markets. Boris has specialised in reconstruction of Companies, Investments and International trade. He has extensive experience in developing and adding value to public listed companies, especially in the Medical, Resources and Retirement space.</p> <p>Boris has completed a Bachelor of Science (Industrial Chemistry). Currently a member of TASSA, MeSAFAA and an Authorised Representative Morgans Financial Ltd.</p> |
| Other current directorships: | Non-Executive Chairman of Ausmon Resources Ltd - since 2014 |
| Former directorships (last 3 years): | N/A |
| Interests in shares: | 630,000 |
| Interests in options: | 310,000 |

| | |
|---|--|
| Name: | Dr. Gisela Mautner |
| Title: | Chief Executive Officer and Managing Director |
| Experience and expertise: | <p>Gisela is an international business leader with significant experience developing and launching new pharmaceutical products, and delivering successful corporate strategies in highly competitive global markets.</p> <p>She also has over thirty years' experience in medical and scientific research, most recently as the Chief Medical Officer of Noxopharm.</p> <p>Gisela has held senior positions with Amgen, Bayer, Siemens Medical Solutions and Merck/MSD, generating successful commercial and scientific outcomes.</p> <p>She is currently the Past-President of the Australian Pharmaceutical Physicians Association (APPA), a Fellow of the Australasian College of Physician Executives and a Member of the Australian Institute of Company Directors and the CEO Institute.</p> <p>Gisela holds an MD from the Technical University of Munich, a PhD from the Ludwig Maximilian University, an MPH from Harvard University and an MBA from Northwestern University Chicago.</p> |
| Other current directorships: | Nyrada Inc. (ASX:NYR) - appointed 1 August 2022 |
| Former directorships (last 3 years): | |
| Interests in shares: | |
| Interests in options: | 2,000,000 performance options, 265,208 unlisted options. |

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

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

Company secretary

Mr. David Franks

David Franks (BEc, CA, FFin, FGIA, JP) has held the position of Company Secretary since 16 January 2017.

David is a Principal of the Automic Group. He is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 30 years' experience in finance, governance and accounting, Mr Franks has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. Mr Franks is currently the Company Secretary for the following ASX Listed entities: Applyflow Limited, COG Financial Services Limited, Cogstate Limited, Exopharm Limited, IRIS Metals Limited, IXUP Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, White Energy Company Limited and ZIP Co Limited. He was also a Non-Executive Director of JCurve Solutions Limited from 2014 to 2021.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

| | Full Board | | Audit and Risk Committee | | Remuneration Committee | |
|--------------------|------------|------|--------------------------|------|------------------------|------|
| | Attended | Held | Attended | Held | Attended | Held |
| Mr. Frederic Bart | 6 | 6 | - | - | - | - |
| Dr. Graham Kelly | 6 | 6 | 2 | 2 | 1 | 1 |
| Mr. Peter Marks | 6 | 6 | 2 | 2 | 1 | 1 |
| Mr. Boris Patkin | 6 | 6 | 2 | 2 | 1 | 1 |
| Dr. Gisela Mautner | 3 | 3 | - | - | - | - |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The Remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

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

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

Principles used to determine the nature and amount of remuneration

Remuneration governance

The objective of the remuneration committee (constituting the full Board) is to ensure that pay and rewards are competitive and appropriate for the results delivered. The remuneration committee charter adopted by the Board aims to align rewards with achievement of strategic objectives and the creation of value for shareholders. The remuneration framework applied provides a mix of fixed and variable pay and a blend of short and long-term incentives as appropriate. Issues of remuneration are considered annually or otherwise as required.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The Company's policy is to remunerate Non-Executive Directors at market rates (for comparable companies) for time commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company.

Non-Executive Directors' fees and payments are reviewed annually by the Board of Directors. The Board of Directors considers advice from external sources (excluding remuneration consultants) as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the company.

The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Retirement benefits and allowances

No retirement benefits are payable other than statutory superannuation, if applicable to the Directors of the Company.

Other benefits

No motor vehicle, health insurance or other similar allowances are made available to Directors (other than through salary-sacrifice arrangements).

Executive remuneration

Executive pay and reward consists of base pay, short-term performance incentives, long-term performance incentives and other remuneration such as superannuation. Superannuation contributions are paid into the executive's nominated superannuation fund.

Base Pay

Executives are offered a competitive level of base pay which comprises the fixed (unrisky) component of their pay and rewards. Base pay for senior executives is reviewed annually to ensure market competitiveness. There are no guaranteed base pay increases included in any senior executives' contracts. Base pay was increased during the year.

Short-term and long-term incentives

The Company currently operates an Executive Share Option Plan ("ESOP") which has been approved by shareholders in the 2016 Annual General Meeting.

Performance based Remuneration

The purpose of a performance bonus is to reward individual performance in line with company objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the consolidated entity. This is regularly measured in respect of performance against key performance indicators (KPI's).

The Company uses a variety of KPIs to determine achievement, depending on the role of the executive being assessed. These include:

- Successful contract negotiations;
- Company share price consistently reaching a targeted rate on the ASX or applicable market over a period of time;
- Company undertaking clinical trials in their primary drug Veyonda® within specified time frame.

Securities Trading Policy

The trading of Company's securities by employees and Directors is subject to, and conditional upon, the Securities Trading Policy which is available on the Company's website (www.noxopharm.com).

If remuneration consultants are to be engaged to provide remuneration recommendations as defined under section 9B of the Corporations Act 2001, then they are engaged by, and report directly to, the remuneration committee. No remuneration consultants were engaged to provide remuneration services during the financial year.

Remuneration Policy vs Financial Performance

The Company's policy is to remunerate based on industry practice and benchmark industry salaries rather than performance as this takes into account the risk and liabilities assumed by directors and executives as a result of their involvement in an R&D Biotech company.

Directors and executives are fairly compensated for the extensive work they undertake.

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

At the 2021 AGM, more than 75% 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.

Details of remuneration

Amounts of remuneration

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

The key management personnel of the consolidated entity consisted of the following directors and executives of Noxopharm Limited:

- Mr. Frederic Bart - Non Executive Chairman
- Dr. Graham Kelly - Non Executive Director (resigned executive positions and appointed Non Executive Director 1 February 2022)
- Mr. Peter Marks - Non Executive Director and Deputy Chairman
- Mr. Boris Patkin - Non Executive Director
- Dr. Gisela Mautner - Chief Executive Officer and Managing Director (appointed 1 February 2022)

| 2022 | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Total |
|---|----------------------|------------|-----------------|--------------------------|--------------------|----------------------|------------------|
| | Cash salary and fees | Cash bonus | Non-monetary * | Super-annuation | Long service leave | Equity-settled | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Directors: | | | | | | | |
| Mr. Frederic Bart | 41,095 | - | - | 3,905 | - | - | 45,000 |
| Dr. Graham Kelly | 384,496 | - | - | 23,742 | - | - | 408,238 |
| Mr. Peter Marks | 60,000 | - | - | - | - | - | 60,000 |
| Mr. Boris Patkin | 45,000 | - | - | - | - | 58,669 | 103,669 |
| Dr. Gisela Mautner (appointed 1 February 2022) | 200,543 | - | (13,041) | 20,054 | 5,350 | 621,074 | 833,980 |
| | 731,134 | - | (13,041) | 47,701 | 5,350 | 679,743 | 1,450,887 |

*provision for annual leave

From 1 July 2021, Mr. David Franks was no longer considered to be a member of the key management personnel.

| 2021 | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Total |
|--|----------------------|------------|----------------|--------------------------|--------------------|----------------------|------------------|
| | Cash salary and fees | Cash bonus | Non-monetary * | Super-annuation | Long service leave | Equity-settled | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Directors: | | | | | | | |
| Dr. Graham Kelly | 300,000 | - | 23,126 | 30,000 | 341 | - | 353,467 |
| Mr. Frederic Bart | 41,095 | - | - | 3,905 | - | 1,394,300 | 1,439,300 |
| Mr. Peter Marks | 60,000 | - | - | - | - | - | 60,000 |
| Mr. Boris Patkin | 45,000 | - | - | - | - | 8,029 | 53,029 |
| Dr. Ian Dixon (resigned 31 August 2020) | 10,274 | - | - | 976 | - | - | 11,250 |
| Other Key Management Personnel: | | | | | | | |
| Mr. David Franks | - | - | - | - | - | 16,490 | 16,490 |
| | 456,369 | - | 23,126 | 34,881 | 341 | 1,418,819 | 1,933,536 |

*provision for annual leave

Mr. David Franks, company secretary is also an associate of Automic Group who provides registry, accounting and company secretary services to the Company. The contracts with Automic Group Associates are based on normal commercial terms. Payments made to Automic Group during the year are disclosed in the related party transactions note of the financial statements.

