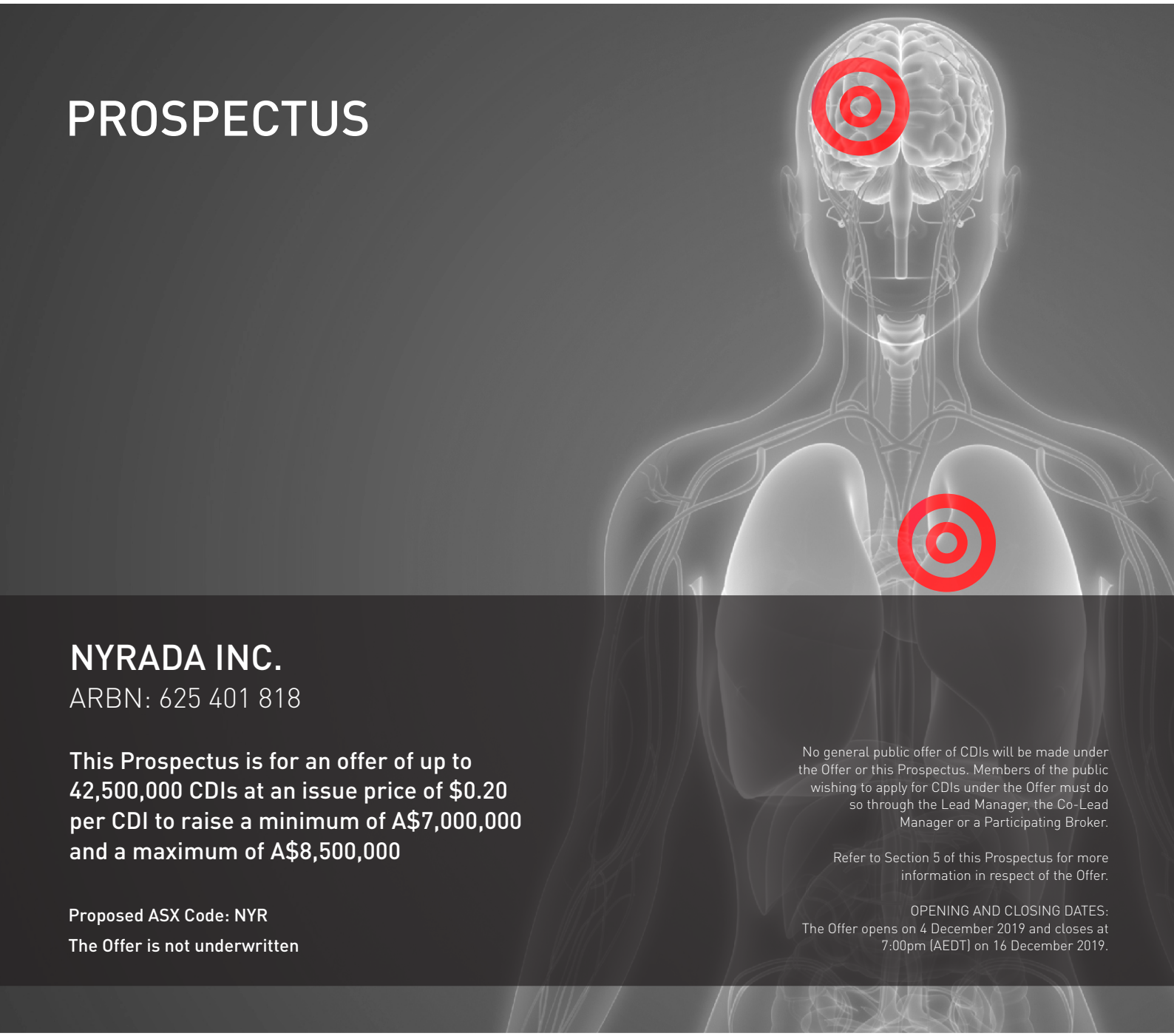
PROSPECTUS



NYRADA INC.

ARBN: 625 401 818

This Prospectus is for an offer of up to 42,500,000 CDIs at an issue price of $0.20 per CDI to raise a minimum of A$7,000,000 and a maximum of A$8,500,000

Proposed ASX Code: NYR

The Offer is not underwritten

No general public offer of CDIs will be made under the Offer or this Prospectus. Members of the public wishing to apply for CDIs under the Offer must do so through the Lead Manager, the Co-Lead Manager or a Participating Broker.

Refer to Section 5 of this Prospectus for more information in respect of the Offer.

OPENING AND CLOSING DATES:
The Offer opens on 4 December 2019 and closes at 7:00pm (AEDT) on 16 December 2019.

This Prospectus is important and should be read in its entirety before any investment decision regarding the CDIs offered under this Prospectus is made. If after reading its content, you have any questions, whether about the Company, the Offer or otherwise, you should contact your independent professional adviser. In particular, you should consider the risks that could affect the financial performance of the Group (including the risk factors set out in Section 9) in detail before deciding whether or not to invest in the Company. The CDIs offered under this Prospectus should be considered highly speculative in nature.

LEAD MANAGER
Alto Capital
ACN: 088 503 208
AFSL: 279099

CO-LEAD MANAGER
CPS Capital Group
ACN: 088 055 636
AFSL: 294848

IMPORTANT NOTICES

GENERAL

This Prospectus is dated 26 November 2019 and was lodged with ASIC on that date. Neither ASIC, ASX nor their respective officers or employees takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is issued by Nyrada Inc. (ARBN 625 401 818) (Company or Nyrada), a company incorporated in the State of Delaware in the U.S. and registered in Australia as a foreign company. This Prospectus contains an invitation to eligible persons to acquire CHESS Depositary Interests (CDIs) (representing Shares) in the Company at an issue price of $0.20 per CDI. Please refer to Section 11.8 for further information about CDIs.

It is important that you read this Prospectus carefully and in full before deciding whether to subscribe for CDIs and invest in the Company. In particular, you should consider the risk factors set out in Section 9 which could affect the financial performance of the Group in light of your personal circumstances (including financial and taxation issues).

INTERPRETATION

In this Prospectus:

- a reference to "Nyrada", "the Company", "we", "our" or "us" is to Nyrada Inc. (ARBN 625 401 818);
- a reference to "you" or "your" is to a person to whom the Offer is made (see further Section 5.8(a)) and, where the context permits, any professional adviser of such person;
- a reference to "Section" is to a section of this Prospectus;
- the words "include", "including", "for example", "such as" and similar expressions are not used as words of limitation and, when introducing specific examples, do not limit the meaning of the words to which those examples relate or examples of a similar kind; and
- headings, boldings, italics and underlines are for convenience only and do not affect the interpretation of this Prospectus.

DEFINED TERMS

Some of the terms used in this Prospectus have defined meanings. These are capitalised and are defined in the Glossary in Section 15.

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications to subscribe for CDIs offered under this Prospectus within the first seven days after the date of this Prospectus. This period is known as the "Exposure Period", and may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. During this period, this Prospectus will be made generally available to the public in electronic form, without the Application Form, on the Company's website: www.nyrada.com. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

EXPIRY DATE

No CDIs will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

NOT FINANCIAL PRODUCT ADVICE

The information in this Prospectus is not financial product advice and has been prepared without taking into account your financial and investment objectives, financial situation or particular needs (including financial or taxation issues).

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In particular, in considering the prospects of the Group (including the Company), you should consider the risks that could affect the financial performance of the Group. You should carefully consider these risks in light of your financial and investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent and qualified professional adviser if you have any questions.

Some of the risks that prospective investors and their professional advisers should consider before deciding whether to invest in the Company are set out in Section 9. There may be additional risks to those set out in Section 9 that should be considered in light of your personal circumstances.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in CDIs issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

GEOGRAPHICAL RESTRICTIONS

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Persons residing in any such jurisdiction who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of law.

This Prospectus does not constitute an offer to issue or sell, or invitation to apply for or buy, CDIs in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the CDIs or to otherwise permit an offer of the CDIs outside of Australia.

Before making an Application for CDIs, it is your personal responsibility, as an investor, to ensure that you have complied with the applicable laws of each jurisdiction that may be relevant to your Application. By submitting an Application Form, you are taken to have warranted and represented to the Company that you are not restricted by law from applying for CDIs and have observed the applicable laws of all relevant jurisdictions in making the Application.

NOTICE TO U.S. RESIDENTS

This Prospectus may not be distributed to, or relied upon by, persons in the U.S. CDIs have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the U.S. and may not be offered or sold, directly or indirectly, in the U.S., except in a transaction exempt from, or not subject to, registration under the U.S. Securities Act and applicable state securities laws of the U.S. Hedging transactions involving CDIs or any Shares into which the CDIs may be converted may not be conducted except in accordance with the U.S. Securities Act.

FOR U.S. RESTRICTIONS

The CDIs being offered pursuant to this Prospectus are being made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers which are made outside of the U.S. As a result of relying on the Regulation S exemption, the CDIs which are issued under Regulation S and the Offer will be "restricted securities" under Rule 144 of the U.S. Securities Act. This means that investors in the offer will not be able to sell the CDIs issued to them under the Offer into the U.S. or to a U.S. Person for a period of 12 months from the date of allotment of the CDIs under the Offer, unless the resale of the CDIs is registered under the U.S. Securities Act. Please refer to Section 11.11 for further information.

To enforce the above transfer restrictions, the Company has requested that all CDIs issued under the Offer, or any Shares into which the CDIs have been converted prior to the end of the restriction period, contain a legend to the effect that transfer is prohibited except in accordance with Regulation S of the U.S. Securities Act, or pursuant to an available exemption from registrations, and that hedging transactions involving the CDIs, or any Shares into which CDIs may be converted, may not be conducted unless in compliance with the U.S. Securities Act.

In addition, the Company has requested that all CDIs issued under the Offer bear a "FOR U.S." designation of the ASX. This designation effectively automatically prevents any CDIs from being sold on the ASX to U.S. Persons. However, investors will still be able to freely transfer their CDIs on ASX to any person other than a U.S. Person. Please refer to Section 11.11 for further information on the "FOR U.S." restrictions which will be placed on the Company's CDIs. Finally, all investors subscribing for CDIs under the Offer will be required to make certain representations and warranties regarding their non-U.S. status in their Application Form for CDIs under the Offer. Please refer to Section 11.11 for further information.

ASX LISTING

The Company will apply for admission to the Official List of ASX and quotation of the CDIs (including all CDIs issued under the Offer) on ASX as soon as practicable, but in any case within seven days, after the date of this Prospectus.

The fact that ASX may grant approval for the Company to be admitted and the CDIs to be quoted on ASX should not be taken as an indication of the merits of the Group or the CDIs being offered for subscription under this Prospectus.

The Company does not intend to issue any CDIs pursuant to this Prospectus unless and until permission has been granted for the CDIs to be quoted on ASX on terms acceptable to the Company. If permission is granted, quotation of the CDIs on ASX will commence as soon as practicable after initial holding statements are dispatched.

If permission is not granted before the end of three months after the date of this Prospectus (or such longer period permitted by the Corporations Act or with the consent of ASIC), the Offer will be withdrawn and all Application Money received by or on behalf of the Company will be refunded to Applicants, without interest, within the time prescribed by or otherwise permitted in accordance with the Corporations Act.

OBTAINING A COPY OF THIS PROSPECTUS

You can obtain a hard copy of this Prospectus, free of charge, by calling the Registry between 9am and 5pm (AEDT), Monday to Friday, during the Offer Period.

This Prospectus is also available in electronic form to any prospective investor that is resident in Australia at the Company's website www.nyrada.com.

Any person accessing the electronic version of this Prospectus for the purpose of lodging an Application Form for CDIs must be an Australian resident and must only access the information from within Australia (as applicable). If you access the electronic version of this Prospectus, you should ensure that you download and consider the document in full.

By submitting an Application Form, you are taken to have warranted and represented to the Company that you were given access to the Prospectus, together with the Application Form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is attached to, or accompanied by, a paper version of this Prospectus or a complete and unaltered electronic version of this Prospectus.

DISCLAIMER

In making a decision as to whether or not to invest in the Company and apply for CDIs, you should only rely on the information contained in this Prospectus. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, the Board or any other person in connection with the Offer.

The Company's website, www.nyrada.com, and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus.

Except to the extent required by law, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or any other Group Company, the repayment of capital by the Company, the payment of a return on the CDIs or the Shares into which the CDIs may be converted or the future value of the CDIs or the Shares into which the CDIs may be converted. The business, financial condition, operating results and prospects of the Company and the Group may change after the date of this Prospectus. Any material new or change in circumstances that arise after the date of this Prospectus will be disclosed by the Company to the extent required and in accordance with the Corporations Act.

FORWARD LOOKING STATEMENTS

Some of the statements appearing in this Prospectus are in the nature of forward-looking statements, including statements of intention, opinion and belief and predictions as to possible future events. Such statements are not statements of fact and are subject to inherent risks and uncertainties (both known and unknown) which may or may not be within the control of the Company. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target" and other similar expressions that are predictions or indicative of future events and trends.

Although the Directors believe that the expectations reflected by the forward-looking statements in this Prospectus (including the assumptions on which they are based) are reasonable as at the date of this Prospectus, no assurance can be given that such expectations or assumptions will prove to be correct. Actual outcomes, events or results may differ – possibly to a material extent – from the outcomes, events or results expressed or implied in any forward-looking statement in this Prospectus. Factors that may cause such differences include the risks described in Section 9 of this Prospectus. You are urged to consider these factors carefully in evaluating the forward-looking statements contained in this Prospectus, and are cautioned not to place undue reliance on such statements.

None of the Company, any other Group Company or their respective directors, officers, employees or advisers, nor any other person named in or involved in the preparation of this Prospectus, makes any representation, warranty or guarantee (expressed or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement in this Prospectus, or any outcome expressed or implied in any such statement.

The forward-looking statements in this Prospectus reflect views held only as at the date of this Prospectus. The Company does not intend to publicly update or revise such statements to reflect new or changes in circumstances arising after the date of this Prospectus except to the extent required by the Corporations Act nor to treat them as an assurance that they will be correct.

MARKET DATA AND INDUSTRY FORECASTS

Some of the statements in this Prospectus have been made based on market data and industry forecasts obtained from industry publications, third party market research and publicly available materials. These publications and materials generally state that the information contained in them have been obtained from sources that are believed to be reliable. However, the Company has not independently verified the accuracy and completeness of such information.

STATEMENTS OF PAST PERFORMANCE

This Prospectus includes information regarding the past performance of the Group. You should be aware that past performance is not indicative of future performance, particularly in the Group's primary activity of research and development of drug assets.

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

The provider of an Independent Limited Assurance Report in relation to the Group is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act. The Independent Limited Assurance Report in relation to the Group and accompanying Financial Services Guide are provided in Section 8.

PRIVACY

The Application Form accompanying this Prospectus requires you to provide information that may be "personal information" for the purposes of the Privacy Act 1988 (Cth) (Privacy Act) to the Company, other Group Companies, their respective officers, employees, agents, contractors, third party service providers (such as the Lead Manager, the Co-Lead Manager and the Registry) (collectively, Collecting Parties). The personal information collected may include your full name, date of birth, address and phone number.

The collection and management of your personal information will be conducted in accordance with the Privacy Act, which governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information.

The personal information that the Collecting Parties collect from you on the Application Form will be used to evaluate your Application for CDIs and if your Application is successful, to issue securities in the Company to you and provide services and appropriate administration in relation to your security holdings in the Company. In particular, if you become a security holder in the Company, the Corporations Act, ASX Settlement Operating Rules and Australian taxation legislation require that the Company includes information about you (including your name, address and details of the securities that you held) in its public register. The information contained in the Company's public register must remain there even if you cease to be a security holder. Information contained in the Company's registers may be used, from time to time, to:

- facilitate dividend and distribution payments;
- facilitate corporate communications (including the Company's financial results, annual report and other information that the Company may wish to communicate to its security holders);
- inform security holders about other products and services offered by the Group that it considers may be of interest to security holders; and
- comply with legal and regulatory requirements.

The types of agents and service providers that may be provided with your personal information and the circumstances in which such information may be shared include:

- the Company's share registry for ongoing administration of the Company's share register;
- printers and mail houses for the purpose of preparing, distributing and mailing statements and other communications;
- market research companies for the purpose of analysing the Company's investor base; and
- legal and accounting firms, auditors, contractors, consultants and other professional advisers for the purpose of administering the CDIs and advising on the Group's rights and obligations with respect to CDI Holders and associated actions.

If the Collecting Parties are obliged to do so by law, your personal information will be passed on to other parties in accordance with legal requirements. Once personal information is no longer needed for the Company's records, the Collecting Parties will destroy or de-identify it.

By submitting an Application Form, you agree that the Collecting Parties may:

- hold and use any information on your Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Registry, the Company and other Group Companies, their respective officers, employees, agents, contractors, third party service providers (including printers, mailing houses) and professional advisers, and to ASX, ASIC and other regulatory authorities; and
- disclose your personal information to recipients both in Australia and in other jurisdictions (including the U.S.) for the purposes set out in this privacy disclosure statement or as otherwise required by law.

If you do not provide the information required on the Application Form, the Collecting Parties (as relevant) may not be able to accept or process your Application.

You have a right to gain access to the information that the Collecting Parties hold about you subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the relevant Collecting Party's registered office. If you wish to make an access request to the Company or the Registry, please direct your request to the Privacy Officer at info@nyrada.com.

REGULATION OF THE COMPANY

As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC, but instead are regulated by the Delaware General Corporation Law and all applicable U.S. laws.

CURRENCY AND TIME

Unless otherwise specified in this Prospectus, a reference to a monetary amount is a reference to that amount in Australian dollars and a reference to a time is a reference to Australian Eastern Daylight Time (AEDT).

ROUNDING ADJUSTMENTS

Some of the numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, the numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets or equipment shown are owned or used by the Group. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

QUESTIONS

If you have any other questions in relation to the Offer, please contact the Lead Manager on (08) 9223 9888 (within Australia) or +61 (0)8 9223 9888 (outside Australia) between 9:00am and 5:00pm (AWST), Monday to Friday, or email the Lead Manager at adam@altocapital.com.au during the Offer Period.

If you have any questions about whether or not to invest in the Company and apply for CDIs, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent and qualified professional adviser. This is an important document that should be read in its entirety before making any investment decision.

CONTENTS

KEY INFORMATION

KEY INDICATIVE DATES[1]	
Lodgement of Prospectus with ASIC	Tuesday, 26 November 2019
Expiry of Exposure Period	Tuesday, 3 December 2019 [2]
Offer opens (9.00am AEDT)	Wednesday, 4 December 2019
Offer closes (7.00pm AEDT)	Monday, 16 December 2019
CDIs subscribed for under the Offer are issued	Wednesday, 18 December 2019
Holding statements for CDIs are dispatched	Thursday, 19 December 2019
Commencement of trading of CDIs on ASX	Monday, 23 December 2019 [3]

1. Other than the date of lodgement of this Prospectus with ASIC, the above dates are indicative only and subject to change. The Company reserves the right to vary the dates and times of the Offer (in consultation with the Lead Manager), including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date or to accept late Applications for CDIs (either generally or in particular cases), without notifying any recipient of this Prospectus or any Applicants. The Company also reserves the right to cancel or withdraw the Offer at any time before CDIs are issued to successful Applicants. If the Offer is cancelled or withdrawn before the issue of the CDIs, all Application Money received by or on behalf of the Company will be refunded to Applicants, without interest, within the time prescribed by or otherwise permitted in accordance with the Corporations Act.
2. The Corporations Act prohibits the Company from processing Applications for CDIs in the first seven days after the date of the Prospectus. This period – known as the "Exposure Period" – may be extended by ASIC by up to a further seven days. The Opening Date will be affected by any extension of the Exposure Period.
3. The quotation and commencement of trading of CDIs is subject to confirmation by ASX.

KEY OFFER STATISTICS

	ASSUMING MINIMUM SUBSCRIPTION ACHIEVED	ASSUMING MAXIMUM SUBSCRIPTION ACHIEVED
Offer Price	$0.20 per CDI	
Ratio of CDIs per Share	1:1	
Number of Shares on issue as at the date of this Prospectus (equivalent to the same number of CDIs)	31,794,970	31,794,970
Number of Shares/CDIs to be issued immediately prior to Completion of the Offer upon conversion of the Convertible Notes and part of the Noxopharm Loan (equivalent to the same number of CDIs)[1]	35,088,752	35,088,752
Number of Shares/CDIs on issue immediately prior to Completion of the Offer (including CDIs to be issued immediately prior to Completion of the Offer upon conversion of the Convertible Notes and part of the Noxopharm Loan) (equivalent to the same number of CDIs)[2]	66,883,722	66,883,722
Total number of CDIs available under the Offer (equivalent to the same number of Shares)	35,000,000	42,500,000
Cash proceeds of the Offer (before costs)[3]	$7,000,000	$8,500,000
Indicative number of CDIs on issue following Completion of the Offer (equivalent to the same number of Shares)	101,883,722	109,383,722
Indicative market capitalisation[4] immediately following completion of the Offer (on an undiluted basis)	$20,376,744	$21,876,744
Percentage of Nyrada that will be owned by Applicants under the Offer following Completion of the Offer (on an undiluted basis)	34.35%	38.85%

1. For further information in relation to the conversion of the Convertible Notes and part of the Noxopharm Loan, see Sections 11.2 to 11.4.
2. Calculated on the assumption that the Restructuring occurs immediately prior to the allotment of CDIs under the Offer. For further information in relation to the Restructuring, please refer to Section 11.4.
3. Based on the Offer Price and the total number of CDIs that are expected to be issued under the Offer assuming the Minimum Subscription or Maximum Subscription (as applicable) is achieved.
4. Market capitalisation refers to the total market value of the CDIs calculated here as the total number of CDIs multiplied by the Offer Price per CDI. Prospective investors are cautioned that CDIs may not trade at the Offer Price after Listing.

HOW TO INVEST

Applications for CDIs can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for CDIs are set out in Section 5.10.

CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board it is my pleasure to present this investment opportunity to you in Nyrada Inc. (**Nyrada** or the **Company**).

Nyrada is a pre-clinical stage, drug development company specialising in the development of novel small molecule drugs pertaining to cardiovascular, neurological and chronic inflammatory diseases. We believe we have identified drug candidates with significant therapeutic and commercial potential which may bring the Company to the attention of the global pharmaceutical market.

THE COMPANY

Nyrada started as a spin-off company of Australian biotechnology company, Noxopharm Limited (ASX:NOX) (**Noxopharm**). Noxopharm has developed proprietary know-how and expertise in the design and delivery of a class of chemicals based on a particular molecular scaffold known as flavonoids. Flavonoids are molecules with multiple targets of action, together with a generally high level of tolerability. As the majority of degenerative diseases involve multiple genetic errors, Noxopharm regarded flavonoids as possessing significant potential for the development of novel families of drugs with polypharma activity to treat the degenerative disease process in many common human diseases.

Faced with the prospect of bringing its anti-cancer drug through the clinic to market, Noxopharm in 2017 made the strategic decision to focus on oncology applications of its proprietary flavonoid technology platforms, leading Noxopharm to establish Nyrada to provide a vehicle to develop non-oncology applications of those same platforms. Since its beginning in August 2017, Nyrada has progressed to having three drug development candidates in its portfolio (with an option to acquire a fourth drug development candidate). All four R&D programs target market sectors of significant size and considerable unmet need.

The first program concerns a new form of **cholesterol-lowering drug**. The aim here is an oral, small molecule inhibitor of the plasma protein, PCSK9, an action known to assist standard-of-care statin drugs in achieving target cholesterol levels. The potential market is the approximately half of individuals with blood cholesterol levels considered to be putting them at risk of cardiovascular disease (heart attack, stroke) who do not respond adequately to statin drug therapy or who cannot tolerate effective dosages of statins. Our objective is a single tablet containing the Company's PCSK9-inhibitor along with a generic statin, offering a novel, convenient dual-purpose medication.

The next program is **a neuroprotectant**. The aim here is a drug capable of blocking a form of brain damage known as excitotoxicity that follows primary damage from stroke or other forms of traumatic brain injury including severe concussion. This secondary damage, currently untreatable, is thought to be a major contributor to long-term disability following brain injury. The impact that repeated concussion is having in contact sports has brought the need for a neuroprotectant drug to the community's attention, but an even greater need is the roughly two-thirds of patients who survive a stroke but are left with a permanent disability requiring long-term assisted-living care. With some 800,000 people expected to suffer stroke this year in the U.S., reducing the extent of long-term disability and the cost of rehabilitation services and long-term nursing care is an urgent community priority.

As at the date of this Prospectus, the programs regarding the cholesterol-lowering drug and the neuroprotectant are of equal priority.

The third priority is the **peripheral neuropathic pain program**. The aim is a drug providing an anti-inflammatory effect and thereby delivering effective pain control in peripheral nerves associated with injuries such as sciatica, nerve crush injuries and chemotherapy-associated neuropathy.

Each of these programs is early-stage, but with a clear development path ahead. We have what we believe is a realistic expectation of being ready to enter the clinic in late 2021 with at least one drug candidate once we have completed all the necessary pre-clinical work-up.

Each of these areas of drug development has a large unmet need, with few (if any) effective and well-tolerated approved therapies. We believe that the commercial opportunity is substantial.

Nyrada sees itself primarily as a drug discoverer and early-stage drug developer. If necessary, it is prepared to take the drugs through the clinical development process to marketing approval, but all of the disease markets outlined above are large, making the task of bringing a drug through to market both expensive and lengthy. Nyrada

therefore sees its opportunity in identifying and developing new drug opportunities, and then passing those opportunities onto other companies with the large infrastructure required to take drug candidates through late-stage development and the regulatory approval process.

As noted above, each of the three drug programs is early-stage with at least another 18-24 months of laboratory work before potentially being ready to be tested in humans. This is a lengthy journey we are embarking on and one that carries the usual range of risks associated with drug development. You should carefully read Section 9, which details some of these risks.

The Company's board has a proven track record in growing public companies, particularly drug development companies, and is supported by a group of eminent scientists from around the world as consultants.

THE OFFER

Under this Prospectus, Nyrada is seeking to raise up to $8,500,000 through the issue of CHESS Depositary Interests (CDIs). CDIs are units of beneficial ownership in Shares and trade in a manner similar to shares of Australian companies listed on ASX. The Offer Price is $0.20 per CDI.

This Prospectus contains detailed information about the Company, its Business, its drug programs, its financial position, its prospects, the Board and management team and the material risks associated with an investment in the Company.

Before applying for CDIs, you should satisfy yourself as a prospective investor in the Company that you have a sufficient understanding of the risks involved in making an investment in the Company (for further information in relation to some of the risks involved, please see Section 9).

Statistically, a very low proportion of drug research companies make it from a pre-clinical stage to a successful commercialisation stage. Despite this risk, the Directors believe the potential upside is very substantial, with all drug candidates aimed at targets with large unmet medical need. We at Nyrada are excited by the prospects of the Business as outlined in this Prospectus. However, potential investors should consider that any investment in the Company is highly speculative, contains risks, and should consult their professional advisers before deciding whether to apply for CDIs pursuant to this Prospectus.

I encourage you to read this entire document carefully and to consult with your professional advisers before making an investment decision. Should you decide to proceed, then I look forward to welcoming you as a holder of CDIs in Nyrada.

Yours faithfully,

John Moore
Non-Executive Chairman

"The Company's board has a proven track record in growing public companies, particularly drug development companies, and is supported by a group of eminent scientists from around the world as consultants."

1. INVESTMENT OVERVIEW

This Section contains an overview of key information regarding the Group and the Business, and frequently asked questions regarding the Offer. This overview is intended to be a summary only and should be read in conjunction with the more detailed information contained elsewhere in this Prospectus, including, in particular, the cross-referenced sections referred to in the third column of the table below.

