25 February 2020

Dear Shareholder

In presenting our half-year report, I want to add a few comments.

The second half of last year and the first 2 months of this year underline our confidence that Veyonda® has a strong chance of becoming a drug for the treatment of late-stage prostate cancer.

Clinical data received over this time shows Veyonda® delivering a meaningful anti-cancer response in about half of men with late-stage prostate cancer in both DARRT and LuPIN programs. This is in men who have reached the end-stage their disease, are receiving palliative care, and are facing imminent death. This is a major milestone for the Company and Veyonda®.

This has put the Company on a path to commercialisation, i.e. bringing Veyonda® through to marketing approval in the U.S. and Europe and forging strategic partnerships with major companies along the way.

Noxopharm has received an Investigational New Drug (IND) approval from the U.S. Food and Drug Administration (FDA) – another important milestone in the commercialisation process.

We now know that Veyonda® is delivering its anti-cancer effect in both a unique and highly sought-after way as an immuno-oncology drug, which helps underpin the strength of the story to potential partners.

All this progress leads to the issue of the investment required to pursue further clinical trials and supporting non-clinical activities. We have taken the first steps in this process by recently eradicating debt to make the Company more attractive to investors. Another step is to enter into an arrangement that has the potential to generate revenue from sales of Veyonda® in the short-term. Your Board continues to be fully aware of the attractiveness of non-dilutive funding strategies and will continue to pursue funding strategies it believes to be in the best interests of the Company.

It should be noted that in less than 4 years, Noxopharm has gone from a concept to a pre-commercial phase. And while our initial clinical target is late-stage prostate cancer, we see that as providing important proof-of-concept for the unmet need in the largest sector of the cancer field - providing meaningful salvage therapy to end-stage patients with most forms of solid cancer (prostate, breast, lung, ovarian, large bowel, sarcoma etc).

On behalf of the Board and our staff, I thank all shareholders for their patience and support. I am confident that the coming year will provide further news and progress.

Yours sincerely

Graham Kelly
Executive Chairman and CEO

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 that could cause the actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statement. No representation, warranty or assurance (express or implied) is given or made by Noxopharm that the forward-looking statements contained in this announcement are accurate and undue reliance should not be placed upon such statements.

Authorisation: This release was authorised by Graham Kelly on behalf of the Board of Directors.

1. Company details

Name of entity:	Noxopharm Limited
ABN:	50 608 966 123
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	-	to	-
Loss from ordinary activities after tax attributable to the owners of Noxopharm Limited	up	56.0%	to	(6,949,944)
Loss for the half-year attributable to the owners of Noxopharm Limited	up	56.0%	to	(6,949,944)

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 and non-controlling interest amounted to $6,949,944 (31 December 2018: $3,596,455).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(4.20)	(1.21)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

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

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Currently all accounting policies of the Group are consistent with those adopted by its ultimate holding company, Noxopharm Limited.

10. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Noxopharm Limited for the half-year ended 31 December 2019 is attached.

12. Signed

Signed ____________________________ Date: 25 February 2020

Noxopharm Limited

ABN 50 608 966 123

Interim Report - 31 December 2019

Directors

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

Dr. Graham Kelly, Executive Chairman and Chief Executive Officer
Mr. Peter Marks, Non-Executive Director and Deputy Chairman
Dr. Ian Dixon, Non-Executive Director
Mr. John Moore, Non-Executive Director (appointed 21 November 2018, resigned 16 July 2019)
Dr. Beata Niechoda, Non-Executive Director (appointed 19 July 2019, resigned 16 October 2019)

Principal activities

The Company's principal activity in the course of the half-financial year was the research and development of Veyonda in the field of adjuvant therapy in chemotherapy and radiotherapy.

There were no other significant changes in the nature of the Company's principal activity during the half-financial year.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $6,949,944 (31 December 2018: $3,596,455).

