



31 August 2020

Sydney, Australia

2020 APPENDIX 4E

Nyrada Inc (ASX: NYR), the drug discovery and development company, attaches the Appendix 4E Preliminary Final Report for the 12 months ended 30 June 2020.

About Nyrada Inc

Nyrada is a preclinical stage, drug discovery, and development company, specialising in novel small molecule drugs to treat cardiovascular, neurological, and inflammatory/autoimmune diseases. The Company has two main programs, each targeting market sectors of significant size and considerable unmet clinical need. These are a cholesterol-lowering drug and a drug to treat brain injury, specifically traumatic brain injury and stroke. Nyrada Inc. ARBN 625 401 818 is a company incorporated in the state of Delaware, USA, and the liability of its stockholders is limited.

-ENDS-

Authorised by Mr. John Moore, Non-Executive Chairman, on behalf of the Board

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Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1

Name of Entity	Nyrada Inc.
ABN	625 401 818
Financial Year Ended	30 June 2020
Previous Corresponding Reporting Period	12 months ended 30 June 2019

Part 2 – Results for Announcement to the Market

	2020	2019	Increase/ (Decrease)	Change
	\$	\$	\$	%
Revenue from ordinary activities	1,125,414	505,697	619,717	123%
Loss from ordinary activities after tax attributable to members	(5,773,667)	(4,095,130)	(1,678,537)	-41%
Net loss attributable to members	(5,773,667)	(4,095,130)	(1,678,537)	-41%

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Not Applicable

Part 3 – Contents of ASX Appendix 4E

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Part 2	Results for announcement to the market
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Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2020	2019
	\$	\$
Other income	<u>50,000</u>	19,359
R&D grant revenue	<u>1,075,414</u>	486,338
Total Revenue	1,125,414	505,697
Expenses		
Employee benefits expense	(1,342,993)	(1,398,142)
Depreciation and amortisation expense	(1,484)	(1,406)
Administration expenses	(571,862)	(148,038)
Professional services expenses	(1,005,316)	(753,193)
Travelling expenses	(13,361)	(57,397)
Research and development costs	(1,399,999)	(1,041,201)
Share based payments	(2,204,324)	(503,333)
Other expenses	(219,387)	(47,218)
Finance costs	(140,355)	(650,899)
Results from operating activities	(5,773,667)	(4,095,130)
Income tax expense	-	-
Loss after income tax expense from continuing operations	(5,773,667)	(4,095,130)
Profit / (loss) after income tax from discontinued operations	-	-
Loss attributable to owners of the Company	(5,773,667)	(4,095,130)
Other comprehensive income	-	-
Total comprehensive loss for the period to owners of the Company	(5,773,667)	(4,095,130)

Part 5 – Consolidated Accumulated losses

	2020	2019
	\$	\$
Accumulated losses at the beginning of the financial year	(6,511,406)	(2,416,276)
Net loss attributable to owners of the Company	(5,773,667)	(4,095,130)
Accumulated losses at the end of the financial year	<u>(12,285,073)</u>	<u>(6,511,406)</u>

Part 6 – Consolidated Statement of Financial Position

	2020	2019
	\$	\$
Current assets		
Cash and cash equivalents	5,146,169	1,102,397
Trade, other receivables and prepayments	1,078,845	6
Total current assets	<u>6,225,014</u>	<u>1,102,403</u>
Non-current assets		
Property, plant and equipment	5,254	3,740
Intangibles	37,000	37,000
Total non-current assets	<u>42,254</u>	<u>40,740</u>
Total assets	<u>6,267,268</u>	<u>1,143,143</u>
Current liabilities		
Trade and other payables	696,883	2,124,165
Convertible Notes	-	3,930,351
Employee benefits	43,785	43,093
Total current liabilities	<u>740,668</u>	<u>6,067,609</u>
Total liabilities	<u>740,668</u>	<u>6,067,609</u>
Net assets	<u>5,526,600</u>	<u>(4,954,466)</u>
Equity		
Issued capital	15,607,349	37,003
Reserves	2,204,324	1,519,937
Accumulated losses	<u>(12,285,073)</u>	<u>(6,511,406)</u>
Total equity	<u>5,526,600</u>	<u>(4,954,466)</u>