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

| Name | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---|--------------------|------|---------------|------|---------------|------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Directors: | | | | | | |
| Mr. Frederic Bart | 100% | 3% | - | - | - | 97% |
| Dr. Graham Kelly | 100% | 100% | - | - | - | - |
| Mr. Peter Marks | 100% | 100% | - | - | - | - |
| Mr. Boris Patkin | 43% | 85% | - | - | 57% | 15% |
| Dr. Gisela Mautner (appointed 1 February 2022) | 27% | - | - | - | 73% | - |
| Dr. Ian Dixon (resigned 1 August 2020) | - | 100% | - | - | - | - |
| Other Key Management Personnel: | | | | | | |
| Mr. David Franks | - | - | - | - | - | 100% |

Service agreements

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

| | |
|----------------------|---|
| Name: | Dr. Gisela Mautner |
| Title: | Chief Executive Officer and Managing Director |
| Agreement commenced: | 1 February, 2022 |
| Term of agreement: | Open |
| Details: | Noxopharm Limited Annual salary of \$410,000 plus superannuation of 10%. Notice period of 90 days by Executive or the Company. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options

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

| Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|------------------|-----------------------------------|------------------|----------------|-------------------------------------|
| 10 December 2018 | 21 November 2019 | 21 November 2022 | \$0.6200 | \$0.288 |
| 10 December 2018 | 21 November 2020 | 21 November 2022 | \$0.6200 | \$0.288 |
| 10 December 2018 | 21 November 2021 | 21 November 2022 | \$0.6200 | \$0.288 |
| 16 December 2019 | 16 December 2020 | 16 December 2023 | \$0.3200 | \$0.169 |
| 6 November 2020 | 6 November 2021 | 6 November 2024 | \$0.5500 | \$0.329 |
| 15 December 2020 | 15 December 2020 | 15 December 2022 | \$0.3150 | \$0.467 |
| 15 December 2020 | 15 December 2020 | 15 December 2022 | \$0.3150 | \$0.464 |
| 15 December 2020 | 15 December 2020 | 15 December 2022 | \$0.3150 | \$0.464 |
| 31 May 2021 | 15 December 2021 | 15 December 2024 | \$0.6810 | \$0.314 |
| 31 May 2021 | 15 December 2022 | 15 December 2024 | \$0.6810 | \$0.313 |
| 1 February 2022 | * | 1 February 2026 | \$0.5400 | \$0.310 |

Options granted carry no dividend or voting rights.

* The performance options will vest on the achievement of any of the following:

- i) The Company being purchased in entirety (business sale/share sale); or
- ii) An AUD\$10 million or greater investment in the Company; or
- iii) Entering into a licencing agreement with a large Pharmaceutical Company.

The Directors have estimated 100% likelihood of the vesting criteria being achieved and as a result the full fair value of the options has been expensed.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

| Name | Number of options granted during the year | Number of options granted during the year | Number of options vested during the year | Number of options vested during the year |
|--------------------|---|---|--|--|
| | 2022 | 2021 | 2022 | 2021 |
| Mr. Frederic Bart | - | 3,000,000 | - | 3,000,000 |
| Mr. Boris Patkin | - | - | 125,000 | - |
| Dr. Gisela Mautner | 2,000,000 | - | 135,000 | - |

Additional information

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------|-------|-------|-------|--------|
| Share price at financial year end (cents) | 19.50 | 64.50 | 16.50 | 47.50 | 61.00 |
| Share price HIGH for the financial year ended 30 June (cents) | 69.50 | 95.00 | 45.92 | 72.00 | 158.00 |
| Share price LOW for the financial year ended 30 June (cents) | 17.50 | 18.50 | 8.39 | 35.50 | 29.00 |

Additional disclosures relating to key management personnel

Shareholding

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

| | Balance at the start of the year | Received as part of remuneration | Additions | Disposals/ other | Balance at the end of the year |
|------------------------|----------------------------------|----------------------------------|-----------|------------------|--------------------------------|
| Ordinary shares | | | | | |
| Dr. Graham Kelly * | 36,162,294 | - | - | - | 36,162,294 |
| Mr. Frederic Bart | 5,618,651 | - | - | - | 5,618,651 |
| Mr. Peter Marks | 900,000 | - | - | - | 900,000 |
| Mr. Boris Patkin | 630,000 | - | - | - | 630,000 |
| | 43,310,945 | - | - | - | 43,310,945 |

* Includes securities held in the name of spouse, Mrs. Prue Kelly.

Option holding - Company

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

| | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|-------------------------------------|----------------------------------|------------------|-----------|---------------------------|--------------------------------|
| Options over ordinary shares | | | | | |
| Mr. Frederic Bart | 3,846,154 | - | - | - | 3,846,154 |
| Dr. Graham Kelly * | 2,008,013 | - | - | - | 2,008,013 |
| Mr. Peter Marks | 66,667 | - | - | - | 66,667 |
| Mr. Boris Patkin | 310,000 | - | - | - | 310,000 |
| Dr. Gisela Mautner | 265,208 | 2,000,000 | - | - | 2,265,208 |
| | 6,496,042 | 2,000,000 | - | - | 8,496,042 |

* Includes options held in in the name of the spouse, Mrs. Prue Kelly.

Other transactions with key management personnel and their related parties

Prue Kelly, spouse of Graham Kelly (Non-Executive director) was employed as the Company's full time Investor Relations Manager/Executive Assistant on the Company's employment terms and conditions until 27 June 2022. Total salary inclusive of superannuation paid to Prue Kelly for the year ended 30 June 2022 was \$338,635 (2021: \$131,856). The total value of unlisted options granted to Prue Kelly for the year ended 30 June 2022 was nil (2021: \$20,613).

This concludes the remuneration report, which has been audited.

Shares under option

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

| Grant date | Expiry date | Exercise price | Number under option |
|---------------------|------------------|----------------|---------------------|
| 8 December 2018 ** | 21 November 2022 | \$0.6200 | 781,667 |
| 23 July 2019 ^^ | 23 July 2023 | \$0.5605 | 4,722,222 |
| 30 November 2019 ** | 17 December 2023 | \$0.3200 | 823,878 |
| 18 June 2020 ^ | 18 June 2023 | \$0.3000 | 20,022,333 |
| 14 August 2020 ^ | 14 August 2023 | \$0.3000 | 21,303,249 |
| 6 November 2020 ** | 6 November 2024 | \$0.5500 | 1,050,000 |
| 15 December 2020 | 15 December 2024 | \$0.3150 | 3,000,000 |
| 31 May 2021 | 15 December 2024 | \$0.6810 | 250,000 |
| 1 February 2022 | 1 February 2026 | \$0.5400 | 2,000,000 |
| | | | 53,953,349 |

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

* In accordance with Listing Rule 3.11.2, and further to the terms of these options issued and Listing Rule 6.22.2, the exercise price of the options has been amended as a result of the 13 May 2020 pro-rata Entitlements Offer to shareholders.

** Issued under the Noxopharm employee share plan.

^ Issued for participating in capital raises.

^^ Issued in relation to the convertible notes issued July 2019 and December 2019.

Shares issued on the exercise of options

The following ordinary shares of Noxopharm Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

| Date options granted | Exercise price | Number of shares issued |
|----------------------|----------------|-------------------------|
| 20 June 2020 | \$0.3000 | 14,768 |
| 14 August 2020 | \$0.3000 | 4,001,455 |
| | | 4,016,223 |

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of William Buck Audit (Vic) Pty Ltd

There are no officers of the company who are former partners of William Buck Audit (Vic) Pty Ltd.

Auditor's independence declaration

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

Auditor

William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Fred Bart

Chairman

25 August 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NOXOPHARM LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow

N. S. Benbow
Director
Melbourne, 25th August 2022

Level 20, 181 William Street, Melbourne VIC 3000

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Annual Financial Report - 30 June 2022

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General information

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

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

Level 20, Tower A The Zenith
821 Pacific Highway
CHATSWOOD NSW 2067

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2022. The directors have the power to amend and reissue the financial statements.

