

**Nyrada Inc.**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: Nyrada Inc.  
ARBN: 625 401 818  
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 Nyrada Inc.	down	10.3% to	(2,307,225)
Loss for the half-year attributable to the owners of Nyrada Inc.	down	10.3% to	(2,307,225)
		<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(15.09)	(25,729.02)
Diluted earnings per share		(15.09)	(25,729.02)

*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 \$2,307,225 (31 December 2018: \$2,572,902).

---

**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>(21.16)</u>	<u>(49,914.66)</u>

---

**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.

**Nyrada Inc.**  
**Appendix 4D**  
**Half-year report**

*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:*

Not applicable.

---

**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.

---

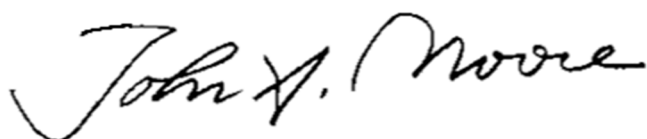
**11. Attachments**

*Details of attachments (if any):*

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

---

**12. Signed**



Signed \_\_\_\_\_

Date: 25 February 2020

John Moore  
Chairman

**Nyrada Inc.**

**ARBN 625 401 818**

**Interim Report - 31 December 2019**

**Nyrada Inc.**  
**Corporate directory**  
**31 December 2019**

Directors	John Moore (Chairman) Dr Graham Kelly Peter Marks Marcus Frampton Ruediger Weseloh Christopher Cox (appointed 7 November 2019)
Company secretary	David Franks
Registered office in Australia	Noxopharm Limited, Suite 3 Level 4 828 Pacific Highway Gordon NSW 2072 Australia
Registered office in place of incorporation	The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801 United States of America
Principal place of business	Noxopharm Limited, Suite 3 Level 4 828 Pacific Highway Gordon NSW 2072 Australia
Share register	Automatic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 Australia
Auditor	Nexia Sydney Audit Pty Ltd Level 16, 1 Market Street Sydney NSW 2000 Australia
Stock exchange listing	Nyrada Inc shares are listed on the Australian Securities Exchange (ASX code: NYR)
Website	<a href="http://www.nyrada.com">www.nyrada.com</a>

**Nyrada Inc.**  
**Directors' report**  
**31 December 2019**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Nyrada Inc. (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

**Directors**

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

John Moore (Chairman)  
Dr Graham Kelly  
Peter Marks  
Marcus Frampton  
Ruediger Weseloh  
Christopher Cox (appointed 7 November 2019)

**Principal activities**

Nyrada is a U.S company registered as a foreign company in Australia. Nyrada is a pre-clinical stage, drug discovery and development company specialising in novel small molecule drugs pertaining to cardiovascular, neurological and chronic inflammatory diseases. The company's two leading R&D programs are:

- (i) an oral PCSK9-inhibitor (cholesterol-lowering drug); and
- (ii) a neuroprotectant to limit brain damage following stroke and traumatic brain injury.

**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 amounted to \$2,307,225 (31 December 2018: \$2,572,902).

**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**

On 16 January 2020, Nyrada Inc listed on the ASX (ASX: NYR) under a Prospectus dated 26 November 2019 ("Prospectus") and Supplementary Prospectus dated 9 December 2019. The company ceased to be a subsidiary of Noxopharm Limited.

On this day, the following transactions occurred in the company:

- \$3.4751 million convertible notes converted to 21,588,752 Class A Common Stock and 1,725,656 Convertible Note Options;
- In relation to the \$3,520,574 loan from Noxopharm Limited, \$2,700,000 was converted to 13,500,000 Class A Common Stock and \$500,000 was repaid in cash as a result of the IPO, with the remaining \$320,574 to be repaid in due course from future capital raising;
- \$8.5 million was raised in the IPO, equating to 42,500,000 Class A Common Stock at 20 cents per share;
- 18 million Performance Common Stock issued, with approximately two-thirds issued to Noxopharm Limited and approximately one-third issued to Altnia Holding Pty Ltd;
- 8.0 million Broker Options issued;
- 31.5 million ESOP Options issued, including to directors as outlined in the Prospectus;
- After all the above mentioned allotments, there were 109,383,722 Class A Common Stock on issue, and on IPO 109,383,722 CHESS Depository Interests (CDIs).