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY		
WHAT IS THE BASIS OF THE COMPANY'S BUSINESS?	Nyrada Inc. (**Nyrada** or the **Company**) is a pre-clinical drug development company specialising in the development of novel small molecule drugs pertaining to cardiovascular, neurological and chronic inflammatory diseases. Nyrada was formed in the belief that drugs based on the molecular structure known as flavonoids could become a major source of new families of drugs for the treatments in these areas. The Company's vision is to become a high growth, bio-pharmaceutical company specialising in drug discovery and early stage drug development in areas of substantial unmet market need, where few, if any, effective or well-tolerated therapies exist. The Company has received from its major shareholder, Noxopharm Limited (**Noxopharm**), certain know-how in the field of flavonoid chemistry. This knowledge embraces the fundamentals required for flavonoid drug development including drug design, an understanding of underlying mechanisms of action of flavonoids, their metabolism within the human body, and how to optimise drug formulation and drug delivery. Nyrada in turn has built upon this knowledge and developed its own intellectual property. Nyrada believes that this knowledge gives it an important competitive edge in what are becoming growing areas of interest for drug developers. Flavonoid chemistry forms the basis of two of the Group's three wholly-owned drug development programs and a collaborative drug program with Noxopharm. The Group currently has three wholly-owned drug programs: • **PCSK9i program:** a PCSK9 inhibitor (**PCSK9i**) drug aimed at assisting statin drugs to lower LDL-cholesterol levels considered to be putting patients at risk of cardiovascular disease; • **neuroprotectant drug program:** a neuroprotectant drug designed to restrict loss of brain function in patients who suffer a stroke or traumatic brain injury (**TBI**); and • **peripheral neuropathic pain program:** a drug to treat inflammation and pain associated with **peripheral nerve damage**, (together, the **Wholly-Owned Drug Candidates**). The Company also is currently working with Noxopharm in relation to the co-development of a fourth program aimed at developing a drug to treat chronic inflammatory diseases associated with autoimmune disorders such as psoriasis (**autoimmune diseases program**). The Wholly-Owned Drug Candidates and the autoimmune diseases program are together known as the "**Drug Candidates**". Nyrada has entered into an intellectual property licence agreement (**Intellectual Property Licence Agreement**) and a call option deed (**Call Option Deed**) with Noxopharm in relation to this program. For further information in relation to the Intellectual Property Licence Agreement and the Call Option Deed, please see Section 12.2.	Sections 3 and 4

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY (CONT'D)		
WHAT IS THE PCSK9 INHIBITOR PROGRAM?	The PCSK9i program is a drug intended to treat high blood levels of low-density lipoprotein (**LDL**), the form of cholesterol which in high levels is considered to be a significant risk factor in cardiovascular disease (eg hypertension, stroke, heart attack). A PCSK9i is intended to be used in conjunction with a statin drug, the standard cholesterol-lowering medication. PCSK9 is a blood protein that serves a normal purpose in holding LDL in blood. The body responds to falling LDL levels with statin use by increasing PCSK9 levels in an attempt to stop blood LDL levels falling to unhealthy levels. This counter-balancing action can offset the LDL-lowering effect of statins, and therefore their effectiveness, with the result that statin therapy fails to deliver target LDL levels in approximately half of patients with LDL levels considered 'high risk' for cardiovascular disease. This has led to a dual approach of inhibiting PCSK9 function in conjunction with statin therapy as a means of achieving significant lowering of blood LDL levels, with the ultimate aim of delivering meaningful cardiovascular health benefits. The current approach to blocking PCSK9 function involves monoclonal antibodies that require 2-4 weekly injections on a long-term basis, whose inconvenience and cost are believed to be serving as barriers to widespread uptake. Nyrada is developing an oral PCSK9 inhibitor to be taken in combination with a generic statin. The target market is the considerable proportion of patients where statins on their own are not delivering target LDL levels or who are intolerant of statins, requiring them to stop or to reduce their statin therapy. Global sales of statins in 2017 were approximately US$19 billion. The Company's aim is to see its drug candidate form a standard combination with a significant proportion of that market. The Company's initial working drug candidate was NYX-330, which has provided proof-of-concept in the laboratory in inhibiting PCSK9 function and in animal studies in terms of its ability to lower blood cholesterol levels. Having established proof-of-concept, the Company currently is conducting a traditional medicinal chemistry program to maximise potency and drug-like behaviour. A number of promising candidates already have been identified as being more potent than NYX-330 and currently are undergoing laboratory testing. The Company aims to have the lead compound identified and be into its pre-clinical program by the third quarter of 2020. A wholly-owned subsidiary of the Company, Cardio Therapeutics Pty Ltd (**Cardio Therapeutics**) has lodged a PCT patent application with the U.S. Patent Office covering composition of matter and use in relation to the PCSK9i program. This application currently has progressed to the national phase. There is no certainty that the patent application will be granted in any or all of the jurisdictions being sought, or if granted, will adequately protect the Group's intellectual property.	Section 4.1

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY (CONT'D)		
WHAT IS THE NEUROPROTECTANT DRUG PROGRAM?	The aim of the neuroprotectant program is to develop a drug therapy for patients who have suffered a stroke or traumatic brain injury (**TBI**). While these are completely different primary injuries, they both have a common outcome in which dead and dying brain cells that result in toxic levels of calcium ions entering surrounding healthy brain cells. One outcome of this calcium toxicity is neuroinflammation, contributing to short-term neurological symptoms. A more serious and longer-term effect of this calcium toxicity is the death of brain cells (neurons) outside of the original injury zone in a process known as excitotoxicity. Excitotoxicity can result in an area of greater than that of the primary damage and is believed to be responsible for a significant proportion of resulting long-term disability. A drug that inhibits or limits this secondary calcium-related damage has been recognised as being of urgent need and is termed a '**neuroprotectant**'. Efforts to date to develop such a drug have been hampered by their non-selectivity, leading to generalised interference of calcium metabolism in healthy brain tissue with predictable unacceptable outcomes. A successful drug candidate will mitigate excitotoxic cell damage in the injured brain tissue whilst having minimal effect on normal brain function, limiting the size of secondary injury and the ensuing degree of long-term disability due to neuronal cell death, and to do so in a well-tolerated way. In conjunction with a research team in the School of Medicine, UNSW, Sydney, Noxopharm originally identified a drug candidate (NYX-104) that blocked the calcium overload process, in an apparent highly selective manner. When given to a mouse model of human stroke, NYX-104 significantly reduced the area of secondary damage and appeared to be safe and well-tolerated. Since taking over the program from Noxopharm, Nyrada has identified a more potent compound (NYX-242) and is continuing with efforts to further optimise the lead candidate compound. The Company proposes to pursue parallel programs in both stroke and TBI. The stroke program will be conducted directly by the Company. The Company will seek to have the TBI program conducted on a collaborative basis with government agencies and at least part-funded by others. A wholly-owned subsidiary of the Company, Norbio No. 1 Pty Ltd (**Norbio No. 1**), has lodged provisional U.S. patent applications with the U.S. Patent Office for which it hopes to achieve granted claims over compounds that minimise or treat excitotoxicity, compositions thereof, and uses of the compositions. There is no certainty that these patent applications will be granted in any or all jurisdictions, or if granted, will adequately protect the Group's intellectual property.	Section 4.2
WHAT IS THE PERIPHERAL NEUROPATHIC PAIN PROGRAM?	Peripheral neuropathy refers to injury or inflammation of any of the peripheral nerves that fails to resolve quickly and becomes a chronic problem. Peripheral neuropathy can be due to physical injury, compression (eg. sciatica), chemical damage (eg. chemotherapy) or metabolic damage (eg. diabetes). Depending on the nature of the nerve fibres damaged, the outcome can either be loss of function or persistent pain. Nyrada is focused on the development of a drug that will treat peripheral neuropathic pain of the sort associated with sciatica and the sort that is a common side-effect of many common cancer chemotherapies.	Section 4.3

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY (CONT'D)		
WHAT IS THE PERIPHERAL NEUROPATHIC PAIN PROGRAM? (CONT'D)	Peripheral neuropathic pain currently is not well managed. Common analgesics and anti-inflammatories (eg. Aspirin, ibuprofen, paracetamol) suffer in part because of relatively poor accessibility of current drugs to peripheral nerves; peripheral nerves are protected with a barrier to foreign chemicals known as the blood-nerve barrier, effectively blocking access of the majority of human medicines to the peripheral nerves. Using the flavonoid drug delivery technology (LIPROSE) developed by Noxopharm, Nyrada has achieved a significant proof-of-concept step in showing that it is possible to deliver flavonoid compounds into peripheral nerves (rat sciatic nerve) at levels that the Company believes could be therapeutic. The Company has identified two flavonoid compounds, each targeting different parts of the inflammatory cascade, and intends in the coming months to test both in animal models of nerve injury. The primary clinical indications to be sought are inflammation and pain associated with: (i) nerve compression injury such as sciatica; and (ii) chemically-induced nerve damage from common chemotherapy drugs in cancer patients. A wholly-owned subsidiary of the Company, Norbio No. 2 Pty Ltd (**Norbio No. 2**) has lodged a PCT patent application with the U.S. Patent Office for one of the flavonoid compounds for which it hopes to achieve granted claims over a method for treating or minimising inflammation of peripheral nerves in an individual. There is no certainty that the patent application will be granted in any or all jurisdictions, or if granted, will adequately protect the Group's intellectual property. The Group does not currently hold any patents or patent applications for the second flavonoid compound under study and does not propose to lodge any provisional patent applications until it has obtained proof-of-principle evidence in the animal nerve injury model in respect of this compound.	Section 4.3
WHAT IS THE AUTOIMMUNE DISEASES PROGRAM?	The autoimmune diseases program currently is not solely owned by Nyrada. It is a collaboration between Noxopharm and Nyrada. The aim of this program is to develop a novel drug to treat various autoimmune diseases associated with chronic inflammation, with a particular focus on psoriasis. The aim is a treatment that is more effective, better tolerated, and more cost-effective that current therapeutics. The signalling proteins, IRAK4 and TPL2, currently are considered by the global pharmaceutical industry to be potential targets for the development of drugs to treat both cancers and autoimmune diseases including psoriasis, rheumatoid arthritis, lupus, and multiple sclerosis. Noxopharm and Nyrada are cooperating in the design of IRAK4 and TPL2 inhibitors based on flavonoid chemistry. This is very early-stage research, although the initial attempts at design have been sufficiently successful to lead the Company to believe that it may have a competitive edge in an emerging drug sector. Noxopharm and the Company jointly own certain intellectual property rights that are being used in this program. The entire starting purpose of Nyrada was to provide a vehicle for the opportunity to develop flavonoid drugs for non-oncology use and Noxopharm has therefore granted Nyrada a licence under the Intellectual Property Licence Agreement to allow Nyrada to use the relevant intellectual property rights that are owned by Noxopharm to conduct research in relation to this program for non-cancer related purposes.	Sections 4.4 and 12.2

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY (CONT'D)		
WHAT IS THE AUTOIMMUNE DISEASES PROGRAM? (CONT'D)	Nyrada is also a party to the Call Option Deed with Noxopharm which, if exercised, will enable the Company to acquire certain intellectual property rights subsisting in the autoimmune diseases program in return for the issue of securities in the Company to Noxopharm. For a summary of the Intellectual Property Licence Agreement and the Call Option Deed, see Section 12.2. Norbio No. 2 and Noxopharm have jointly lodged a U.S. provisional patent application with the U.S. Patent Office for compounds that inhibit IRAK4. There is no certainty that the patent application will be granted in any or all jurisdictions, or if granted, will adequately protect the Group's intellectual property.	Section 4.3
WHAT IS THE COMPANY'S BUSINESS MODEL AND STRATEGY?	The Company will focus over the next two years on bringing each of the current three Wholly-Owned Drug Candidates through the process of identifying a lead candidate and of conducting the necessary pre-clinical steps towards gaining approval to conduct a Phase I human safety, tolerability and pharmacokinetic study. The objective will be to develop each Wholly-Owned Drug Candidate to a point where the Company believes it has achieved sufficient proof-of-concept to have the Wholly-Owned Drug Candidate sufficiently de-risked and identified as a prospective therapeutic. In that time, the Company intends to begin the process of bringing the Company's activities to the attention of major pharmaceutical companies on the basis that any strategic relationship can take considerable time to put in place. Any commercial arrangement could involve a sale or a licence involving up-front payments, milestone payments and/or royalties. However, there is no guarantee that the Company will be able to attract a sufficiently interested party willing to enter into such a commercial arrangement with the Company in relation to a Wholly-Owned Drug Candidate (or the autoimmune diseases program).	Section 3.3
IS THE INDUSTRY IN WHICH NYRADA OPERATES REGULATED?	Drug development companies operate in an industry which is highly regulated and controlled. Nyrada is seeking to develop and commercialise its small molecule drug candidates. Small molecule drugs are pharmaceutical products which are highly regulated and controlled. The testing of pharmaceutical products on animals and humans and the sale of pharmaceutical products is highly regulated both in Australia and overseas. In order to develop and commercialise its Drug Candidates, Nyrada will need to obtain various mandatory approvals at each stage of development. These approvals include ethical and regulatory approval prior to commencing each preclinical and clinical (human) study, and marketing approvals before the commercial sale or distribution of a drug.	Section 3.4
HOW CONFIDENT IS NYRADA IN HAVING THE EXPERTISE TO MEET ITS OBJECTIVES?	Nyrada is confident that it has the core expertise in its Board, senior management team and scientific team to meet its objectives. In addition, the Company has assembled a Scientific Advisory Board (**SAB**), comprising 5 scientists of international standing with expertise in particular areas of activity that will provide oversight of the Company's R&D programs. Additional members may be added to the SAB if required as the Company's R&D programs transit from pre-clinical to clinical. Further, the Company's senior management team has a clear track-record in drug development. Finally, the Company believes that its Board has the required experience and skills in running public companies in order to represent the best interests of CDI Holders. The Board will be expanded by appointing people with the appropriate skills as required.	Sections 10.1, 10.3 and 10.4

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY (CONT'D)		
WHAT IS THE MARKET OPPORTUNITY FOR NYRADA?	The Company's drug programs are intended to develop drugs for use in areas of substantial size and considerable unmet medical need: **Hypercholesterolemia/cardiovascular diseases:** Heart disease is the single biggest cause of death in developed countries, with high blood levels of LDL identified as a primary risk factor. Global sales of standard of care statin drugs in 2017 were approximately US$19 billion. In about half of these patients, statin therapy fails to lower blood LDL levels to target levels considered to put patients at low risk of cardiovascular disease, indicating a considerable market for a single pill treatment as an alternative to statin monotherapy. **Stroke:** Stroke is the third most common cause of death in Australia and the U.S. and is a leading cause of disability. Approximately 55,000 Australians and 800,000 Americans annually suffer ischaemic stroke, approximately 65% of whom are left with a permanent disability requiring assisted living. Currently there is no effective treatment to limit post-stroke brain damage due to excitotoxicity. **Peripheral neuropathic pain:** Sciatica is a common condition affecting an estimated 13-40% of individuals globally over a lifetime. An estimated 200,000-400,000 Australians are thought to be affected by sciatica each year. Peripheral neuropathy is estimated to affect 30-70% of cancer patients treated with cytotoxic chemotherapy drugs, with dysfunction including pain continuing up to 12 months following cessation of anti-cancer therapy. **Autoimmune diseases:** Global sales in 2018 of Humira (AbbVie) reached approximately US$19.9 billion, and sales of Remicade (J&J) reached almost US$5 billion. Both drugs are used widely in the treatment of autoimmune diseases including rheumatoid arthritis and psoriasis. It is estimated that at least 100 million people worldwide are affected with psoriasis.	Section 2
HOW WILL NYRADA FUND ITS OPERATIONS?	Nyrada will fund its operations from the proceeds of the Offer and its existing cash reserves. The Company also proposes to seek non-dilutive funding through a range of granting bodies and by applying for the Australian Government's R&D Tax Incentive, although the budget and objectives outlined in this Prospectus are not predicated on the Company receiving such funds. Subject to unforeseen events, the Directors believe that the Company's current cash reserves plus the net proceeds of the Offer will be sufficient to fund the Company's business objective for approximately two years. That business objective is to have at least one Drug Candidate ready to enter a first-in-human Phase I safety, tolerability and pharmacokinetic study by the end of 2021. Following the next two years, the Company may need to raise further funds, but this will depend on the Company's financial position and the market conditions at the time.	Section 5.4
WILL NYRADA HAVE A REVENUE STREAM AFTER LISTING?	No revenue stream is expected in the foreseeable future. Drug development inherently is a long process with pre-clinical and clinical programs typically spanning 8-10 years. The Company at this stage of its life sees its potential revenue stream as coming from the on-sale or licence of its Drug Candidates, rather than from sales of product into the consumer market. Any potential revenue stream based on an outright sale or a licence of one or all of its Drug Candidates may involve a mixture of upfront, milestone and royalty payments. There is no guarantee the Company will be able to sell or licence its Drug Candidates or to receive any such payments.	Section 3.3

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY (CONT'D)		
WHAT LAW GOVERNS NYRADA?	As the Company is not incorporated in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the *Corporations Act 2001* (Cth) or by the Australian Securities and Investments Commission, but instead are regulated by the Delaware General Corporation Law and applicable U.S. law, including in relation to laws and regulations relating to takeovers. Further information about some key differences between the laws governing the Company as a U.S. company with laws governing public companies incorporated in Australia can be found in Section 11.10.	Section 11.10
B. KEY ADVANTAGES AND KEY RISKS		
WHAT ARE THE KEY ADVANTAGES OF AN INVESTMENT IN THE COMPANY?	The Directors are of the view that an investment in the Company provides the following non-exhaustive list of key advantages: • an investment in a Company with three Wholly-Owned Drug Candidates (and with an option to acquire a fourth drug candidate) across entirely different therapeutic areas, providing an important de-risking element to the investment; • an investment in a Company with three Wholly-Owned Drug Candidates (and with an option to acquire a fourth drug candidate) targeting large markets of substantial unmet need that are the subjects of considerable industry interest and therefore with the potential to realise payments such as upfront and milestone fees in advance of full clinical approvals; • an investment in a Company with the rights to use at least one key technology platform (the ability to achieve penetration by flavonoid drugs of the blood-brain and the blood-nerve barrier) with the potential to expand the Company's drug pipeline beyond the current identified Drug Candidates; • an investment in a Company with a virtual business model that in the Company's formative stages promotes efficient use of its capital through contracting service providers on a pay-per-study basis, thereby minimising expensive overheads in the form of in-house laboratories and staff; and • an investment in a Company with a Board and management with track-records in drug development, founding and managing public companies, investor relations, and capital raisings.	
WHAT ARE THE KEY RISKS OF AN INVESTMENT IN THE COMPANY?	Whilst the potential for Nyrada, if successful, is large, this is a high risk, highly speculative investment. The business, assets and operations of the Group are subject to certain risk factors that have the potential to influence future operating and financial performance. These risks may have an impact on the value of an investment in CDIs. Some risks are unforeseeable or of a nature which means that they cannot be managed, and so the extent to which these risks can be effectively managed is limited. Set out below is a non-exhaustive list of specific key risks to which the Group is exposed. Further general risks associated with an investment in the Company are outlined in Section 9. The Directors strongly recommend you review Section 9 in detail and take professional advice if you have queries or concerns:	Section 9

ITEM	SUMMARY	FURTHER INFORMATION
B. KEY ADVANTAGES AND KEY RISKS (CONT'D)		
WHAT ARE THE KEY RISKS OF AN INVESTMENT IN THE COMPANY? (CONT'D)	a) **Pre-clinical development:** Each Drug Candidate is currently at an early stage of development and it will take at least 24 months before a Drug Candidate will be ready to undergo first-in-human studies. There are numerous regulatory issues to pass before agencies such as the Food and Drug Administration in the U.S., the European Medicines Agency in the European Union and the Therapeutic Goods Administration in Australia might be prepared to grant approval for a Drug Candidate to undergo first-in-human studies. Further, there is no certainty that any of the Drug Candidates will ever receive that approval. b) **Uncertainty of clinical development:** The Group's ability to commercialise its intellectual property is reliant on clinical data. While the Group will conduct its clinical programs and eventual drug submissions based on applicable regulations and industry guidelines, and on the advice of consultants experienced in clinical trial design and regulatory affairs, there is no certainty that the trial design will provide appropriate data or that the data will meet the regulator's benchmark. This may require the Group to conduct further clinical studies, resulting in significant additional cost and delay. Once a drug enters the clinic, the final drug development path typically takes 8-10 years, depending on the indication. It is expected that at least one of the Drug Candidates will be ready to enter a first-in-human study towards the end of the next two years. Any such clinical study would most likely be in a small number of healthy volunteers and be a pharmacokinetic safety and tolerability study using single and then multiple ascending dosages of drug. The risk associated with a first-in-human study lies in the drug either being unsafe in terms of subjects experiencing serious adverse effects, or the drug having a poor pharmacokinetic profile that would make it unlikely to provide a therapeutic benefit. Beyond conducting pre-clinical animal studies, there is no reliable way of predicting such adverse outcomes prior to testing in humans. c) **Commercialisation:** The Group's current business strategy is early-stage drug development, with the aim of eventually relying on a trade sale or license of its Drug Candidates to a third party with greater resources and expertise to undertake late-stage drug development, regulatory approvals, and sales and marketing. There is no certainty that any of the Drug Candidates will be of interest to such a third party or, if a Drug Candidate is of interest to such a third party, that terms can be negotiated that are commercially acceptable to the Group or will adequately realise the value of the Drug Candidate. d) **Additional capital requirements:** Pharmaceutical R&D activities require a high level of funding over a protracted period of time. As set out in Section 5.4, the Company anticipates the proceeds of the Offer will provide a sufficient level of funding over the next two years for the Company's proposed use of funds as outlined in this Prospectus. However, additional development costs may arise during this period and the Company may require additional funding to meet its stated objectives or may decide to accelerate or diversify its activities within the same area. There is no assurance that the funding required by the Company from time to time to meet its business requirements and objectives will be available to it, on favourable terms or at all.	Section 8

ITEM	SUMMARY	FURTHER INFORMATION
B. KEY ADVANTAGES AND KEY RISKS (CONT'D)		
WHAT ARE THE KEY RISKS OF AN INVESTMENT IN THE COMPANY? (CONT'D)	d) **Additional capital requirements (cont'd):** To the extent available, any additional equity financing may dilute existing Shareholdings (see Section 9.3(e)) and any debt financing may involve restrictions on the Company's financing and operating activities. If the Company is unsuccessful in obtaining funds when required, it may be necessary for it to reduce the scope of its operations. Any of these consequences may significantly and adversely impact the value of the Company and the CDIs. e) **Trade secrets:** The Group relies on its trade secrets, including information relating to the manufacture, development and administration of its Drug Candidates. The protective measures employed by the Group may not provide adequate protection for its trade secrets. This may erode the Group's competitive advantage and materially harm its business. f) **Intellectual property rights:** Obtaining, securing and maintaining the Group's intellectual property rights is an integral part of securing potential value arising from conduct of the Business. If patents are not granted, or if granted only for limited claims, the Group's intellectual property may not be adequately protected and may be able to be copied or reproduced by third parties. g) **Third party intellectual property infringement claims:** The Group's success depends, in part, on its ability to enforce and defend its intellectual property against third party challengers. The Group believes that the manner in which it proposes to conduct activities will minimise the risk of infringement upon another party's patent rights. However, there can be no assurance that another party will not seek to claim a Group Company is infringing upon their rights. If a third party claims that a Group Company is infringing its intellectual property rights or commences litigation against a Group Company for infringement of patent or other intellectual property rights, the Company may incur significant costs defending such action, whether or not it ultimately prevails and, if such a defence is unsuccessful, the Group may suffer the loss of the prospective drug asset. h) **Risk of delay:** The Group may experience delays in achieving a number of critical milestones in the development of its Drug Candidates due to unforeseen delays in contracted works, non-performance or loss of contractors or delay in obtaining regulatory approvals from hospital ethics committees or government agencies for the conduct of pre-clinical and clinical studies. Any material delays may impact adversely upon the Company, including increasing anticipated costs. i) **Dependence on service providers:** The Group currently operates on a project management basis, outsourcing its R&D program through a series of contractual arrangements with multiple service providers. While the Group has attempted to mitigate any risks in relation to its dependence of service providers by not relying too heavily on one single provider, all of the Group's contractual arrangements with its service providers carry a risk that the providers may not adequately or fully comply with contractual obligations.	Section 9

ITEM	SUMMARY	FURTHER INFORMATION
B. KEY ADVANTAGES AND KEY RISKS (CONT'D)		
WHAT ARE THE KEY RISKS OF AN INVESTMENT IN THE COMPANY? (CONT'D)	j) **Dependence on key personnel:** The Group is dependent on the principal members of its scientific and development team, the loss of whose services could materially adversely affect the Group and may impede the achievement of its research and development objectives. Given the nature of the Group's activities, its ability to maintain its program is dependent on its ability to attract and maintain appropriately qualified personnel either within the Group or through contractual arrangements. k) **Competition:** The pharmaceutical, biotechnology and medical technology industries are characterised by rapid and continuous innovation and development. The Group faces substantial competition as new and existing companies enter the market and advances in research and technology become available. The Group's services, expertise and product may be rendered obsolete or uneconomical by advances or entirely difference approaches developed by one or more of its competitors. l) **Future market acceptance:** Ultimately the Group's products need to find acceptance in a competitive marketplace. Market acceptance depends on many factors, including convincing potential consumers, healthcare industry, and commercial partners of the attractiveness of the Group's products and the ability to manufacture products to a sufficient quantity and quality at an acceptable cost. These and other factors may cause the Group's products to not gain market acceptance, which in turn would negatively affect the profitability of the Group. m) **Manufacturing/production risk:** The Group has not previously manufactured any of the Drug Candidates on a large scale. While the small scale manufacture of each of the Drug Candidate has been successful and no potential issues have been identified that could be problematic in scaling up the manufacturing process, such large scale manufacture to the high standards of Good Manufacturing Practice conditions cannot be guaranteed, in which case the Group might not be able to meet the needs of its projected clinical development program. n) **Product liability:** As with all new pharmaceutical and therapeutic products, even should a Group Company obtain regulatory approval, there is no assurance unforeseen adverse events or manufacturing defects will not arise. Adverse events could expose a Group Company to product liability claims in litigation, potentially resulting in any regulatory approval (when/if obtained) being removed and damages being awarded against a Group Company. In such event, the Group's liability may exceed the Group's insurance coverage (if any). For further detail on Risks, see Section 9.	Section 9

ITEM	SUMMARY	FURTHER INFORMATION

C. FINANCIAL INFORMATION

WHAT IS THE GROUP'S STATUTORY AND PRO FORMA HISTORICAL FINANCIAL PERFORMANCE?

A selected summary of the Group's pro forma and statutory financial information as at 30 June 2019 is set out below: Section 7

Statutory Consolidated Historical Income Statements

$000	FY18	FY19
Total income	-	486
EBITDA	(2,182)	(3,462)
EBIT	(2,182)	(3,463)
Loss before and after taxation	(2,416)	(4,095)

Statutory Consolidated Historical Cash Flows

$000	FY18	FY19
Net cash from operating activities	(694)	(2,205)
Net cash from investing activities	(5)	-
Net cash from financing activities	3,807	19
Cash at beginning of financial year	-	3,108
Net increase/(decrease) in cash held	3,108	(2,006)
Cash at end of FY	**3,108**	**1,102**

Statutory and Pro forma Consolidated Balance Sheet

$000	30-JUNE-19	PRO FORMA MINIMUM	PRO FORMA MAXIMUM
Total current assets	1,102	6,138	7,515
Total non-current assets	41	41	41
Total assets	**1,143**	**6,179**	**7,556**
Total current liabilities	(6,097)	(327)	(327)
Total liabilities	**(6,097)**	**(327)**	**(327)**
Net liabilities	**(4,954)**	**5,852**	**7,228**
Total equity	**(4,954)**	**5,852**	**7,228**

You should read and consider the above information in conjunction with the more detailed discussion of the Group's financial performance and position set out in Section 7.

WHEN WILL DIVIDENDS BE PAID ON CDIS?

The Company does not anticipate having the ability to pay a dividend for the foreseeable future. Section 7.8

D. DIRECTORS AND SENIOR MANAGEMENT

WHO ARE THE DIRECTORS OF THE COMPANY?

The Board consists of: Section 10.1

- John Moore, Non-Executive Chairman;
- Dr Graham Kelly, Founder and Non-Executive Director;
- Peter Marks, Non-Executive Director;
- Marcus Frampton, Non-Executive Director;
- Rüdiger Weseloh, Non-Executive Director; and
- Christopher Cox, Non-Executive Director.

Please see Section 10.1 for further details regarding the backgrounds of the Directors.

