

1. Company details

Name of entity:	Noxopharm Limited
ABN:	50 608 966 123
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

			\$
Loss from ordinary activities after tax attributable to the owners of Noxopharm Limited	up	36.5% to	(4,884,170)
Loss for the year attributable to the owners of Noxopharm Limited	up	36.5% to	(4,884,170)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$4,884,170 (30 June 2024: \$3,578,117).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.24	1.88

4. Loss of control over entities

Not applicable.

5. Dividends

Current period

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

Previous period

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

6. Dividend reinvestment plans

Not applicable.

7. Audit qualification or review

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

The preliminary final report is unaudited.

8. Attachments

Details of attachments (if any):

The Preliminary Final Report of Noxopharm Limited for the year ended 30 June 2025 is attached.

9. Signed



Signed _____

Date: 29 August 2025

For personal use only

Noxopharm Limited

ABN 50 608 966 123

Preliminary Final Report - 30 June 2025

For personal use only

Principal activities

The consolidated entity's principal activity in the course of the current financial year was SOF-SKN™ clinical trial preparation and drug development, focused on discovering and developing novel treatments for inflammation, autoimmune diseases and cancer, as well as improving mRNA vaccines.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$4,884,170 (30 June 2024: \$3,578,117).

During the financial year, the consolidated entity has:

- Conducted extensive preclinical and operational preparations for the HERACLES clinical trial, a first-in-human trial of SOF-SKN™, a novel drug candidate for chronic inflammatory diseases. The study aims to evaluate the safety profile of SOF-SKN by testing it at four different concentrations, and is taking place in Australia to capitalise on local expertise in research for inflammatory diseases such as lupus.
- Prioritised the development of the Sofra™ and Chroma™ programs, in particular the former. Noxopharm's preclinical portfolio and the opportunity to enter new and emerging clinical markets offered a strong level of risk mitigation for the company along with increased out-licensing opportunities, and reflected the best use of shareholder funds to maximise value.
- Signed further Material Transfer Agreements (MTAs) with a range of companies in order for them to evaluate the potential of Noxopharm's Sofra platform. The companies are testing a number of novel and proprietary assets from the platform. Each company is investing its own time and resources to perform the studies required to assess the commercial potential of the assets, and a variety of use cases are being explored.
- Scaled-up production and manufacturing of SOF-SKN to the quality standards and amount required for the HERACLES clinical trial. Also contracted various external partners to support trial delivery.
- Announced new data showing that the clinical trial formulation of SOF-SKN significantly reduced inflammation in an animal model.
- Strengthened its strategic partnership with Hudson Institute of Medical Research. The partnership and in-licensed technology are key components of the company's Sofra platform, via which Noxopharm is building a promising portfolio of assets.
- Undertook various initiatives in Australia and overseas to promote the Sofra platform to relevant audiences, including industry participants, clinicians and other external stakeholders.
- Issued A\$2.6 million of convertible notes to sophisticated investors, providing ongoing funding for the company and allowing it to fully explore all capital management and other potential opportunities.
- Announced positive data from its CRO-67 drug candidate targeting pancreatic cancer, from a highly sophisticated study that tested the drug in a complex mouse model.
- Released further preclinical data from the Chroma technology platform, showing two assets reduced tumour growth in a brain cancer explant model via a study conducted in conjunction with the University of South Australia.

Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7

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 are:

Registered Office:

Level 5
126 Phillip Street
SYDNEY NSW 2000

Principal Place of Business:

60 Linksley Ave
Glenhaven NSW 2156

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 29 August 2025. The directors have the power to amend and reissue the financial statements.

Noxopharm Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025



	Note	Consolidated 2025 \$	2024 \$
Income			
Other income	5	2,829,333	2,407,206
Net gain on investment at fair value through profit and loss	8	465,361	1,047,771
Expenses			
Corporate administration expenses	6	(938,917)	(1,099,009)
Research and development expenses		(4,266,476)	(2,935,087)
Depreciation and amortisation expenses		(1,743)	(1,743)
Consulting, employee & director expenses	6	(3,000,268)	(2,966,095)
Finance costs	6	(503,460)	(31,160)
Fair value movement in derivative liability		532,000	-
Loss before income tax expense		(4,884,170)	(3,578,117)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Noxopharm Limited		(4,884,170)	(3,578,117)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Noxopharm Limited		<u>(4,884,170)</u>	<u>(3,578,117)</u>
		Cents	Cents
Basic earnings per share		(1.67)	(1.22)
Diluted earnings per share		(1.67)	(1.22)