Corporate Governance Statement

The Corporate Governance Statement is available on the Company's website at <http://www.noxopharm.com>

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

| | | Consolidated | |
|---|------|---------------------|--------------------|
| | | 2022 | 2021 |
| | Note | \$ | \$ |
| Revenue | | | |
| Revenue and other income | 4 | 5,475,590 | 5,797,723 |
| Net (loss)/gain on investment at fair value through profit and loss | 10 | (8,857,384) | 8,774,212 |
| Expenses | | | |
| Corporate administration expenses | 5 | (1,769,101) | (1,722,626) |
| Research and development expenses | | (7,777,415) | (12,560,987) |
| Depreciation and amortisation expenses | | (261,513) | (261,723) |
| Consulting, employee & director expenses | 5 | (5,399,652) | (5,656,445) |
| Finance costs | 5 | (77,335) | (2,198,505) |
| Share of loss of Associate (to 29 June 2021) | | - | (1,040,874) |
| Fair value movement in derivative liability | | - | (477,524) |
| Loss before income tax expense | | (18,666,810) | (9,346,749) |
| Income tax expense | 6 | - | - |
| Loss after income tax expense for the year attributable to the owners of Noxopharm Limited | | (18,666,810) | (9,346,749) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year attributable to the owners of Noxopharm Limited | | (18,666,810) | (9,346,749) |
| | | Cents | Cents |
| Basic earnings per share | 25 | (6.41) | (3.54) |
| Diluted earnings per share | 25 | (6.41) | (3.54) |

Statement of Financial Position

| | Note | Consolidated | |
|--|------|-------------------|-------------------|
| | | 2022 | 2021 |
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7 | 14,010,668 | 26,795,785 |
| Trade and other receivables | 8 | 5,213,381 | 5,799,224 |
| Other assets | 9 | 1,609,279 | 379,027 |
| Total current assets | | 20,833,328 | 32,974,036 |
| Non-current assets | | | |
| Financial assets at fair value through profit and loss | 10 | 5,415,033 | 14,272,419 |
| Plant and equipment | | 84,782 | 135,111 |
| Right-of-use assets | | 137,102 | 349,308 |
| Term deposit pledged for bank guarantee | | 123,512 | 122,837 |
| Total non-current assets | | 5,760,429 | 14,879,675 |
| Total assets | | 26,593,757 | 47,853,711 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | 1,795,721 | 6,130,170 |
| Lease liability building | | 160,624 | 231,666 |
| Employee entitlements | | 324,502 | 445,359 |
| Total current liabilities | | 2,280,847 | 6,807,195 |
| Non-current liabilities | | | |
| Lease liability building | | - | 117,642 |
| Employee entitlements | | 194,966 | 152,499 |
| Total non-current liabilities | | 194,966 | 270,141 |
| Total liabilities | | 2,475,813 | 7,077,336 |
| Net assets | | 24,117,944 | 40,776,375 |
| Equity | | | |
| Issued capital | 12 | 74,635,721 | 72,622,560 |
| Reserves | 13 | 8,285,254 | 8,487,119 |
| Accumulated losses | | (58,803,031) | (40,333,304) |
| Total equity | | 24,117,944 | 40,776,375 |

Statement of Changes in Equity

| Consolidated | Issued capital | Reserves | Accumulated losses | Total equity |
|---|-----------------------|------------------|---------------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | 41,631,007 | 2,708,106 | (31,466,355) | 12,872,758 |
| Loss after income tax expense for the year | - | - | (9,346,749) | (9,346,749) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | (9,346,749) | (9,346,749) |
| Transactions with owners in their capacity as owners: | | | | |
| Contributions of equity, net of transaction costs (note 12) | 21,471,650 | - | - | 21,471,650 |
| Issue of options to underwriter | (5,111,573) | 5,111,573 | - | - |
| Issue of Director's options | - | 1,402,345 | - | 1,402,345 |
| Exercise of options | 7,544,451 | (594,803) | - | 6,949,648 |
| Expired options | - | (479,800) | 479,800 | - |
| Conversion of collateral shares | 267,637 | - | - | 267,637 |
| Vesting of share-based payments (note 26) | - | 339,698 | - | 339,698 |
| Conversion of short term loan convertible notes | 6,819,388 | - | - | 6,819,388 |
| Balance at 30 June 2021 | 72,622,560 | 8,487,119 | (40,333,304) | 40,776,375 |

| Consolidated | Issued capital | Reserves | Accumulated losses | Total equity |
|---|-----------------------|------------------|---------------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 72,622,560 | 8,487,119 | (40,333,304) | 40,776,375 |
| Loss after income tax expense for the year | - | - | (18,666,810) | (18,666,810) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | (18,666,810) | (18,666,810) |
| Transactions with owners in their capacity as owners: | | | | |
| Issue of Director's options | - | 621,074 | - | 621,074 |
| Exercise of options | 2,013,161 | (808,294) | - | 1,204,867 |
| Expired options | - | (197,083) | 197,083 | - |
| Vesting of share-based payments (note 26) | - | 182,438 | - | 182,438 |
| Balance at 30 June 2022 | 74,635,721 | 8,285,254 | (58,803,031) | 24,117,944 |

Statement of Cash Flows

| | | Consolidated | |
|---|----------|-------------------|-------------------|
| | | 2022 | 2021 |
| | Note | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers | | 36,000 | 16,000 |
| Payments to suppliers and employees | | (19,694,617) | (13,623,156) |
| Interest received | | 60,181 | 122,464 |
| Receipt from R&D tax rebate | | 5,864,838 | 4,642,251 |
| Receipts from Government Grants | | 25,000 | - |
| | | (13,708,598) | (8,842,441) |
| Interest and other finance costs paid | | (24,929) | (8,000) |
| Net cash used in operating activities | 24 | (13,733,527) | (8,850,441) |
| Cash flows from investing activities | | | |
| Proceeds from short term loan Nyrada Inc. | | - | 225,232 |
| Net cash from investing activities | | - | 225,232 |
| Cash flows from financing activities | | | |
| Proceeds from the issue of shares | 12 | - | 30,097,660 |
| Proceeds from the exercise of options | 12 | 1,204,868 | - |
| Lease Payments - building | | (229,143) | (244,821) |
| Share issue transaction costs | | - | (1,528,350) |
| Net cash from financing activities | | 975,725 | 28,324,489 |
| Net increase/(decrease) in cash and cash equivalents | | (12,757,802) | 19,699,280 |
| Cash and cash equivalents at the beginning of the financial year | | 26,795,785 | 7,100,202 |
| Effects of exchange rate changes on cash and cash equivalents | | (27,315) | (3,697) |
| Cash and cash equivalents at the end of the financial year | 7 | 14,010,668 | 26,795,785 |

Notes to the Financial Statements

Note 1. Significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied in this reporting period, unless otherwise stated. The financial statements are for Noxopharm Limited ("the Company") and its subsidiaries ("the consolidated entity").

New or amended Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

New or amended Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations is that none are deemed to have a material impact on the entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Noxopharm Limited is a for-profit entity for the purpose of preparing the financial statements. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

These financial statements have been prepared under the historical cost convention, with the exception of the fair valuation of the investment in Nyrada.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Parent entity information

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Noxopharm Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Noxopharm Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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

Other Income recognition

Other income is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Other income is measured at the fair value of the consideration received or receivable.

Interest

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

Government research and development tax incentives

Government grants, including research and development incentives are recognised at fair value when there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to research and development expenditure are recognised as income over the periods necessary to match the grant costs they are compensating. The incentive is recognised as income as it is not tied to offsetting assessable income in tax.

Current and non-current classification

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

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

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

Leases

A 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).

Research and development costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Research and Development Rebate

With the successful track record of the consolidated entity in obtaining the Research and Development rebate from the ATO, the estimated 2022 rebate for \$5.0M has been accrued into income for the year ended 30 June 2022 (2021: \$5.5M).

The company is entitled to claim grant credits from the Australian Government in recompense for its research and development program expenditure. The program is overseen by AusIndustry, which is entitled to audit and/or review claim lodged for the past 4 years. In the event of a negative finding from such an audit or review AusIndustry has the right to rescind and clawback those prior claims, potentially with penalties. Such a finding may only occur in the event that those expenditures do not appropriately qualify for the grant program. In their estimation, considering also the independent external expertise they have contracted to draft and claim such expenditures, the directors of the company consider that such a negative review has a remote likelihood of occurring.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. See note 26 for any non-market vesting hurdle conditions attached to the options.

Non-recognition of carried forward tax losses

The balance of future income tax benefit arising from timing differences and carried-forward losses have not been recognised as an asset because recovery is not regarded as probable. The cumulative future income tax benefit which has not been recognised as an asset will only be obtained if:

- i) The Group derives future assessable income of a nature and amount sufficient to enable the benefit to be realised,
- ii) The Group continues to comply with the conditions for the deductibility imposed by law, and
- iii) No changes in tax legislation adversely affecting the Group realising the benefit.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires continued assessment and analytical testing and takes into account current inventory levels, demand forecasts and other factors that affect inventory obsolescence. Management has determined that no inventory obsolescence provision is required for the year ended 30 June 2022.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

The consolidated entity's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The valuation techniques used for instruments categorised in levels 1 and 3 are described below:

Valuation of investment in Nyrada Inc.

Nyrada Inc. ordinary shares (level 1): The 33,373,245 Nyrada ordinary shares held by the consolidated entity were valued at fair value, using the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market. The price used for valuing these ordinary shares was the ASX price of 13.5 cents.