During the period, the Company has carried out the following:

- Departure of CEO, Dr Greg van Wyck and appointment of founder and Executive Chairman Dr Graham Kelly as CEO;
- strengthening its management team including the promotion of Dr Gisela Mautner to Chief Medical Officer and appointment of Mr Alex Hunter as Chief Commercial Officer;
- entered a $26m convertible funding facility with initial funding of $4m;
- received $3.7m R&D tax rebate and repaid $1.5m of these funds off the convertible loan balance;
- secured an increase to its existing convertible loan funding agreement of $2.4m;
- reported on the DARRT-1 study including the strong efficacy signals in patients with advanced prostate cancer, with approximately half of men (10/21) with the disease responding to DARRT therapy;
- reported the results of the Lupin phase 1 Study by the St Vincent's Hospital, showing that, within the limits of comparing data sets from different studies, combination treatment of Veyonda® + 177LuPSMA-617 was considerably superior to monotherapy treatment with 177LuPSMA-617 alone;
- continued to conduct research on Veyonda® with the aim of expanding its ultimate market reach with a focus on:
    - confirming the role of Veyonda® as an immuno-oncology agent through its first-in-class inhibition of sphingosine-1-phosphate (S1P), and
    - ability to restore immune function to tumours currently is a major objective in oncology; and
    - confirming the role of Veyonda® in the treatment of cancers other than prostate cancer; and
- Continued to develop a pipeline of drug candidates as part of a strategy of expanding 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 half-year.

Matters subsequent to the end of the financial half-year

Nyrada Inc., a subsidiary of the Company completed its listing on the ASX on 16 January 2020. As Noxopharm effectively loses control of Nyrada Inc. from the date of listing, Nyrada will be deconsolidated from the consolidated results from the date of loss of control, being 16 January 2020.

In February 2020 the Company entered into a $5 million loan agreement with a private investor with the proceeds used for the repayment of the $4.66 million convertible loan facility, and the subsequent termination of this facility. On 21 February 2020, the Company completed a placement to sophisticated investors, raising an additional $3.1 million.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

____

25 February 2020

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 half-year ended 31 December 2019 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

— no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

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

N.S. Benbow
Director

Melbourne, 25 February 2020

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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 half-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:

Suite 3 Level 4
828 Pacific Highway
GORDON NSW 2072

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 24 February 2020.

Noxopharm Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

NOXOPHARM

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Income			
Research & development tax incentive		3,762,255	3,264,337
Interest income		6,805	105,173
Total income		3,769,060	3,369,510
Expenses			
Corporate administration expenses		(2,504,856)	(1,496,332)
Research and development expenses		(3,552,214)	(2,818,714)
Settlement agreement relating to dispute		-	(7,110)
Depreciation expense		(112,907)	(31,129)
Foreign exchange gain / (loss)		(21,889)	(13,023)
Consulting, employee and director expenses		(3,574,780)	(3,146,471)
Finance costs		(1,679,838)	(310,734)
Loss before income tax expense		(7,677,424)	(4,454,003)
Income tax expense		-	-
Loss after income tax expense for the half-year		(7,677,424)	(4,454,003)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(7,677,424)	(4,454,003)
Loss for the half-year is attributable to:			
Non-controlling interest		(727,480)	(857,548)
Owners of Noxopharm Limited		(6,949,944)	(3,596,455)
		(7,677,424)	(4,454,003)
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		(727,480)	(857,548)
Owners of Noxopharm Limited		(6,949,944)	(3,596,455)
		(7,677,424)	(4,454,003)
		Cents	**Cents**
Basic earnings per share	9	(5.64)	(3.65)
Diluted earnings per share	9	(5.64)	(3.65)

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 31 December 2019

NOXOPHARM

	Note	Consolidated 31 December 2019 $	30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents		1,651,317	2,909,568
Trade and other receivables		-	160,400
Inventories		-	817,785
Other assets	3	859,598	-
Total current assets		2,510,915	3,887,753
Non-current assets			
Plant and equipment		228,555	256,836
Right-of-use assets		652,157	-
Intangibles		37,000	37,000
Term deposit for rental agreement		118,818	118,818
Total non-current assets		1,036,530	412,654
Total assets		3,547,445	4,300,407
Liabilities			
Current liabilities			
Trade and other payables		1,266,877	1,487,142
Borrowings	4	3,573,613	3,930,351
Employee benefits		298,928	333,383
Total current liabilities		5,139,418	5,750,876
Non-current liabilities			
Borrowings	5	3,890,080	-
Provisions		29,658	-
Total non-current liabilities		3,919,738	-
Total liabilities		9,059,156	5,750,876
Net liabilities		(5,511,711)	(1,450,469)
Equity			
Issued capital	6	30,090,897	28,700,897
Reserves		6,493,524	4,455,342
Accumulated losses		(40,206,858)	(33,256,914)
Deficiency in equity attributable to the owners of Noxopharm Limited		(3,622,437)	(100,675)
Non-controlling interest		(1,889,274)	(1,394,794)
Total deficiency in equity		(5,511,711)	(1,450,469)