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

Noxopharm Limited
Statement of financial position
As at 30 June 2025



	Note	Consolidated 2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents		1,554,174	2,319,927
Trade and other receivables	7	2,947,013	2,403,790
Prepayments		76,293	44,549
Total current assets		<u>4,577,480</u>	<u>4,768,266</u>
Non-current assets			
Financial assets at fair value through profit and loss	8	-	2,009,824
Plant and equipment		3,925	5,668
Total non-current assets		<u>3,925</u>	<u>2,015,492</u>
Total assets		<u>4,581,405</u>	<u>6,783,758</u>
Liabilities			
Current liabilities			
Trade and other payables	9	998,508	917,644
Convertible notes payable	10	2,479,164	-
Employee benefits		392,539	328,751
Total current liabilities		<u>3,870,211</u>	<u>1,246,395</u>
Non-current liabilities			
Employee benefits		21,231	42,219
Total non-current liabilities		<u>21,231</u>	<u>42,219</u>
Total liabilities		<u>3,891,442</u>	<u>1,288,614</u>
Net assets		<u>689,963</u>	<u>5,495,144</u>
Equity			
Issued capital	11	74,635,721	74,635,721
Reserves	12	700,064	929,766
Accumulated losses		(74,645,822)	(70,070,343)
Total equity		<u>689,963</u>	<u>5,495,144</u>

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

Noxopharm Limited
Statement of changes in equity
For the year ended 30 June 2025



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	74,635,721	6,498,058	(72,060,518)	9,073,261
Loss after income tax expense for the year	-	-	(3,578,117)	(3,578,117)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,578,117)	(3,578,117)
<i>Transactions with owners in their capacity as owners:</i>				
Expiry of options	-	(5,568,292)	5,568,292	-
Balance at 30 June 2024	<u>74,635,721</u>	<u>929,766</u>	<u>(70,070,343)</u>	<u>5,495,144</u>

Consolidated	Issued capital \$	Convertible note reserve \$	Option Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	74,635,721	-	929,766	(70,070,343)	5,495,144
Loss after income tax expense for the year	-	-	-	(4,884,170)	(4,884,170)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(4,884,170)	(4,884,170)
<i>Transactions with owners in their capacity as owners:</i>					
Expiry of options	-	-	(308,691)	308,691	-
Vesting of share-based payments	-	-	63,989	-	63,989
Issue of options on inception of convertible notes	-	15,000	-	-	15,000
Balance at 30 June 2025	<u>74,635,721</u>	<u>15,000</u>	<u>685,064</u>	<u>(74,645,822)</u>	<u>689,963</u>

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

Noxopharm Limited
Statement of cash flows
For the year ended 30 June 2025



	Consolidated	
	2025	2024
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(8,096,985)	(6,713,004)
Interest received	8,502	6,930
Receipt from R&D tax rebate	2,337,618	6,052,925
	<u>(5,750,865)</u>	<u>(653,149)</u>
Interest and other finance costs paid	(73,733)	(31,161)
Net cash used in operating activities	<u>(5,824,598)</u>	<u>(684,310)</u>
Cash flows from investing activities		
Proceeds from disposal of investments	2,475,186	-
Net cash from investing activities	<u>2,475,186</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from related party borrowings	-	2,000,000
Repayment of related party borrowings	-	(2,000,000)
Proceeds from convertible notes	2,600,000	-
Proceeds from short term borrowings	1,800,000	-
Repayment of short term borrowings	(1,800,000)	-
Net cash from financing activities	<u>2,600,000</u>	<u>-</u>
Net decrease in cash and cash equivalents	(749,412)	(684,310)
Cash and cash equivalents at the beginning of the financial year	2,319,927	3,008,674
Effects of exchange rate changes on cash and cash equivalents	(16,341)	(4,437)
Cash and cash equivalents at the end of the financial year	<u><u>1,554,174</u></u>	<u><u>2,319,927</u></u>

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

Note 1. General information

This Preliminary Final Report has been prepared in accordance with ASX Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. As such, this preliminary final report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2024 and any ASX announcements made by the Company during the period.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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 issued but not yet effective

As at the date of this Financial Report, there are a number of new accounting standards, amendments to or interpretations of accounting standards issued by the Australian Accounting Standards Board for which the mandatory application dates for the Group fall after the end of this current reporting year. None of these have been early adopted by the Group.