Nyrada Inc. performance shares (level 3): The 12,000,600 Nyrada performance shares were externally valued considering Level 3 hierarchy fair value inputs such as - the spot price of 13.5 cents, a risk free interest rate of 2.762% (based on Australian government bond rate as a proxy), a historical volatility factor of 78.01% and the Monte Carlo approach for estimating the probability of the market based vesting conditions being achieved. The milestones to be achieved for each tranche is as follows:

Tranche 1:

- i) The trading price for Nyrada Chess Depositary Interests (CDI's) on the ASX achieving at least \$0.40 for 5 consecutive trading days; and
- ii) The Scientific Advisory Board to the Company determining that, based on in-vivo data, the final lead neuroprotectant drug candidate is ready to proceed to pre-clinical safety and toxicology studies ("non-CDI price-based milestone").

Tranche 2:

- i) The trading price for Nyrada Chess Depositary Interests (CDI's) on the ASX achieving at least \$0.40 for 5 consecutive trading days; and
- ii) The Scientific Advisory Board to the Company determining that, based on in-vivo data, the final lead peripheral neuropathic pain drug candidate is ready to proceed to pre-clinical safety and toxicology studies ("non-CDI price-based milestone").

Note 3. Operating segments

The consolidated entity continues to operate in one segment, being the clinical development in the field of both oncology and non-oncology in the pan-pacific region. The segment details are therefore fully reflected in the body of the annual report.

Note 4. Revenue and other income

| | Consolidated | |
|---------------------------------|------------------|------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Interest income | 46,944 | 139,472 |
| Federal Government Grants | 25,000 | 50,000 |
| R&D tax incentives | 5,367,646 | 5,592,251 |
| Research Service Fees | 36,000 | 16,000 |
| Revenue and other income | 5,475,590 | 5,797,723 |

Note 5. Expenses

| | Consolidated | |
|--|---------------|------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Loss before income tax includes the following specific expenses: | | |
| <i>Corporate Administration expenses</i> | | |
| Corporate administration expenses | 708,363 | 404,205 |
| Audit, accounting and company secretarial fees | 155,321 | 253,802 |
| Insurances | 651,205 | 545,636 |
| Legal fees | 82,047 | 218,810 |
| ASX and filing fees | 67,677 | 171,314 |
| Marketing and advertising | 104,488 | 128,859 |
| | 1,769,101 | 1,722,626 |
| <i>Consulting, Employee and Director Expenses</i> | | |
| Consulting expenses | 280,523 | 389,993 |
| Employee related expenses | 3,711,154 | 3,122,666 |
| Superannuation and other employee related expenses | 437,419 | 258,740 |
| Director expenses (excluding executive directors) | 167,045 | 161,250 |
| Share-based payment expense - Noxopharm Limited | 803,511 | 1,742,043 |
| | 5,399,652 | 5,674,692 |
| <i>Finance costs</i> | | |
| Interest and finance charges paid/payable | 77,335 | 2,198,505 |
| Fair value movement in derivative liability | - | 477,524 |
| | 77,335 | 2,676,029 |
| Finance costs expensed | 77,335 | 2,676,029 |

Note 6. Income tax

| | Consolidated | |
|--|--------------|-------------|
| | 2022 | 2021 |
| | \$ | \$ |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| Loss before income tax expense | (18,666,810) | (9,346,749) |
| Tax at the statutory tax rate of 25% (2021: 26%) | (4,666,703) | (2,430,155) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| R&D tax incentives | 1,610,294 | 1,452,675 |
| Other expenses not deductible | - | (107) |
| Deferred tax (liability)/asset relating to tax losses not recognised | 1,926,677 | 2,081,643 |
| Net movement in temporary differences not recognised | 1,129,732 | (1,104,056) |
| Income tax expense | - | - |

Accounting policy for income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Note 7. Current assets - cash and cash equivalents

| | Consolidated | |
|--------------------------|-------------------|-------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Cash at bank and in hand | 5,981,469 | 16,753,142 |
| Term Deposit at call | 8,000,000 | 10,000,000 |
| Bank debit cards | 29,199 | 42,643 |
| | 14,010,668 | 26,795,785 |

Accounting policy for cash and cash equivalents

Cash and short-term deposits includes cash at bank (including debit cards) and in hand and short-term deposits with an original maturity of three months or less, or redeemable at any time.

For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Note 8. Current assets - trade and other receivables

| | Consolidated | |
|-----------------------|------------------|------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Accounts receivable | 5,584 | 4,400 |
| GST receivable | 201,893 | 277,816 |
| R&D rebate receivable | 5,002,616 | 5,500,000 |
| Interest receivable | 3,288 | 17,008 |
| | 5,207,797 | 5,794,824 |
| | 5,213,381 | 5,799,224 |

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Current assets - other assets

| | Consolidated | |
|-------------|------------------|----------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Prepayments | 462,787 | 67,517 |
| Inventories | 1,146,492 | 311,510 |
| | 1,609,279 | 379,027 |

The inventories are mainly materials that are used in the research and development process. These materials are recognised as an expense as and when they are utilised in the research and development process.

The increase in prepayments is due to prepayments toward the next batch of inventory manufacture.

Note 10. Non-current assets - financial assets at fair value through profit and loss

| | Consolidated | |
|---|------------------|-------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Investment in Nyrada Inc.- ordinary shares | 4,505,388 | 10,679,439 |
| Investment in Nyrada Inc.- performance shares | 909,645 | 3,592,980 |
| | 5,415,033 | 14,272,419 |

Refer to note 16 for further information on fair value measurement.

The investment in Nyrada Inc. is the fair value of the 33,373,245 Nyrada shares received upon Nyrada's listing on the ASX, and the fair value of the 12,000,600 performance shares received.

Refer to note 2 Critical accounting judgements, estimates and assumptions - valuation of investment in Nyrada for further information in relation to the valuation of the respective Nyrada shares.

Note 11. Current liabilities - trade and other payables

| | Consolidated | |
|--------------------------|------------------|------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Trade and other payables | 810,470 | 959,493 |
| Accrued expenses | 815,932 | 5,085,682 |
| Other payables | 169,319 | 84,995 |
| | 1,795,721 | 6,130,170 |

Refer to note 15 for further information on financial instruments.

Accounting policy for trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. Licensing fees are recognised as an expense when it is confirmed that they are payable by the consolidated entity.

Note 12. Equity - issued capital

| | Consolidated | | | |
|------------------------------|--------------|-------------|------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | 292,237,950 | 288,221,727 | 74,635,721 | 72,622,560 |

Movements in ordinary share capital

| Details | Date | Shares | \$ |
|---------------------------------|---------------------|--------------------|-------------------|
| Balance | 1 July 2020 | 213,200,580 | 41,631,007 |
| Conversion of collateral shares | 22 July 2020 | - | 267,637 |
| Conversion of options | 14 August 2020 | 40,000 | 12,000 |
| Conversion of options | 9 October 2020 | 976 | 293 |
| Conversion of options | 26 October 2020 | 784 | 235 |
| Conversion of options | 18 November 2020 | 650,000 | 339,107 |
| Conversion of options | 1 December 2020 | 5,456 | 1,637 |
| Capital raise (net of fees) | 1 December 2020 | 42,592,592 | 16,360,077 |
| Conversion of options | 15 December 2020 | 448 | 134 |
| Conversion of options | 22 January 2021 | 1,789,612 | 536,884 |
| Conversion of options | 3 February 2021 | 2,623,265 | 786,980 |
| Conversion of options | 5 February 2021 | 1,917,073 | 578,860 |
| Conversion of options | 15 February 2021 | 729,705 | 218,912 |
| Conversion of options | 19 February 2021 | 2,942,061 | 889,913 |
| Conversion of options | 26 February 2021 | 8,267,133 | 2,480,140 |
| Conversion of options | 4 March 2021 | 4,112,664 | 1,233,799 |
| Conversion of options | 12 April 2021 | 4,215 | 1,265 |
| Conversion of options | 30 April 2021 | 2,963 | 889 |
| Conversion of options | 7 May 2021 | 1,333 | 400 |
| Conversion of loan | 31 May 2021 | 9,250,867 | 7,255,391 |
| Conversion of options | 21 June 2021 | 90,000 | 27,000 |
| Balance | 30 June 2021 | 288,221,727 | 72,622,560 |
| Conversion of options | 13 August 2021 | 6,667 | 2,000 |
| Conversion of options | 23 August 2021 | 48,101 | 14,430 |
| Conversion of options | 29 September 2022 | 3,961,455 | 1,996,731 |
| Balance | 30 June 2022 | 292,237,950 | 74,635,721 |

Ordinary shares

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

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

Share buy-back

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

Capital risk management

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

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

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

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

Accounting policy for issued capital

Ordinary shares are classified as equity.