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

Noxopharm Limited
Statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2018	28,449,283	3,732,810	(22,034,127)	-	10,147,966
Loss after income tax expense for the half-year	-	-	(4,454,003)	-	(4,454,003)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(4,454,003)	-	(4,454,003)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	75,000	-	-	-	75,000
Share-based payments - vesting of employee share options	-	537,264	-	-	537,264
Share-based payments - settlement agreement relating to dispute	7,110	-	-	-	7,110
Balance at 31 December 2018	28,531,393	4,270,074	(26,488,130)	-	6,313,337

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total deficiency in equity $
Balance at 1 July 2019	28,700,897	4,455,342	(33,256,914)	(1,349,794)	(1,450,469)
Loss after income tax expense for the half-year	-	-	(6,949,944)	(727,480)	(7,677,424)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(6,949,944)	(727,480)	(7,677,424)
Issue of convertible note and vesting of share-based payments	-	2,038,182	-	-	2,038,182
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 6)	1,390,000	-	-	188,000	1,578,000
Balance at 31 December 2019	30,090,897	6,493,524	(40,206,858)	(1,889,274)	(5,511,711)

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

Noxopharm Limited
Statement of cash flows
For the half-year ended 31 December 2019

NOXOPHARM

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(9,267,142)	(6,417,429)
Interest received		6,776	66,462
Receipt from R&D tax rebate		3,762,255	3,264,337
Net cash used in operating activities		(5,498,111)	(3,086,630)
Cash flows from investing activities			
Payments for plant and equipment		(2,999)	(5,160)
Net cash used in investing activities		(2,999)	(5,160)
Cash flows from financing activities			
Proceeds from issue of shares, net of costs	6	590,000	75,000
Proceeds from issue of convertible notes, net of costs		5,586,988	-
Proceeds of issue of shares - Nyrada, net of costs		188,000	-
Repayment of convertible notes		(2,015,000)	-
Repayment of lease liabilities		(100,163)	-
Net cash from financing activities		4,249,825	75,000
Net decrease in cash and cash equivalents		(1,251,285)	(3,016,790)
Cash and cash equivalents at the beginning of the financial half-year		2,909,568	12,613,534
Effects of exchange rate changes on cash and cash equivalents		(6,966)	-
Cash and cash equivalents at the end of the financial half-year		1,651,317	9,596,744

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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

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

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

Note 1. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Using the modified retrospective approach to the implementation of AASB 16, and with the building lease extension option exercised in January 2020, there was no material impact on the financial position of the Company resulting from the adoption of AASB 16, other than the recording of the asset and liability on the statement of financial position.

Right of use assets: A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities: A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The effect of adopting AASB 16 as at 1 July 2019 (increase / (decrease)) is, as follows:

Assets	
Right-of-use assets	733,784
Total Assets	733,784
Liabilities	
Borrowings - current	180,140
Borrowings – non-current	553,644
Total Liabilities	733,784
Total adjustment on equity:	**0**

The lease liability as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019 as follows:

Operating lease commitments as at 30 June 2019	99,108
Weighted average incremental borrowing rate as at 1 July 2019	5%
Discounted operating lease commitments at 1 July 2019	96,666
Lease liabilities at 1 July 2019	96,666

Note 1. Significant accounting policies (continued)

Post execution of the 3 year lease extension option:

Operating lease commitments as at 30 June 2019	875,791
Weighted average incremental borrowing rate as at 1 July 2019	5%
Discounted operating lease commitments at 1 July 2019	733,784
Lease liabilities at 1 July 2019	733,784

Going concern

The financial statements have been prepared on the going concern basis which assumes the company and consolidated entity will have sufficient cash to pay its debts, as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue.

The consolidated entity has prepared a cash flow forecast which indicates that the consolidated entity does not have sufficient cash to meet its minimum expenditure commitments and support its current level of corporate overheads and therefore needs to raise additional funds to continue as a going concern.
To address the future additional funding requirements of the consolidated entity, since 31 December 2019, the directors have undertaken the following initiatives:

- entered into discussions to secure additional equity funding from current or new shareholders;
- undertaken a program to monitor ongoing working capital requirements and minimum expenditure commitments; and
- continued their focus on maintaining an appropriate level of corporate overheads in line with the consolidated entity's available cash resources.