On 11 February 2020, the company issued a scientific update to the ASX, related to the significant advance in Nyrada PCSK9i program.

**Nyrada Inc.**  
**Directors' report**  
**31 December 2019**

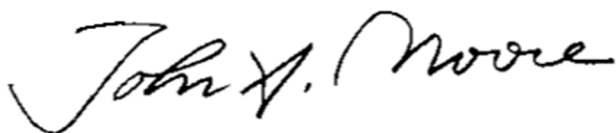
No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**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

A handwritten signature in black ink that reads "John H. Moore". The signature is written in a cursive style with a large initial 'J' and 'M'.

---

John Moore  
Chairman

25 February 2020

To the Board of Directors of Nyrada Inc

**Auditor's Independence Declaration under section 307C of the Corporations Act 2001**

As lead audit director for the review of the interim financial statements of Nyrada Inc. and controlled entities for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely

**Nexia Sydney Audit Pty Ltd**



**Stephen Fisher**

Director

Date: 25 February 2020

**Nyrada Inc.**  
**Contents**  
**31 December 2019**

Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	16
Independent auditor's review report to the members of Nyrada Inc.	17

**General information**

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

Nyrada Inc is an unlisted public company limited by shares (noting that it became listed on 16 January 2020), incorporated and domiciled in United States of America.

Its registered offices and principal place of business are:

<b>Registered office in Australia</b>	<b>Registered office in place of incorporation</b>	<b>Principal place of business</b>
Noxopharm Limited, Suite 3 Level 4 828 Pacific Highway Gordon NSW 2072 Australia	The Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801 United States of America	Noxopharm Limited, Suite 3 Level 4 828 Pacific Highway Gordon NSW 2072 Australia

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2020.



**Nyrada Inc.**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2019**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Other income	3	-	9,608
<b>Expenses</b>			
Employee benefits expense		(740,675)	(627,802)
Depreciation and amortisation expense		(706)	(704)
Marketing		(35,024)	(21,447)
Administration expenses		(416,676)	(520,686)
Travelling expenses		(10,840)	(49,755)
Research and development costs		(659,373)	(682,164)
Share-based payments		(384,182)	(369,223)
Finance costs		(59,749)	(310,729)
<b>Loss before income tax expense</b>		<b>(2,307,225)</b>	<b>(2,572,902)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Nyrada Inc.</b>		<b>(2,307,225)</b>	<b>(2,572,902)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year attributable to the owners of Nyrada Inc.</b>		<b>(2,307,225)</b>	<b>(2,572,902)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14	(15.09)	(25,729.02)
Diluted earnings per share	14	(15.09)	(25,729.02)

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

**Nyrada Inc.**  
**Statement of financial position**  
**As at 31 December 2019**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		159,185	1,102,397
Trade and other receivables		635	3
Other	4	648,416	3
<b>Total current assets</b>		<u>808,236</u>	<u>1,102,403</u>
<b>Non-current assets</b>			
Property, plant and equipment		6,032	3,740
Intangibles	5	37,000	37,000
<b>Total non-current assets</b>		<u>43,032</u>	<u>40,740</u>
<b>Total assets</b>		<u>851,268</u>	<u>1,143,143</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	6	3,667,771	2,124,165
Convertible notes	7	3,475,100	3,930,351
Employee benefits		69,537	43,093
<b>Total current liabilities</b>		<u>7,212,408</u>	<u>6,097,609</u>
<b>Non-current liabilities</b>			
Payables	8	320,574	-
Employee benefits		7,795	-
<b>Total non-current liabilities</b>		<u>328,369</u>	<u>-</u>
<b>Total liabilities</b>		<u>7,540,777</u>	<u>6,097,609</u>
<b>Net liabilities</b>		<u>(6,689,509)</u>	<u>(4,954,466)</u>
<b>Equity</b>			
Issued capital	9	225,003	37,003
Reserves	10	1,904,119	1,519,937
Accumulated losses		(8,818,631)	(6,511,406)
<b>Total deficiency in equity</b>		<u>(6,689,509)</u>	<u>(4,954,466)</u>