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

Note 13. Equity - reserves

| | Consolidated | |
|-----------------|--------------|-----------|
| | 2022 | 2021 |
| | \$ | \$ |
| Options reserve | 8,285,254 | 8,487,119 |

Option reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 14. Equity - dividends

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

Note 15. Financial instruments

Financial risk management objectives

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the consolidated entity's implementation of that system on a regular basis.

The consolidated entity's activities cause no material exposure to market risk (including currency risk and interest rate risk) and credit risk. The only material exposure is liquidity risk and price risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed.

The consolidated entity's financial instruments consist of cash and cash equivalents, trade and other receivables, and trade and other payables.

| | Consolidated | |
|---|-------------------|-------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Cash and cash equivalents | 6,010,668 | 7,672,948 |
| Term Deposits at call | 8,000,000 | 19,122,837 |
| Trade and other payables | (1,795,721) | (6,130,170) |
| Lease liabilities | (160,624) | (231,666) |
| Investment in Nyrada ordinary shares | 4,505,388 | 10,679,438 |
| Investment in Nyrada performance shares | 909,645 | 3,592,980 |
| | 17,469,356 | 34,706,367 |

Price risk

The consolidated entity is exposed to price risk through its investment in Nyrada Inc. A change in share price (market risk) could impact the value of the investment held by the consolidated entity in Nyrada Inc.

Management of the consolidated entity manages this risk by monitoring the performance of Nyrada and its underlying share price. As this is considered a long term investment and this other price risk due to market movements is out of the control of the consolidated entity, there is no direct strategy to mitigate this risk other than to carefully monitor the underlying share price.

The below table shows a sensitivity analysis on the value of the investment in Nyrada ordinary shares if the Nyrada share price fluctuates by +/-20%.

The table below also shows an estimated sensitivity analysis for both tranches of Nyrada performance shares if the value fluctuates by +/- 20%. Note this is an estimated impact and does not consider movements in the probabilities of meeting the market conditions used in the Monte Carlo simulation to arrive at the valuation of these performance shares.

| Consolidated - 2022 | Average price increase | | | Average price decrease | | |
|---|------------------------|-----------------------------|------------------|------------------------|-----------------------------|------------------|
| | % change | Effect on profit before tax | Effect on equity | % change | Effect on profit before tax | Effect on equity |
| Nyrada Inc. ordinary shares | 20% | 901,078 | 901,078 | (20%) | (750,898) | (750,898) |
| Nyrada Inc. performance shares -Tranche 1 | 20% | 90,965 | 90,965 | (20%) | (75,804) | (75,804) |
| Nyrada Inc. performance shares -Tranche 2 | 20% | 90,965 | 90,965 | (20%) | (75,804) | (75,804) |
| | | 1,083,008 | 1,083,008 | | (902,506) | (902,506) |

| Consolidated - 2021 | Average price increase | | | Average price decrease | | |
|---|------------------------|-----------------------------|------------------|------------------------|-----------------------------|--------------------|
| | % change | Effect on profit before tax | Effect on equity | % change | Effect on profit before tax | Effect on equity |
| Nyrada Inc. ordinary shares | 20% | 2,135,888 | 2,135,888 | (20%) | (1,779,906) | (1,779,906) |
| Nyrada Inc. performance shares -Tranche 1 | 20% | 359,298 | 359,298 | (20%) | (299,415) | (299,415) |
| Nyrada Inc. performance shares -Tranche 2 | 20% | 359,298 | 359,298 | (20%) | (299,415) | (299,415) |
| | | 2,854,484 | 2,854,484 | | (2,378,736) | (2,378,736) |

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company is exposed to liquidity risk via its trade and other payables.

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring undiscounted cash flow forecasts and actual cash flows provided to them by the Company's Management at Board meetings to ensure that the Company continues to be able to meet its debts as and when they fall due. Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the additional activity.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| | Weighted average interest rate | 1 year or less | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Remaining contractual maturities |
|------------------------------|--------------------------------------|------------------|--------------------------|--------------------------|-----------------|--|
| Consolidated - 2022 | % | \$ | \$ | \$ | \$ | \$ |
| Non-derivatives | | | | | | |
| Non-interest bearing | | | | | | |
| Trade payables | - | 810,470 | - | - | - | 810,470 |
| Other payables | - | 985,251 | - | - | - | 985,251 |
| Lease liability | - | 160,624 | - | - | - | 160,624 |
| Total non-derivatives | | 1,956,345 | - | - | - | 1,956,345 |

| | Weighted average interest rate | 1 year or less | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Remaining contractual maturities |
|------------------------------|--------------------------------------|------------------|--------------------------|--------------------------|-----------------|--|
| Consolidated - 2021 | % | \$ | \$ | \$ | \$ | \$ |
| Non-derivatives | | | | | | |
| Non-interest bearing | | | | | | |
| Trade payables | - | 959,493 | - | - | - | 959,493 |
| Other payables | - | 5,170,677 | - | - | - | 5,170,677 |
| Lease liability | - | 231,166 | 117,642 | - | - | 348,808 |
| Total non-derivatives | | 6,361,336 | 117,642 | - | - | 6,478,978 |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

The fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate to their carrying amounts largely due to being liquid assets or liabilities that will be settled within 12 months.

Note 16. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|------------------|----------|----------------|------------------|
| Consolidated - 2022 | \$ | \$ | \$ | \$ |
| Assets | | | | |
| Nyrada Inc. ordinary shares | 4,505,388 | - | - | 4,505,388 |
| Nyrada Inc. performance shares | - | - | 909,645 | 909,645 |
| Total assets | 4,505,388 | - | 909,645 | 5,415,033 |

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|-------------------|----------|------------------|-------------------|
| Consolidated - 2021 | \$ | \$ | \$ | \$ |
| Assets | | | | |
| Nyrada Inc. ordinary shares | 10,679,439 | - | - | 10,679,439 |
| Nyrada Inc. performance shares | - | - | 3,592,980 | 3,592,980 |
| Total assets | 10,679,439 | - | 3,592,980 | 14,272,419 |

There were no transfers between levels during the financial year.

Accounting policy for fair value measurement

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

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

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

The valuation techniques used for instruments categorised in levels 1 and 3 are described below:

Nyrada ordinary shares (level 1): The 33,373,245 Nyrada ordinary shares held by the consolidated entity were valued at fair value, using the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market. The price used for valuing these ordinary shares was the ASX price of 13.5 cents.

Nyrada performance shares (level 3): The 12,000,600 Nyrada performance shares were externally valued considering Level 3 hierarchy fair value inputs such as - the spot price of 13.5 cents, a risk free interest rate of 2.762% (based on Australian government bond rate as a proxy), a historical volatility factor of 78.01% and the Monte Carlo approach for estimating the probability of the market based vesting conditions being achieved.

The table below shows the unobservable inputs used in measuring the level 3 fair value of financial instruments in the statement of financial position and the estimated impact of changes to these inputs.

| Financial instruments with level 3 valuation techniques | Significant unobservable inputs | Estimated impact on fair value measurement |
|--|--|---|
| Nyrada performance shares - tranche 1 | Volatility of returns of Nyrada CDI's | A +20% increase in the volatility will increase the value of the asset by \$90,965 and profit by \$90,965. A -20% decrease in the volatility will decrease the value of the asset by (\$75,804) and profit (\$75,804). |
| Nyrada performance shares - tranche 1 | Risk free interest rate | A +/-20% movement in the risk free interest rate used in the valuation will have no material impact of on the fair value of the asset or profit. |
| Nyrada performance shares - tranche 2 | Volatility of returns of Nyrada CDI's | A +20% increase in the volatility will increase the value of the asset by \$90,965 and profit by \$90,965 A -20% decrease in the volatility will decrease the value of the asset by (\$75,804) and profit (\$75,804). |
| Nyrada performance shares - tranche 2 | Risk free interest rate | A +/-20% movement in the risk free interest rate used in the valuation will have no material impact of on the fair value of the asset or profit. |

Note 17. Key management personnel disclosures

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

- Mr. Frederic Bart - Non Executive Chairman
- Dr. Graham Kelly - Non Executive Director (resigned executive positions and appointed Non Executive Director 1 February 2022)
- Mr. Peter Marks - Non Executive Director and Deputy Chairman
- Mr. Boris Patkin - Non Executive Director
- Dr. Gisela Mautner - Chief Executive Officer and Managing Director (appointed 1 February 2022)

Compensation

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

| | Consolidated | |
|------------------------------|------------------|------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Short-term employee benefits | 718,093 | 479,495 |
| Post-employment benefits | 47,701 | 34,881 |
| Long-term benefits | 5,350 | 341 |
| Share-based payments | 679,743 | 1,418,819 |
| | 1,450,887 | 1,933,536 |

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the company:

| | Consolidated | |
|--|---------------|---------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Audit services - William Buck Audit (Vic) Pty Ltd | | |
| Audit or review of the financial statements | 59,500 | 66,450 |

Note 19. Contingent liabilities and licence agreement

The consolidated entity has given bank guarantees as at 30 June 2022 of \$118,818 (2021: \$118,818) to its landlords.