ITEM	SUMMARY	FURTHER INFORMATION
D. DIRECTORS AND SENIOR MANAGEMENT (CONT'D)		
WHO ARE THE SENIOR MANAGEMENT OF THE COMPANY?	The senior management of the Company consists of: • James Bonnar, Chief Executive Officer; • Dr Benjamin (Benny) Evison, Chief Scientific Officer; and • David Franks, Company Secretary. Please see Section 10.3 for further details regarding the backgrounds of the senior management.	Section 10.3
WHAT SIGNIFICANT INTERESTS ARE PAYABLE TO RELATED PARTIES OF THE COMPANY? (CONT'D)	The Directors are entitled to directors' fees as set out below:	Sections 10.5 and 13.9

NAME	DIRECTOR'S FEES
John Moore	US$67,500
Graham Kelly	US$25,000
Peter Marks	US$25,000
Marcus Frampton	US$25,000
Rüdiger Weseloh	US$25,000
Christopher Cox	US$25,000

All Directors' fees are exclusive of any superannuation required by law to be made by the Company.

As at the date of this Prospectus, the Directors have interests in the Company as set out in the table below:[1]:

NAME	SHARES[2]	% OF TOTAL ISSUED CAPITAL AT THE MINIMUM SUBSCRIPTION (UNDILUTED)	% OF TOTAL ISSUED CAPITAL AT THE MAXIMUM SUBSCRIPTION (UNDILUTED)	OPTIONS[3]
John Moore	Nil	Nil	Nil	3,600,000
Graham Kelly[4]	466,551	0.46%	0.43%	18,037,293[5]
Peter Marks	Nil	Nil	Nil	2,600,000
Marcus Frampton	Nil	Nil	Nil	1,800,000
Rüdiger Weseloh	Nil	Nil	Nil	1,800,000
Christopher Cox	Nil	Nil	Nil	1,800,000

1. *Assumes that the Restructuring has occurred (see Section 11.4). Does not include CDIs that the Directors may subscribe for under the Offer.*
2. *Equivalent to the same number of CDIs.*
3. *29,600,000 of these Options are ESOP Options. The grant of the relevant ESOP Options to each Director is subject to and conditional upon Listing occurring.*
4. *Phytose Corporation Pty. Limited, an entity related to Dr Kelly, holds Convertible Notes with a face value of $75,100. These Convertible Notes will convert into 466,551 Shares/CDIs and 37,293 Options immediately prior to Completion of the Offer.*
5. *Dr Kelly holds, subject to and conditional upon Listing occurring, 18,000,000 ESOP Options in his personal capacity. The remaining 37,293 Options are held by Phytose Corporation Pty. Limited, an entity related to Dr Kelly.*

The key terms of the ESOP Options held by each Director are set out in Section 10.5(c).

The Directors may, but are not obliged, to apply for CDIs under the Offer. As at the date of this Prospectus, all of the Directors (other than Rüdiger Weseloh) have indicated their intention to participate in the Offer. Final Directors' holdings will be notified to ASX after Listing, to the extent required under the Corporations Act and ASX Listing Rules.

<table>
<tr><th>ITEM</th><th>SUMMARY</th><th>FURTHER INFORMATION</th></tr>
<tr><td colspan="3">E. THE OFFER</td></tr>
<tr><td>WHAT IS THE OFFER?</td><td>The Company is making an offer of a minimum of 35,000,000 CDIs and a maximum of 42,500,000 CDIs at an Offer Price of $0.20 per CDI to raise between $7,000,000 and $8,500,000 (before costs) to clients of the Lead Manager, the Co-Lead Manager or the Participating Brokers who have received an allocation from the Lead Manager, the Co-Lead Manager or a Participating Broker.</td><td>Section 5.1(a)</td></tr>
<tr><td>WHAT ARE CDIS?</td><td>ASX uses an electronic system called CHESS for the clearance and settlement of trades on ASX. Nyrada is incorporated in the State of Delaware in the U.S., which does not recognise the CHESS system of holding securities. Accordingly, to enable companies such as Nyrada to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. CDIs are units of beneficial ownership in Shares and are traded in a manner similar to shares of Australian companies listed on ASX. One CDI represents an interest in one share of Class A Common Stock in the Company.</td><td>Section 11.8</td></tr>
<tr><td>WHAT RIGHTS AND LIABILITIES ATTACH TO THE CDIS BEING OFFERED?</td><td>The Shares underlying the CDIs will rank equally with the Shares currently on issue in the Company. There are certain differences between the Shares and ordinary shares that are typically issued by public companies incorporated in Australia. A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is set out in Sections 11.8 and 11.9.</td><td>Sections 11.8 and 11.9</td></tr>
<tr><td>WHAT IS THE EFFECT OF THE OFFER ON THE CAPITAL STRUCTURE OF THE COMPANY?</td><td>The following table sets out the expected capital structure of the Company immediately prior to and after Completion of the Offer, on an undiluted and fully diluted basis:
<table>
<tr><th></th><th>IF THE MINIMUM SUBSCRIPTION OF $7,000,000 ACHIEVED</th><th>IF THE MAXIMUM SUBSCRIPTION OF $8,500,000 ACHIEVED</th></tr>
<tr><td>Number of Shares on issue as at the date of this Prospectus (equivalent to the same number of CDIs)</td><td>31,794,970</td><td>31,794,970</td></tr>
<tr><td>Number of Shares/CDIs to be issued immediately prior to Completion of the Offer upon conversion of the Convertible Notes and part of the Noxopharm Loan (equivalent to the same number of CDIs)[1]</td><td>35,088,752</td><td>35,088,752</td></tr>
<tr><td>Number of Shares/CDIs on issue immediately prior to Completion of the Offer (including CDIs to be issued immediately prior to Completion of the Offer upon conversion of the Convertible Notes and part of the Noxopharm Loan) (equivalent to the same number of CDIs)[2]</td><td>66,883,722</td><td>66,883,722</td></tr>
<tr><td>CDIs to be issued under the Offer</td><td>35,000,000</td><td>42,500,000</td></tr>
<tr><td>Total CDIs (undiluted basis)[3]</td><td>101,883,722</td><td>109,383,722</td></tr>
<tr><td>Performance Shares[4]</td><td>18,000,000</td><td>18,000,000</td></tr>
<tr><td>Options/Warrants[5]</td><td>41,225,656</td><td>41,225,656</td></tr>
<tr><td>Total CDIs (fully-diluted basis)[3]</td><td>161,109,378</td><td>168,609,378</td></tr>
</table>
1 For further information in relation to the conversion of the Convertible Notes and part of the Noxopharm Loan, see Sections 11.2 to 11.4.
2. Assumes that the Restructuring has occurred (see Section 11.4). Does not include CDIs that the Existing Holders may subscribe for under the Offer.
3. Equivalent to the same number of Shares. The number of CDIs is indicative as it depends on the exact number of CDIs subscribed for and issued under this Prospectus.
4. For further information in relation to the Performance Shares, see Section 11.5.
5. Assumes no change to the number of Options or Warrants held pre- and post-close of the Offer. The exercise price for each underlying Share or CDI is at least $0.20 in cash.</td><td>Section 5.5</td></tr>
</table>

ITEM	SUMMARY	FURTHER INFORMATION
E. THE OFFER (CONT'D)		
WHAT IS THE PURPOSE OF THE OFFER?	The purpose of the Offer is to: • facilitate the Company's application for admission to the Official List and thereby provide a market for CDIs and better enable Nyrada to access capital markets in the future; and • raise up to a maximum of $8,500,000 (before costs) pursuant to the Offer, which is proposed to be used for the following purposes: o to fund the preclinical development and commercialisation of the neuroprotectant drug program and the PCSK9i program; o to fund the Company's other research and development programs; o to provide general working capital; and o to pay for the costs of the Offer.	Section 5.3
WHAT IS THE RESTUCTURING?	As at the date of this Prospectus, the Company has on issue convertible notes (**Convertible Notes**) with a face value of $3,475,100. Further, Noxopharm and the Company have entered into a loan agreement (**Loan Agreement**), pursuant to which Noxopharm has made available to the Company a loan facility of up to $5,000,000. As at the date of this Prospectus, approximately $3,531,595 has been drawn down by the Company under the Loan Agreement. The Company's obligation to repay the funds drawn down by Company under the Loan Agreement (**Noxopharm Loan**) will be satisfied in the following manner: • $2.7 million of the Noxopharm Loan will be converted into equity at a deemed issue price of $0.20 per CDI immediately prior to Completion of the Offer; and • $500,000 will be repaid out of the proceeds received by the Company under the Offer; and • the remainder of the Noxopharm Loan will be repayable within three years of Completion of the Offer (or reduced from time to time by up to 50% of the proceeds of any subsequent capital raisings by the Company). Accordingly, immediately prior to Completion of the Offer, the Company intends to: • convert the Convertible Notes into 21,588,752 CDIs and 1,725,656 Options; and • convert part of the Noxopharm Loan into 13,500,000 CDIs, (together, the **Restructuring**). The Restructuring will result in the pre-Offer structure in this Prospectus being achieved. The Restructuring will become effective immediately prior to, but conditional upon, the allotment of the CDIs under the Offer.	Sections 11.2, 11.3 and 11.4
WHAT ARE THE KEY DATES OF THE OFFER?	The key dates of the Offer. are as follows: Lodgement of Prospectus with ASIC — Tuesday, 26 November 2019 Expiry of Exposure Period — Tuesday, 3 December 2019* Offer opens (9:00 am AEDT) — Wednesday, 4 December 2019 Offer closes (7:00 pm AEDT) — Monday, 16 December 2019 CDIs subscribed for under the Offer are issued — Wednesday, 18 December 2019 Holding statements for CDIs are dispatched — Thursday, 19 December 2019 Commencement of trading of CDIs on ASX — Monday, 23 December 2019 ** The Corporations Act prohibits the Company from processing Applications for CDIs in the first seven days after the date of the Prospectus. This period – known as the "Exposure Period" – may be extended by ASIC by up to a further seven days. The Opening Date will be affected by any extension of the Exposure Period.*	Key Information

ITEM	SUMMARY	FURTHER INFORMATION
E. THE OFFER (CONT'D)		
WHAT ARE THE KEY DATES OF THE OFFER? (CONT'D)	Other than the date of lodgement of this Prospectus with ASIC, the above dates are indicative only and subject to change. The Company reserves the right to vary the dates and times of the Offer (in consultation with the Lead Manager), including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date or to accept late Applications for CDIs (either generally or in particular cases), without notifying any recipient of this Prospectus or any Applicants.	Key Offer Information
HOW WILL THE PROCEEDS OF THE OFFER BE USED?	The table set out below provides an overview of the Company's source of funds and its proposed use of funds over the next two years:	Section 5.4

	IF MINIMUM SUBSCRIPTION ACHIEVED ($7,000,000)				IF MAXIMUM SUBSCRIPTION ACHIEVED ($8,500,000)			
	YEAR 1	YEAR 2	TOTAL ($)	*TOTAL (%)*	YEAR 1	YEAR 2	TOTAL ($)	*TOTAL (%)*
Source of Funds								
Cash at bank as at as at the date of this Prospectus	$0.7m	-	$0.7m	*9%*	$0.7m	-	$0.7m	*7%*
Proceeds of the Offer	$7.0m	-	$7.0m	*89%*	$8.5m	-	$8.5m	*90%*
Bank interest	$0.1m	$0.1m	$0.2m	*3%*	$0.1m	$0.1m	$0.2m	*2%*
Total	**$7.8m**	**$0.1m**	**$7.9m**	***100%***	**$9.3m**	**$0.1m**	**$9.4m**	***100%***
Use of Funds								
Research & Development (R&D)- Salaries	$1.3m	$1.5m	$2.8m	*36.8%*	$1.3m	$1.5m	$2.8m	*30.8%*
R&D – neuroprotectant drug program	$0.4m	$0.7m	$1.1m	*14.5%*	$0.6m	$1.0m	$1.6m	*17.6%*
R&D – PCSK9i program	$0.3m	$0.4m	$0.7m	*9.2%*	$0.5m	$0.7m	$1.2m	*13.2%*
Other R&D	$0.2m	$0.3m	$0.5m	*6.6%*	$0.4m	$0.5m	$0.9m	*9.9%*
Repayment of part of the Noxopharm Loan[1]	$0.5m	-	$0.5m	*6.6%*	$0.5m	-	$0.5m	*5.5%*
Working capital[2]	$0.6m	$0.7m	$1.3m	*17.1%*	$0.6m	$0.7m	$1.3m	*14.3%*
Costs of the Offer	$0.7m	-	$0.7m	*9.2%*	$0.8m	-	$0.8m	*8.8%*
Total	**$4.0m**	**$3.6m**	**$7.6m**	***100%***	**$4.7m**	**$4.4m**	**$9.1m**	***100%***

1. *For further information in relation to the Noxopharm Loan, see Section 11.3.*
2. *Working capital comprises the Company's administration and overhead costs and includes operating expenses, accounting costs, auditing costs, insurance costs, corporate legal costs, securities registry costs, Directors' fees, consulting costs, ASX fees and regulatory compliance costs and expenses.*

The use of funds shown above reflects the intention of the Directors as at the date of this Prospectus, based on the current condition of, and the Board's current plans for, the Business. Please note however that, as with any budget, the allocation of funds may change, possibly to a significant extent. In light of this, the Board reserves the right to alter the way the Group ultimately applies its funds as well as the commercial objectives and priorities of the Group.

ITEM	SUMMARY	FURTHER INFORMATION
E. THE OFFER (CONT'D)		
IS THE OFFER UNDERWRITTEN?	No, the Offer is not underwritten.	Section 5.1(b)
IS THERE A MINIMUM SUBSCRIPTION LEVEL IN RESPECT OF THE OFFER?	Yes, the minimum level of subscription under the Offer is 35,000,000 CDIs to raise $7,000,000 (before costs) (**Minimum Subscription**). No CDIs will be issued under the Offer unless the Minimum Subscription is achieved.	Section 5.2(a)
IS THERE A MAXIMUM SUBSCRIPTION LEVEL IN RESPECT OF THE OFFER?	Yes, the maximum level of subscription under the Offer is 42,500,000 CDIs to raise $8,500,000 (before costs) (**Maximum Subscription**).	Section 5.1(a)
WILL THE CDIS BE QUOTED?	The Company will apply for admission to the Official List of ASX and quotation of its CDIs (including all CDIs issued under the Offer) on ASX under the code **'NYR'** (**Admission/Quotation Application**), as soon as practicable, but in any case within seven days, after the date of this Prospectus. Completion of the Offer is conditional on ASX approving the Admission/Quotation Application on terms acceptable to the Company. If approval is not received by the Company within three months after the date of this Prospectus (or such longer period permitted by the Corporations Act or with the consent of ASIC), the Offer will be withdrawn and all Application Money received by or on behalf of the Company will be refunded to Applicants, without interest, within the time prescribed by or otherwise permitted in accordance with the Corporations Act. The fact that ASX may admit the Company to the Official List should not be taken as an indication of the merits of an investment in the Company or the CDIs being offered for subscription under this Prospectus. ASX and its officers do not take any responsibility for this Prospectus or the investment to which it relates.	Section 5.2(b)
WHEN ARE THE CDIS EXPECTED TO COMMENCE TRADING?	Assuming that the Admission/Quotation Application is approved and the Offer is completed, quotation of the CDIs on ASX is expected to commence shortly after initial holding statements are dispatched.	Section 5.11(a)
CAN THE OFFER BE WITHDRAWN BY THE COMPANY?	Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of CDIs to successful Applicants. If the Offer does not proceed, all Application Money that is received by or on behalf of the Company will be refunded. Interest will not be paid on any Application Money refunded.	Section 5.8(e)
F. APPLICATIONS		
WHO IS ELIGIBLE TO APPLY FOR CDIS UNDER THE OFFER?	The Offer is open to persons who have received an invitation to participate in the Offer from the Lead Manager, the Co-Lead Manager or a Participating Broker and who have a registered address in Australia. You should contact the Lead Manager, the Co-Lead Manager or a Participating Broker to determine whether you are eligible to receive an invitation to participate in the Offer. Any person that has a registered address in a jurisdiction other than Australia and that receives a hard copy of this Prospectus with an accompanying Application Form may, subject to receiving an invitation from the Lead Manager, the Co-Lead Manager or a Participating Broker, participate in the Offer, but only where that person is able to demonstrate to the satisfaction of the Company that they are not restricted by law from participating in the Offer.	Sections 5.8(a) and 5.12

ITEM	SUMMARY	FURTHER INFORMATION
F. APPLICATIONS (CONT'D)		
HOW CAN YOU APPLY FOR CDIS?	If you have received an invitation to participate in the Offer from the Lead Manager, the Co-Lead Manager or a Participating Broker and you wish to apply for CDIs under the Offer, you should contact the Lead Manager, the Co-Lead Manager or the Participating Broker for information about how to submit your Application Form and for payment instructions in accordance with Section 5.10.	Section 5.10
WHAT IS THE MINIMUM INVESTMENT SIZE PER APPLICATION?	The minimum investment size for each Application submitted under the Offer is $2,000 (which is the equivalent of 10,000 CDIs at $0.20 per CDI). Applications in excess of the minimum investment size must be in multiples of $500 (or 2,500 CDIs).	Section 5.8(b)
WHAT IS THE MAXIMUM INVESTMENT SIZE PER APPLICATION?	There is no maximum limit on the investment size for any Application submitted under the Offer.	Section 5.8(b)
WHAT IS THE ALLOCATION POLICY?	The Offer is open to persons who have received an invitation to participate in the Offer from the Lead Manager, the Co-Lead Manager or a Participating Broker. You should contact the Lead Manager, the Co-Lead Manager or a Participating Broker to determine whether you are eligible to receive an invitation to participate in the Offer. There is no guaranteed allocation of CDIs to Applicants under the Offer. Allocations under the Offer will be determined by the Lead Manager and the Board in their absolute discretion. The Company reserves the right to not accept, reject and scale back any Application.	Section 5.8(c)
WILL SUCCESSFUL APPLICATIONS BE NOTIFIED TO APPLICANTS?	Assuming the Offer is completed, confirmation of successful Applications in the form of holding statements are expected to be dispatched by post to relevant Applicants approximately three days after closure of the Offer. It is the responsibility of each Applicant to confirm their holding of CDIs before trading CDIs. Applicants who sell CDIs before they receive an initial holding statement do so at their own risk.	Section 5.11(a)
DO YOU NEED TO PAY BROKERAGE, COMMISSION OR STAMP DUTY?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of CDIs under the Offer.	Section 5.16
WHAT ARE THE TAX IMPLICATIONS OF INVESTING IN CDIS?	The taxation consequences of an investment in the Company will depend upon each investor's particular circumstances. It is your personal responsibility, as a prospective investor in the Company, to make your own enquiries or seek personalised professional tax advice about the taxation consequences of an investment in CDIs. To assist potential investors, a general overview of the tax treatment for Australian resident investors that acquire CDIs in the Company on capital account is included in Section 13.2 and a general overview of certain U.S. federal income tax consequences of the ownership and disposition of CDIs by non-U.S. holders is set out in Section 13.3.	Sections 5.17, 13.2 and 13.3
WHERE CAN I FIND MORE INFORMATION?	This Prospectus contains information on the Offer in its entirety. Prospective investors can find more information by calling the Lead Manager on (08) 9223 9888 (within Australia) or +61 8 9223 9888 (outside Australia) 9:00am to 5:00pm (AWST), Monday to Friday, or by emailing the Lead Manager on adam@altocapital.com.au, during the Offer Period. Alternatively, potential investors can also find more information by visiting the Company's website at www.nyrada.com. The Company's website and its contents do not form part of this Prospectus and are not to be interpreted as part of, or incorporated into, this Prospectus. If you are uncertain as to whether obtaining CDIs is a suitable investment for you, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent and qualified professional adviser before deciding whether to invest.	

2. INDUSTRY OVERVIEW

2.1 INTRODUCTION

Nyrada Inc. (**Nyrada** or the **Company**) is a pre-clinical drug development company specialising in the development of novel small molecule drugs pertaining to cardiovascular, neurological and chronic inflammatory diseases.

Nyrada aims to deliver innovative drug therapies to those affected by the following disorders:

DISORDER	NYRADA R&D PROGRAM
Cholesterol and Cardiovascular Disease: insufficient response to, and/or intolerance of, statin drug therapy, leaving patients exposed to high levels of low-density lipoprotein (LDL) cholesterol believed to be associated with increased risk of coronary heart disease and stroke.	**PCSK9i program**
Neuroprotection from brain injury: a mechanism of secondary tissue damage following brain injury known as excitotoxicity which can double the size of the original primary infarct. This secondary damage is thought to be responsible for a large proportion of short-term symptoms due to neuroinflammation and long-term disability following a stroke or traumatic brain injury (TBI).	**Neuroprotectant drug program**
Peripheral neuropathic pain: inflammation and associated pain of peripheral nerves due to injury or compression (e.g. sciatica), or chemical damage (e.g. cancer chemotherapy).	**Peripheral neuropathic pain program**
Autoimmune diseases: autoimmune disorders such as psoriasis, psoriatic arthritis, ankylosing spondylitis, lupus, and rheumatoid arthritis.	**Autoimmune diseases program**

Each of these disorders (and the associated industry) is described in this Section.

The Group's R&D programs are designed to target indications where treatment options are:

- Limited (or non-existent);
- Ineffective;
- Have undesirable side-effects when used long-term;
- Inconvenient to use (e.g. multiple medications and injections); and/or
- Prohibitively expensive.

2.2 CHOLESTEROL AND CARDIOVASCULAR DISEASE

2.2.1 CHOLESTEROL AND CARDIOVASCULAR DISEASE

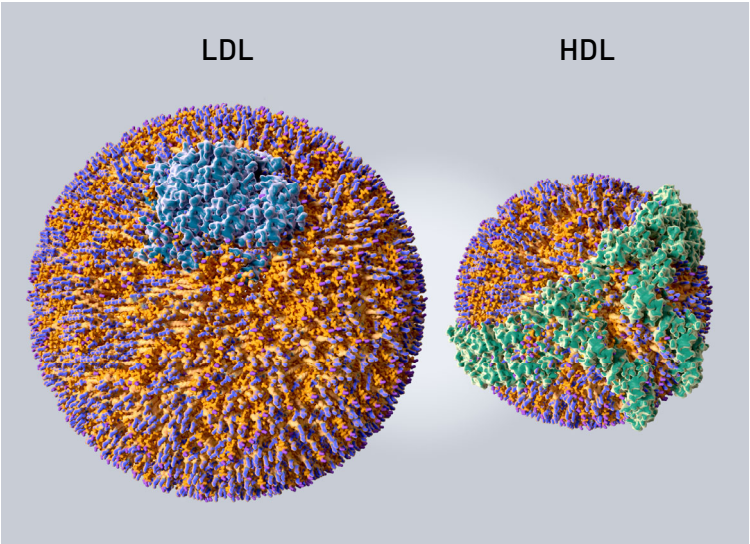
Cholesterol is an essential component of the body's structure. It is the basis of our steroidal hormones (female and male sex hormones, cortisone, etc.); it also is converted into Vitamin D in the skin through the action of sunlight; it also plays a key structural role in the myelin sheath surrounding nerve fibres, providing the necessary insulation to allow transmission of electrical impulses.

The problem with cholesterol arises when levels in the blood exceed demand, potentially leading to cardiovascular diseases (**CVD**) such as heart attacks and stroke.

CVD is the leading cause of death globally. In the U.S., about 600,000 people die each year from heart disease, accounting for 1 in 4 deaths.

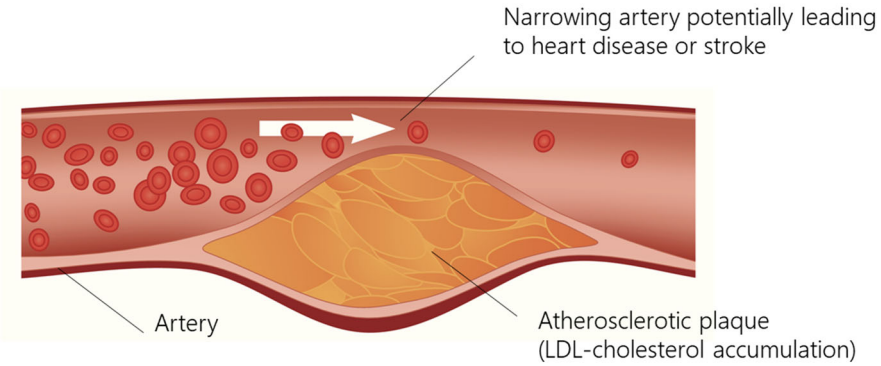
Most cardiovascular diseases can be minimised by addressing behavioural risk factors such as tobacco use, unhealthy diet, physical inactivity, obesity and harmful use of alcohol. Beyond those lifestyle risk factors, high blood levels of LDL cholesterol is regarded as the other major risk factor for CVD, predisposing the body's arteries to the build-up of fatty (cholesterol) deposits known as atheromatous plaque on the inner lining of arteries, creating a disease state known as atherosclerosis.

Cholesterol occurs in blood in two main forms: **low-density lipoprotein (LDL)** accounts for about 60-70% and **high-density lipoprotein (HDL)** for about 30-40% of blood cholesterol. The 'low' and 'high' density refers to the number of cholesterol molecules packed into each particle, with the HDL particle being half the size of an LDL particle.



LDL is responsible for transporting cholesterol from the liver (where the majority of cholesterol is made) to the rest of the body. The role of HDL is to collect waste cholesterol and return it back to the liver for recycling. Ensuring a healthy balance between supply-and-demand requires roughly no more than twice as many LDL particles as HDL particles. If that ratio rises to about 3:1 or above, then there are insufficient HDL particles to pick up waste cholesterol, leading to LDL particles depositing their cholesterol in the lining of arteries.

The gradual accumulation of cholesterol in the artery wall initiates an inflammatory reaction which, together with the fatty deposit, results in the disease known as atherosclerosis. This disease progressively restricts blood-flow through the artery as it enlarges. Where this restriction occurs in the coronary arteries supplying blood to the heart muscle, the outcome can be a heart attack. Where this restriction occurs in the carotid arteries supplying blood to the head, pieces of fatty plaque can break away, blocking a smaller artery in the brain and causing a stroke.



Cholesterol levels vary throughout life and are determined largely by lifestyle factors such as unhealthy diet and obesity, physical inactivity, tobacco use and harmful use of alcohol. An increase in the LDL:HDL ratio can readily become disproportionate, leading to accumulation of excess LDL in the artery walls. LDL levels, on the other hand, are determined largely by lifestyle factors such as tobacco use, unhealthy diet, physical inactivity, obesity and harmful use of alcohol. In this way, the LDL:HDL ratio can readily become disproportionate, leading to the accumulation of excess LDL in the artery walls.

General guidelines are that LDL levels should be less than 100 mg/dL (2.6 mmol/L) and ideally less than <70 mg/dL (1.8 mmol/L). In absolute terms, LDL levels of 100 to 129 mg/dL are considered acceptable for people with no health issues but may be of more concern for those with heart disease or heart disease risk factors. A reading of 130 or above are 'at risk' of CVD.

2.2.2 MEDICINAL APPROACH TO LOWERING LDL-CHOLESTEROL LEVELS

Beyond attempting to correct unhealthy blood LDL levels through lifestyle changes, the standard therapeutic approach over the last two decades has been a combination of statin drug therapy and a drug (ezetimibe) that inhibits absorption of dietary cholesterol from the gut.

Statins, also known as HMG-CoA reductase inhibitors, work by blocking the ability of the liver to manufacture cholesterol, with blood LDL levels generally falling by about 30-55%. An overview of statins is provided below:

Market landscape	• An estimated 43 million people globally currently take cholesterol-lowering medication, predominantly statin drugs, generating global sales for statins in 2017 of approximately US$19 billion. • Atorvastatin (Lipitor) came to market in 1997 and in 2003 became the highest-selling drug of all time, with global sales of US$13 billion achieved in 2006. The Lipitor patent expired in Nov 2011. The other major statin, Crestor (Astra Zeneca), came off-patent in 2016, after generating sales in 2015 of almost US$5 billion. • Statin patents either have expired or are close to expiry. Generic versions now exist for atorvastatin, simvastatin, pravastatin, lovastatin and rosuvastatin.
Positives	• Statins work adequately in about half of patients. Their use has a confirmed lowering of the risk of cardiovascular disease, although their cost-benefit remains debated in the medical community. For every 138 people treated with a statin drug for 5 years, only one fewer dies from heart disease, and for every 49 people treated long-term, only one fewer has an episode of heart disease. • Statins are convenient, taken orally, once daily. • Statins are inexpensive. A 30-day supply of generic statin can be purchased in the U.S. for as low as US$4 (annual cost of US$48).
Negatives	• Only about half of patients considered to have 'at risk' blood LDL levels achieve their target 'low risk' levels. • Statins have adverse side-effects, although these are relatively unusual and rarely life-threatening. Liver inflammation is relatively common, but rarely considered dangerous. Muscle pain and increased risk of diabetes are the two more serious side-effects, although very uncommon.