AASB 18 Presentation and Disclosure in Financial Statements will replace AASB 101 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though AASB 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive. Management is currently assessing the detailed implications of applying the new standard on the Company's consolidated financial statements.

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.

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.

Note 2. Material accounting policy information (continued)

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 2025 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.

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.

Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated entity's statement of financial position when the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest rate method.

Note 2. Material accounting policy information (continued)

Compound and Derivative Financial Instruments

The component parts of compound instruments (convertible notes) issued by the consolidated entity are classified separately as financial liability and derivative in accordance with the substance of the contractual arrangements and the definitions of a financial liability and derivatives.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. The amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instruments maturity date.

Derivatives

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their value at the end of each reporting period. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risk and characteristics are not closely related to those of the host contracts and the host contract are not measured at FVTPL.

Convertible Note and Option Valuation

The face value of the convertible notes is deemed to be the value of the conversion right (the derivative liability) and residual debt liability component. The debt liability component of the convertible notes is amortised at each reporting period using the effective interest method. The derivative liability component is revalued at each reporting date over the life of the convertible notes.

The convertible notes and associated options were externally valued during the reporting period. These valuations involved a number of estimates used in the valuation models, including the risk free interest rate and share volatility. The risk free interest rate is estimated based on the comparable yield on Commonwealth Bonds matching the assumed life of the convertible note and options. The share volatility is based on the historical volatility of the consolidated entity's shares and comparable entities. These valuation estimates can change over time, impacting the valuations of the convertible notes and options.

The convertible note valuations at inception date (7 January 2025) included estimates of the risk free interest rate of 3.9% and share volatility 90%

The convertible note valuations at the end of the reporting period included estimates of the risk free interest rate of 3.3% and share volatility 90%.

At recognition date the value adopted for the debt portion of the convertible note was calculated with reference to the transaction price of the convertible note, and the fair value of the embedded conversion option and other financial instruments issued in conjunction with the convertible note.

The unlisted options were valued at the inception date (7 January 2025) using the Black-Scholes options pricing model using a risk free interest rate of 3.9% and share volatility of 90%, resulting in a value of \$0.03 per option.

The directors consider the estimates used in the valuations to be appropriate.

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, the asset is available for use or sale, the Company can demonstrate there is a market for the asset, expenditures for the development of the asset can be reliably measured and the Company has the necessary assets to complete the development and to use and sell the asset.

Note 3. 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 tax incentive rebate from the ATO, the estimated 2025 rebate for \$2.8M has been accrued into income for the year ended 30 June 2025 (2024: \$2.3M).

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.

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.

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:

Assessment of the conversion feature of the convertible notes

During the year ended 30 June 2025, the Company issued convertible notes with variable conversion clauses. At initial recognition an embedded derivative is recognised on the statement of financial position at fair value and that embedded derivative is subsequently recorded at its fair value thereafter, with changes in fair value going through to the statement of profit or loss and other comprehensive income. The difference between the consideration received (net of costs) and the embedded derivative is reflected in the principal value of the convertible note liability.

Note 4. 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 5. Income

	Consolidated	
	2025	2024
	\$	\$
Interest income	8,502	6,930
R&D tax incentives [^]	2,820,831	2,400,276
Income	<u>2,829,333</u>	<u>2,407,206</u>

[^] The Research and Development Tax Incentive programme provides tax offsets for expenditure on eligible R&D activities. Under the programme, Noxopharm, having expected aggregated annual turnover of under \$20 million, is entitled to a refundable R&D credit of 48.5% (2024: 48.5%) on the eligible R&D expenditure incurred on eligible R&D activities. One of the conditions the company must meet is ensuring more than 50% of total R&D activity costs will be incurred in Australia.

The refundable R&D tax offset is accounted for under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

Note 6. Expenses

	Consolidated	
	2025	2024
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Corporate Administration expenses</i>		
Corporate administration expenses	615,881	708,279
Audit, accounting and company secretarial fees	225,635	191,509
Insurances	23,276	75,927
Legal fees	6,630	26,721
ASX and filing fees	45,535	38,635
Marketing and advertising	21,955	57,938
	<u>938,912</u>	<u>1,099,009</u>
<i>Consulting, Employee and Director Expenses</i>		
Employee related expenses	2,507,233	2,541,065
Superannuation and other employee related expenses	279,045	275,030
Director expenses (excluding executive directors)	150,000	150,000
Share-based payment expense - Noxopharm Limited	63,990	-
	<u>3,000,268</u>	<u>2,966,095</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	77,296	31,160
Interest on convertible notes	426,164	-
Finance costs expensed	<u>503,460</u>	<u>31,160</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	2025	2024
	\$	\$
GST receivable	95,430	35,419
R&D rebate receivable	2,806,583	2,323,371
Consulting fee receivable	45,000	45,000
	<u>2,947,013</u>	<u>2,403,790</u>