The consolidated entity has entered into a licence agreement whereby it is obliged to make royalty payments on future sales and make future cash milestone payments if certain events occur. This agreement includes the following:

- milestone payment based on the initiation of the first Phase III clinical trial for each product;
- milestone payments based on first grant of a marketing authorisation for each product; and
- royalty payments based on net sales.

Note 20. Related party transactions

Parent entity

Noxopharm Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

Transactions with related parties

Prue Kelly, spouse of Graham Kelly (Non-Executive Director) was employed as the Company's Investor Relation Manager/ Executive Assistant on the Company's employment terms and conditions up until 27 June 2022. Total salary inclusive of superannuation and termination payment paid to Prue Kelly for the year ended 30 June 2022 was \$338,635 (2021: \$131,856). No unlisted options were granted to Prue Kelly for the year ended 30 June 2022 (2021: \$20,613)

Receivable from and payable to related parties

There were no trade receivables from related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 21. Parent entity information

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

Statement of profit or loss and other comprehensive income

| | Parent | |
|----------------------------|--------------|-------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Loss after income tax | (17,717,934) | (9,219,721) |
| Total comprehensive income | (17,717,934) | (9,219,721) |

Statement of financial position

| | Parent | |
|---------------------------|-------------------|-------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Total current assets | 20,833,328 | 32,974,035 |
| Total assets | 27,667,696 | 47,978,773 |
| Total current liabilities | 2,280,847 | 6,807,195 |
| Total liabilities | 2,475,813 | 7,077,336 |
| Equity | | |
| Issued capital | 74,635,721 | 72,622,560 |
| Options reserve | 8,285,254 | 8,487,119 |
| Accumulated losses | (57,729,092) | (40,208,242) |
| Total equity | 25,191,883 | 40,901,437 |

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022.

Contingent liabilities

Except as outlined in note 19, the parent entity had no contingent liabilities as at 30 June 2022 and 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments at 30 June 2022 and 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

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

Note 22. Interests in subsidiaries and associates

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|------------------------|---|--------------------|-----------|
| | | 2022 % | 2021 % |
| Norbio Holding Pty Ltd | Australia | 100.00% | 100.00% |
| Pharmorage Pty Limited | Australia | 100.00% | 100.00% |

Note 23. Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|---|---------------------|--------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Loss after income tax expense for the year | (18,666,810) | (9,346,749) |
| Adjustments for: | | |
| Depreciation and amortisation | 261,513 | 261,723 |
| Share of loss - associates | - | 1,040,874 |
| Share-based payments | 803,511 | 1,723,797 |
| Foreign exchange differences | 27,315 | 3,697 |
| Fair value loss/(gain) on investment in Nyrada Inc. | 8,857,384 | (8,774,212) |
| Fair value movement of derivative liability | - | 477,524 |
| Non-cash finance costs | 41,481 | 2,178,222 |
| Accrued interest | 13,236 | (17,008) |
| Change in operating assets and liabilities: | | |
| Decrease/(increase) in trade and other receivables | 176,664 | (1,139,774) |
| Decrease/(increase) in inventory | (834,982) | 207,720 |
| Increase/(decrease) in trade and other payables | (4,334,449) | 4,343,318 |
| Increase/(decrease) in employee entitlements | (78,390) | 190,427 |
| Net cash used in operating activities | (13,733,527) | (8,850,441) |

Note 25. Earnings per share

| | Consolidated | |
|--|---------------------|--------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Loss after income tax attributable to the owners of Noxopharm Limited | (18,666,810) | (9,346,749) |

| | Number | Number |
|--|--------------------|--------------------|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 291,221,727 | 263,850,689 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 291,221,727 | 263,850,689 |

| | Cents | Cents |
|----------------------------|--------|--------|
| Basic earnings per share | (6.41) | (3.54) |
| Diluted earnings per share | (6.41) | (3.54) |

The 53,953,349 (2021: 56,546,540) options on issue could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

Accounting policy for earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Note 26. Share-based payments

During the year, the Company has granted the following share-based payments:

2,000,000 performance options were issued to Gisela Mautner on 1 February 2022, exercise price \$0.54 expiring February 2026.

The vesting conditions attached to the performance options granted to Gisela Mautner are:

100% of the options will vest on the achievement of any one of:

1. The Company being purchased in entirety (business sale/share sale);
2. An \$10,000,000 or greater investment in the Company; or
3. Entering into a licencing agreement with a large pharmaceutical company.

The Directors have estimated 100% likelihood of the vesting criteria being achieved and as a result the full fair value of the options have been expensed.

Set out below are summaries of options outstanding at the end of the financial year:

| 2022 | | | Balance at | | | Expired/ | Balance at |
|------------|-------------|----------|-------------------|------------------|--------------------|------------------|-------------------|
| Grant date | Expiry date | | the start of | Granted | Exercised | forfeited/ | the end of |
| | | | the year | | | other | the year |
| 08/12/2017 | 30/11/2021 | \$1.0800 | 319,213 | - | - | (319,213) | - |
| 21/12/2018 | 21/11/2022 | \$0.6200 | 781,667 | - | - | - | 781,667 |
| 23/07/2019 | 23/07/2023 | \$0.5800 | 4,722,222 | - | - | - | 4,722,222 |
| 30/11/2019 | 17/12/2023 | \$0.3200 | 823,878 | - | - | - | 823,878 |
| 20/06/2020 | 20/06/2023 | \$0.3000 | 20,037,101 | - | (14,768) | - | 20,022,333 |
| 14/08/2020 | 14/08/2023 | \$0.3000 | 25,304,704 | - | - | - | 25,304,704 |
| 06/11/2020 | 06/11/2024 | \$0.5500 | 1,050,000 | - | (4,001,455) | - | (2,951,455) |
| 17/11/2020 | 15/12/2022 | \$0.3150 | 3,000,000 | - | - | - | 3,000,000 |
| 31/05/2021 | 15/12/2024 | \$0.6810 | 250,000 | - | - | - | 250,000 |
| 01/02/2022 | 01/02/2026 | \$0.5400 | - | 2,000,000 | - | - | 2,000,000 |
| | | | 56,288,785 | 2,000,000 | (4,016,223) | (319,213) | 53,953,349 |

Set out below are the options exercisable at the end of the financial year:

| Grant date | Expiry date | 2022 | 2021 |
|------------|-------------|-------------------|-------------------|
| | | Number | Number |
| 08/12/2017 | 30/11/2021 | - | 319,213 |
| 10/12/2018 | 21/11/2022 | 781,667 | 521,110 |
| 23/07/2019 | 23/07/2023 | 4,777,222 | 4,777,222 |
| 30/11/2019 | 17/12/2023 | 823,878 | 823,878 |
| 18/06/2020 | 18/06/2023 | 20,022,333 | 20,037,101 |
| 14/08/2020 | 14/08/2023 | 21,302,249 | 25,304,704 |
| 06/11/2020 | 06/11/2024 | 1,050,000 | - |
| 15/12/2020 | 15/12/2022 | 1,000,000 | 1,000,000 |
| 15/12/2020 | 15/12/2022 | 1,000,000 | 1,000,000 |
| 15/12/2020 | 15/12/2022 | 1,000,000 | 1,000,000 |
| 31/05/2021 | 12/12/2024 | 125,000 | - |
| | | 51,882,349 | 54,783,228 |

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.14 years.

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

| Grant date | Expected exercise date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|------------------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 01/02/2022 | * | \$0.4500 | \$0.5400 | 80.00% | - | 1.23% | \$0.311 |

* See above vesting conditions for these options.