The directors are confident that they will be able to complete a capital raising that will provide the consolidated entity with sufficient funding to meet its minimum expenditure commitments and support its planned level of overhead expenditures, and therefore that it is appropriate to prepare the financial statements on the going concern basis.

Note 2. Operating segments

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

Note 3. Current assets - other assets

	Consolidated	
	31 December 2019 $	30 June 2019 $
Prepayments	74,760	-
Deposits held in trust	209,896	
Research and development lab supplies (consumable assets)	574,942	-
	859,598	-

The research and development lab supplies 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. Prepayments include payments made for the U.S. listing expenses and costs of the Nyrada IPO.

Note 4. Current liabilities - borrowings

	Consolidated 31 December 2019 $	30 June 2019 $
Convertible notes payable – Nyrada convertible note issued 16 February 2018	3,475,100	3,930,351
Lease liability	98,513	-
	3,573,613	3,930,351

Refer to note 5 for further details on the convertible notes.

The lease liability is in relation to the building lease and resulting from the implementation of AASB 16.

Note 5. Non-current liabilities - borrowings

	Consolidated 31 December 2019 $	30 June 2019 $
Convertible notes payable – Nox tranche 1 and 2 convertible notes	4,001,428	-
Derivative liability – Nox tranche 1 and 2 convertible notes	258,948	
Cost of debt amortisation - Nox tranche 1 and 2 convertible notes	(923,940)	-
Lease liability	553,644	-
	3,890,080	-

On 16 February 2018, Nyrada Inc closed its convertible note raising, having raised $4.0 million via the issue of notes of $1.00 each. Each note can be converted or redeemed as follows:

- If Nyrada Inc lists on a stock exchange in Australia or USA within 18 months of the issue of note, each 12 notes will convert to 3 New Shares and 2 New Options, where each New Option has an exercise price of $6.00 and expiry of 30 November 2020;

- If Nyrada Inc does not list on a stock exchange in Australia or USA within 18 months of the issue of note, then the notes will be redeemed 1) to the extent possible, by the issue of shares in the Company at a 25% discount to the 10-day VWAP immediately prior to the conversion notice or 2) payment of the face value of the notes.

On 9 May 2019, the noteholders were asked to agree to an extension of the maturity date and change in conversion ratio of these notes to shares from 3 shares for every 12 notes held to 15 shares for every 12 notes held, with the maturity date being extended to 31 January 2020. No change to the option arrangements, with 2 options being issued for every 12 notes held per the original agreement terms. The substantial majority of note holders have agreed to these changes. On 10 October 2019 $515,000 was paid to the convertible note holders that did not agree to the extension of the maturity date, reducing the amount of overall liability outstanding for this note by the $515,000.

As the convertible notes demonstrates certain characteristics of equity, the convertible notes was discounted using an effective interest of 15% on the basis of observable market interest rate on similar instrument such as unsecured debt, and research and development financing to determine the equity portion. As a result a conversion reserve of $762,045 was recognised within equity of the group consolidated accounts.

Note 5. Non-current liabilities - borrowings (continued)

On 25 July 2019, the Company successfully raised $3.8 million via the issue of convertible notes (tranche 1) to two institutional investors. Each note can be converted or redeemed as follows:

At a conversion price of the lower of:
a) the price per share equal to 90% of the average of the five lowest daily VWAPs per share during the twenty consecutive trading days immediately prior to the relevant conversion notice date, and
b) $0.58; and
c) 80% of the NASDAQ initial public offering price (on achieving a successful NASDAQ IPO).

The maturity date for these tranche 1 convertible notes is 25 July 2021.

On 29 August 2019, the Company repaid $1.5 million of this tranche 1 note.
On 22 October 2019, $200,000 of these tranche 1 notes were converted to equity.
On 29 November 2019, $100,000 of these tranche 1 notes were converted to equity.
On 20 December 2019, $500,000 of these tranche 1notes were converted to equity.

On 3 December 2019, the Company successfully raised $2.0 million via the issue of convertible notes (tranche 2) to the same two institutional investors as above. Each note can be converted or redeemed as follows:

At a conversion price of the lower of:
a) the price per share equal to 90% of the average of the five lowest daily VWAPs per share during the twenty consecutive trading days immediately prior to the relevant conversion notice date, and
b) $0.478; and
c) 80% of the NASDAQ initial public offering price (on achieving a successful NASDAQ IPO).