Note 8. Non-current assets - financial assets at fair value through profit and loss

	Consolidated	
	2025	2024
	\$	\$
Investment in Nyrada Inc.- ordinary shares	-	1,969,022
Investment in Nyrada Inc.- performance shares	-	40,802
	<u>-</u>	<u>2,009,824</u>

Refer to note 15 for further information on fair value measurement.

The 12,000,600 Nyrada performance shares expired on 25 November 2024 without the performance hurdles being achieved and consequently have nil value, with a loss of \$40,802 recorded to the profit and loss on expiry.

Refer to note 2 Critical accounting judgements, estimates and assumptions including valuation techniques applied for the group's value of its investment in Nyrada shares reflecting its Level 1 and level 3 investments.

During the year, the 33,373,245 Nyrada shares were sold, generating \$2,477,186 in cash and a net gain on sale of \$506,163 net of costs, with this amount recognised through profit and loss and resulting in a nil asset value at 30 June 2025.

Note 9. Current liabilities - trade and other payables

	Consolidated	
	2025	2024
	\$	\$
Trade and other payables	450,871	649,446
Accrued expenses	539,595	186,076
Bank credit cards	8,042	9,182
Other payables	-	72,940
	<u>998,508</u>	<u>917,644</u>

Refer to note 14 for further information on financial instruments.

Note 10. Current liabilities - Convertible Notes

	Consolidated	
	2025	2024
	\$	\$
Borrowings - Convertible Notes		
Carrying amount at start of period	-	-
Face value of notes issued	2,600,000	-
Convertible note conversion feature on issue	(640,000)	-
Value of options issued and taken to equity settled option reserve	(15,000)	-
Add Convertible Note finance charges and accrued interest	426,164	-
Current liability at end of the period	<u>2,371,164</u>	-
Derivative liability		
Carrying amount at start of period	-	-
Fair value of the convertible note conversion feature at issue	640,000	-
Fair value movement to the end of the reporting period	(532,000)	-
Derivative liability at end of the period	<u>108,000</u>	-
Total current liability	<u>2,479,164</u>	-
Face value of convertible notes	2,600,000	-

As announced by the Company on 27 September 2024 and 5 November 2024, the Company agreed to issue \$2.6 million in Convertible Notes to professional and sophisticated investors, who are also shareholders of the Company. The \$2.6 million in convertible note funding was received in January 2025, and the convertible notes subsequently issued. These convertible notes are secured over the 30 June 2025 Australian Government R&D Tax incentive scheme rebate, attract an interest rate of 12% per annum capitalised until the date the notes are fully repaid or converted into shares. Expiring on 2 January 2026, the notes have a conversion price of A\$0.0992 (being a 20% discount to the average five-day VWAP ending 6 September 2024, namely A\$0.1239) – or a lower price if the company undertakes a capital raise at any time before the expiry date. The note has a conversion floor price of A\$0.07.

Notes (including any capitalised interest) may be converted by Noteholders into fully paid ordinary shares in the Company (Shares) at any time up to the maturity date. No Notes have been converted as of the date of this report.

Upon issue of the Convertible Notes on 7 January 2025, the Company valued the Convertible Notes using the Monte Carlo Simulation model to determine the value of the embedded derivative. The Monte Carlo Simulation is used to value complex financial instruments. Significant unobservable inputs in applying this technique include the Company's future share price, exercise price, expiry date and volatility.

As at 30 June 2025 the fair value of the embedded derivative is measured using significant unobservable inputs (Level 3 hierarchy). There has been no change in the Group's valuation process, valuation techniques and types of inputs used in the fair value measurement at the end of the reporting period in comparison to the methodology upon inception. There have been no transfers between levels of fair value hierarchy during the period ended 30 June 2025.