Accounting policy for share-based payments

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

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

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

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

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

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

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

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

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

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

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

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors



Fred Bart

Chairman

25 August 2022

Noxopharm Limited Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Noxopharm Limited (the Company) and its controlled entities (together, 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 statements, including a summary of significant accounting policies and other explanatory information, 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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.

| SHARE BASED PAYMENTS | |
|--|---|
| Area of focus | How our audit addressed it |
| <p>As disclosed in note 25, the Group currently has options issued to both employees and Directors.</p> <p>These options include both market and non-market vesting criteria, including:</p> <ul style="list-style-type: none"> — Service (employment) conditions; and — Market-based conditions, tied to achieving share price milestones. <p>The valuation of such options requires significant judgement and expertise, particularly in determining the likelihood of achieving the market-based conditions and satisfying all non-vesting conditions.</p> <p>The Group engages independent specialists to appraise the fair value of its share-based payment arrangements that involve market-based conditions and assessment of satisfying nonvesting conditions.</p> <p>The Group recognises a vesting charge apportioned over the service condition, immediately if there is a market condition or based on management's assessment of the likelihood of other non-market conditions.</p> <p>This matter was considered a Key Audit Matter due to the complexity of arrangements and judgement applied in valuing the share-based payments.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Agreeing the material terms and conditions of any new share-based payment arrangement to plan documentation; — Examining the share-based payment arrangements to determine the appropriateness of identifying each share-based payment arrangement, including assessment of the grant date; — Examining the appropriateness of the amortisation model for accreting share-based payment expense to the profit or loss over the vesting period; — Assessing support for likely outcome of vesting conditions used to value share-based payments; — Assessing support for satisfaction of achieving non-vesting conditions which are not market conditions; and — Assessed the competence and qualification of management's specialist. <p>We also assessed the adequacy of disclosures in relation to the share options in the Remuneration Report and notes to the financial report.</p> |
| INVESTMENT IN NYRADA | |
| Area of focus | How our audit addressed it |
| <p>During the period and as disclosed in note 10, the Group continue to hold an investment in Nyrada Inc. (Nyrada), a previous subsidiary of the Group prior to its listing on the ASX.</p> <p>During the prior year it was determined that the Group's diluted shareholding in Nyrada had fallen below 20% and therefore begun accounting for the investment at fair value due to losing their significant influence. Prior to this, the investment was accounted for using the equity method of accounting.</p> | <p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> — Assessing the appropriateness of the accounting treatment of the group's shareholding; — Recalculating the diluted percentage shareholding on Noxopharm in Nyrada as at 30 June 2022 to appraise management's assessment that continuing to account for the investment at fair value was appropriate; — Assessed the competence and qualifications of management's expert; |

| INVESTMENT IN NYRADA | |
|---|---|
| Area of focus | How our audit addressed it |
| <p>The investment includes two instruments, being:</p> <ul style="list-style-type: none"> — Ordinary shares, that are carried at fair value based on their quoted value on the Australian Securities Exchange (ASX); and — Performance shares, that are carried at fair value based on a Monte Carlo simulation method. <p>The directors employed an independent specialist to appraise the fair valuation of the performance shares at balance date.</p> <p>This matter was considered a Key Audit Matter due to the fair value assumptions applied.</p> | <ul style="list-style-type: none"> — Recalculating the fair value gain taken to the profit or loss during the period; and — Assessed the reasonableness of key inputs into the fair valuation provided by the expert engaged by management. <p>We further assessed the adequacy of disclosures in relation to the investment in the notes to the financial report.</p> |
| Research & Development Receivable and Revenue | |
| Area of focus | How our audit addressed it |
| <p>During the financial year and as disclosed in note 4, the Group recorded income of \$5.368m related to the FY22 R&D tax incentive, of which \$5.003m relates to the current financial year. Included in the current year is an amount of \$365k relating to the additional FY21 R&D expenditures subsequently claimed over what was accrued for the period ended 30 June 2021. The income was recognised in accordance with the Group's accounting policy.</p> <p>As at 30 June 2022, an income tax R&D receivable of \$5.0m is recorded on balance sheet as disclosed in note 8.</p> <p>Despite there being a history of the claims being received there remains a risk that the R&D receivable is overstated with expenses inappropriately included in the claim and revenue therefore overstated, or expenses included within both the R&D and other government grant claims therefore allowing the Group to "double-dip".</p> <p>This matter was considered a Key Audit Matter due to the complexity and judgement applied in calculating the R&D claim.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Income from the R&D claim were tested substantively to ensure it was recognised correctly as per AASB 120 and the Group's accounting policy; — Performed substantive testing of R&D expenditure incurred and employment payroll costs which are included in the FY22 R&D claim; — The R&D tax incentive claim workings were assessed by our specialist William Buck R&D team for its appropriateness with respect to AT0 guidelines to consider if expenditure is deemed eligible; and — Vouched the prior period receivable amount to cash at bank in relation to the FY21 expenditure. <p>We assessed the adequacy of the financial statement disclosures concerning the Groups accounting policies with respect to the current claim and the disclosure within the notes to the financial report.</p> |

Other Information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after this date

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 these financial statements is located at the Auditing and Assurance Standards Board website at:

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

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Noxopharm Limited, 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.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

WilliamBuck
ACCOUNTANTS & ADVISORS



N. S. Benbow
Director
Melbourne, 25th August 2022

Shareholder Information

The shareholder information set out below was applicable as at 17 August 2022

NOX ordinary shares

| | Number of holders | % by number of holders | Total number of shares | % by number of shares issued |
|--------------------|-------------------|------------------------|------------------------|------------------------------|
| 1 to 1,000 | 427 | 10.43% | 243,506 | 0.08% |
| 1,001 to 5,000 | 1,127 | 27.53% | 3,166,940 | 1.08% |
| 5,001 to 10,000 | 694 | 16.96% | 5,607,694 | 1.92% |
| 10,0001 to 100,000 | 1,469 | 35.89% | 52,597,974 | 18.00% |
| 100,001 and above | 376 | 9.17% | 230,621,836 | 78.92% |
| | 4,093 | | 292,237,950 | |

NOXO - (listed options at \$0.30, expiry 18 June 2023)

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 1 to 1,000 | 239 | 27.99% | 102,713 | 0.51% |
| 1,001 to 5,000 | 299 | 35.01% | 708,174 | 3.54% |
| 5,001 to 10,000 | 107 | 12.53% | 764,281 | 3.82% |
| 10,001 to 100,000 | 173 | 20.26% | 5,512,217 | 27.53% |
| 100,001 and above | 36 | 4.22% | 12,934,948 | 64.60% |
| | 854 | | 20,022,333 | |

NOXOA - (listed options at \$0.315 expiry 14 Aug 2023)

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 1 to 1,000 | 3 | 2.44% | 1,606 | 0.01% |
| 1,001 to 5,000 | 11 | 8.94% | 24,124 | 0.11% |
| 5,001 to 10,000 | 9 | 7.32% | 66,120 | 0.31% |
| 10,001 to 100,000 | 58 | 47.15% | 2,751,328 | 12.92% |
| 100,001 and above | 42 | 34.15% | 18,460,071 | 86.65% |
| | 123 | | 21,303,249 | |

Unlisted options exercise price of \$0.62, expiry 27 Nov 2022, Vest 21.11.2019

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 10,001 to 100,000 | 13 | 100.00% | 260,555 | 100.00% |

Unlisted options exercise price of \$0.62, expiry 27 Nov 2022, Vest 21.11.2020

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 10,001 to 100,000 | 13 | 100.00% | 260,555 | 100.00% |

Unlisted options exercise price of \$0.62, expiry 27 Nov 2022, Vest 21.11.2021

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 10,001 to 100,000 | 13 | 100.00% | 260,557 | 100.00% |

Unlisted option exercise price of \$0.58, expiry 23 Jul 2023

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 100,001 and above | 2 | 100.00% | 4,722,222 | 100.00% |

Unlisted options exercise price of \$0.32, expiry 23 Dec 2023

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 5,001 to 10,000 | 1 | 7.69% | 7,212 | 0.88% |
| 10,001 to 100,000 | 10 | 76.92% | 561,458 | 68.15% |
| 100,001 and above | 2 | 15.38% | 255,208 | 30.98% |
| | 13 | | 823,878 | |

Unlisted options exercise price of \$0.55, expiry 6 Nov 2024

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 10,001 to 100,000 | 10 | 71.43% | 570,000 | 54.29% |
| 100,001 and above | 4 | 28.57% | 480,000 | 45.71% |
| | 14 | | 1,050,000 | |

Unlisted options exercise price of \$0.315, expiry 15 Dec 2022

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 100,001 and above | 1 | 100.00% | 3,000,000 | 100.00% |

Unlisted options exercise price of \$0.681, expiry 15 Dec 2024

| | Number of holders | % by number of holders | Total number of options | % by number of options issued |
|-------------------|-------------------|------------------------|-------------------------|-------------------------------|
| 100,001 and above | 1 | 100.00% | 250,000 | 100.00% |