The maturity date of these tranche 2 convertible notes is 3 December 2021.

The lease liability is in relation to the building lease and resulting from the implementation of AASB 16.

Note 6. Equity - issued capital

	Consolidated			
	31 December 2019 Shares	**30 June 2019 Shares**	**31 December 2019 $**	**30 June 2019 $**
Ordinary shares - fully paid	132,200,191	122,601,393	30,090,897	28,700,897

Movements in ordinary share capital

Details	**Date**	**Shares**	**$**
Balance	1 July 2019	122,601,393	28,700,897
Collateral Shares	23 August 2019	3,000,000	-
Share Placement	23 August 2019	540,558	200,000
Share Placement	26 September 2019	619,196	200,000
Share Placement	25 October 2019	604,230	200,000
Share Conversion	25 October 2019	604,230	200,000
Share Placement	3 December 2019	323,625	100,000
Share Conversion	3 December 2019	323,625	100,000
Collateral Shares	3 December 2019	1,500,000	-
Share Conversion	20 December 2019	2,083,334	500,000
Share placement costs		-	(110,000)
Balance	31 December 2019	132,200,191	30,090,897

Note 6. Equity - issued capital (continued)

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.

Collateral shares
Collateral shares are held by Lind Global Macro Partners and CST Investment Funds who were the financiers for the two Noxopharm convertible note tranches as reported at note 5. As at 31 December 2019 these collateral shares were still held by Lind and CST with none sold, transferred or assigned to any other party. In the event that these collateral shares are not used by these financiers throughout the duration of the convertible note agreement they are refundable to the Company.

Note 7. Equity - dividends

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

Note 8. Events after the reporting period

Nyrada Inc., a subsidiary of the Company completed its listing on the ASX on 16 January 2020. As Noxopharm effectively loses control of Nyrada Inc. from the date of listing, Nyrada will be deconsolidated from the consolidated results from the date of loss of control, being 16 January 2020.

In February 2020 the Company entered into a $5 million loan agreement with a private investor with the proceeds used for the repayment of the $4.66 million convertible loan facility, and the subsequent termination of this facility. On 21 February 2020, the Company completed a placement to sophisticated investors, raising an additional $3.1 million.

No other matter or circumstance has arisen since 31 December 2019 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 9. Earnings per share

	Consolidated	
	31 December 2019 $	31 December 2018 $
Loss after income tax	(7,677,424)	(4,454,003)
Non-controlling interest	727,480	857,548
Loss after income tax attributable to the owners of Noxopharm Limited	(6,949,944)	(3,596,455)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	123,143,473	122,030,139
Weighted average number of ordinary shares used in calculating diluted earnings per share	123,143,473	122,030,139

Note 9. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(5.64)	(3.65)
Diluted earnings per share	(5.64)	(3.65)

There are 20,243,216 options (2018: 20,243,216) issued and currently in the money that could potentially dilute basic earning per shares in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

Note 10. Share-based payments

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

- 930,128 options issued under the Noxopharm Employee Equity Plan as approved by the shareholders at 2019 AGM. These shares have a twelve month vesting period (vesting 16 December 2020) and expire 16 December 2023; and

- 7,388,888 finance deal options were granted during the reporting period to the two convertible note holders. These options are fully vested.

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16/12/2019	16/12/2023	$0.29	$0.32	83.59%	-	0.94%	$0.169
23/07/2019	23/07/2023	$0.46	$0.58	83.59%	-	0.73%	$0.251
03/12/2019	03/12/2023	$0.35	$0.33	83.59%	-	0.74%	$0.216

A total share-based payment expense of $13,452 has been recognised in relation to the above employee options issued.

A total amount of $1,765,199 has been recognised as a cost of equity in-relation to the options issued to financiers of the convertible note tranches issued during the year. The value of the cost will be amortised over the life of each respective convertible note tranche.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

____

25 February 2020

Noxopharm Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Noxopharm Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Noxopharm Limited is not in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements which indicates that the consolidated entity incurred a net loss before income tax of $7,677,424 and its current liabilities exceeded its current assets by $2,628,503. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Half-Year Financial Report

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

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William Buck

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

— giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and

— complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Noxopharm Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

William Buck

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

N.S. Benbow
Director

Melbourne, 25th February 2020