2.2.3 STATINS AND PCSK9

With statin drugs working by blocking cholesterol synthesis in the liver, it would be easy to imagine that given at sufficiently high dosages, statins would result in blood LDL levels falling to almost negligible levels in most individuals. But this does not happen, with the reason discovered about 15 years ago following the identification in human blood of the protein, PCSK9 (*proprotein convertase subtilisin/kexin type 9*). The function of PCSK9 is to prevent blood LDL levels falling too far, a necessary fail-safe mechanism for an essential body building block.

The body's automatic response to falling LDL levels with statin therapy is to increase PCSK9 levels by between 10-50%. The rising PCSK9 levels act as a 'hand-brake', effectively setting a ceiling for how effective the statin therapy can be. The bigger the PCSK9 bounce, the less effective the statin therapy becomes.

This has led to the concept of combining a drug that inhibits PCSK9 function with statin therapy, effectively blocking the effect of the PCSK9 bounce, and thereby achieving greater falls in LDL levels.

2.2.4 PCSK9 INHIBITORS

Two PCSK9 inhibitors (**PCSK9i**) came to market in 2015 and remain the only PCSK9i drugs on the market. Both are monoclonal antibodies – *evolocumab* (*Repatha*: Amgen) and *alirocumab* (*Praluent*: Regeneron-Sanofi). These drugs work by physically blocking the ability of the PCSK9 protein to combine with LDL.

When used in combination with a statin, both drugs produce between 50 and 60% greater falls in blood LDL levels compared to statins alone. This extra LDL-lowering effect has been shown in clinical studies involving tens of thousands of patients, and importantly has been shown to be clinically beneficial.

2.2.5 PATIENT AND MARKET NEED

In 2012, it was estimated that 78 million US adults (nearly 37% of all adults) had LDL levels that fell in the range considered 'at-risk' for heart disease and stroke and which required cholesterol-lowering medication. There are approximately 18 million people in the U.S. with atherosclerotic cardiovascular disease (ASCVD) who live with elevated LDL levels despite taking maximally tolerated lipid-modifying therapy — including individuals considered statin intolerant — leaving them at high risk for cardiovascular events. More than 50% of patients at risk of ASCVD who are not able to reach their LDL-cholesterol goals with statins alone, are thought to need less than a further 40% reduction to reach their target LDL 'healthy' level.

These figures point clearly to a large opportunity to deliver an effective and well-tolerated medicinal approach to achieving target blood LDL levels through a combination of a statin and a PCSK9i.

Despite the confirmed benefits of alirocumab and evolocumab as a supplementary treatment to statins, market acceptance of both products has been limited. Global sales in 2018 of the two monoclonal antibodies were US$307 million (Praluent) and $550 million (Repatha). By contrast, total global statin sales in 2017 were approximately US$19 billion. The annual non-reimbursable cost of either monoclonal drug is in the order of US$4,800 to US$5,800 per year (recently reduced from US$14,600 per year) and is thought to be significant market-limiting factor, combined with the need to self-inject every 2-4 weeks.

It is in this setting that Nyrada believes a significant opportunity exists for a competitively-priced, oral PCSK9-inhibitor to be used in combination with statin therapy for high risk patients with sub-optimal response using statins alone (about 40 - 50% of individuals), or for patients who require LDL-lowering therapy but are statin intolerant (estimated to be between 10 - 15% of this population).

Nyrada is not alone in this quest. There are a number of competing therapies under development (as shown below).

DRUG NAME	STATUS	COMPANY	TARGET	MOLECULE	DELIVERY
Evolocumab (Repatha)	Marketed	Amgen	PCSK9 inhibitor	Monoclonal	Injectable
Alirocumab (Praluent)	Marketed	Sanofi/Regeneron	PCSK9 inhibitor	Monoclonal	Injectable
Bempedoic acid ± ezetimibe	Phase III	Esperion	ATP citrate lyase inhibitor	Small molecule + combination	Oral
Inclisiran	Phase III	The Medicines Company	PCSK9 siRNA	siRNA	Injectable
Evinacumab	Phase III	Regeneron	ANGPTL3 inhibitor	Monoclonal	Injectable
LY3015014	Phase II	Lilly	PCSK9 inhibitor	Monoclonal	Injectable
AFFITOPE (AT04A)	Phase I	AFFiRiS AG	PCSK9	Vaccine	Injectable
P-21	Preclinical	Shifa Biomedical	PCSK9 inhibitor	Small molecule	Oral
NYX-330	**Preclinical**	**Nyrada Inc.**	**PCSK9 inhibitor**	**Small molecule**	**Oral**

1 Pivotal Phase III clinical trials for bempedoic acid and bempedoic acid/ezetamibe have been completed in advance of marketing submissions in the US and Europe.

2 Three pivotal Phase III clinical trials for inclisiran have been completed in advance of marketing submissions in the US and Europe.

2.3 NEUROPROTECTION FROM BRAIN INJURY

The main forms of brain injury associated with excitotoxicity are ischaemic stroke, traumatic brain injury (**TBI**) and severe epileptic seizure. The key indication being pursued by Nyrada is stroke, with TBI a secondary clinical target.

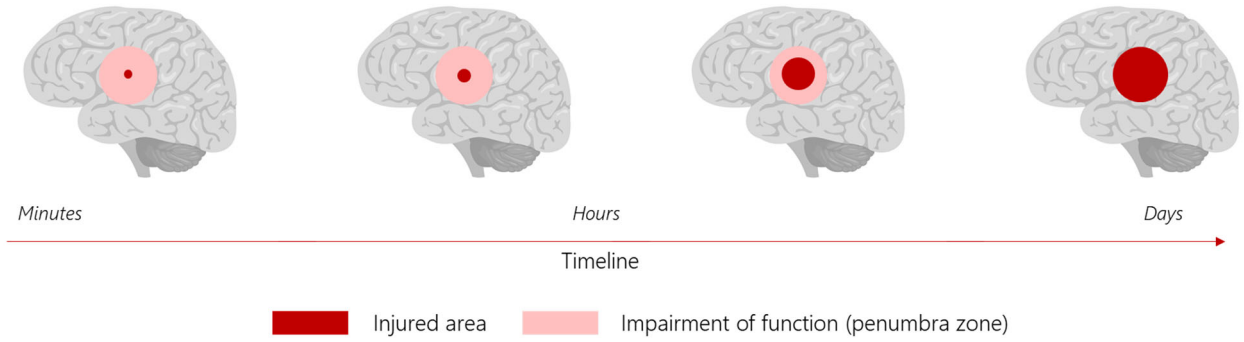
2.3.1 STROKE

A stroke occurs when the blood supply to part of the brain is suddenly interrupted either because the blood supply has been obstructed (e.g. a blood clot or atheromatous plaque) or a blood vessel in the brain has burst (haemorrhage). The former is known as *ischaemic stroke* and accounts for about 87% of all strokes; the latter is *haemorrhagic stroke*. But in either case, the outcome is the same, in the part of the brain supplied by the affected artery is deprived of blood flow, with the oxygen and nutrient-starved brain cells (neurons and glia) quickly dying.

The sequence of events following a stroke occurs over three distinct time zones:

- **Within minutes.** Loss of oxygen and nutrients leads to rapid cell death in the core infarct (blood-deprived) area where there has been complete loss of blood flow. These neurons do not repair and are not replaced, making this brain tissue unrecoverable.
- **Within hours.** A zone forms immediately surrounding the core infarct area and is known as the **stroke penumbra**. This zone will have some blood flow, but still less than normal, therefore exposing the brain cells in this area to reduced oxygen and nutrient levels. This area will contain a mixture of damaged and dead brain cells, leading to the accumulation of a toxic level of chemical neurotransmitters, particularly glutamate, leaking from damaged cells.
- **Over the following hours and days**, the penumbra region expands as the toxic levels of chemicals such as glutamate infiltrate into the surrounding brain area, causing toxic levels of calcium to enter the cells and over-exciting healthy brain cells to the point of death, and thereby creating a wave of cell death (**excitotoxicity zone**). Over the ensuing days, excitotoxicity can result in a final total area of brain injury many times that of the original core infarct area.

THE EFFECT OF TIME ON THE EXTENT OF DEATH OF BRAIN CELLS FOLLOWING A STROKE



2.3.2 STROKE TREATMENT

The rapid speed of the loss of brain cells associated with the primary phase of damage means that treatment of that initial damage is impractical. Neither is there currently any effective treatment for the longer-term excitotoxicity phase of damage.

That leaves current treatment focusing on minimising the middle phase of damage - the penumbra zone - and it does this by seeking to restore blood flow to the damaged area of brain before there is irretrievable loss of brain cells. The window for achieving any meaningful benefit in this middle phase is not greater than about 6 hours.

The only approved drug approach is the intravenous injection of tissue plasminogen (tPa) activator, a drug that aims to dissolve the clot. This drug is recommended to be injected no more than 4.5 hours following a stroke, which along with certain other restrictions, means that only about 1 in 16 stroke patients are treated with this drug. The other approach involves physical removal of the blood clot from the blocked artery by an interventional radiologist using a wire inserted into the artery, a sophisticated procedure which must be conducted at a tertiary-level hospital.

2.3.3 STROKE SYMPTOMS

The symptoms associated with ischaemic stroke depend on two main factors:

- the size of the initial injury; and
- the location of the stroke in the brain.

Long-term disabilities that can result from a stroke include permanent paralysis, cognitive deficits, speech problems, emotional difficulties and pain.

2.3.4 TRAUMATIC BRAIN INJURY (TBI)

TBI is another major cause of death and disability worldwide with enormous consequences of socioeconomic burden. It results from external trauma or concussive force being applied to the head. TBI is a major public health issue accounting for approximately 30% of all injury-related deaths.

TBI cases are classified based on a scale of severity of the injury as mild, moderate, and severe TBI.

In the same way as a blood clot in ischaemic stroke leads to dead and dying brain cells dumping their neurotransmitter chemicals (particularly glutamate) with damaging consequences, so too does head trauma. In TBI, as in stroke, *excitotoxicity* results in significant secondary brain injury.

After mild TBI (**mTBI**), also known as concussion, patients can experience a myriad of clinical symptoms which are transient and for most patients (approximately 85%) resolve satisfactorily within 1 week; in the remaining approximately 15% of cases, resolution can take up to 1 month or longer. Repeat concussions, as can occur in athletes involved in contact sports and in military personnel, is currently a focus area of brain injury research where the long-term effects are being fully evaluated. It is believed that repeat concussions can lead to long-term cognitive impairment, psychiatric illness, substance abuse, increased rates of dementia, and suicide.

Current treatment for mTBI includes rest or medications for symptomatic treatment such as anticoagulants, anticonvulsants and antidepressants. Surgery may be required in the case of severe TBI to repair the fractured skull, to relieve skull pressure or to remove clotted blood.

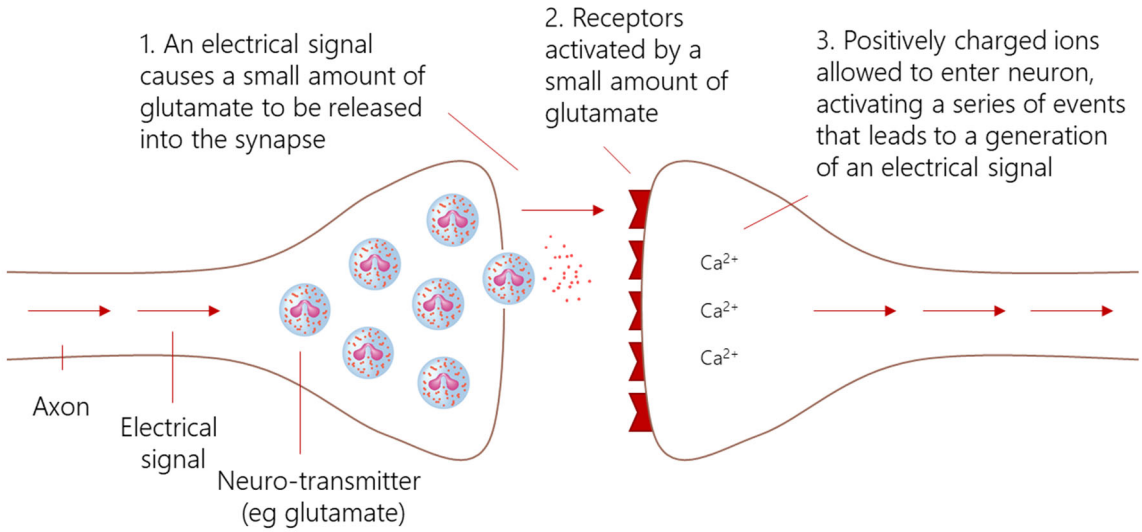
In TBI, as in stroke, current therapies fail to address the underlying excitotoxicity pathology that leads to progressive death of cells in the brain.

2.3.5 NATURE OF EXCITOTOXICITY

The human brain is an extraordinarily complex, inter-connecting network of about 85 billion nerve cells known as neurons, producing by some estimates over 1,000 trillion individual connections in the brain. These neurons are connected by junctions known as 'synapses', with electrical signals passing across the synapses through the release of chemicals known as neurotransmitters.

Although there are different forms of neurotransmitter chemicals, glutamate is the most common form of excitatory neurotransmitter. When an electrical impulse reaches the synapse, a small amount of glutamate is released and binds to proteins called glutamate receptors which are present on the surface of the receiving neurons. These receptors activate when bound to glutamate, triggering positively charged ions such as calcium ions (**Ca2+**) to enter the receiving neuron, raising its voltage and triggering an electrical impulse.

ILLUSTRATION OF ACTIVITY BETWEEN NEURONS



When a neuron is damaged (as in stroke or TBI), its immediate response is to dump its entire store of glutamate into the synapse. Instead of the receiving neuron responding to a small controlled amount of glutamate, it now faces overwhelmingly high levels which over-stimulate the neuron's glutamate receptors, causing the accumulation of toxic levels of Ca2+ which go on to kill the neuron. This is the phenomenon of excitotoxicity, a self-generating process of cell death that spreads out like a wave from the site of the original injury, eventually exhausting itself after several days, but by which time the final area of brain death can be more than double in size to that of the original injury.

Excitotoxicity is a silent, degenerative disease process that underlies the pathology of multiple conditions of the brain including stroke, TBI, intractable epilepsy, Alzheimer's disease and Parkinson's disease. Excitotoxicity also plays a role in spinal cord injury.

Despite extensive research effort over many years, this condition remains almost completely untreated. There is a significant and urgent need to develop a drug that will protect the brain from the destructive effects of excitotoxicity. Such a drug is known as a ***neuroprotectant***.

2.3.6 PATIENT AND MARKET NEED

Together, stroke and TBI constitute a global issue affecting millions worldwide and significantly contributing to mortality, long-term morbidity and socio-economic burden.

In the U.S. alone, the occurrence of stroke is one every 40 seconds (and every 9 minutes in Australia) and TBI is one every 15 seconds. The combined economic burden for stroke and TBI in the U.S. alone amounts to more than US$100 billion in direct and indirect costs.

MARKET INFORMATION ON STROKE AND TBI

STROKE	TBI
• Approximately 15 million people suffer stroke worldwide each year. • Approximately 5 million recover with little or no permanent disability, approximately 5 million are permanently disabled requiring assisted living, and approximately 5 million die. • Each year in US, approximately 800,000 people suffer a stroke. About 600,000 of these are first attacks with the remainder as recurrent attacks. • Stroke is the third leading cause of death in the U.S. (about 140,000 people each year) and is the leading cause of serious, long-term disability in the U.S. • In 2017 there were more than 56,000 new and recurrent strokes in Australia. • These statistics are indicative of the global health burden from stroke.	• In the U.S., it is estimated that around 2.8 million people sustain a TBI annually and approximately 10% of these are related to sports and recreational activities. • In addition, over 200,000 service members in the U.S. military (over 4.2% of all service members) were diagnosed with TBI between 2000 and 2011. • Mild TBI, also known as concussion, accounts for 70-90% of all TBI cases and is caused by blunt non-penetrating head trauma.

With excitotoxicity being considered such a major contributor to brain damage, the ability to block excitotoxicity should make a considerable difference to the cost of treatment of both stroke and TBI in terms of money and human suffering. However, no effective neuroprotectant currently exists to protect against excitotoxicity.

A neuroprotectant drug is not intended to protect against the occurrence of stroke or TBI and neither could it be expected to make any real difference to the core injury volume resulting from the primary damage. This area of primary brain damage is irreversible and a neuroprotectant drug is unlikely to have any impact on the loss of brain function associated with this primary injury.

The aim of a neuroprotectant drug is to limit the secondary brain damage and the expansion of penumbra, thereby improving outcomes (how the patient feels and functions) for stroke and TBI victims.

Irrespective of whether it is stroke or TBI, time to initial treatment is critical to the patient's outcome. In the case of stroke, 4-5 hours post-stroke usually is regarded as the critical period if dissolution or surgical removal of the obstruction is to provide any clinical benefit. This requires patients to be close to a hospital with critical-care facilities, something that is not available to a significant proportion of the population.

Blocking the secondary damage is likely to be less time-critical, and the opportunity is to have a treatment that does not require surgical intervention or attendance at a tertiary-care hospital, but rather would be available through primary healthcare points of contact such general practitioners and hospital outpatient departments.

2.4 PERIPHERAL NEUROPATHIC PAIN

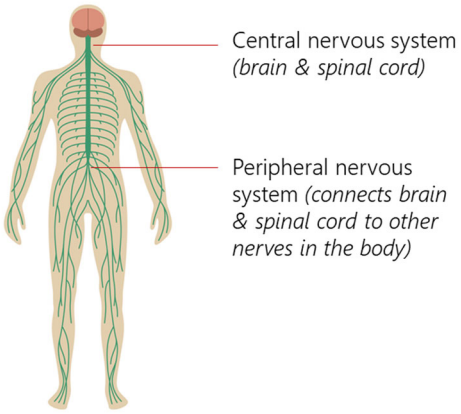
2.4.1 PERIPHERAL NERVOUS SYSTEM

The body's nervous system is made up of two parts:

- the central nervous system (**CNS**) comprising the brain and the spinal cord; and
- the peripheral nervous system (**PNS**) connecting the brain and spinal cord to the rest of the body.

The peripheral nerves are made up of two distinct functional nerve fibres – sensory and motor nerves. The sensory nerves transport signals from the body back to the CNS for processing, whereas the motor nerves carry the signals from the CNS back to the body. Damage to a nerve typically involves both types of fibres, and neuropathic pain appears to require the involvement of both fibre types.

OVERVIEW OF THE NERVOUS SYSTEM IN THE BODY



2.4.2 PERIPHERAL NEUROPATHY AND PERIPHERAL NEUROPATHIC PAIN

While nerves in the CNS generally are poorly capable of regeneration after injury, peripheral nerves can often regenerate. The body first responds to nerve injury with an acute phase characterised by inflammation and restriction of normal function. That acute phase is followed by the recovery period, in which the inflammatory response should dampen down. However, in about 15% of the population, even after the initial injury has healed, the inflammation persists, leaving the patient with peripheral neuropathy.

An estimated 20 million Americans are estimated to have at least one form of peripheral neuropathy.

Causes of peripheral neuropathy include:

- **Diabetes.** Accounts for approximately 60% of cases, with between about 60-70 % of people with diabetes developing peripheral neuropathy.
- **Idiopathic.** Cases of peripheral neuropathy with no known cause account for about one-quarter of cases.
- **Physical trauma.** Motor vehicle accidents, falls and sports injuries can stretch, crush or compress nerves. Arthritis and carpal tunnel syndrome are also common forms of peripheral neuropathy caused by physical trauma. Sciatica is a common form of peripheral neuropathy due to nerve compression and is a major component of chronic lower back pain.
- **Chemotherapy drugs.** Peripheral neuropathy is estimated to affect 30-70% of patients treated with chemotherapy drugs, with the pain sensitisation often continuing long after chemotherapy treatment has finished.
- **Infections.** The nervous tissue can be attacked by viruses that cause chicken pox and shingles. HIV, which causes AIDS, can extensively damage the central and peripheral nervous systems. It is estimated that 30% of HIV sufferers also develop peripheral neuropathy.
- **Vascular and blood problems.** The decreased oxygen supply to peripheral nerves as a result of smoking, high blood pressure or atherosclerosis can lead to peripheral neuropathy.
- **Auto-immune diseases.** The nerve system itself can be attacked as part of the autoimmune response. Diseases such as lupus and rheumatoid arthritis are systematic autoimmune diseases that cause peripheral neuropathy.

Depending on the type of injury and the type of nerve involved, peripheral neuropathy can be associated either with loss of function (e.g. insensitivity to pain) or excessive function (e.g. pain, hypersensitivity). Nyrada is focusing its peripheral neuropathic pain program on the latter.

2.4.3 CURRENT TREATMENT OPTIONS

Management of neuropathic pain remains unsatisfactory. Up to 47% of people with neuropathic pain are reported to use over-the-counter non-steroidal anti-inflammatory drugs (**NSAIDs**) to manage their pain. These medications, which include ibuprofen, paracetamol and aspirin, typically have little effect on neuropathic pain, while their prolonged use potentially can have significant side-effects such as ulceration of the gut and liver failure.

Prescribed medication typically involves various combinations of the following drugs:

- **Opioids:** codeine, morphine, tramadol
- **Anti-convulsant drugs:** pregabalin, gabapentin, carbamazepine
- **Anti-depressants:** amitriptyline, duloxetine

The side-effects of these drugs, in particular the risk of dependence or addiction on opioids, is high, requiring considerable oversight by a doctor, especially when used to treat chronic neuropathic pain. Antidepressants and anti-convulsants all have limited benefit at the cost of relatively high incidences of undesirable side-effects.

In the absence of uniformly effective relief of pain, treatment in many cases generally aims to help the patient cope with the pain through psychological or occupational therapy, rather than to eliminate the pain.

For that reason, neuropathic pain is a significant unmet clinical need and effective therapies are required that at most hopefully would treat the underlying pathology causing the pain, or at the least to offer better pain control.

In 2017, the global neuropathic pain market was about US$5.5 billion.

2.5 AUTOIMMUNE DISEASES

Chronic inflammation is observed in autoimmune diseases and is a normal defence and repair mechanism in response to infection or tissue injury. Chronic inflammation is where the acute inflammatory process fails to resolve the problem and the inflammatory process shifts from repair, to attacking the person's own tissues. When that attack involves the body's immune cells, chronic inflammation then becomes known as autoimmunity.

The relationship between chronic inflammation and autoimmune disease is illustrated by osteoarthritis being chronic inflammation due to long-term wear and tear in a person's joints, while rheumatoid arthritis and psoriatic arthritis are chronic inflammation where the body's immune cells are attacking the person's joints independent of wear and tear. **Outside of nutritional and infective causes, chronic inflammatory diseases (including autoimmune diseases) account for the greatest group of diseases affecting mankind.**

There are over 80 different autoimmune diseases affecting about 5% of the community. Some of the more common examples of autoimmunity affecting different parts of the body are shown below:

Neurological	• Multiple sclerosis • Guillain-Barre Syndrome
Skin	• Psoriasis • Vitiligo
Endocrine	• Type 1 Diabetes • Hashimoto's thyroiditis • Addison's Disease
Joints	• Rheumatoid arthritis • Psoriatic arthritis
Gut	• Inflammatory bowel disease • Ulcerative colitis • Crohn's Disease • Primary sclerosing cholangitis • Pernicious anemia • Coeliac disease
General	• Systemic Lupus Erythematosis • Scleroderma • Sarcoidosis • Sjogren's Syndrome

Currently there are no cures for autoimmune diseases, with a wide range of treatment options depending on the stage and type of autoimmune disease. The main aims of treatments for autoimmune diseases are to relieve symptoms, minimise organ and tissue damage and preserve organ function.

Treatment options include:

- Replacement of end organ functions (such as insulin in diabetes and thyroxine in autoimmune thyroid disease);
- Non-steroidal anti-inflammatory medications (NSAIDS such ibuprofen, aspirin);
- Corticosteroid anti-inflammatory medications (such as prednisolone);
- Immunosuppressive medications (such as methotrexate);
- Therapeutic monoclonal antibodies (such as TNF-alpha inhibitors); and
- Immunoglobulin replacement therapy.

It is a rapidly growing industry with an urgent need for cheaper, more effective treatments that have fewer associated side-effects. The anti-inflammatory market currently is dominated by expensive monoclonal antibodies that inhibit TNFα, such as Humira, Remicade and Enbrel. The Humira Pen, developed by AbbVie for colitis and psoriasis, comes at a cost of $1,484 (40mg/0.8mL) per treatment. There is great need to bring to market more competitive drugs that are cheaper and carry less risk.

3. BUSINESS OVERVIEW

3.1 BUSINESS SNAPSHOT

Nyrada is a pre-clinical stage, drug development company specialising in the development of novel small molecule drugs pertaining to cardiovascular, neurological, chronic inflammatory and autoimmune diseases.

Nyrada was formed in the belief that drugs based on the molecular structure known as flavonoids (or benzopyrans) could become a major source of new families of drugs for the treatments in these areas. The Company's vision is to become a high-growth bio-pharmaceutical company specialising in drug discovery and early stage drug development in areas of substantial unmet market need, where few, if any, effective or well-tolerated therapies exist.

The Company has received from its major shareholder, Noxopharm Limited (**Noxopharm**), certain know-how in the field of flavonoid chemistry. This knowledge embraces the fundamentals required for flavonoid drug development including drug design, an understanding of underlying mechanisms of action of flavonoids, their metabolism within the human body, and how to optimise drug formulation and drug delivery. Nyrada in turn has built upon this knowledge and has developed its own intellectual property. Nyrada believes that this knowledge gives it an important competitive edge in what are becoming growing areas of interest for drug developers.

Flavonoid chemistry forms the basis of two of the Company's three wholly-owned drug development programs and a fourth collaborative drug program with Noxopharm.

The Company's primary aim is to identify at least one pipeline drug candidate in each of its three wholly-owned current programs:

- **PCSK9i program:** a PCSK9 inhibitor (**PCSK9i**) drug for the treatment of blood LDL-cholesterol levels considered to be putting patients at risk of cardiovascular disease and inadequately managed by current therapies;
- **neuroprotectant drug program:** a neuroprotectant drug for use in patients with stroke and TBI; and
- **peripheral neuropathic pain program:** a drug to treat pain and inflammation associated with peripheral nerve damage,

(together, the **Wholly-Owned Drug Candidates**).

The Company also currently is working with Noxopharm in relation to the co-development of a fourth program aimed at developing a drug to treat chronic inflammatory diseases associated with autoimmune disorders such as psoriasis (**autoimmune diseases program**). The Wholly-Owned Drug Candidates and the autoimmune diseases program are together known as the "**Drug Candidates**".

Within this primary aim, the Company has two overarching goals for the next two years:

- **Prioritising its drug development programs:** The Company is anticipating the need to budget on the basis of limited resources, which will mean establishing priorities on spending on a rolling basis across those three drug programs. Currently the PCSK9i program and the neuroprotectant drug programs are being pursued on an equal basis, with the peripheral neuropathic pain program and the autoimmune diseases program having a lower priority. The Company is aiming to be in a position in mid-2020 to prioritise all drug programs according to a number of parameters, but particularly time and cost to be clinic-ready, and anticipated partnering opportunities. Assuming that each program continues to progress satisfactorily, the Company proposes to continue with all of its programs, but will allocate resources on a priority basis according to which program(s) it considers having the greatest prospect of generating most industry interest in the shortest time possible.