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

| | Ordinary shares | |
|---|--------------------|--------------------------|
| | Number held | % of total shares issued |
| MILLIGENE PTY LTD (THE GE + PR KELLY FAMILY A/C) | 27,649,106 | 9.46% |
| MRS ELEANORE GOODRIDGE | 14,121,085 | 4.83% |
| MILLIGENE PTY LTD (THE GE + PR KELLY FAMILY A/C) | 8,000,000 | 2.74% |
| RGT CAPITAL FUND NO 5 (NOXO) PTY LTD | 6,500,333 | 2.22% |
| KALE CAPITAL CORPORATION LTD | 6,255,290 | 2.14% |
| LINK TRADERS (AUST) PTY LTD | 5,430,298 | 1.86% |
| LINK TRADERS (AUST) PTY LTD | 5,041,224 | 1.73% |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 4,592,103 | 1.57% |
| GRANDOR PTY LTD MARK SCOTT FAMILY P/F A/C | 3,395,850 | 1.16% |
| RHLC PTY LIMITED RHLC S/F A/C | 3,300,000 | 1.13% |
| JAMBER INVESTMENTS PTY LTD THE AMBER SCHWARZ SUPER FUND A/C | 3,252,762 | 1.11% |
| BART SUPERANNUATION PTY LIMITED 4F INVESTMENTS SUPERFUND A/C | 3,080,189 | 1.05% |
| CITICORP NOMINEES PTY LIMITED | 3,001,888 | 1.03% |
| BLACKCOURT (NSW) PTY LIMITED LAWSAM SUPER FUND A/C | 2,686,376 | 0.92% |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED (EOROCLEAR BANK SA NV A/C | 2,617,792 | 0.90% |
| MR FREDERICK BART | 2,538,462 | 0.87% |
| OGEN NOMINEES PTY LTD | 2,300,000 | 0.79% |
| MR LIZHONG YU | 2,118,000 | 0.72% |
| MS LISSA LORRAINE SACHR | 2,001,000 | 0.68% |
| HALCYON NOMINEES PTY LTD HALCYON SUPER FUND A/C | 2,000,000 | 0.68% |
| | 109,881,758 | 37.59% |

| Listed Options - (NOXO) | Options over ordinary shares | Options over ordinary shares |
|---|---|---|
| | Number held | % of total options issued |
| MILLIGENE PTY LTD (THE GE + PR KELLY FAMILY A/C) | 1,820,513 | 9.09% |
| LINK TRADERS (AUST) LTD | 1,647,075 | 8.23% |
| MR FREDERIC BART | 846,154 | 4.23% |
| JAMBER INVESTMENTS PTY LTD (THE AMBER SCHWARZ FAM A/C) | 834,254 | 4.17% |
| BLACKCOURT (NSW) PTY LIMITED (LAWSAM SUPER FUND A/C) | 754,691 | 3.77% |
| RGT CAPITAL FUND NO 5 (NOXO) PTY LTD | 754,627 | 3.77% |
| COSMOS NOMINEES PTY LTD (THE PLASTICS CENTRE S/F A/C) | 748,228 | 3.74% |
| SOLEVU PTY LTD (RT LIN SUPER FUND A/C) | 360,266 | 1.80% |
| LINK TRADERS (AUST) PTY LTD | 352,925 | 1.78% |
| LAWSAM PTY LTD | 337,919 | 1.90% |
| HSBC CUSTODY NOMINESS (AUSTRALIA) LIMITED | 311,401 | 1.56% |
| R & J KARANGIS HOLDINGS PTY LTD (KARANGIS SUPER FUND A/C) | 300,000 | 1.50% |
| DECANTE PTY LTD (J M EHRlich SUPER FUND A/C) | 276,585 | 1.38% |
| MS ALISON CLAIRE JAFFEE | 274,410 | 1.37% |
| MR MATTHEW JAMES SACHR | 268,351 | 1.34% |
| UBS NOMINEES PTY LIMITED | 200,016 | 1.00% |
| MS JIN QIN WANG | 199,200 | 0.99% |
| SUBURBAN HOLDINGS PTY LIMITED (SUBURBAN SUPER FUND A/C) | 191,959 | 0.96% |
| BERNE NO 132 NOMINEES PTY LTD (331898 A/C) | 184,490 | 0.92% |
| BAHAR SUPER PTY LIMITED (BEACH FAMILY S/F A/C) | 173,518 | 0.87% |
| | 10,836,582 | |

| Listed Options - (NOXOA) | Options over ordinary shares | Options over ordinary shares |
|--|---|---|
| | Number held | % of total options issued |
| CG NOMINEES (AUSTRALIA) PTY LTD | 4,000,000 | 18.78% |
| MS LISSA LORRAINE SACHR | 1,400,000 | 6.57% |
| MBA INVESTMENTS PTY LTD | 1,028,333 | 4.83% |
| JAMBER INVESTMENTS PTY LTD (THE AMBER SCHWARZ FAM A/C) | 914,879 | 4.29% |
| LINK TRADERS (AUST) PTY LTD | 914,879 | 4.29% |
| MR MATTHEW JAMES SACHR | 833,673 | 3.91% |
| MBA INVESTMENTS PTY LTD | 700,000 | 3.29% |
| LAWSAM PTY LTD | 666,667 | 3.13% |
| COSMOS NOMINEES PTY LTD (THE PLASTICS CENTRE S/F A/C) | 604,166 | 2.84% |
| LTL CAPITAL PTY LTD | 589,266 | 2.77% |
| LINK TRADERS (AUST) PTY LTD | 585,121 | 2.75% |
| BLUE LAKE PARTNERS PTY LTD | 448,718 | 2.11% |
| GINGA PTY LTD (T G KLINGER SUPER FD A/C) | 356,355 | 1.67% |
| SOLEVU PTY LTD (RT LIN SUPER FUND A/C) | 333,333 | 1.56% |
| MR PETER DANCKWERTS | 316,901 | 1.49% |
| MS JIN QIN WANG | 301,795 | 1.42% |
| MRS DIANE VUCIC | 300,000 | 1.41% |
| MS ALISON CLAIRE JAFFEE | 256,412 | 1.20% |
| WHIMPLECREEK PTY LTD (THE STAWELL FAMILY A/C) | 256,410 | 1.20% |
| PERSHING SECURITIES AUSTRALIA PTY LTD | 256,410 | 1.20% |
| MR HUA KIAT CHEN | 250,000 | 1.17% |
| DR JOSHUA EHRLICH | 245,938 | 1.15% |
| | 15,559,256 | |

Unquoted equity securities

There are no unquoted equity securities.

Holders of more than 20% of unquoted equity security holders (excluding Employee Incentive Schemes)

| | Number held | % of total securities |
|--|--------------------|----------------------------------|
| Unlisted Options (Exercise price \$0.58, expiry 23 July 2023) | | |
| LIND GLOBAL MACRO FUND LP | 2,361,111 | 50.00% |
| L1 CAPITAL | 2,361,111 | 50.00% |
| Unlisted Options (Exercise price \$0.315, expiry 15 December 2022) | | |
| FREDERICK BART | 3,000,000 | 100.00% |
| Unlisted Options (Exercise price \$0.681, expiry 15 December 2024) | | |
| BORIS PATKIN | 250,000 | 100.00% |

Substantial holders

Substantial holders in the company are set out below:

| | Ordinary shares | |
|--|-----------------|--------------------------|
| | Number held | % of total shares issued |
| MILLIGENE PTY LTD (THE GE + PR KELLY FAM TRUST) AND OTHERS | 35,649,106 | 12.20% |
| ELEANORE GOODRIDGE | 14,121,085 | 4.83% |

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

Options

All quoted and unquoted options do not carry any voting rights.

There are no other classes of equity securities.

ASX Listing Rule 3.13.1 and 14.3

The Company advises that the Annual General Meeting (AGM) of the Company is scheduled for Thursday 17 November 2022 at 1.00pm (AEDT). The location of the AGM is subject to COVID-19 restrictions, including regulatory requirements. Further details, including any hybrid or virtual meeting arrangements, will be confirmed closer to the AGM.

Further to Listing Rule 3.13.1, Listing Rule 14.3, nominations for election of directors at the AGM must be received not less than 30 Business Days before the meeting, being no later than Wednesday 6 October 2022.

Corporate Directory

30 June 2022

| | |
|------------------------------------|--|
| Board of Directors | Frederic Bart, Non-Executive Chairman Graham Kelly, Non-Executive Director Peter Marks, Non-Executive Director and Deputy Chairman Boris Patkin, Non-Executive Director Gisela Mautner – Chief Executive Officer and Managing Director |
| Company Secretary | David Franks |
| Registered Office | Level 20, Tower A, The Zenith 821 Pacific Hwy Chatswood, NSW 2067 |
| Principal Place of Business | Level 20, Tower A, The Zenith 821 Pacific Hwy Chatswood, NSW 2067 |
| Website | www.noxopharm.com |
| Share Register | Automic Pty Ltd Level 5, 126 Phillip Street Sydney, NSW 2000 |
| Auditors | William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street Melbourne, VIC 3000 |
| Stock Exchange | Australian Securities Exchange 20 Bridge Street Sydney, NSW 2000 |
| ASX Code | NOX |