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

**Nyrada Inc.**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2019**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total deficiency in equity \$</b>
Balance at 1 July 2018	37,003	1,016,604	(2,416,276)	(1,362,669)
Loss after income tax expense for the half-year	-	-	(2,572,902)	(2,572,902)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,572,902)	(2,572,902)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	369,223	-	369,223
Balance at 31 December 2018	<u>37,003</u>	<u>1,385,827</u>	<u>(4,989,178)</u>	<u>(3,566,348)</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total deficiency in equity \$</b>
Balance at 1 July 2019	37,003	1,519,937	(6,511,406)	(4,954,466)
Loss after income tax expense for the half-year	-	-	(2,307,225)	(2,307,225)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,307,225)	(2,307,225)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	188,000	-	-	188,000
Share-based payments	-	384,182	-	384,182
Balance at 31 December 2019	<u>225,003</u>	<u>1,904,119</u>	<u>(8,818,631)</u>	<u>(6,689,509)</u>

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

**Nyrada Inc.**  
**Statement of cash flows**  
**For the half-year ended 31 December 2019**

	<b>Note</b>	<b>Consolidated</b>	<b>Consolidated</b>
		<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(2,296,687)	(1,925,607)
Interest received		-	6,782
		<u>(2,296,687)</u>	<u>(1,918,825)</u>
Net cash used in operating activities			
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(2,999)	(3,398)
		<u>(2,999)</u>	<u>(3,398)</u>
Net cash used in investing activities			
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	9	200,000	-
Proceeds from intercompany loans		1,682,817	-
Share issue transaction costs		(12,000)	-
Repayment of borrowings		(515,000)	-
		<u>1,355,817</u>	<u>-</u>
Net cash from financing activities			
Net decrease in cash and cash equivalents		(943,869)	(1,922,223)
Cash and cash equivalents at the beginning of the financial half-year		1,102,397	3,108,197
Effects of exchange rate changes on cash and cash equivalents		657	-
		<u>159,185</u>	<u>1,185,974</u>
Cash and cash equivalents at the end of the financial half-year			

*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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity should it enter into lease contracts in the future:

**AASB 16 Leases**

The consolidated entity has adopted AASB 16 from 1 January 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. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The application of AASB 16 has not had an impact on the consolidated entity's financial statements upon adoption as no leases are held by the consolidated entity.

**Note 2. Operating segments**

The consolidated entity operates in one segment being research and development of drugs focusing on small molecules with potential therapeutic benefit in areas of significant medical needs and it operates in one geographical area being Australia.

**Note 3. Other income**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Interest income	-	9,608

**Nyrada Inc.**  
**Notes to the financial statements**  
**31 December 2019**

**Note 4. Current assets - other**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
Prepayments	648,416	-
Other current assets	-	3
	<u>648,416</u>	<u>3</u>

Prepayments represent costs incurred up to reporting date relating to the company's IPO which occurred subsequent to the half-year reporting period.

**Note 5. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
IP - PCSK9	<u>37,000</u>	<u>37,000</u>

Intangibles relate to the fair value of the costs incurred for the intellectual property related to patent application PCSK9 recognised on the acquisition of Cardio Therapeutics Pty Ltd on 20 November 2017.

**Note 6. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	413,113	152,283
Amount owing to ultimate parent entity *	3,200,000	1,839,802
Other payables	54,658	132,080
	<u>3,667,771</u>	<u>2,124,165</u>

\* This amount owing to Noxopharm Limited will be repaid as follows: \$500,000 payable in cash on IPO, \$2,700,000 payable as part of loan convertible to Class A Common Stock on IPO.