Part 7 – Consolidated Statement of Cash Flows

	2020	2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(4,460,623)	(2,511,056)
Interest received	-	19,359
R&D Grant Received	-	486,338
Cash receipts from other operating activities	50,000	-
Net cash used in operating activities	(4,410,623)	(2,005,359)
Cash flows from investing activities		
Payments for property, plant and equipment	(2,999)	(411)
Net cash used in investing activities	(2,999)	(411)
Cash flows from financing activities		
Proceeds from related party loans	1,204,378	-
Proceeds from issue of ordinary shares	8,700,000	-
Payments to convertible note holders	(515,000)	-
Transactions costs relating to issue of ordinary shares	(905,296)	-
Net cash used in financing activities	8,484,082	-
Net (decrease) / increase in cash and cash equivalents	4,070,460	(2,005,800)
Cash and cash equivalents at the beginning of the financial year	1,102,397	3,108,197
Effects of exchange rate changes on cash and cash equivalents	(26,688)	-
Cash and cash equivalents at the end of the financial year	5,146,169	1,102,397

Part 8 – Basis of Preparation

The preliminary final report has been prepared in accordance with Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report is presented in Australian Dollars. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

This preliminary final report has also been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

Part 9 – Commentary on Results

The Company reported a loss for the year ended 30 June 2020, after accounting for income tax benefit, of \$5,773,667 (30 June 2019: \$4,095,130). The year ended 30 June 2020 operating results are attributed to the following:

- Research and Development tax incentive revenues of \$1,399,999 (2019: \$1,041,201)
- Employee benefits expenses of \$1,342,993 (2019: \$1,398,142);
- Share based payments in respect of transaction options issued to employees and contractors of \$2,204,324 (2019: \$503,333);
- Corporate and administration expenses of \$571,862 (2019: \$148,038); and
- Depreciation and amortisation of \$1,484 (2019: \$1,406)

The Company has healthy cash reserves as at 30 June 2020 of \$5,146,169 (2019: \$1,102,397).

On 16 January 2020, the Company successfully listed its CHESS Depository Interests (CDIs) on the ASX following the issue of 42,500,000 CDIs over shares of Class A common stock (Shares) at an issue price of \$0.20 per CDI to raise A\$8,500,000 (ratio of CDIs per share of 1:1).

Part 10 – Notes to the Consolidated Statement of Cash Flows

Cash as at the end of the financial year in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2020	2019
	\$	\$
Cash at bank and on hand	5,146,169	1,102,397
Cash assets	5,146,169	1,102,397
Loss after income tax	(5,773,667)	(4,095,130)
Add non-cash & non-operating items:		
Increase in employee benefits	692	12,280
Depreciation and amortisation	1,484	1,406
Share-based payments	2,204,324	503,333
Unwinding of the interest on convertible notes	140,355	650,899
Effects of exchange rate changes on cash and cash equivalents	26,688	-
Change in operating assets and other receivables:		
Decrease / (increase) in trade and other receivables	(1,078,839)	20,366
Increase / (decrease) in trade and other payables	68,340	901,487
Net cash used in operating activities	(4,410,623)	(2,005,359)

Part 11 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 12 – Loss per Share

	Year Ended 30 June 2020	Year Ended 30 June 2019
Basic (loss) per share	(0.09 cents)	(0.14 cents)
Weighted average number of ordinary shares used in the calculation of basic (loss) per share	60,911,038	29,803,970 ¹
As the Company is in a loss position there is no diluted earnings per share calculated.		
¹ The calculation of weighted average number of Common stock used in calculating basic and diluted earnings per share for the financial year ending 30 June 2019 has been adjusted for comparative purposes to take into account the two share splits during the period ending 30 June 2020 at the ratio of 1 share split into 1,001 shares and 1 share split into 2.98 shares.		