  The Company's current proposed use of funds that it will receive under the Offer and its current cash reserves means that the Company is unlikely to be able to fund all 4 drug programs to the extent of having equal priority. The autoimmune diseases program currently has lowest priority, and that might, depending on circumstances, remain the situation in 2020 and beyond.
- **Minimise time to value realisation:** All three current Wholly-Owned Drug Candidates pertain to large therapeutic areas of substantial unmet clinical need. Each clinical indication will require extensive clinical trialling, likely involving large numbers (many hundreds or thousands) of test subjects and a clinical

development program likely extending up to 10 years before a Wholly-Owned Drug Candidate might receive marketing approval.

In light of the number of drug opportunities that the Company believes it has, and in the belief that it is in the best interest of CDI Holders to achieve a return on investment in the shortest possible time, the Company will focus on progressing each Wholly-Owned Drug Candidate (and, potentially, the autoimmune drug program) towards a point of value realisation at the earliest optimal time. For each Wholly-Owned Drug Candidate (and, potentially, the autoimmune drug program), the Company has determined that is likely to be a Phase I study (however, it may be a Phase II study).

On reaching a point of value determination, if not before, the Company may seek to achieve a sale or licence of an individual Drug Candidate. The aim is have at least one Drug Candidate ready to enter a first-in-human Phase I safety, tolerability, and pharmacokinetic study by the end of 2021. If successful, this will enable a Phase IIa study to commence in mid-2022. Potential investors should note that the funds that the Company will receive under the Offer and its current cash reserves are not expected to be sufficient to fund a Phase I study. Accordingly, the Company may time need to raise further funds at that point in time, but this will depend on the Company's financial position and the market conditions at the time.

3.2 ABOUT NYRADA

3.2.1 BACKGROUND AND HISTORY

Nyrada was incorporated in August 2017 as a drug discovery and early-stage drug developer for non-oncology indications.

The timeline of progress is as follows:

2011-2015	Private Australian company, Milligene Pty Ltd (**Milligene**), owned by Dr Graham Kelly and Mrs Prudence Kelly, undertakes development of anti-cancer drug candidate, NOX66. NOX66 is a suppository formulation of flavonoid drug, idronoxil, in an oily base. The delivery technology is known as LIPROSE.
Late-2015	Noxopharm Pty Ltd was formed with Milligene holding 75% shareholding in return for providing LIPROSE IP; 25% shareholding issued to others in return for seed capital.
Early-2016	Milligene becomes aware of research project at the University of NSW, Sydney (**UNSW**) concerning the flavonoid, genistein, as a neuroprotectant, and sees an opportunity to become involved based on the corporate knowledge of flavonoids held by Dr Graham Kelly.
Aug 2016	Noxopharm Limited lists on ASX.
Mid-2017	Noxopharm enters into a collaborative agreement with UNSW known as Project Calgary. A UNSW group known as the Translational Neuroscience Facility under the leadership of Professor Gary Housley was seeking to develop a neuro-protectant drug against Glutamate Associated Excitotoxicity (**GAE**). Previous attempts by others to develop GAE-inhibitors had been based on drugs that inhibited targets believed to be involved, but which turned out to be too ubiquitous in the brain and resulted in unacceptable toxicity. The UNSW research team had identified an alternative target which they believed to be far more relevant to GAE and therefore potentially capable of providing both a more effective and safer drug target. They had shown that a naturally-occurring plant flavonoid, genistein, was partially effective against this target in the laboratory. However, genistein had poor drug-like qualities, including an inability to cross the blood-brain barrier. Given its growing expertise in flavonoid chemistry, Noxopharm was able to provide the UNSW team with compounds from its chemical library. One compound, NYX-104, proved considerably more effective than genistein in a cell-based assay. An in vivo study then was conducted in a mouse model of human stroke, achieving a 56% reduction in the extent of the secondary expansion of brain injury in the brain of affected animals over a 5-day period of daily treatment. This utilised the Noxopharm LIPROSE drug delivery technology and provided evidence of effective action across the blood-brain barrier.

May 2017	Having established that it was possible to use the LIPROSE drug delivery technology platform to enable a flavonoid molecule to reach damaged brain cells, Noxopharm then considered the prospect of using the same delivery platform to enable flavonoid molecules to reach damaged nerve cells in peripheral nerves. The blood-brain barrier is the same barrier protecting peripheral nerves from foreign chemicals. This blood-nerve barrier serves as an effective barrier to the great majority of drugs seeking to reach into peripheral nerves to treat peripheral nerve inflammation and pain. Subsequent studies in rats using a flavonoid molecule as a test, confirmed that in combination with the LIPROSE technology, the compound readily crossed into the sciatic nerve.
Jul 2017	Two wholly-owned subsidiaries of Noxopharm, Norbio No.1 Pty Ltd (**Norbio No.1**) and Norbio No. 2 Pty Ltd (**Norbio No. 2**) are formed. The opportunity comprising NYX-104 (and a range of analogs) is transferred into Norbio No. 1. The opportunity comprising the peripheral neuropathic pain program and NYX-205 is transferred into Norbio No. 2. Along with these transfers, Noxopharm shares know-how relating to the LIPROSE drug delivery technology with the Company.
Aug 2017	Nyrada Inc. is incorporated.
Aug-Nov 2017	Nyrada becomes aware of a third drug candidate, a PCSK9-inhibitor, being developed by a private Australian biotechnology company, Cardio Therapeutics Pty Ltd (**Cardio Therapeutics**), owned by Altnia Holdings Pty Ltd (**Altnia**), a company controlled by Dr Ian Dixon, a Non-Executive Director of Noxopharm. Nyrada subsequently acquires each of Norbio No. 1, Norbio No. 2 and Cardio Therapeutics in return for equity in Nyrada. After the completion of the acquisition, Noxopharm hold 66.7% of the total issued share capital of Nyrada, while Altnia holds 33.3%.
Jan 2017 – now	Noxopharm funds the operations of Nyrada via an interest-free loan, a component of which Noxopharm has the right to convert into equity in Nyrada (see Section 11.3 for further information).
Feb 2018	Nyrada raises A$3,990,100 by way of the issue of Convertible Notes, which allows the recruitment of additional personnel and further development of NYX-104, NYX-205 and NYX-330.
Sep 2018 to present	Noxopharm and Nyrada collaborate on the development of flavonoid molecules to target key mid-stream signalling switch-points in the inflammatory cascade, being IRAK4 and TPL2, which have previously been identified as potential targets for the treatment of both certain cancers and a range of autoimmune diseases.

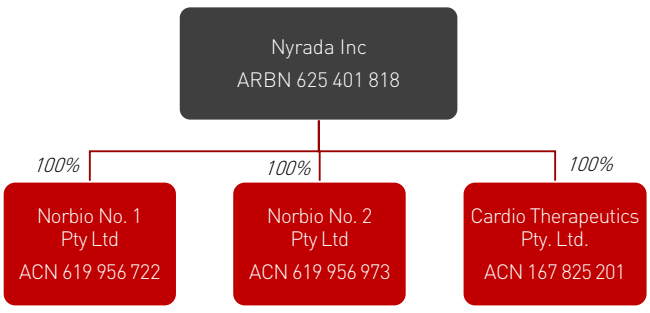
3.2.2 CORPORATE STRUCTURE

The Company is incorporated in Delaware, U.S. It has three wholly-owned subsidiaries:

- Norbio No. 1 Pty Ltd, which is incorporated in Australia and owns the neuroprotectant drug program;
- Norbio No. 2 Pty Ltd, which is incorporated in Australia and owns the peripheral neuropathic pain program; and
- Cardio Therapeutics Pty. Ltd., which is incorporated in Australia and owns the PCSK9i program,

(together, the **Subsidiaries**).

A diagram of the corporate structure of the Group is set out below:



As the Company is not incorporated in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the *Corporations Act 2001* (Cth) (**Corporations Act**) or by the Australian Securities and Investments Commission (**ASIC**), but instead are regulated by the Delaware General Corporation Law and applicable

U.S. law, including in relation to laws and regulations relating to takeovers.

Further information about some key differences between the laws governing the Company as a U.S. company with laws governing public companies incorporated in Australia can be found in Section 11.10.

However, as the Subsidiaries are incorporated in Australia, their general corporate activities are regulated by the Corporations Act and ASIC.

3.2.3 CURRENT OPERATIONS

Currently the Group's operations are limited to research and development (**R&D**) and are located in Sydney, Australia.

The Group is currently conducting its business of drug development on a virtual business model, where Nyrada's focus is identifying and exploiting opportunities in areas where it predicts growth and potential value. Four of Nyrada's employees act as project managers for work being conducted on a contract research basis with UNSW Sydney and various contract research organisations in Australia, the U.S., France, China and India. In this way, work in areas outside of Nyrada's core competencies (e.g. laboratory testing, formulation and manufacturing) is performed by these contract research and manufacturing organisations. This approach enables the Group to maintain a manageable cost and overhead and to respond quickly to potential opportunities and/or results from the Group's R&D programs when they arise.

Other than the Loan Agreement (see Section 11.3 for further information), the Group will not, upon Completion of the Offer, have any debt or material financing arrangement(s).

The Company has an experienced leadership and management team. James Bonnar is currently the Chief Executive Officer (**CEO**) of Nyrada, Dr Benny Evison is Chief Scientific Officer (**CSO**) and David Franks is the Company Secretary. For further information in relation to the senior management of the Company, please see Section 10.3.

The Group is located in the offices of one of its major shareholders, Noxopharm, and has a shared services agreement with Noxopharm to provide logistical support in the form of the use of Noxopharm's personnel. The Company regards this as an important practical and cost-saving arrangement in the short-term. For further information in relation to this arrangement, please see Section 12.1.

3.2.4 PROPOSED OPERATIONS

The Group proposes to maintain its current base of operations in Sydney for the foreseeable future. However, it anticipates that its future lies in the U.S. where it sees itself ultimately as being headquartered, but this would be subject to the progression of the Group's R&D programs and additional funding. It is anticipated that at that time a small core of scientists will remain in Sydney.

3.2.4 CORE BUSINESS STRENGTHS

The Company believes that it has three core strengths:

- **the Company's Board and senior management:** the Board comprises of people with broad experience in founding and managing public companies and in the drug development business. See Sections 10.1 and 10.3 for further information in relation to the members of the Board and senior management;
- **extensive knowledge and experience in the field of flavonoid chemistry, biology and delivery:** these factors will be critical in developing the neuroprotectant drug program, the peripheral neuropathic pain program and the autoimmune diseases program, as well as providing an opportunity to expand the Company's drug pipeline in due course; and
- **the Company's Scientific Advisory Board (SAB), which comprises eminently suitable advisors across the areas of neuroprotection, neuroinflammation, and LDL metabolism:** the SAB also has considerable drug development experience, and has been chosen to assist the Company in navigating the challenges of early-stage drug development. See Section 10.4 for further information in relation to the members of the SAB.

3.3 BUSINESS MODEL

An overview of the business model is outlined below:

Approach	The Company sees itself as a drug discovery and drug development biotechnology company focusing on early-stage clinical development. If necessary, the Company is prepared to take each or all of the Drug Candidates through to gaining marketing approval in major territories and believes its personnel have the experience and competency to do so. However, the Company also believes that it is a better use of its resources, know-how and opportunities to remain a drug discoverer and to leave it to larger, better-resourced companies to take on the significant task and cost of running late-stage clinical studies expected to involve thousands of patients and requiring significant resources. The Company's starting business opportunities involve major community diseases with significant unmet needs. The Company's commencing strategy is to take each Drug Candidate sufficiently down its clinical development path to attract the interest of potential strategic partners, as well as providing the Company with the ability of maximising the value of asset. The Board has been assembled deliberately to have the experiences of both early-stage drug development (John Moore, Graham Kelly and Peter Marks) and larger pharma industry strategies (Rüdiger Weseloh and Christopher Cox).
Business Strategy	The Company will focus over the next two years on bringing each of the current three Wholly-Owned Drug Candidates and, potentially, the autoimmune diseases program through the process of identifying a lead candidate and of conducting the necessary pre-clinical steps towards gaining approval to conduct a Phase I human safety, tolerability and pharmacokinetic study. The objective will be to develop each Wholly-Owned Drug Candidate (and, potentially, the autoimmune diseases program) to a point where the Company believes it has achieved sufficient proof-of-concept to have the Wholly-Owned Drug Candidate (and, potentially, the autoimmune diseases program) sufficiently de-risked and identified as a prospective therapeutic. In that time, the Company intends to begin the process of bringing the Company's activities to the attention of major pharmaceutical companies on the basis that any strategic relationship requires time and due diligence to put in place. Any commercial arrangement could involve a sale or a licence involving up-front payments, milestone payments and/or royalties. However, there is no guarantee that the Company will be able to attract a sufficiently interested party willing to enter into such a commercial arrangement with the Company in relation to a Wholly-Owned Drug Candidate (or the autoimmune diseases program).
Growth Strategy	Nyrada is a drug development company whose primary asset will be intellectual property (IP), and it is in the interests of CDI Holders that it maximise the value and extent of its IP portfolio. That means that it will seek to expand that portfolio as and when opportunity presents. However, the Company also recognises that the likely limited nature of its resources for the foreseeable future will mean that it will need to focus on its existing drug pipeline before seeking to add to it. When time and resources permit, then the Company will seek to add to its drug pipeline both internally and externally.

However, as an early stage company, the Company's business model is highly dependent upon achieving technical development milestones and commercial outcomes.

The Group's future growth profile will be influenced by:

- the results and timeliness of the pre-clinical and clinical program of the Drug Candidates;
- successful optimisation and manufacturing (manufacturability and scale-up);
- patents being granted as a result of the Group's current patent applications in the selected jurisdictions and an ability to enforce those patents against infringement;
- if necessary, raising additional equity or other capital to fund further activities;
- attracting and retaining suitable employees who are considered key to the Group;
- any increased competition in each program area and/or unforeseen disruptive technologies that may emerge
- any changes in the regulatory landscape; and
- the ability to enter into a strategic alliance with a commercial partner or government agency.

3.4 REGULATORY LANDSCAPE

Drug development companies operate in an industry which is highly regulated and controlled.

The Group is seeking to develop and commercialise its small molecule drug candidates. Small molecule drugs are pharmaceutical products which are highly regulated and controlled. The testing of pharmaceutical products on animals and humans, and the sale of pharmaceutical products is highly regulated both in Australia and overseas.

In order to develop and commercialise its Drug Candidates, the Group will need to obtain various mandatory approvals at each stage of development. These approvals include ethical and regulatory approval prior to commencing each preclinical and clinical (human) study, and marketing approvals before the commercial sale or distribution of a drug.

Clinical trials typically have three phases with approval being required before the commencement of each of these phases:

- phase I clinical trials focus on testing the safety, tolerability and pharmacokinetic characteristics of drugs when used on healthy humans;
- phase II clinical trials focus on evaluating both the safety and the effectiveness (efficacy) of the drug on the target patient population; and
- phase III clinical trials which further evaluate the safety and efficacy of drug in larger patient groups. Phase III studies include "pivotal" or registration studies – designed and run to demonstrate statistically significant benefit in a large and diverse sample of patients.

In Australia, the regulatory agency is the Therapeutic Goods Administration (**TGA**), in the U.S. it is the Food and Drug Administration (**FDA**), and in Europe it is the European Medicines Agency (**EMA**).

In the U.S., at least one successful pivotal Phase III trial is usually required before a therapeutic agent can be approved for distribution and sale.

In Australia early stage clinical trials can usually be progressed under Clinical Trials Notification (**CTN**), and ethical approval is managed by the Human Research Ethics Committee (**HREC**) of the hospital or unit involved in the clinical trial.

In order for a human clinical study to be initiated in the U.S., an Investigational New Drug (**IND**) must be opened with the relevant Division within the FDA.

The Group's drug programs will be conducted in compliance with all applicable regulations and pharmaceutical industry guidelines. Nyrada has employed individuals with experience in defining a regulatory strategy and negotiating the path for gaining necessary approvals for clinical trials in both Australia and the U.S.

Nyrada plans to conduct early phase clinical development (Phase I) in Australia using the CTN scheme and then, subject to Phase I success, conduct Phase II and later clinical development in the U.S. under FDA oversight via the IND system.

4. DRUG CANDIDATES

4.1 PCSK9 INHIBITOR - CHOLESTEROL-LOWERING DRUG

4.1.1 HISTORY OF THE PCSK9I DRUG PROGRAM

This program is owned by Cardio Therapeutics Pty. Ltd. (**Cardio Therapeutics**), a wholly-owned subsidiary of the Company.

The discovery of PCSK9 in 2003 and its key role in LDL metabolism made it an obvious target for drug development. PCSK9 works by interfering with the liver's ability to remove LDL from the bloodstream. At the same time that statins are lowering the ability of the liver to make LDL, they also are elevating PCSK9 levels and thereby reducing the liver's ability to remove circulating LDL from the bloodstream. The net effect of both counteracting actions is to reduce the effectiveness of statin.

Blocking the ability of PCSK9 to bind to the LDL-receptor on the surface of liver cell was an obvious drug target. A number of major pharmaceutical companies are known to have tried, with the aim of developing an oral drug that would be taken daily in conjunction with oral statin therapy.

Their initial approaches were based on classic small molecule drug design, seeking a drug that would sit between the PCSK9 protein and the protein on the surface of the liver cells that remove LDL particles from the blood (known as LDL-receptors). This required finding a means of attaching a small molecule to the specific binding site on the PCSK9 molecule that attached to the LDL-receptor. Those efforts reportedly failed, with the binding site on the PCSK9 protein allegedly being too smooth to allow attachment of a small molecule. This then led a number of companies to seek the alternative path of monoclonal antibodies, whose large size masks the binding site without requiring attachment to a small discrete binding site. This approach eventually led to the development of the existing monoclonal PCSK9 inhibitors that are on the market, evolocumab (Repatha) and alirocumab (Praluent).

Cardio Therapeutics used *in silico* modelling and computational design software to identify a groove in the structure of PCSK9 close to the LDL-receptor binding site. A small molecule was designed to bind in this groove to block the PCSK9/LDL-receptor interaction. This led to the successful identification of a molecule that *in vitro* blocked the ability of PCSK9 to bind to the LDL-receptor. The figure below shows an early *in silico* modelled prototype PCSK9 inhibitor molecule binding to the PCSK9 protein.

Once the binding site on the PCSK9 molecule that connected with the LDL-receptor was identified, a number of pharmaceutical companies were known to have tried designing a small molecule that could attach to that binding site, a classic approach in small molecule drug design, hoping to block the protein-protein interaction that is the basis of most drug action. Those efforts reportedly failed, with the binding site on the PCSK9 protein allegedly being too smooth to allow attachment of a small molecule.

Following its acquisition of Cardio Therapeutics in November 2017, Nyrada further refined the structure to yield the more active compound, NYX-330.

A cell-based assay then confirmed the proof-of-concept step of showing the ability of NYX-330 to increase LDL uptake in liver cells compared to untreated liver cells. Further proof-of-concept was confirmed *in vivo*. When delivered subcutaneously to mice:

- NYX-330 displayed drug levels in blood believed likely to be therapeutic levels for up to 16 hours, suggesting its potential for once-a-day dosing; and
- produced a dose-response fall in blood LDL levels in mice.

4.1.2 CURRENT STUDIES

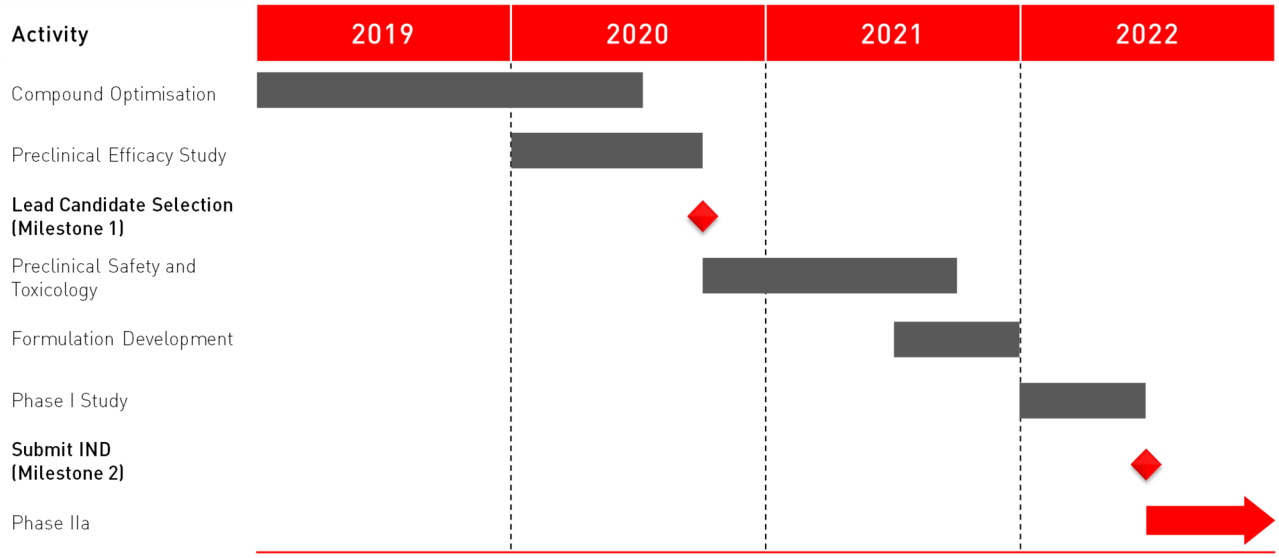
The current program is focusing on a standard medicinal chemistry program involving the design and testing of molecular variations of NYX-330. A number of more potent compounds have been identified that currently are undergoing studies that the Company hopes will lead to confirmation of the lead candidate.

Under the current developmental pipeline, nearly 100 novel compounds have been assessed for their ability to inhibit the interaction of PCSK9 with its binding partner, the LDL receptor. We anticipate synthesising and testing a further 50 – 70 compounds in order to confirm a lead candidate. Lead candidate selection requires the refinement of the lead-like molecule to improve its potency for PCSK9 and increase drug-like characteristics. It is anticipated that lead candidate selection will occur in the third quarter of 2020 following a comparative study of prospective candidates in a rodent model. While proof-of-concept of LDL-cholesterol lowering by our current lead-like molecule (NYX-330) has already been achieved, it is anticipated that further refinement will improve its LDL-cholesterol lowering capabilities.

Scale-up of lead candidate synthesis, suitable to deliver the quantities required for mandatory preclinical safety and toxicology studies, is anticipated to commence in the fourth quarter of 2020. Preclinical safety and toxicology studies will take 12 months and are anticipated to be completed by the third quarter of 2021. These studies are designed to show that the lead candidate compound should be safe and well-tolerated by healthy human subjects. It is anticipated that formulation development and work-up for a first-in-human Phase I safety, tolerability and pharmacokinetic study will be completed in the second half of 2021. Formulation development involves engineering the lead candidate compound into a form that is convenient for humans to take, most likely in a tablet taken once daily.

The Company hopes to be in a position to lodge an application to conduct a Phase I study in the fourth quarter of 2021. A Phase I study would be expected to take 6 months to complete. The Phase I study will help establish what dose of the compound is appropriate to take while confirming its safety, tolerability, and pharmacokinetics in healthy human subjects. The Company then hopes to be in a position to submit an Investigational New Drug (IND) application to the U.S. Food and Drug Administration (FDA) in mid-2022 ahead of initiating a Phase IIa study.

Timeline for PCSK9i Program



However, potential investors should note that drug development is a highly risky business with a high failure rate. There are numerous regulatory issues to pass before agencies such as the FDA, the European Medicines Agency (**EMA**) in the European Union and the Therapeutic Goods Administration (**TGA**) in Australia might be prepared to grant permission for the PCSK9i program to undergo first-in-human studies (for further information in relation to these potential regulatory issues, please see

Section 9.1(a)). Further, there is no certainty that the PCSK9i program will ever receive that permission.

In particular, the two main challenges for the PCSK9i program are:

- **Safety:** the Company is encouraged by short-term (2-week) dosing studies in mice yielding no apparent toxicity, but safety will need to be determined in longer duration animal studies given the likely chronic use of the drug in humans; and
- **Achieving a higher oral bioavailability than currently being achieved:** formulation studies are expected to address that, but that remains to be confirmed.

These challenges will need to be resolved in order for the Company to be able to meet the objectives for the PSCK9i program set out in this Section 4.1.2.

For further information in relation to some of the risks associated with drug development, please see Section 9.1.

Cardio Therapeutics has lodged a PCT patent application with the U.S. Patent Office covering composition of matter and use in relation to the PCSK9i program. The patent application currently has progressed to the national phase. There is no certainty that the patent application will be granted in any or all of the jurisdictions being sought, or if granted, will adequately protect the Group's intellectual property.

4.2 NEUROPROTECTION DRUG

4.2.1 HISTORY OF NEUROPROTECTANT DRUG DEVELOPMENT

Previous attempts by the industry to develop a neuroprotectant drug to block excitotoxicity have failed, largely because of unacceptable toxicity. The principal strategy adopted to date of blocking the action of excessive glutamate levels has failed to distinguish between damaged areas with high glutamate levels and undamaged areas of the brain with normal glutamate levels, resulting unavoidably in disruption of electrical conductivity throughout the whole brain.

4.2.2 A MORE RATIONAL APPROACH TO NEUROPROTECTANT DRUG DEVELOPMENT

A successful drug candidate will mitigate excitotoxic cell damage in the injured brain tissue whilst having minimal effect on normal brain function. A medical research team at the Translational Neuroscience Facility of UNSW, Sydney (UNSW) made the necessary breakthrough discovery in 2015, providing the opportunity to develop a neuroprotectant drug with a better safety profile.

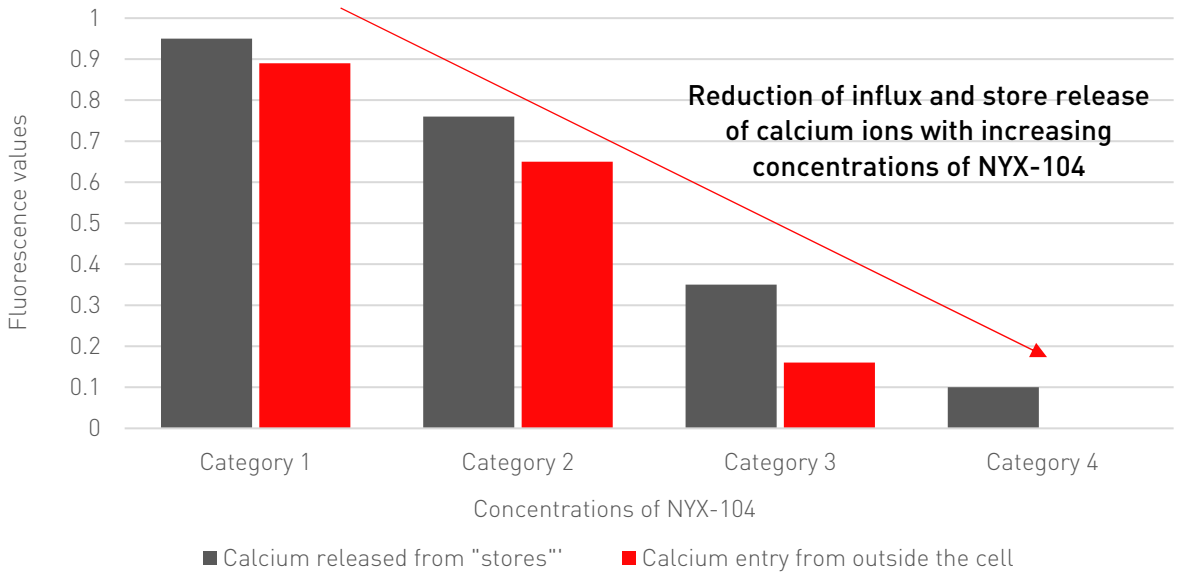
The breakthrough was the identification of a sub-group of receptors more likely to be activated by excessive glutamate levels than normal glutamate levels. This sub-group is known as metabotropic receptors involving the G alpha (q) G protein-coupled receptor (GPCR) signalling pathway. The family of drugs that Nyrada is using to develop a well-tolerated neuroprotectant drug is believed to contain first-in-class inhibitors of this pathway.

4.2.3 HISTORY OF THE NEUROPROTECTANT DRUG PROGRAM

The neuroprotectant drug program is owned by Norbio No. 1 Pty Ltd (**Norbio No. 1**), a wholly-owned subsidiary of the Company.