**Note 7. Current liabilities - convertible notes**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
Convertible notes payable	<u>3,475,100</u>	<u>3,930,351</u>

**Nyrada Inc.**  
**Notes to the financial statements**  
**31 December 2019**

**Note 7. Current liabilities - convertible notes (continued)**

*Total secured liabilities*

The total secured current liabilities are as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
Opening balance	3,930,351	3,279,452
Interest for the period	59,749	650,899
Repayment of borrowings	(515,000)	-
	<u>3,475,100</u>	<u>3,930,351</u>

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 Noxopharm Limited (ultimate holding 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 7 December 2019, the company altered the exercise price of the New Options from \$6.00 (prior to any stock splits) to \$0.20 (after all stock splits) on the Initial Public Offering (IPO), with such price being the CHES Depository Interests (CDIs) IPO price.

As the convertible notes demonstrate certain characteristics of equity, the convertible notes have been discounted using an effective interest rate of 15% on the basis of observable market interest rates on similar instruments such as unsecured debt and research and development financing to determine the equity portion. As a result a conversion reserve of \$762,045 has been recognised within equity of the group consolidated accounts. Total costs of \$149,450 have also been recognised as transaction costs and have been capitalised against the carrying value of the convertible notes.

**Note 8. Non-current liabilities - payables**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
Amount owing to ultimate parent entity *	<u>320,574</u>	<u>-</u>

\* This amount owing to Noxopharm Limited will be repaid from future capital raises.

**Note 9. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Shareholder capital - Class A Common Stock	31,794,970	10,000	237,003	37,003
Share placement costs	-	-	(12,000)	-
	<u>31,794,970</u>	<u>10,000</u>	<u>225,003</u>	<u>37,003</u>

**Nyrada Inc.**  
**Notes to the financial statements**  
**31 December 2019**

**Note 9. Equity - issued capital (continued)**

*Movements in Class A Common Stock*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2019	10,000		37,003
Stock split	10 July 2019	9,990,000		-
Stock split	12 November 2019	19,794,970		-
Capital raising	25 November 2019	<u>2,000,000</u>	\$0.10	<u>200,000</u>
Balance	31 December 2019	<u>31,794,970</u>		<u>237,003</u>

*Common stock*

Common Stock 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 stock held.

The fully paid Common Stock have a par value of US\$0.00001 each and the company has an authorised capital of 400,000,000 shares of Common Stock, being 332,000,000 of which is Class A Common Stock, 50,000,000 of which is Class B Common Stock, and 18,000,000 of which is Performance Common Stock.

Any question brought before any meeting of stockholders at which a quorum is present shall be decided by the vote of the holders of a majority (by number of votes) of the capital stock issued and outstanding and entitled to vote thereat. Except as otherwise provided in the Certificate of Incorporation, each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy but no proxy shall be voted on or after three years from its date, unless such proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, may require that any votes cast at such meeting shall be cast by written ballot.

*Share buy-back*

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

**Note 10. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve	1,142,074	757,892
Other reserves	<u>762,045</u>	<u>762,045</u>
	<u>1,904,119</u>	<u>1,519,937</u>

*Share-based payments reserve*

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

*Other reserve*

The other reserve relates to the deemed fair value of the equity conversion of the convertible notes issued by Nyrada in February 2018.



**Nyrada Inc.**  
**Notes to the financial statements**  
**31 December 2019**

**Note 10. Equity - reserves (continued)**

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

<b>Consolidated</b>	<b>Share-based payments reserve \$</b>	<b>Other reserves \$</b>	<b>Total \$</b>
Balance at 1 July 2019	757,892	762,045	1,519,937
Share-based payments	384,182	-	384,182
Balance at 31 December 2019	<u>1,142,074</u>	<u>762,045</u>	<u>1,904,119</u>

**Note 11. Equity - dividends**

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

**Note 12. Going concern**

For the half-year end ended 31 December 2019 the consolidated entity incurred a loss after tax of \$2,307,225 (31 December 2018 \$2,572,902), and incurred a net cash outflow from operating activities of \$2,296,687 (31 December 2018: \$1,918,825). As at 31 December 2019, the consolidated entity had a net liabilities of \$6,689,509 (30 June 2019 \$4,954,466).