The convertible note valuations at inception included estimates of the volatility 90% and risk free interest rate of 3.9%. At 30 June 2025, the estimated volatility used was 90%, and risk free interest rate of 3.3%

As an incentive for participating in the issuance of the notes, the investors will receive a total of 520,000 unlisted options (50,000 per A\$250,000 invested) at a strike price of A\$0.1488, with a three-year term expiring on 10 September 2027. The Black Scholes option pricing model has been used to determine the value of the Options issued to the noteholders using an estimated volatility of 90% and risk free interest rate of 3.9%.

Note 11. Equity - issued capital

	2025 Shares	Consolidated 2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	292,237,950	292,237,950	74,635,721	74,635,721

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2023	292,237,950	74,635,721
Balance	1 July 2024	292,237,950	74,635,721
Balance	30 June 2025	292,237,950	74,635,721

Note 12. Equity - reserves

	Consolidated 2025 \$	2024 \$
Options reserve [^]	685,064	929,766
Convertible note reserve ^{^^}	15,000	-
	700,064	929,766

[^] 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.

^{^^} As an incentive for participating in the convertible notes, the Company issued 520,000 options to the note subscribers. These options are unlisted, have an exercise price of \$0.1488 expiring 10 September 2027.

Note 13. Equity - dividends

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

Note 14. 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, financial assets held at fair value through profit and loss and trade and other payables.

Note 14. Financial instruments (continued)

	Consolidated	
	2025	2024
	\$	\$
Cash and cash equivalents	1,553,045	2,319,927
Trade and other payables	(997,374)	(917,643)
Investment in Nyrada ordinary shares	-	1,969,022
Investment in Nyrada performance shares	-	40,802
	<u>555,671</u>	<u>3,412,108</u>

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.

Consolidated - 2025	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	449,737	-	-	-	449,737
Other payables	-	547,637	-	-	-	547,637
<i>Interest-bearing - fixed rate</i>						
Convertible notes payable	12.00%	2,371,164	-	-	-	2,371,164
Total non-derivatives		<u>3,368,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,368,538</u>

Derivatives

Embedded derivative on convertible notes	-	108,000	-	-	-	108,000
Total derivatives		<u>108,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,000</u>

Consolidated - 2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	649,446	-	-	-	649,446
Other payables	-	259,016	-	-	-	259,016
Total non-derivatives		<u>908,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>908,462</u>

Note 14. Financial instruments (continued)

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 15. 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

Consolidated - 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Liabilities				
Embedded derivatives of convertible notes	-	-	(108,000)	(108,000)
Total liabilities	-	-	(108,000)	(108,000)
Consolidated - 2024				
Assets				
Nyrada Inc. ordinary shares	1,969,022	-	-	1,969,022
Nyrada Inc. performance shares	-	-	40,802	40,802
Total assets	1,969,022	-	40,802	2,009,824

There were no transfers between levels during the financial year.

Refer to Note 8 in relation to the sale of the Nyrada shares during the reporting period, resulting in a nil balance at 30 June 2025.

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	Level 1		Level 2		Level 3	
	30 June 2025 \$	30 June 2024 \$	30 June 2025 \$	30 June 2024 \$	30 June 2025 \$	30 June 2024 \$
Opening fair value	1,969,022	934,451	-	-	40,802	27,601
Addition of embedded derivative of convertible notes	-	-	-	-	(640,000)	-
Disposal of investment	(2,434,383)	-	-	-	-	-
Fair value gains	465,361	1,034,571	-	-	491,198	13,201
Closing fair value	-	1,969,022	-	-	(108,000)	40,802

Sensitivity Analysis

The sensitivity analysis undertaken on the unobservable inputs identified no material impact to the valuation at 30 June 2025. Unobservable inputs used in calculating the embedded derivative classified as level 3 were expected future volatility and the risk-free rate. The expected future volatility was calculated at 90% and the risk-free rate used was 3.3%.

Note 15. Fair value measurement (continued)

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.

Note 16. Contingent liabilities and licence agreement

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.

The licence agreement was extended for an additional twelve months during the year ended 30 June 2025.

Note 17. Related party transactions

Parent entity

Noxopharm Limited is the parent entity.

Transactions with related parties

There were no transactions with related parties during the reporting period.

Receivable from and payable to related parties

As at 30 June 2025 there is a trade receivable of \$45,000 owing from Audio Pixels Holdings Limited (a company which Fred Bart is the Chairman), for consulting services provided by Shawn van Boheemen.

Note 18. Matters subsequent to the end of the financial year

The financial statements are in the process of being audited. The annual report and financial statements are unlikely to be the subject of dispute or qualification.

Except as noted above, no matter or circumstance has arisen since 30 June 2025 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.