The discovery by the UNSW research team then led to the development of a laboratory assay that allowed screening of molecules for an ability to block the biochemical action of excitotoxicity in human cells. Noxopharm supplied some initial flavonoid compounds, one of which, NYX-104, proved an effective blocker of the key biochemical process which involves the influx of toxic levels of calcium (**Ca2+**) into the brain cell. NYX-104 blocked both the release of Ca2+ from stores inside the cell, as well as the entry of toxic levels of Ca2+ from outside of the cell.

CHART DEMONSTRATING BLOCK OF CALCIUM IONS WITH NYX-104

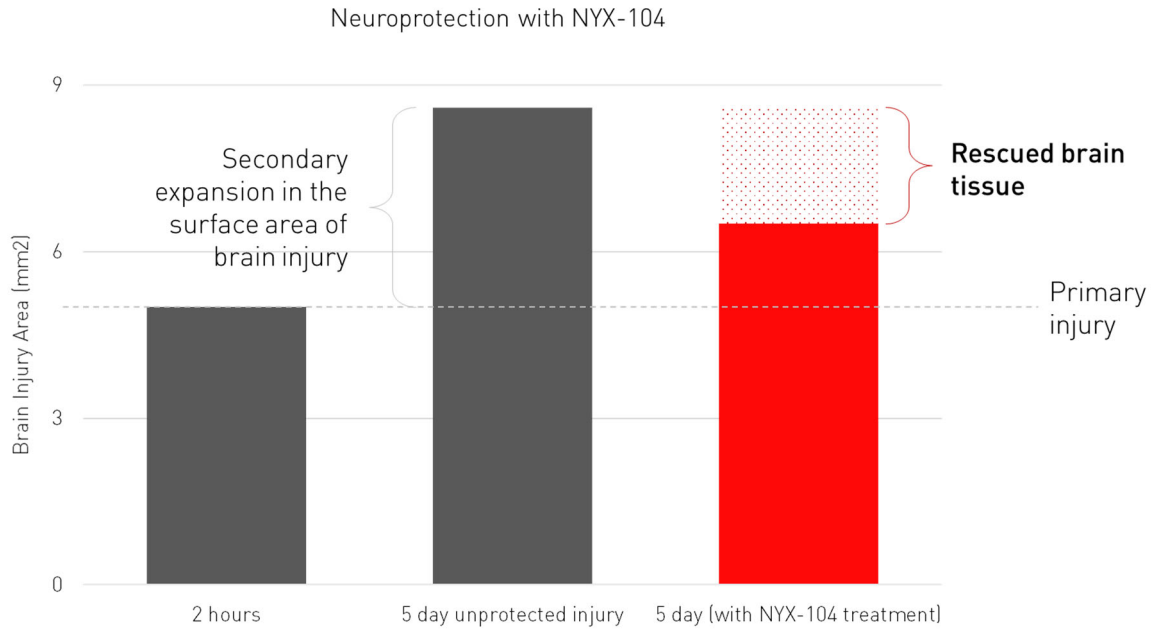


Following this, NYX-104 was administered to mice using the Noxopharm LIPROSE drug delivery technology which, it was hoped, would facilitate the passage of flavonoid drugs across the blood-brain barrier by converting the molecule into a fat-soluble form.

The mouse model seeks to mimic a stroke lesion in a human by use of a light beam to create a highly reproducible local block of blood flow in the brain. The result is an injury about 6 mm^2 diameter on the brain surface after 2 hours. This represents the irreversible core injury which then expands to an average diameter of about 9 mm^2 over the next five days in untreated mice.

In mice treated daily with NYX-104 (100 mg/kg), beginning on the day of injury for 5 days, the expansion diameter averaged about 7 mm^2 which was 56% lower than the expansion of the brain injury in untreated mice. Importantly, mice tolerated the NYX-104 treatment without evidence of toxicity.

CHART COMPARISON OF NYX-104 USE IN VIVO



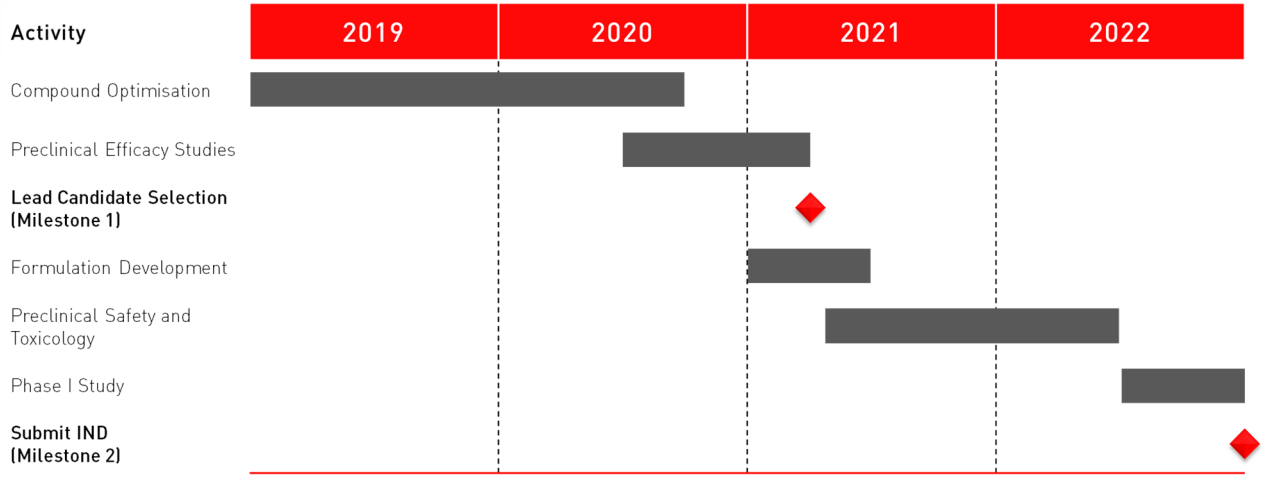
4.2.4 CURRENT STUDIES

Following a successful efficacy study in the animal model of stroke with the first-generation compound NYX-104, much of the Company's efforts have gone into identifying a more potent compound in the cell-based assay. A more potent compound has now been identified from a library of 80 compounds. The Company proposes to test a further 100 compounds in order to identify the lead candidate drug, a process that is scheduled to take another 12-15 months and to be completed by the first quarter of 2021.

Lead candidate selection will involve screening of the compounds for potency in a cell-based assay, assessing the "drug-like" properties, brain penetration, and confirmation of neuroprotection in an animal model of stroke. Data from this study is intended to identify functional outcomes that reflect neuroprotection across different brain functions such as behaviour, cognition and motor function. This data will be important in pointing to potential therapeutic benefits in brain-injured patients.

The preclinical safety and toxicology studies will be undertaken over the following 15 months with the scale-up for these studies requiring 3 months (second quarter of 2021) and studies taking a further 12 months (second quarter of 2022). This will be followed by dose formulation and placebo development leading up to a first-in-human Phase I safety, tolerability and pharmacokinetic study, likely to be conducted in Australia. The Company anticipates that the formulation development along with the study protocol for the Phase I study will be completed by mid-2022.

Timeline for Neuroprotectant Drug Program



The current intended clinical indication for the neuroprotectant drug program in terms of regulatory approval is stroke. In particular, using the drug commencing in the 12 hours following the stroke, with treatment duration likely to be between 3-5 days. The anticipated outcomes would be reduced incidences of mental and physical disabilities requiring shorter rehabilitation time and greater likelihood of full recovery.

However, potential investors should note that drug development is a highly risky business with a high failure rate. There are numerous regulatory issues to pass before agencies such as the FDA, the EMA and the TGA might be prepared to grant permission for the neuroprotectant drug program to undergo first-in-human studies (for further information in relation to these potential regulatory issues, please see Section 9.1(a)). Further, there is no certainty that the neuroprotectant drug program will ever receive that permission.

The primary unknown is whether compounds from the lead series will successfully access the human brain. The successful use of NYX-104 in the mouse model of stroke encourages the Company to believe that they will, given the presumed commonality of the blood-brain barrier in mammals. Further, while long-term safety is not an issue because the likely period of treatment in the clinic is 3-5 days, sub-chronic (7 or 14-day) safety in animals nevertheless is a requirement for human studies and that safety profile for NYX-104 has yet to be established.

These outstanding questions will need to be resolved in the Company's favour in order for the Company to be able to meet the objectives for the neuroprotectant drug program set out in this Section 4.2.4.

For further information in relation to some of the risks associated with drug development, please see Section 9.1.

Norbio No. 1 has lodged provisional PCT patent applications with the US Patent Office for which it hopes to achieve granted claims over new chemical entities, which cover any use including neuroprotection. There is no certainty that these patent applications will be granted in any or all jurisdictions, or if granted, will adequately protect the Group's intellectual property.

4.3 PERIPHERAL NEUROPATHIC PAIN PROGRAM

The peripheral neuropathic pain program is owned by Norbio No. 2 Pty Ltd (**Norbio No. 2**), a wholly-owned subsidiary of the Company.

This program is focused on the development of a small molecule drug to treat inflammation, particularly that tied to development of neuropathic pain associated with peripheral nerve injury.

The program is based on flavonoid chemistry and utilises the LIPROSE flavonoid drug delivery technology developed by Noxopharm to achieve penetration by the drug of the blood-nerve barrier. Noxopharm has granted a licence in relation to the LIPROSE drug delivery technology to the Company under the Intellectual Property Licence Agreement. For further information in relation to the Intellectual Property Licence Agreement, please see Section 12.2.

The Company has focused to date on obtaining proof-of-concept of being able to deliver flavonoids into peripheral nerves at levels likely to have therapeutic potential. That has been achieved with the compound, NYX-205, a flavonoid with known anti-inflammatory properties. When administered to rats using the LIPROSE drug delivery technology, drug levels within the sciatic nerve reached levels found generally in other tissues in the body.

A medicinal chemistry program now will be conducted to seek a lead candidate compound based on the NYX-205 chemistry and targeting the main final chemicals responsible for the inflammatory process. These chemicals are known as eicosanoids and comprise such families of chemicals as prostaglandins, leukotrienes and thromboxanes.

While all eicosanoids are responsible for a wide range of pro-inflammatory effects, they also play important roles in a wide range of normal physiological functions, just one example being the role of prostaglandins in protecting the lining of the gut from the corrosive effects of gastric acid. Broad inhibition of all 4 eicosanoids such as happens with the commonly used NSAIDs (ibuprofen, aspirin, etc.) therefore can result in unwanted side-effects such as gastric ulceration, shortness of breath and kidney failure.

Nyrada proposes to explore more selective eicosanoid-targeting for the treatment of peripheral neuropathy and peripheral neuropathic pain such as sciatica, with the potential to deliver clinical benefit with long-term dosing and avoiding current adverse side-effects (such as gastric ulceration, shortness of breath and kidney failure).

Norbio No. 2 has lodged a PCT patent application with the U.S. Patent Office for one of the flavonoid compounds for which it hopes to achieve granted claims over a method for treating or minimising inflammation of the peripheral nerves in an individual. There is no certainty that the patent application will be granted in any or all jurisdictions, or if granted, will adequately protect the Group's intellectual property.

The Group does not currently hold any patents or patent applications for the second flavonoid compound under study and does not propose to lodge any provisional patent applications until it has obtained proof-of-principle evidence in the animal nerve injury model in respect of this compound.

While the peripheral neuropathic pain program has lower priority than the PCSK9i program and the neuroprotectant drug program, the Company's current proposed use of funds that it will receive under the Offer and its current cash reserves will allow the Company to conduct two studies in relation to this program. First, the Company intends to conduct a proof-of-concept study with the current two active compounds in an animal model of a nerve crush injury. This study is planned for the first quarter of 2020. Second, in the second quarter of 2020, it is proposed to test the same two compounds in an animal model of chemotherapy-induced peripheral neuropathy. Following both studies, the Company expects to be in a position to decide on the preferred clinical indication that it will pursue and the rate at which it will pursue that indication, as well as the merits of pursuing either indication.

4.4 AUTOIMMUNE DISEASES PROGRAM

This program is focused on the development of small molecule drugs to provide more effective, better tolerated, and less expensive treatments for a range of autoimmune diseases.

The complexity of the inflammatory cascade involving multiple points of connection between the cascade and the immune system has proven to be a challenge in developing more effective anti-inflammatory drugs to treat autoimmunity. The general approach to date has been to target the highest point in one of the inflammatory cascades, and this has led to the TNF-alpha inhibiting monoclonal antibodies which currently are widely used. While providing symptomatic relief in many patients, these drugs also have the following downsides:

- expensive;
- inconvenient to use (injectable); and
- increased risk of certain infections (e.g. tuberculosis) and certain cancers.

In the last few years, the development of the next generation of anti-autoimmune drugs has shifted slightly downstream of TNF to targets such as:

- interleukin 1 receptor associated kinase 4 (**IRAK4**); and
- tumour progression locus 2 (**TPL2**).

IRAK4 and TPL2 are proteins present on all cells that play key roles in how tissues regulate their local immune functions. Dysregulations of either or both proteins has been linked to more aggressive growth of certain cancers (eg. melanoma, prostate cancer, certain leukaemias) and to the development of chronic inflammation and certain autoimmune diseases (eg. psoriasis, multiple sclerosis). As a result, drugs that inhibit either IRAK4 or TPL2 have been proposed to be of therapeutic value in the treatment of certain cancers and certain autoimmune diseases and their development is the subject of considerable current interest in the pharmaceutical industry.

Pfizer leads in this area and in August 2018 completed a Phase II study with their IRAK4 inhibitor in rheumatoid arthritis (readout pending). TPL2, also known as COT and MAP3K8, is not as well researched as IRAK4, and has fewer competitors in the drug discovery space.

Noxopharm and Nyrada are cooperating in the design of IRAK4 and TPL2 inhibitors based on flavonoid chemistry. This program is early stage, but the Company has already confirmed its ability to design drugs that bind to IRAK4 and TPL2, and currently is undertaking preliminary rounds of drug discovery to confirm the ability to inhibit these targets. The primary clinical indication being sought is psoriasis.

The Company's current proposed use of funds that it will receive under the Offer and its current cash reserves means that the Company is unlikely to be able to fund all 4 drug programs to the extent of having equal priority. The autoimmune diseases program currently has lowest priority, and that might, depending on circumstances, remain the situation in 2020 and beyond.

Noxopharm and the Company jointly own certain intellectual property rights that are being used in this program. Noxopharm concentrates on the development of cancer treatment drugs and has therefore granted Nyrada a licence under the Intellectual Property Licence Agreement to allow Nyrada to use the relevant intellectual property rights that are owned by Noxopharm to conduct research in relation to this program for non-cancer related purposes. Nyrada is also a party to the Call Option Deed with Noxopharm which, if exercised, will enable the Company to acquire certain intellectual property rights subsisting in the autoimmune diseases program in return for the issue of securities in the Company to Noxopharm. For a summary of the Intellectual Property Licence Agreement and the Call Option Deed, see Section 12.2.

Norbio No. 2 and Noxopharm have jointly lodged a provisional patent application with the U.S. Patent Office for compounds that inhibit IRAK4. There is no certainty that the patent application will be granted in any or all jurisdictions, or if granted, will adequately protect the Group's intellectual property.

5. DETAILS OF THE OFFER

5.1 THE OFFER

(A) THE OFFER

Subject to Sections 5.12 to 5.15, the Offer under this Prospectus is an offer of between 35,000,000 CDIs to raise $7,000,000 (**Minimum Subscription**) and 42,500,000 CDIs to raise $8,500,000 (**Maximum Subscription**) to clients of the Lead Manager, the Co-Lead Manager or the Participating Brokers who have received an allocation from the Lead Manager, the Co-Lead Manager or a Participating Broker.

The Offer is open to persons who have received an invitation to participate in the Offer from the Lead Manager, the Co-Lead Manager or a Participating Broker and who have a registered address in Australia. You should contact the Lead Manager, the Co-Lead Manager or a Participating Broker to determine whether you are eligible to receive an invitation to participate in the Offer.

No general public offer of CDIs will be made under the Offer. Members of the public wishing to apply for CDIs under the Offer must do so through the Lead Manager, the Co-Lead Manager or a Participating Broker.

Each CDI represents one Share at an Offer Price of $0.20 per CDI (**Offer Price**).

The Offer is currently scheduled to open on Wednesday, 4 December 2019 and close at 7:00pm (AEDT) on Monday, 16 December 2019, unless varied by the Company at the discretion of the Board and in consultation with the Lead Manager.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

Only CDIs are being offered by the Company for subscription under the Offer. No existing Shareholders are selling any of the Shares that they hold under the Offer.

(B) UNDERWRITING

The Offer is not underwritten.

5.2 PRE-CONDITIONS TO COMPLETION OF THE OFFER

(A) MINIMUM SUBSCRIPTION

The Minimum Subscription must be met. No CDIs will be issued under the Offer, and Completion of the Offer will not occur, unless the Company receives Applications for a minimum of 35,000,000 CDIs and raises a minimum of $7,000,000 under the Offer.

If the Minimum Subscription is not achieved within four months after the date of this Prospectus, the Company will either:

- refund all Application Money received, without interest, within the time prescribed by or otherwise permitted in accordance with the Corporations Act; or
- issue a supplementary or replacement prospectus altering the terms of the Offer and allow Applicants one month to withdraw their Applications and be repaid their Application Money, without interest.

(B) LISTING CONDITION

Completion of the Offer is conditional on ASX approving the Company's application for admission to the Official List of ASX and quotation of its CDIs (including CDIs issued under the Offer) on ASX (**Admission/Quotation Application**) on terms acceptable to the Company.

The Company will submit its Admission/Quotation Application to ASX as soon as practicable, but in any case, within seven days of the date of this Prospectus.

If approval is not received by the Company within three months after the date of this Prospectus (or such longer period permitted by the Corporations Act or with the consent of ASIC), the Offer will be withdrawn, and all Application Money will be refunded to Applicants (without interest).

The fact that ASX may admit the Company to the Official List should not be taken as an indication of the merits of an investment in the Company or the CDIs being offered for subscription under this Prospectus. ASX and its officers take no responsibility for this Prospectus or the investment to which it relates.

5.3 PURPOSE OF THE OFFER

The purpose of the Offer is to:

- facilitate the Company's application for admission to the Official List and thereby provide a market for CDIs and better enable Nyrada to access capital markets in the future; and
- raise up to a maximum of $8,500,000 (before costs) pursuant to the Offer, which is proposed to be used for the following purposes:
  - to fund the preclinical development and commercialisation of the neuroprotectant drug program and the PCSK9i program;
  - to fund the Company's other research and development programs;
  - to provide general working capital; and
  - to pay for the costs of the Offer.

5.4 PROPOSED USE OF FUNDS

If the Offer is successfully completed, the Company will receive gross proceeds of at least $7,000,000 (if the Minimum Subscription is achieved) and up to $8,500,000 (if the Maximum Subscription is achieved).

Combined with existing cash funds of the Company (being approximately $0.7 million as at the date of this Prospectus), the Directors therefore estimate that the Group will have between $6.1 million and $7.5 million in cash funds at Listing, after deducting the costs of the Offer (see Sections 7, 13.7, 13.8 and below for further details).

Subject to unforeseen events, the Directors believe that the Company's current cash reserves plus the net proceeds of the Offer will be sufficient to fund the Company's business objective for approximately two years. That business objective is to have at least one Drug Candidate ready to enter a first-in-human Phase I safety, tolerability, and pharmacokinetic study by the end of 2021.

Following the next two years, the Company may need to raise further funds, but this will depend on the Company's financial position and the market conditions at the time.

The table set out below provides an overview of the Company's source of funds and its proposed use of funds over the next two years:

	IF MINIMUM SUBSCRIPTION ACHIEVED ($7,000,000)				IF MAXIMUM SUBSCRIPTION ACHIEVED ($8,500,000)			
	YEAR 1	YEAR 2	TOTAL ($)	TOTAL (%)	YEAR 1	YEAR 2	TOTAL ($)	TOTAL (%)
Source of Funds								
Cash at bank as at as at the date of this Prospectus	$0.7m	-	$0.7m	*9%*	$0.7m	-	$0.7m	*7%*
Proceeds of the Offer	$7.0m	-	$7.0m	*89%*	$8.5m	-	$8.5m	*90%*
Bank interest	$0.1m	$0.1m	$0.2m	*3%*	$0.1m	$0.1m	$0.2m	*2%*
Total	**$7.8m**	**$0.1m**	**$7.9m**	***100%***	**$9.3m**	**$0.1m**	**$9.4m**	***100%***
Use of Funds								
Research & development: Salaries	$1.3m	$1.5m	$2.8m	*36.8%*	$1.3m	$1.5m	$2.8m	*30.8%*
Research & development: neuroprotectant drug program	$0.4m	$0.7m	$1.1m	*14.5%*	$0.6m	$1.0m	$1.6m	*17.6%*
Research & development: PCSK9i program	$0.3m	$0.4m	$0.7m	*9.2%*	$0.5m	$0.7m	$1.2m	*13.2%*
Other research & development	$0.2m	$0.3m	$0.5m	*6.6%*	$0.4m	$0.5m	$0.9m	*9.9%*
Repayment of part of the Noxopharm Loan[1]	$0.5m	-	$0.5m	*6.6%*	$0.5m	-	$0.5m	*5.5%*
Working capital[2]	$0.6m	$0.7m	$1. 3m	*17.1%*	$0.6m	$0.7m	$1.3m	*14.3%*
Costs of the Offer	$0.7m	-	$0.7m	*9.2%*	$0.8m	-	$0.8m	*8.8%*
Total	**$4.0m**	**$3.6m**	**$7.6m**	***100%***	**$4.7m**	**$4.4m**	**$9.1m**	***100%***

1. *For further information in relation to the Noxopharm Loan, see Section 11.3.*
2. *Working capital comprises the Company's administration and overhead costs and includes operating expenses, accounting costs, auditing costs, insurance costs, corporate legal costs, securities registry costs, Directors' fees, consulting costs, ASX fees and regulatory compliance costs and expenses.*

The Company also proposes to seek non-dilutive funding through a range of granting bodies and by applying for the Australian Government's R&D Tax Incentive, although the budget and objectives outlined in this Prospectus are not predicated on the Company receiving such funds.

The expenditure table reflects the intention of the Directors as at the date of this Prospectus, based on the current condition of, and the Board's current plans for, the Business. However, as with any budget, the allocation of funds may change (possibly to a significant extent) depending on a number of factors, including, by way of example (i) delays to the progress of the Company's R&D programs due to unforeseen problems requiring a realignment of priorities, and/or (ii) entering into a relationship with a commercial partner for any Drug Candidate which may require an obligation to place greater priority on that Drug Candidate at the expense of the other Drug Candidates. In light of this, the Board reserves the right to alter the way the Group ultimately applies its funds as well as the commercial objectives and priorities of the Group.

5.5 EFFECT OF THE OFFER

The following table sets out the expected capital structure of the Company immediately prior to and after Completion of the Offer, on an undiluted and fully diluted basis:

	IF MINIMUM SUBSCRIPTION ACHIEVED ($7,000,000)	IF MAXIMUM SUBSCRIPTION ACHIEVED ($8,500,000)
UNDILUTED BASIS		
Number of Shares on issue as at the date of this Prospectus (equivalent to the same number of CDIs)	31,794,970 (31.21%)	31,794,970 (29.07%)
Number of Shares/CDIs to be issued immediately prior to Completion of the Offer upon conversion of the Convertible Notes and part of the Noxopharm Loan (equivalent to the same number of CDIs)[1]	35,088,752 (34.44%)	35,088,752 (32.08%)
Number of Shares/CDIs on issue immediately prior to Completion of the Offer (including CDIs to be issued immediately prior to Completion of the Offer upon conversion of the Convertible Notes and part of the Noxopharm Loan) (equivalent to the same number of CDIs)[2]	66,883,722 (65.65%)	66,883,722 (61.15%)
CDIs to be issued under the Offer	35,000,000 (34.35%)	42,500,000 (38.85%)
Total CDIs on issue on Completion of the Offer[3]	**101,883,722 (100%)**	**109,383,722 (100%)**
FULLY DILUTED BASIS		
Number of Shares on issue as at the date of this Prospectus (equivalent to the same number of CDIs)	31,794,970 (19.74%)	31,794,970 (18.86%)
Number of Shares/CDIs to be issued immediately prior to Completion of the Offer upon conversion of the Convertible Notes and part of the Noxopharm Loan (equivalent to the same number of CDIs)[1]	35,088,752 (21.78%)	35,088,752 (20.81%)
Number of Shares/CDIs on issue immediately prior to Completion of the Offer (including CDIs to be issued immediately prior to completion of the Offer upon conversion of the Convertible Notes and part of the Noxopharm Loan) (equivalent to the same number of CDIs)[2]	66,883,722 (41.52%)	66,883,722 (39.67%)
CDIs to be issued under the Offer	35,000,000 (21.72%)	42,500,000 (25.21%)
Performance Shares[4]	18,000,000 (11.17%)	18,000,000 (10.68%)
Options/Warrants[5]	41,225,656 (25.59%)	41,225,656 (24.44%)
Total CDIs on issue on Completion of the Offer[3]	**161,109,378 (100%)**	**168,609,378 (100%)**

1. *For further information in relation to the conversion of the Convertible Notes and the Noxopharm Loan, see Sections 11.2 to 11.4.*
2. *Assuming that the Restructuring has occurred (see Section 11.4). Does not include CDIs that the Existing Holders may subscribe for under the Offer.*
3. *Equivalent to the same number of Shares.*
4. *For further information in relation to the Performance Shares, see Section 11.5.*
5. *Assumes no change to the number of Options or Warrants held pre- and post-close of the Offer. The exercise price for each underlying Share or CDI is at least $0.20 in cash.*

The actual effect of the issue of CDIs under this Prospectus will depend on the exact number of CDIs subscribed for and issued under the Offer.

In accordance with the ASX Listing Rules, the Company will have a minimum free float of at least 20% upon Listing. However, approximately 43.93% (if Company only achieves the Minimum Subscription) of the Company's total issued capital will be subject to escrow on the terms set out in Section 5.11(b).

5.6 SUBSTANTIAL AND EXISTING HOLDERS

(A) SUBSTANTIAL HOLDERS

Nyrada anticipates that the entities in the table below will have a substantial holding (i.e. control 5% or more of the CDIs) following the close of the Offer:[1]

NAME	SHARES[2]	% OF TOTAL ISSUED CAPITAL AT THE MINIMUM SUBSCRIPTION (UNDILUTED)	% OF TOTAL ISSUED CAPITAL AT THE MAXIMUM SUBSCRIPTION (UNDILUTED)
Noxopharm Limited	33,373,245	32.76%	30.51%
Goodridge Nominees Pty Ltd	12,424,832	12.20%	11.36%
Altnia Holdings Pty Ltd	9,921,725	9.74%	9.07%

1. *Assumes that the Restructuring has occurred (see Section 11.4). Does not include CDIs that the substantial holders may subscribe for under the Offer.*
2. *Equivalent to the same number of CDIs.*

The entities above are entitled to, but not obliged, to apply for CDIs under the Offer. Noxopharm has indicated that it is unlikely to apply for any CDIs under the Offer. Final holdings of CDIs will be notified to ASX following Listing, to the extent required under the Corporations Act and ASX Listing Rules.