Since 31 December 2019, the following liabilities, which make up net liabilities noted above, have been converted into Class A Common Stock on the IPO. Therefore based on these factors, the net liabilities of \$6,689,509 reduces to \$514,409:

- \$3.4751 million convertible notes converted to 21,588,752 Class A Common Stock and 1,725,656 Convertible Note Options; and
- in relation to the \$3.2 million loan from Noxopharm Limited, \$2.7 million was converted to 13,500,000 Class A Common Stock.

Furthermore, an amount of \$8.5 million (before costs) was raised in the IPO on 16 January 2020. As outlined in the Use of Funds in the Prospectus, the company has funding during the next 12 months to meet day to day obligations as they fall due and to progress research projects.

The directors are therefore satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the company will be able to meet its debts as and when they fall due and that it is appropriate for the financial report to be prepared on a going concern basis. The directors have based this on the following matters:

- the funding raised in the IPO dated 16 January 2020 will be available to meet the company's objectives and debts as and when they fall due;
- the conversion of \$6.1751 million in net liabilities into equity at the IPO on 16 January 2020; and
- the expected Use of Funds as outlined in the Prospectus dated 26 November 2019 over the 2 year period from IPO.

**Note 13. Events after the reporting period**

On 16 January 2020, Nyrada Inc listed on the ASX (ASX: NYR) under a Prospectus dated 26 November 2019 ("Prospectus") and Supplementary Prospectus dated 9 December 2019. The company ceased to be a subsidiary of Noxopharm Limited.

On this day, the following transactions occurred in the company:

**Nyrada Inc.**  
**Notes to the financial statements**  
**31 December 2019**

**Note 13. Events after the reporting period (continued)**

- \$3.4751 million convertible notes converted to 21,588,752 Class A Common Stock and 1,725,656 Convertible Note Options;
- In relation to the \$3,520,574 loan from Noxopharm Limited, \$2,700,000 was converted to 13,500,000 Class A Common Stock and \$500,000 was repaid in cash as a result of the IPO, with the remaining \$320,574 to be repaid in due course from future capital raising;
- \$8.5 million was raised in the IPO, equating to 42,500,000 Class A Common Stock at 20 cents per share;
- 18 million Performance Common Stock issued, with approximately two-thirds issued to Noxopharm Limited and approximately one-third issued to Altnia Holding Pty Ltd;
- 8.0 million Broker Options issued;
- 31.5 million ESOP Options issued, including to directors as outlined in the Prospectus;
- After all the above mentioned allotments, there were 109,383,722 Class A Common Stock on issue, and on IPO 109,383,722 CHES Depository Interests (CDIs).

On 11 February 2020, the company issued a scientific update to the ASX, related to the significant advance in Nyrada PCSK9i program.

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 14. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Nyrada Inc.	<u>(2,307,225)</u>	<u>(2,572,902)</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(15.09)	(25,729.02)
Diluted earnings per share	(15.09)	(25,729.02)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>15,292,601</u>	<u>10,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>15,292,601</u>	<u>10,000</u>

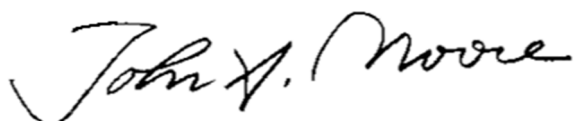
**Nyrada Inc.**  
**Directors' declaration**  
**31 December 2019**

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



---

John Moore  
Chairman

25 February 2020

## Independent Auditor's Review Report to the members of Nyrada Inc

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nyrada Inc and controlled entities, 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 the 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.

### Directors' Responsibility 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.

### Auditor's Responsibility

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 Nyrada Inc. 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.

## Conclusion

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 Nyrada Inc. and controlled entities is not in accordance with the Corporations Act 2001, including:

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

## Nexia Sydney Audit Pty Ltd



**Stephen Fisher**  
Director

Sydney, NSW  
Date: 25 February 2020