Part 13 – Net Tangible Assets per Security

	30 June 2020	30 June 2019
Net tangible asset backing per ordinary security in cents	5.02	(16.75) ¹
¹ The number of securities on issue as at 30 June 2019 has been adjusted for comparative purposes to take into account the two share splits during the period ending 30 June 2020.		

Part 14 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	30/06/20 %	30/06/19 %	Year ended 30/06/20 \$A'000	Year ended 30/06/19 \$A'000
Name of entity	N/A	N/A	N/A	N/A
Associate	N/A	N/A	N/A	N/A
Joint Venture Entities	N/A	N/A	N/A	N/A
Aggregate Share of Losses	N/A	N/A	N/A	N/A

Part 15 – Issued Securities

Shares	2020 Shares	2019 Shares	2020 \$	2019 \$
At the beginning of reporting period	10,000	10,000	37,003	37,003
Issued on exercise of options	-	-	-	-
Adjustment as a result of stock splits	29,784,970	-	-	-
Transfer from Option Reserve	-	-	757,892	-
Issuance of Common Stock upon conversion of the Convertible Notes	21,588,752	-	4,317,750	-
Issuance of Common Stock upon conversion of Noxopharm Loan	13,500,000	-	2,700,000	-
Issue of Common Stock	44,500,000	-	8,700,000	-
Less: Share placement costs	-	-	(905,296)	-
At the end of the reporting period	109,383,722	10,000	15,607,349	37,003

Unissued Common Stock

Details of unissued Common Stock, interests under option and performance shares as at the date of this report are as follows

Type of Security	Number	Exercise price	Expiry date
Performance shares	18,000,000	N/A ¹	25/11/2024
Unlisted options	6,000,000	0.20	30/06/2024
Unlisted options	2,000,000	0.20	25/11/2022
Unlisted options	1,725,656	0.20	30/11/2020
Unlisted options	4,000,000	0.22	5 years from vesting date
Unlisted options	4,000,000	TBC ²	5 years from vesting date
Unlisted options	5,000,000	TBC ²	5 years from vesting date
Unlisted options	5,000,000	TBC ²	5 years from vesting date
Unlisted options	3,600,000	0.24	25/11/2023
Unlisted options	3,600,000	TBC ³	25/11/2024
Unlisted options	3,600,000	TBC ³	25/11/2025
Unlisted options	800,000	0.24	16/01/2023
Unlisted options	900,000	TBC ³	3 years from vesting date
Unlisted options	1,000,000	0.26	15/02/2021

¹Performance shares convert when specified milestones are achieved.

²The exercise price is higher of

- 100% of the Fair Market Value (as defined in the Company's Stock Incentive Plan) of the Shares on the date that Option is granted; and
- amount equal to 110% of the volume weighted average price of the CDIs for the period of 10 trading days immediately prior to the date on which that Option vests.
- An exercise price of \$0.22 was used for the purpose of the fair value calculation at grant date.

³The exercise price is higher of

- 100% of the Fair Market Value (as defined in the Company's Stock Incentive Plan) of the Shares on the date that Option is granted; and
- amount equal to 120% of the volume weighted average price of the CDIs for the period of 10 trading days immediately prior to the date on which that Option vests.
- An exercise price of \$0.24 was used for the purpose of the fair value calculation at grant date

The holders of these options and performance shares do not have the right to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

Part 16 – Segment Information

The Board considers that the Company has only operated in one Segment. The financial information presented in the statement of financial performance and statement of financial position represents the information for the business segment.

Part 17 – Subsequent Events

On 22 July 2020 the Company received the Research and Development Tax incentive for the period ending 30 June 2019 of \$1,075,414.

No other matter or circumstance has arisen since 30 June 2020 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.

Part 18 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

<p>If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:</p> <p style="text-align: center;">Not applicable</p>
<p>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</p> <p style="text-align: center;">Not applicable</p>