(B) EXISTING HOLDERS

As at the date of this Prospectus, the Existing Holders have interests in the Company as set out in the table below:[1]

EXISTING HOLDER	SHARES[2]	% OF TOTAL ISSUED CAPITAL AT THE MINIMUM SUBSCRIPTION (UNDILUTED)	% OF TOTAL ISSUED CAPITAL AT THE MAXIMUM SUBSCRIPTION (UNDILUTED)	PERFORMANCE SHARES[3]	OPTIONS/ WARRANTS
Noxopharm Limited	33,373,245	32.76%	30.51%	12,000,600	Nil
Altnia Holdings Pty Ltd	9,921,725	9.74%	9.07%	5,999,400	Nil
Directors/Senior Management/Consultants[4]	466,551	0.46%	0.43%	Nil	31,537,2935
Holders of Convertible Note[6]	21,122,201	20.73%	19.31%	Nil	1,688,363
Seed investors[7]	2,000,000	1.96%	1.83%	Nil	Nil
Lead Manager and Co-Lead Manager	Nil	N/A	N/A	Nil	8,000,000

1. *Assumes that the Restructuring has occurred (see Section 11.4). Does not include CDIs that the Existing Holders may subscribe for under the Offer.*
2. *Equivalent to the same number of CDIs.*
3. *For further information in relation to the Performance Shares, see Section 11.5.*
4. *Phytose Corporation Pty. Limited, an entity related to Dr Kelly, holds Convertible Notes with a face value of $75,100. These Convertible Notes will convert into 466,551 Shares/CDIs and 37,293 Options immediately prior to Completion of the Offer.*
5. *31,500,000 of these Options are ESOP Options. The grant of the relevant ESOP Options to the relevant grantee is subject to and conditional upon Listing occurring.*
6. *For the purposes of this table, the Shares/CDIs and Options referred to in Note 4 are not included in the number of Shares/CDIs and Options held by the holders of Convertible Notes.*
7. *Seed investors are Existing Holders who became Shareholders after Nyrada's seed capital raising in November 2019.*

5.7 LEAD MANAGER AND CO-LEAD MANAGER

Alto Capital has been appointed by the Company under the Lead Manager Mandate to manage the Offer. Please see Section 12.3 for details of the terms of the fees payable by the Company to the Lead Manager.

CPS Capital Group has been appointed by the Company to assist the Lead Manager with managing the Offer. Please see Section 12.4 for details of the terms of the fees payable by the Company to the Co-Lead Manager.

All fees payable to Participating Brokers (if any) will be met by the Lead Manager and/or the Co-Lead Manager (as applicable).

5.8 GENERAL TERMS AND CONDITIONS

(A) ELIGIBILITY TO APPLY

The Offer is open to persons who have received an invitation to participate in the Offer from the Lead Manager, the Co-Lead Manager or a Participating Broker and who have a registered address in Australia. You should contact the Lead Manager, the Co-Lead Manager or a Participating Broker to determine whether you are eligible to receive an invitation to participate in the Offer.

Any person that has a registered address in a jurisdiction other than Australia and that receives a hard copy of this Prospectus with an accompanying Application Form may, subject to receiving an invitation from the Lead Manager, the Co-Lead Manager or a Participating Broker, participate in the Offer, but only where that person is able to demonstrate to the satisfaction of the Company that they are not restricted by law from participating in the Offer.

Before making an Application for CDIs, it is your personal responsibility, as an investor, to ensure that you have complied with the applicable laws of each jurisdiction that may be relevant to your Application. By submitting an Application Form, you are taken to have warranted and represented to the Company that you are not restricted by law from applying for CDIs and have observed the applicable laws of all relevant jurisdictions in making the application.

(B) INVESTMENT SIZE

The minimum investment size for each Application submitted under the Offer is $2,000 (which is the equivalent of 10,000 CDIs at $0.20 per CDI). Applications in excess of the minimum investment size must be in multiples of $500 (or 2,500 CDIs).

There is no maximum limit on the investment size for any Application submitted under the Offer.

(C) ALLOCATION POLICY

The Offer is open to persons who have received an invitation to participate in the Offer from the Lead Manager, the Co-Lead Manager or a Participating Broker. You should contact the Lead Manager, the Co-Lead Manager or a Participating Broker to determine whether you are eligible to receive an invitation to participate in the Offer.

There is no guaranteed allocation of CDIs to Applicants under the Offer. Allocations under the Offer will be determined by the Lead Manager and the Board in their absolute discretion. The Company reserves the right to not accept, reject and scale back any Application.

(D) DISCRETIONS REGARDING APPLICATIONS

The lodgement of an Application with the Lead Manager, the Co-Lead Manager or a Participating Broker constitutes an offer by the Applicant to the Company to subscribe for up to such number of CDIs as the Application Money specified in and accompanying the Application Form will pay for, at the Offer Price and on the terms and conditions of the Offer as set out in this Prospectus (including the acknowledgments and representations in Sections 5.8(a), 5.10, 5.12 and 11.11).

Applications and Application Money must be received by the Company by no later than 7:00pm (AEDT) on the Closing Date, which will occur on 16 December 2019 unless varied by the Company at the discretion of the Board and in consultation with the Lead Manager. You are therefore encouraged to seek an allocation from the Lead Manager, the Co-Lead Manager or a Participating Broker and submit your Application as early as possible. The Lead Manager, the Co-Lead Manager or the Participating Broker (as applicable) will act as your agent and it is the responsibility of the Lead Manager, the Co-Lead Manager or the Participating Broker to ensure that your Application Form and Application Money are received by the Company on or before 7:00pm (AEDT) on the Closing Date.

The Company reserves the right to:

- accept an Application in respect of the full number of CDIs applied for under the Application Form or such lesser number of CDIs as the Board decides;
- decline any Application in whole or in part; and
- accept late Applications, either generally or in particular cases,

without giving any reason or notice to the relevant Applicant.

Applicants whose Applications are accepted in full will receive the number of CDIs calculated by dividing the Application Money by the Offer Price.

If your Application Money payment is insufficient to pay for the total number of CDIs you have applied for, you may be taken to have applied for such lower number of CDIs as your cleared Application Money will pay for, or your Application may be rejected, at the discretion of the Board.

Applicants whose Applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for, will receive a refund of all or the surplus portion of their Application Money, within the time prescribed by or otherwise permitted in accordance with the Corporations Act. Interest will not be paid on any Application Money refunded.

Pending the allotment and issue of the CDIs, or the payment of any refunds, all Application Money will be held by the Company in trust for Applicants in a separate bank account as required by the Corporations Act. By submitting an Application Form, each Applicant agrees that the Company is entitled to retain all interest that accrues on the bank account whether or not the issue of CDIs takes place, and waives its right to claim any such interest.

To the extent permitted by law, an Application is irrevocable, once submitted to the Lead Manager, the Co-Lead Manager or a Participating Broker.

(E) DISCRETIONS REGARDING THE OFFER

The Company reserves the right to extend the Offer, close the Offer or not proceed with the Offer at any time before the allocation of CDIs to Applicants.

If the Offer is cancelled or withdrawn, all Application Money that is received by or on behalf of the Company will be refunded within the time prescribed by or otherwise permitted in accordance with the Corporations Act. Interest will not be paid on any Application Money refunded.

5.9 TIMETABLE

The key dates in relation to the Offer are set out in the 'Key Information' Section on page 5 of this Prospectus.

All dates in relation to the Offer are indicative only. The Company reserves the right to vary the dates and times of the Offer (in consultation with the Lead Manager), including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date or to accept late Applications for CDIs (either generally or in particular cases), without notifying any recipient of this Prospectus or any Applicants.

5.10 HOW TO APPLY FOR CDIS

If you have received an invitation to participate in the Offer from the Lead Manager, the Co-Lead Manager or a Participating Broker and you wish to apply for CDIs under the Offer, you should contact the Lead Manager, the Co-Lead Manager or the Participating Broker for information about how to submit your Application Form and payment instructions.

Applicants under the Offer must not send their Application Forms or Application Money to the Registry.

The Lead Manager, the Co-Lead Manager or the Participating Broker (as applicable) will act as your agent and it is the responsibility of the Lead Manager, the Co-Lead Manager or the Participating Broker to ensure that your Application Form and Application Money are received by the Company on or before 7:00pm (AEDT) on the Closing Date.

If you are an investor applying under the Offer, you should complete and lodge your Application Form with the Lead Manager, the Co-Lead Manager or a Participating Broker. Application Forms must be completed in accordance with the instructions given to you by the Lead Manager, the Co-Lead Manager or the Participating Broker and in accordance with the instructions set out in the Application Form.

Applicants under the Offer must pay their Application Money in accordance with the instructions provided by the Lead Manager, the Co-Lead Manager or a Participating Broker.

By submitting an Application Form, you are taken to have warranted and represented to the Company that you were given access to this Prospectus together with an Application Form.

The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

5.11 TRADING OF CDIS AND ADMINISTRATION OF HOLDINGS OF CDIS

(A) TRADING ON MARKET

Assuming that the Company is admitted to the Official List of ASX and that quotation of its CDIs on ASX is granted, it is expected that trading of the CDIs on ASX will commence under company code "NYR"[1] on or about Monday, 23 December 2019, after initial holding statements are dispatched.

It is the responsibility of each Applicant to confirm their holding before trading in CDIs. Applicants who sell CDIs before they receive an initial holding statement do so at their own risk. The Company disclaims all liability, whether in negligence or otherwise, if an Applicant sells CDIs before receiving a holding statement, even if the Applicant obtained details of their holding through the Registry.

1 *The Company has used its best endeavours to confirm with ASX the company code under which its CDIs will likely trade if the Company achieves Listing on ASX. However, there is no guarantee that the Company will be allocated the company code specified above. It is the responsibility of each Applicant to confirm the Company's company code on ASX before trading in CDIs.*

(B) RESTRICTED SECURITIES

Certain Directors and other Existing Holders will be subject to mandatory escrow arrangements under the ASX Listing Rules. Assuming that the Company is admitted to the Official List of ASX, it will admitted to the Official List after 1 December 2019, which means that it will be subject to the ASX Listing Rules, including the amendments to the ASX Listing Rules that are proposed to come into effect on 1 December 2019. The ASX Listing Rules (as amended) require that certain persons or entities such as seed capitalists, promotors or related parties:

- enter into restriction agreements; or
- are given restriction notices by the Company,

under which they are restricted from dealing in a specified number of their securities in the Company for up to 24 months from Quotation. The restriction agreements and restriction notices will be in the form required by the ASX Listing Rules (as amended) over such number of securities in the Company and for such period of time as determined by ASX, and will restrict the ability of the holders of the Shares, CDIs, Performance Shares, Options and Warrants to dispose of, create any security interest in, or transfer effective ownership or control of such securities (including CDIs).

The following table sets out the periods during which certain Directors and certain other Existing Holders will be restricted from dealing in some of their Shares, CDIs, Performance Shares, Options and Warrants (as applicable), including CDIs and Options issued on conversion of the Convertible Notes:

ESCROWED PARTY	ESCROW PERIOD	NUMBER OF SHARES/ CDIS HELD IN ESCROW	NUMBER OF PERFORMANCE SHARES HELD IN ESCROW	NUMBER OF OPTIONS/ WARRANTS HELD IN ESCROW
Seed capitalists who are related parties or promotors	24 months from Quotation	14,761,551	Nil	37,293
Seed capitalists who are not related parties or promotors	12 months from the date of issue	205,000	Nil	1,688,363
Vendors who were a related party or a promotor at the time of acquisition of classified assets	24 months from Quotation	29,794,970	18,000,000	Nil
Promoter	24 months from Quotation	Nil	Nil	8,000,000
Persons under an employee incentive scheme who are related parties	24 months from Quotation	Nil	Nil	31,500,000

On Listing, approximately 44,761,521 CDIs will be subject to escrow arrangements, being approximately:

- 66.92% of the issued Shares (being equivalent to the same number of CDIs) immediately before allotment (but after the Restructuring); and
- 43.93% of issued CDIs immediately following Listing (if the Company only achieves the Minimum Subscription).

ASX will make the final determination of the mandatory escrow arrangements to be applied to Shares, CDIs, Options and Warrants, which may be different from that set out in this Prospectus. Final details of the escrow arrangements will be announced to ASX prior to the CDIs commencing trading on ASX.

5.12 RESTRICTIONS ON DISTRIBUTION

This Prospectus does not constitute an offer or invitation to subscribe for CDIs in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, invitation or issue under this Prospectus.

No action has been taken to register or qualify this Prospectus, the CDIs or the Offer, or otherwise to permit a public offering of CDIs in any jurisdiction other than Australia. In particular, the Offer does not constitute an offer to sell, or solicitation of an offer to buy, securities in the U.S. The CDIs have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the U.S. and may not be offered or sold, directly or indirectly, in the U.S., except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This Prospectus may not be released or distributed in the U.S. or any other jurisdiction outside of Australia, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

By submitting an Application Form, you are taken to have represented, warranted and agreed that you:

- understand that the CDIs have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the U.S. and may not be offered, sold or resold in the U.S. except in transactions exempt from, or not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state securities laws;
- are not in the U.S.;
- have not and will not send the Prospectus or any other material relating to the Offer to any person in the U.S.; and
- will not offer or sell the Shares or the CDIs in the U.S. or in any other jurisdiction outside of Australia except in transactions exempt from, or not subject to, registration requirements of the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction which CDIs are offered and sold.

5.13 HONG KONG

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong (**CWUMPO**), nor has it been authorised by or registered with the Registrar of Companies of Hong Kong pursuant to CWUMPO or the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to (a) "professional investors" (as defined in the SFO and any rules made under the SFO) or (b) in other circumstances which do not result in the document being a "prospectus" as defined in CWUMPO or which do not constitute an offer to the public within the meaning of CWUMPO.

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or ready by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

5.14 SINGAPORE

WARNING: This Prospectus and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

The contents of this Prospectus have not been reviewed by any regulatory authority in Singapore. This Prospectus may not contain all the information that a Singapore registered prospectus is required to contain. In the event of any doubt about any of the contents of this document or as to your legal rights and obligations in connection with the offer, please obtain appropriate professional advice.

5.15 UNITED KINGDOM

WARNING: This document does not constitute or contain an offer to the public within the meaning of sections 85 and 102B or otherwise of the Financial Services and Markets Act 2000 (as amended) (**FSMA**). Neither this document, the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom. This document does not constitute a prospectus (within the meaning of section 85 of the FSMA) and has not been drawn up in accordance with the Prospectus Rules (being the rules made pursuant to section 73A of the FSMA) or approved or filed with the Financial Conduct Authority or any other competent authority. Accordingly, no prospectus has been published or is intended to be published in respect of the CDIs.

This document is issued to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the CDIs may not be offered or sold, and this document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, CDIs in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA.

Neither this document nor its contents have been approved for the purposes of section 21 of the FSMA. Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is only directed at, persons (i) who have professional experience in matters relating to investments and who are investment professionals as specified in Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (**FPO**) or (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, **relevant persons**). This document and its contents are directed only at such relevant persons and any investment or investment activity to which this document relates is only available to such persons. Any person who is not a relevant person should return, destroy or ignore the information contained in this document and should not act or rely on this document or any of its contents.

This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom who is not both a qualified investor and a relevant person.

5.16 BROKERAGE, COMMISSION AND STAMP DUTY

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of CDIs under the Offer. Investors who buy or sell CDIs on ASX may be subject to brokerage and other transaction costs. Under current legislation, no stamp duty is payable on the sale or purchase of shares on ASX.

5.17 TAX CONSEQUENCES

As with any investment, there may be taxation implications associated with you applying for CDIs. The Directors do not consider that it is appropriate to give advice regarding the taxation consequences of applying for the CDIs offered under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences for individual investors.

The taxation consequences of an investment in the Company will depend upon your particular circumstances and it is your personal obligation, as a prospective investor in the Company, to make your own enquiries or seek personalised professional tax advice about the taxation consequences of an investment in CDIs.

However, to assist potential investors, a general overview of the tax treatment for Australian resident investors is included in Section 13.2 and a general overview of certain U.S. federal income tax consequences of the ownership and disposition of CDIs by non-U.S. holders is set out in Section 13.3. **However, Sections 13.2 and 13.3 do not replace obtaining your own personalised professional tax advice about the taxation consequences of an investment in CDIs.**

The Company, the Group Companies and their advisers, officers, employees and agents do not accept any responsibility or liability for any taxation consequences of investing in the Offer.

5.18 ENQUIRIES

If you require more information about this Prospectus or the Offer, please:

- Call the Lead Manager on (08) 9223 9888 (within Australia) or +61 8 9223 9888 (outside Australia) from 9am to 5pm (AWST), Monday to Friday; or.
- Email the Lead Manager at adam@altocapital.com.au,

during the Offer Period.

You should read this Prospectus in its entirety, including the risk factors set out in Section 9, before deciding whether or not to invest in the Company.

If you are unclear about any matter or are uncertain as to whether CDIs in the Company is a suitable investment for you, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent professional adviser before deciding whether to invest.

6. PATENT ATTORNEY REPORT

25 November 2019

Dr Graham Kelly
Non-Executive Director
Nyrada Inc.
graham.kelly@nyrada.com

FPA ref: M50208848:TPG:EVE
Principal: Tom Gumley PhD
By email

Dear Graham

Patent attorney report – Nyrada Inc.

This report has been prepared at the request of the Directors of Nyrada Inc. (hereinafter "Nyrada") for inclusion in a Prospectus required for lodgement at the Australian Securities and Investments Commission for the purpose of raising funds through the issue of securities.

1 FPA's engagement

FPA Patent Attorneys Pty Ltd (**FPA**) is engaged by Nyrada and the Norbio No. 1 Pty Ltd, Norbio No. 2 Pty Ltd, and Cardio Therapeutics Pty Ltd entities, which FPA understands to be companies that are wholly owned by Nyrada.

FPA provides patent attorney services in respect of patent applications in section 3 of this report (**the Nyrada patent portfolio**).

FPA does not provide legal services and has not been engaged to comment on the ownership of the Norbio No. 1 Pty Ltd, Norbio No. 2 Pty Ltd, and Cardio Therapeutics Pty Ltd companies.

2 Outline

Section 3 outlines the scope of FPA's engagement and the Nyrada patent portfolio.

Section 4 provides general information on patents.

Section 5 provides general information on International Search and Examination and information relevant to the Nyrada patent portfolio.

Section 6 outlines risk pertaining to the Nyrada patent portfolio and commercialisation of the relevant technology.

Section 7 provides FPA's statement of independence.

This report does not address any freedom to operate searches or considerations.

3 The Nyrada patent portfolio

FPA has been engaged by Nyrada in the following matters:

1 Preparation and filing of US and European national phase patent applications.

2 Preparation and filing of PCT patent applications.

Doc 1002801914

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3 Preparation and filing of provisional patent applications.

US and European national phase patent applications

FPA has prepared and instructed foreign patent law firms to file national phase patent applications of PCT patent application no. PCT/AU2018/050243 as follows:

- US patent application no. 16/494,899 entitled "Heterocyclic inhibitors of PCSK9" in the name of Cardio Therapeutics Pty Ltd having a filing date of 16 March 2018 and disclosing compounds that inhibit PCSK9, compositions thereof, and uses of the compositions for inhibiting PCSK9, and claiming priority from Australian provisional patent application no. 2017900935 filed in the name of Altnia Operations Pty Ltd having a filing date of 17 March 2017; and
- European patent application no. 18768188.7 entitled "Heterocyclic inhibitors of PCSK9" in the name of Cardio Therapeutics Pty Ltd having a filing date of 16 March 2018 and disclosing compounds that inhibit PCSK9, compositions thereof, and uses of the compositions for inhibiting PCSK9, and claiming priority from Australian provisional patent application no. 2017900935 filed in the name of Altnia Operations Pty Ltd having a filing date of 17 March 2017.
    - The ISR and WO of PCT/AU2018/050243 concluded that claims 35 to 37 of PCT/AU2018/050243 define an invention that is new and that contains an inventive step (see section 5 below).

PCT patent applications

FPA has prepared and filed PCT applications as follows:

- PCT patent application no. PCT/AU2018/050997 entitled "Treatment of neuro-inflammation" in the name of Norbio No. 2 Pty Ltd having a filing date of 13 September 2018 and disclosing a method for treating or minimising neuro-inflammation of the central nervous system in an individual, and claiming priority from US provisional patent application no. 62/559,389 filed in the name of Norbio No. 2 Pty Ltd having a filing date of 15 September 2017.
    - The ISR concluded that claims 2 – 5, and 7 – 12 are novel. A clarity objection was raised in respect of claims 1, 2, 6, and 7.
- PCT patent application no. PCT/AU2019/050982 entitled "Treatment of inflammation" in the name of Norbio No. 2 Pty Ltd having a filing date of 13 September 2019 and disclosing a method for treating or minimising inflammation in an individual and claiming priority to US provisional patent application no. 62/730872 entitled "Treatment of inflammation" in the name of Norbio No. 2 Pty Ltd having a filing date of 13 September 2018.

Provisional patent applications

FPA has prepared and instructed a US patent law firm to file US provisional patent applications as follows:

- US provisional patent application no. 62/852135 entitled "Compositions and methods for treatment of nervous system injury" in the name of Norbio No. 1 Pty Ltd having a filing date of 23 May 2019 and disclosing compounds that treat or minimise excitotoxicity or a condition associated with excitotoxicity, compositions thereof, and uses of the compositions.
- US provisional patent application no. 62/852142 entitled "Compositions and methods for treatment of nervous system injury" in the name of Norbio No. 1 Pty Ltd having a filing date of 23 May 2019 and disclosing compounds that treat or minimise excitotoxicity or a condition associated with excitotoxicity, compositions thereof, and uses of the compositions.
- US provisional patent application no. 62/932375 entitled "Inhibitors of IRAK4" in the names of Norbio No. 2 Pty Ltd and Noxopharm Limited having a filing date of 7 November 2019 and disclosing compounds that inhibit IRAK4, compositions thereof, and uses of the compositions.

4 Patents

General

This section is intended to provide an overview of the nature and scope of patent rights, the general process by which patents are obtained and risk pertaining to obtaining and enforcement of patents. The overview is not professional advice, nor is it necessarily referrable to the Nyrada patent portfolio.

Patents scope and nature of patent rights

Patent rights are exclusive statutory monopoly rights that enable a party, who may be an owner, to exclude others from exploiting an invention the subject of the relevant patent.

In some jurisdictions, a party may be excluded from activities such as making, selling, hiring, or storing a product or process which have not been authorised by the patent owner.

Exploitation of an invention and hence, patent infringement, occurs when an unauthorised use of a product or process utilises all of the features of the product or process as defined in the claims of the patent. For example, if a patent claim defines a product with reference to features A, B and C, infringement is found only if the product for which there has been unauthorised use also utilises features A, B and C. In the example, if the product for which there has been unauthorised use includes feature A, or B, or C only, or A and B only, or A and C only, or B and C only, there is unlikely to be patent infringement.

An unauthorised user of patent rights (a patent infringer) may be injuncted from continuing to exploit a product or process which infringes a patent, or may be liable to damages or account of profits.

Patents may be granted in respect of products or processes, such as new or improved products, new uses for products and methods of manufacturing products. New uses for products relevantly may include methods of medical treatment. In certain jurisdictions, including Europe, methods of medical treatment *per se* are not patentable. However in such jurisdictions often a substance or composition may be patented for a specific use in a method of treatment and/or for the manufacture of a medicament for medical treatment.

Composition of matter patents (product patents) may be particularly useful to the extent that a patent claim directed to a composition of matter may provide basis to exclude an unauthorised user in possession of the claimed composition of matter from any way of making or using the composition, whether or not the production process or use is one as disclosed in the patent.

Patent rights may be licensed from a patent owner or patent applicant to another party.

Where patent rights are licensed exclusively, the licensee may have the right to enforce the patent against an infringer. A non-exclusive licensee generally does not have a right to enforce a patent in most jurisdictions.

A patent term generally lasts for 20 years from a complete application filing date. For certain pharmaceutical inventions, this period may be extended.

A patent application cannot be enforced against another party. Generally speaking, enforcement is only possible when a patent has been granted on an application.

As noted, patent rights are a right to exclude others from working a patented invention. Patent rights do not confer on a patent owner the right to work the invention within a patent. This means that a patent owner can be precluded from working his patented invention by another patent owner with an earlier patent.

Process by which patents are obtained

Patent rights are generally obtained by a process that typically commences with the filing of an application (**priority application**) the purpose of which is to establish a date (the **priority date**) of priority for the invention disclosed in the priority application.

An example of a priority application is a provisional application, which may include an Australian or US provisional application. A provisional application is not an application for patent rights.

The purpose of the provisional application is simply to establish a point in time prior to which the relevant invention is to be tested for newness (**novelty**) and inventive step (**obviousness**) by reference to information that was published before the priority date.

An application for patent rights is made by the filing of a complete application in the relevant jurisdiction in which patent rights are desired.

Generally, provided that the complete application is filed within 12 months of the priority application and claims an invention that is appropriately disclosed in the priority application, the complete application will be assessed against the information published before (but not after) the priority date (being the filing date of the provisional application) for the purpose of novelty and inventive step.

A complete application may be filed in the form of an International or '**PCT application**'. This ostensibly enables a patent applicant to apply for protection in most of the WTO countries using a single application.

An international patent searching and examination authority will examine a PCT application and provide a preliminary assessment of the novelty, obviousness, industrial applicability and support or enablement for the invention in the application (see section 5 below).

Within 18 months from filing a PCT application (30 months from filing a priority application), a PCT applicant must file patent applications (**National applications**) in those jurisdictions in which protection is required.

Within the following 3 to 5 years, a National patent application will be subjected to searching and examination by an examiner of a National patent office. The search and examination by an examiner of a National patent office is subject to that jurisdiction's own patent laws, which differ between jurisdictions.

The key grounds of assessment are novelty and inventive step, although the assessment will also consider the quality of the patent specification that discloses the invention. The assessment may vary in complexity and depth from office-to-office.

Ultimately it is the objective of the patent examiner, in acting in the relevant public interest, to grant the narrowest possible monopoly to the patent applicant. Given this, it is not unusual for a patent applicant to obtain a patent that is narrower than that intended by the patent applicant. This can impact on the commercial usefulness and value of a patent, in that it can more easily be designed around.

It is difficult to know the likelihood of obtaining a patent of commercial usefulness until substantive National searching and examination has been completed.

When a patent has been granted, there is generally no guarantee that the patent is valid. At best in certain jurisdictions there is a presumption of validity which is rebuttable.

When granted, a patent may be enforced against an infringer. However, it is possible for an infringer to contest the validity of the patent rights granted by a patent office. This may mean that a patent which is held to be infringed cannot be enforced because it is not valid.

In Australia and most other countries, patent rights may be kept in force for a period of twenty years from the date of the filing of the complete application on which the patent is granted

After a patent has been granted, renewal or maintenance fees may need to be paid, otherwise the patent will cease or expire.

It is not unusual that 5 to 7 years of patent term might expire before a patent can be granted. This means that an enforcement period may be substantially less than 20 years, though it may be possible under certain circumstances to obtain damages or an account of profits from the date of publication of the patent application before grant.

A patent for an invention may only be granted to a person who is an inventor or to a person who has entitlement to the invention by way of assignment, employment contract or other means.

A party (for example, an inventor) who has not assigned rights to a patent applicant or patent owner may be entitled to claim ownership of those rights. This may enable the

party to contest the right of a patent applicant or patent owner to license or to otherwise transact, or to enforce patent rights in some jurisdictions. This may also enable a party to license or otherwise transact, or to enforce patent rights without consent from a party named in an agreement.

5 International Search and Examination and information relevant to the Nyrada patent portfolio

General

This section is intended to provide an overview of searching and examination of International (PCT) applications, particularly on the grounds of novelty and inventive step. The overview is not professional advice.

What is an ISR and WO?

All PCT applications are subjected to 'International' searching and examination. The International Search Report (ISR) and Written Opinion (WO) are documents arising from the searching and examination. These documents normally become publically available at 18 months after the earliest claimed priority date.

Why is a PCT application subjected to searching and examination?

Perhaps a principal reason for International searching and examination is to provide a patent applicant with an indication regarding validity issues that might become relevant in National applications filed from the PCT application. In this context, an ISR and WO may provide an applicant with an early opportunity for developing a strategy for addressing a validity issue, should the issue later arise in a National application.

Who prepares an ISR and WO?

The ISR and WO in respect of a PCT application of an Australian PCT applicant is normally prepared by the Australian Patent Office.

What is searched and examined?

The Australian Patent Office applies the relevant PCT regulations in respect of International searching and examination of the invention and specification of the PCT application. Some key issues that are searched and examined include whether an invention as defined in the PCT patent claims is novel and contains an inventive step, and whether an invention is industrially applicable and whether there is support or enablement for the invention.

What are the limitations of the International search and examination?

As noted, the search and examination of an Australian originating PCT application is conducted according to the PCT regulations as considered applicable by the Australian Patent Office. These regulations are not precisely the same as the search and examination regime applying in a range of countries where National patents right might be desired. What this means is that the conclusions expressed in an ISR and WO are not necessarily predictive of the conclusions that a patent office may reach in respect of a National application derived from a PCT application. The ISR and WO are not binding on a patent office in respect of a National application derived from a PCT application.

What may the outcome of searching and examination be?

An outcome expressed in an ISR and WO may be that all or some of the claims lack novelty, and/or that all or some claims lack inventive step, or that all claims are novel and contain an inventive step. Further an outcome may be that some or all claims lack enablement or support.

Generally speaking, it is not unusual for an ISR or WO to conclude that certain claims of a PCT application define an invention that is either not novel or that does not contain an inventive step or that is not supported or enabled. This is because patent claims in a PCT application are normally drafted broadly so as to obtain coverage for a lead embodiment of the invention and all other forms based on the relevant inventive concept. This drafting practice is to minimise design-around risk.

Is a 'clear report' necessarily a "good" outcome?

Sometimes, where an ISR or WO considers all claims to be novel and inventive, the ISR and WO are referred to as a 'clear report'.

Obtaining a 'clear report' is not necessarily a "good" outcome for a PCT applicant, any more than it may be a "bad" outcome. For example, a clear report may simply indicate that the PCT application and claims have been drafted too narrowly, so as to only cover a lead embodiment and not all other forms based on the concept. In the circumstances a clear report might indicate design-around risk. In addition a clear report may arise as a result of an incorrect assessment of prior art, or as a result of not locating prior art which is relevant. Similarly, an incorrect assessment of the relevance of prior art when it is in fact irrelevant may result in an ostensibly negative report not necessarily representing a "bad" outcome. This incorrect assessment may extend to issues such as enablement and support.

What is the outcome of international searching and examination on the PCT/AU2018/050243?

The ISR and WO have concluded that claims 35 to 37 of PCT/AU2018/050243 define an invention that is new, contains an inventive step and is industrially applicable.

If the US and/or European patent office is to come to the same conclusion, and there are no other objections precluding allowance of the application, this might mean that a patent position could be obtained in the US and/or Europe by claim amendment. While at face value the ISR and WO indicate that this outcome should be possible, given the above it cannot be known now with certainty that such a patent position will be obtained.

What is the outcome of international searching on the PCT/AU2018/050997?

The ISR concluded that claims 2 – 5, and 7 – 12 are novel. The ISR concluded that all claims lack an inventive step and that claims 1, 2, 6 and 7 lack clarity.

If a patent office of a country where a National application is filed is to come to the same conclusion, and there are no other objections precluding allowance of the application, this might mean that a patent position could be obtained in that country by argument and/or claim amendment. Given the above it cannot be known now with certainty that such a patent position will be obtained.

6 Risk pertaining to the Nyrada patent portfolio and commercialisation of related technology

The following is a general outline of risk pertaining to the Nyrada patent portfolio and commercialisation of related technology based on information as reasonably obtainable and understood at the date of this report. It is not legal advice or an exhaustive outline of risk:

- The applications comprising the Nyrada patent portfolio are not granted patents. Until such time as the applications are granted, the rights pending in the applications cannot be enforced in most jurisdictions.
- The applications comprising the Nyrada patent portfolio have not been subjected to substantive searching or examination in the National patent offices of those jurisdictions where protection may be desired. It is possible that examination and searching could limit the patent claims of the applications to a point where they cannot provide protection that is commercially useful, advantageous or valuable.
- As with any patent application, there can be no certainty that patents will be granted on the applications comprising the Nyrada patent portfolio, and if granted that they will be valid and enforceable.
- The preferred compounds described in the Norbio No. 2 Pty Ltd PCT applications outlined in section 3 above were known prior to the filing date of the Norbio No. 2 Pty Ltd provisional applications. Therefore patents that claim priority to the Norbio No. 2 Pty Ltd provisional applications cannot be enforced against those who commercialise the preferred compounds for uses other than the inventions in these applications.

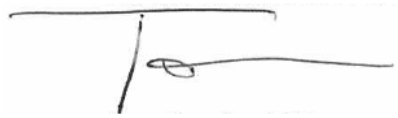
- A party (for example, an inventor) who has not assigned rights to Cardio Therapeutics Pty Ltd, Norbio No. 1 Pty Ltd, or Norbio No. 2 Pty Ltd in respect of the inventions described in the patent applications outlined in section 3 and is not obliged to do so under an employment contract for example may be entitled to claim ownership of those rights which could interfere with Nyrada's commercialisation of the applications comprising the Nyrada patent portfolio.
- Another party owning prior patent rights exploited by Nyrada in its commercialisation of the inventions in the applications comprising the Nyrada patent portfolio may exclude Nyrada from commercialising those inventions in those jurisdictions where the patent rights exist. The ISR is designed to identify patents and patent applications which could impact on the patentability of the applications comprising the Nyrada patent portfolio, and is not intended to provide any indication on Nyrada's freedom to operate by exploiting the inventions which are the subject of the applications.

7 Statement of Independence

FPA is a private company wholly owned by Qantm Intellectual Property Limited (**QIP**). QIP is a public company listed on Australian Stock Exchange Ltd, and also owns the following IP service businesses - Advanz Fidelis IP Sdn Bhd (Malaysia), Davies Collison Cave Pty Ltd, Davies Collison Cave Law Pty Ltd, Davies Collison Cave Asia Pte Ltd (Singapore), and FPA Asia Pte Ltd (Singapore), and has a majority interest in IP consulting business ipervescence Pty Ltd. FPA operates independently of the Davies Collison Cave businesses and Advanz Fidelis.

Neither FPA, nor any of its Directors has any entitlement to any securities in Nyrada, or has any other interest in the promotion of Nyrada. Furthermore, the payment of fees to Nyrada for the preparation of this report is not contingent upon the outcome of the Prospectus.

For and on behalf of FPA Patent Attorneys Pty Ltd.



Tom Gumley PhD
Principal
FPA Patent Attorneys Pty Ltd
Tom.Gumley@fpapatents.com

7. FINANCIAL INFORMATION

7.1 OVERVIEW

This Section 7 sets out the financial information for the Group, which includes:

- Statutory Historical Financial Information, being the:
  - statutory consolidated income statement from incorporation to 30 June 2018 (**FY18**) and twelve months to 30 June 2019 (**FY19**);
  - statutory consolidated cash flow statements for FY18 and FY19; and
  - statutory consolidated balance sheet as at 30 June 2019; and
- Pro Forma Historical Financial Information, being the pro forma consolidated balance sheet as at 30 June 2019.

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are collectively referred to as the "**Financial Information**".

The Group has a 30 June financial year end. As such, any references in this Section 7 to "FY" refers to a 30 June financial year end of the relevant financial year.

This Section 7 also includes summaries of:

- the basis of preparation and presentation of the Financial Information (see Section 7.2);
- the dividend policy (see Section 7.8); and
- significant accounting policies (see Section 7.9).

The Financial Information was prepared by the Directors, and has been reviewed and reported on in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information, by Nexia Sydney Corporate Advisory Pty Ltd, whose Investigating Accountant's Report is contained in Section 8. Prospective investors should note the scope and limitations of the report.

The information in this Section 7 should also be read in conjunction with the risk factors set out in Section 9, the accounting policies set out in Section 7.9 and other information contained in this Prospectus.

All amounts disclosed in this Section 7 are presented in Australian dollars, and unless otherwise noted, are rounded to the nearest $1,000.

7.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

(A) OVERVIEW

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (**AAS**) issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board.

Once Listing has occurred, future financial information of the Group will be prepared in accordance with the AAS (and the audit of that financial information will be conducted in accordance with the Australian Auditing Standards).

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In preparing the Financial Information, the accounting policies of the Group, as set out in Section 7.9 have been applied consistently throughout the periods presented.

(B) TREATMENT OF ACQUISITIONS IN FINANCIAL INFORMATION

Nyrada was incorporated on 29 August 2017 and acquired Norbio No. 1 Pty Ltd (**Norbio No. 1**) and Norbio No. 2 Pty Ltd (**Norbio No. 2**) from Noxopharm, and Cardio Therapeutics Pty Ltd (Cardio Therapeutics) from Altnia Holdings Pty Ltd, on 20 November 2017.

Norbio No. 1 and Norbio No. 2 were both incorporated on 23 June 2017 and were previously owned by Noxopharm. The Directors have determined that the companies constitute a business under AASB 3 Business Combinations and they have accounted for the acquisition as a business combination. No historical financial information has been included in relation to Norbio No. 1 and

Norbio No. 2 prior to their acquisition as the business has operated on a consolidated basis since the acquisition and the acquisition occurred more than 12 months from the date of this Prospectus.

Cardio Therapeutics was incorporated on 1 February 2014 as a holding company for intellectual property. The Directors have determined that Cardio Therapeutics does not carry on a business and they have accounted for the acquisition as an asset acquisition.

(C) PREPARATION OF THE FINANCIAL INFORMATION

The Financial Information has been derived from the audited consolidated financial statements of Nyrada for FY18 and FY19.

Nyrada's consolidated financial statements for FY18 and FY19 were audited by Nexia Sydney Audit Pty Ltd. The audit opinion was unmodified with an emphasis of matter regarding the basis of accounting as the financial statements were prepared for the purpose of fulfilling the Directors' financial reporting responsibilities and as a result may not be suitable for another purpose. The audit opinion for FY19 was unmodified.

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the statutory consolidated financial statements of Nyrada for FY19, after adjusting for certain pro forma transactions and/or other adjustments including:

- the redemption of a number of the Convertible Notes (see Section 11.2 for further information);
- the completion by the Company of a fundraising in November, 2019, which raised approximately $200,000;
- the issue of CDIs in satisfaction of Convertible Notes;
- the issue of CDIs to Noxopharm in satisfaction of part of the Noxopharm Loan (see Section 11.3 for further information);
- the issue of Options and Warrants to employees, executives and advisors; and
- Completion of the Offer.

As a prospective investor, you should be aware that past performance is not necessarily a guide as to future performance.

(D) NO FORECAST

The Directors, having considered the matters set out in *ASIC Regulatory Guide 170: Prospective Financial Information*, believe that there are no reasonable grounds to provide a forecast of the future earnings the Group in this Prospectus. Any forecast or projection would necessarily contain such a broad range of potential outcomes and possibilities that the Directors do not consider that it is possible to prepare a reliable best estimate forecast or projection of revenue, profits or cash flows for the operations of the Group.

(E) NON IFRS FINANCIAL INFORMATION

Please be aware that certain financial measures included in this Section 7 are "non IFRS financial information" under *ASIC Regulatory Guide 230: Disclosing non IFRS financial information*. The Directors believe that this non IFRS financial information provides useful information to prospective investors in measuring the financial performance and conditions of the Group.

You should be aware however that, as non IFRS financial measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning, whether under AAS, IFRS or otherwise. Therefore, they should also not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Further, the way in which the Directors have calculated these measures may be different to the way other entities calculate similarly titled measures. Accordingly, the non IFRS financial measures in this Section 7 may not be directly comparable to similarly titled measures published by other entities.

As a prospective investor, you are cautioned not to place undue reliance on any non IFRS financial information and ratios. In particular, the following non IFRS financial data is contained in this Section 7:

- EBITDA, which means earnings before interest, taxation, depreciation and amortisation; and
- EBIT, which means earnings before interest and taxation.

7.3 STATUTORY CONSOLIDATED HISTORICAL INCOME STATEMENTS

(A) OVERVIEW

The table below sets out the statutory consolidated historical income statements for FY18 and FY19.

($000)	Note	**FY18**	**FY19**
Other income – R&D Incentive	1	-	486
Total income		**-**	**486**
Administration expenses	2	(67)	(148)
Employee benefits expense	3	(701)	(1,398)
Professional services expenses	4	(422)	(753)
Research and development costs	5	(690)	(1,041)
Share-based payments	6	(255)	(503)
Travelling expenses		(19)	(58)
Other expenses	2	(28)	(47)
EBITDA		**(2,182)**	**(3,462)**
Depreciation and amortisation expense		(0)	(1)
EBIT		**(2,182)**	**(3,463)**
Interest income		4	19
Finance costs	7	(238)	(651)
Loss before and after taxation		**(2,416)**	**(4,095)**

Notes:

1. **R&D Incentives:** Nyrada received research and development incentives under Australian tax legislation in relation to its research and development expenditure.
2. **Administration expenses and other expenses:** These items comprise of patent application fees and associated costs, overseas travel, IT expenses, rent, general insurance, and other business related expenses. The increase in FY19 relates to costs of the US patents for the treatment of excitotoxicity and neuroinflammation, and an increase in travel.
3. **Employee benefits:** This item includes directors' fees, salaries and wages, superannuation, leave provisions and payroll tax in respect of Nyrada's four employees and five Directors. The increase relates to the payments to Mr. Josiah Austin arising out of his resignation as director and a general increase in resourcing by the Company in FY19.
4. **Professional fees:** This item includes accounting and audit fees, advertising, consulting and legal fees. Fees were higher in FY19 due to one-off expenses in relation to a full year of trading and one-off transaction costs.
5. **Research and development costs:** This item includes non-clinical expenses, consulting fees and marketing expenses specific to the research and development of the Company's drug programs.
6. **Share based payments:** Share based payments were granted to Nyrada's Directors, executives and advisors in the form of options and warrants.
7. **Finance costs:** The interest expense predominantly relates to interest on the Convertible Notes for accounting purposes.

7.4 STATUTORY CONSOLIDATED HISTORICAL CASH FLOWS

The table below sets out the Statutory Consolidated Historical Cash Flow statements for FY18 and FY19.

($000)	Note	FY18	FY19
EBITDA	1	**(2,182)**	**(3,462)**
Non-cash expenses	2	255	503
Movement in working capital	3	1,233	934
Net cash from operating activities		**(694)**	**(2,205)**
Property, plant and equipment		(5)	-
Net cash from investing activities		**(5)**	**-**
Proceed from the issue of convertible notes	4	**3,990**	**-**
Transaction costs on to the issue and conversion of convertible notes	4	(187)	-
Interest received		4	19
Net cash from financing activities		**3,807**	**19**
Cash at beginning of financial year		**-**	**3,108**
Net increase/(decrease) in cash held		3,108	(2,006)
Cash at end of financial year		**3,108**	**1,102**

Notes:

1. **EBITDA:** reflects EBITDA as set out above in Section 7.3.
2. **Non-cash expense:** this item reflects a share-based payments expense in respect to Options and Warrants issued to Nyrada's Directors, executives and advisors.
3. **Movement in working capital:** As FY18 was Nyrada's first financial year, the movement in working capital reflects the initial recognition of working capital. This movement is lower in FY19 as a maintainable working capital position was established in FY18. Accruals include directors' fees, salaries, consulting fees and clinical development expenses. A significant portion of accounts payable relates to amounts owed to Noxopharm.
4. **Convertible Notes:** As set out in Section 11.2, Nyrada closed its fundraising, pursuant to which it issued a series of Convertible Notes, on 16 February 2018, having raised $3,990,100 and incurring transaction costs of $186,899.

7.5 STATUTORY AND PRO FORMA CONSOLIDATED BALANCE SHEET

(A) OVERVIEW

The table below sets out the statutory consolidated historical balance sheet of the Group, and the pro forma consolidated balance sheet as at 30 June 2019. The pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the views of the Group or the Directors as to the future financial position the Group.

$000	30-Jun-19 (Note 1)	Subsequent events (Note 2)	Minimum subscription (Note 3)	Pro forma minimum	Maximum subscription (Note 4)	Pro forma maximum
Current assets						
Cash and cash equivalents	1,102	(315)	5,351	6,138	6,727	7,515
Total current assets	**1,102**	**(315)**	**5,351**	**6,138**	**6,727**	**7,515**
Non-current assets						
Property, plant and equipment	4	-	-	4	-	4
Intangible assets	37	-	-	37	-	37
Total non-current assets	**41**	**-**	**-**	**41**	**-**	**41**
Total assets	**1,143**	**(315)**	**5,351**	**6,179**	**6,727**	**7,556**
Current liabilities						
Trade and other payables	(2,124)	1,840	-	(284)	-	(284)
Convertible notes	(3,930)	3,930	-	-	-	-
Employee benefits	(43)	-	-	(43)	-	(43)
Total current liabilities	**(6,097)**	**5,770**	**-**	**(327)**	**-**	**(327)**
Total liabilities	**(6,097)**	**5,770**	**-**	**(327)**	**-**	**(327)**
Net liabilities	**(4,954)**	**5,455**	**5,351**	**5,852**	**6,727**	**7,228**
Equity						
Issued capital	37	10,077	4,379	14,493	5,726	15,840
Reserves	1,520	(521)	1,592	2,591	1,592	2,591
Accumulated losses	(6,511)	(4,101)	(620)	(11,232)	(591)	(11,203)
Total equity	**(4,954)**	**5,455**	**5,351**	**5,852**	**6,727**	**7,228**

Notes:

1. **Statutory historical consolidated balance sheet:** audited balance sheet of Nyrada as at 30 June 2019.
2. **Subsequent events:** includes the following:

   Conversion of Convertible Notes: as set out in Sections 11.2 and 11.4, on Completion of the Offer the Convertible Notes issued will be converted into CDIs and Options. The Convertible Notes have a face value of $3,990,100. As at 30 June 2019, the carrying value of the convertible note liability was $3,930,351. The difference reflects unrecognised interest for accounting purposes of $59,749, which is recognised in redemption and conversion.

   In October 2019, Convertible Notes with a face value of $515,000 were redeemed. For further information, please see Section 11.2.

The original terms and conditions of the Convertible Notes provided for 3 CDIs to be issued for every 12 Convertible Notes on issue. On 31 October 2019, the terms of the Convertible Notes were amended such that an additional 22.02066715 CDIs will be issued for every 12 Convertible Notes (a total of 25.02066715 CDIs will be issued for every 12 Convertible Notes). As a result of the additional CDIs to be issued, the Directors have recognised an expense of $3,779,992 on conversion of the Convertible Notes.

The conversion reserve of $762,045 is transferred to share capital upon conversion of the Convertible Notes.

Interim Capital Raising: in November 2019, the Company conducted a fundraising through an issue of Shares at a price per Share of $0.10 in order to raise $200,000.

Satisfaction of Noxopharm Loan: as set out in Sections 11.3 and 11.4, immediately prior to Completion of the Offer, Nyrada will issue CDIs to Noxopharm in satisfaction of part of the Noxopharm Loan. Nyrada will issue 13,500,000 CDIs at $0.20 per CDI to satisfy the Noxopharm Loan. The balance of the Noxopharm Loan as at 30 June 2019 was $1,839,802.

Issue of ESOP Options: 4,000,000 ESOP Options with a fair value of $481,370 were granted to Graham Kelly on 25 November 2019 and 800,000 ESOP Options with a fair value of $72,695 were granted to Peter Marks on 25 November 2019. These ESOP Options will vest upon Listing. The ESOP Options granted to Graham Kelly and Peter Marks are a modification to options that were previously granted to them. The fair value of these options previously granted and expensed was $349,332. The difference in fair value between these ESOP Options and those previously granted is $204,733, which has been recognised as an expense. In addition, employees previously granted options are no longer with the Company. The fair value of their options was $109,560 and a total amount of $73,617 had been recognised as at 30 June 2019. Therefore, the remaining fair value of their options, of a total of $35,943, is expensed.

3. **Minimum Subscription:** this item reflects the issue of 35,000,000 CDIs at $0.20 per CDI to raise $7 million. Transactions costs of:
   - **Cash:** $1,648,900 will be incurred, of which $620,488 will be expensed as transaction costs and $1,028,412 will be recognised against equity; and
   - **Warrants to Lead Manager and Co-Lead Manager:** warrants which the Directors have determined have a fair value of $1,592,480 will be granted, which will be recognised against equity.
4. **Maximum Subscription:** this item reflects the issue of 42,500,000 CDIs at $0.20 per CDI to raise $8.5 million. Transactions costs of:
   - **Cash:** $1,772,650 will be incurred, of which $592,966 will be expensed as transaction costs and $1,179,684 will be recognised against equity; and
   - **Warrants to Lead Manager and Co-Lead Manager:** warrants which the Directors have determined have a fair value of $1,592,480 will be granted, which will be recognised against equity.

7.6 INDEBTEDNESS

Set out below is Nyrada's indebtedness and pro forma cash position:

$000	30-Jun-19 Statutory	30-Jun-19 Pro forma Minimum	30-Jun-19 Pro forma Maximum
Cash and cash equivalents	1,102	6,138	7,515
Convertible notes	(3,930)	-	-
	(2,828)	**6,138**	**7,515**

7.7 SOURCES OF LIQUIDITY

Nyrada's principal source of funds is cash at bank and funds obtained from Completion of the Offer.

Nyrada's estimated net cash position on Completion of the Offer will $6.1 million under the Minimum Subscription and $7.5 million under the Maximum Subscription. Accordingly, the Directors expect that the Nyrada will have sufficient cash on Completion of the Offer to carry out its objectives as set out in this Prospectus.

7.8 DIVIDEND POLICY

It is anticipated that the Company will focus on the development and commercialisation of its drug programs after Listing. The Company does not expect to declare any dividends during this period.

Any future determination as to payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board.

No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7.9 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial information are set out below.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial information 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information relate to share-based payment transactions.

PRINCIPLES OF CONSOLIDATION

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.

CURRENT AND NON-CURRENT CLASSIFICATION

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

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

BORROWINGS

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not re-measured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

FINANCE COSTS

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

EMPLOYEE BENEFITS

(A) SHORT-TERM EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(B) SHARE-BASED PAYMENTS

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

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

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. Service and non-market performance conditions are not taken into account when determining the fair value of awards as at the grant date, but the likelihood of the conditions being met is assessed as part of the consolidated entity's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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

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

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

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

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

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

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

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.

ISSUED CAPITAL

Ordinary shares are classified as equity.

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

BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity re-measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the fair value as at the acquisition-date. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss.

Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition; or (ii) when the acquirer receives all the information possible to determine fair value.

GOODS AND SERVICES TAX (**GST**) AND OTHER SIMILAR TAXES

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

8. INDEPENDENT LIMITED ASSURANCE REPORT

Nexia Australia

26 November 2019

The Directors
Nyrada Inc
Suite 3, Level 4
828 Pacific Highway
Gordon NSW 2072

Dear Sirs

Investigating Accountant's Report and Financial Services Guide

We have been engaged by Nyrada Inc ("Nyrada") to prepare this report for inclusion in the prospectus to be issued by the Company (the "Prospectus") in respect of the initial public offering of chess depositary interests (the "Offer") and listing of the Company on the Australian Securities Exchange.

Expressions and terms defined in the document have the same meaning in this report.

Nexia Sydney Corporate Advisory Pty Ltd holds the appropriate Australian Financial Services License under the Corporations Act 2001 for the issue of this report.

Scope

Statutory Historical Financial Information

Nexia Sydney Corporate Advisory Pty Ltd has been engaged to review the:

- statutory consolidated income statements from incorporation to 30 June 2018 ("FY18") and the year ended 30 June 2019 ("FY19");
- statutory consolidated cash flow statements for FY18 and FY19; and
- statutory consolidated balance sheet as at 30 June 2019.

(together the "Statutory Historical Financial Information")

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the financial report of the Company for FY18 and FY19.

The consolidated financial statements for FY18 and FY19 were audited by Nexia Sydney Audit Pty Ltd in accordance with the Australian Auditing Standards. In FY18 audit, Nexia Sydney Audit Pty Ltd issued an unmodified audit opinion on the financial report with an emphasis of matter regarding the basis of accounting as the financial statements were prepared for the purpose of fulfilling the Directors' financial reporting responsibilities and as a result may not be suitable for another purpose. In FY19 audit, Nexia Sydney Audit Pty Ltd issued an unmodified opinion.

The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

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Sydney NSW 2000
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w nexia.com.au

Nexia Australia

Pro Forma Historical Financial Information

Nexia Sydney Corporate Advisory Pty Ltd has been engaged to review the:

- pro forma statement of financial position as at 30 June 2019.

  (the "Pro Forma Historical Financial Information")

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of the Company, after adjusting for the effects of pro forma adjustments described in section 7 of the Prospectus.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7 of the Prospectus, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Directors' responsibility

The directors of the Company are responsible for the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion, based on our review, on the:

- Statutory Historical Financial Information; and
- Pro Forma Historical Financial Information.

We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review 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 reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 7 of the Prospectus.

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Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 7 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to section 7 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Nexia Sydney Corporate Advisory Pty Ltd has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Declaration of Interest or Disclosure of Interest

Nexia Sydney Corporate Advisory Pty Ltd does not have any interest in the outcome of this Offer other than the preparation of this report for which normal professional fees will be received.

Nexia Sydney Audit Pty Ltd, the auditor of Nyrada Inc is a related party to Nexia Sydney Corporate Advisory Pty Ltd.

Yours faithfully,

Nexia Sydney Corporate Advisory Pty Ltd

Brent Goldman
Director
(Authorised representative of Nexia Sydney Financial Solutions Pty Ltd, AFSL 247300)

Nexia Australia

FINANCIAL SERVICES GUIDE

Dated: 26 November 2019

What is a Financial Services Guide ("FSG")?

This FSG is designed to help you decide whether to use any of the general financial product advice provided by Nexia Sydney Corporate Advisory Pty Ltd ABN 68 114 696 945 ("NSCA"), a corporate authorised representative of Nexia Sydney Financial Solutions Pty Ltd ("NSFS"), Australian Financial Services Licence Number 247300 ("AFSL").

This FSG includes information about:

- NSCA and how they can be contacted
- the services NSCA is authorised to provide
- how NSCA are paid
- any relevant associations or relationships of NSCA
- how complaints are dealt with as well as information about internal and external dispute resolution systems, and how you can access them; and
- the compensation arrangements that NSCA has in place.

Where you have engaged NSCA we act on your behalf when providing financial services. Where you have not engaged NSCA, NSCA acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NSCA.

Financial Services that NSCA is authorised to provide

NSCA is a corporate authorised representative of NSFS, which holds an AFSL authorising it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.

NSCA's responsibility to you

NSCA has been engaged by the independent directors of Nyrada Inc or the "Client") to provide general financial product advice in the form of an investigating accountant's report to be included in the Prospectus.

You have not engaged NSCA directly but have received a copy of the report because you have been provided with a copy of the Prospectus. NSCA or the employees of NSCA are not acting for any person other than the Client.

NSCA is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the report.

General Advice

As NSCA has been engaged by the Client, the report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the report having regard to your circumstances before you act on the general advice contained in the report.

Nexia Australia

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees NSCA may receive

NSCA charges fees for preparing reports. These fees will usually be agreed with, and paid by the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NSCA $81,000 (excluding GST and out of pocket expenses) for preparing the report. NSCA and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this report.

Referrals

NSCA does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and Relationships

Through a variety of corporate and trust structures NSCA is controlled by and operates as part of the Nexia Sydney Group Pty Ltd. NSCA's directors and authorised representative may be directors in the Nexia Sydney Group Pty Ltd group entities ("Nexia Sydney Group"). Mr Brent Goldman, authorised representative of NSFS and director of Nexia Sydney Group Pty Ltd, has prepared this Report. The financial product advice in the Report is provided by NSCA and not by the Nexia Sydney Group.

From time to time NSCA, the Nexia Sydney Group and related entities ("Nexia entities") may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years $57,402 (excluding GST) in professional fees has been received from the Client for audit services.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Complaints Resolution

If you have a complaint, please let NSFS know. Formal complaints should be sent in writing to:

Nexia Sydney Financial Solutions Pty Ltd
Head of Compliance
PO Box H195
Australia Square NSW 1215

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Craig Wilford, on +61 2 9251 4600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External Complaints Resolution Process

If NSFS cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Nexia Australia

Australian Financial Complaints Authority Limited
GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 56 55 62

Facsimile (03) 9613 6399

Email: info@afca.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation Arrangements

NSCA has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact NSCA at:

Nexia Sydney Corporate Advisory Pty Ltd
PO Box H195
Australia Square NSW 1215

9 KEY RISK FACTORS ASSOCIATED WITH INVESTING

This Section 9 describes some of the potential risks associated with investing in the Company and in CDIs. The Group is subject to risks that are specific to the Group and its Business (see Section 9.1). There are also risks that are associated with external events unrelated to the usual course of the Business (see Section 9.2), or risks that are common to all investments in CDIs and not specific to an investment in the Company (see Section 9.3).

If any of these risks were to occur, the future operating and financial performance and prospects of the Group could be materially and adversely affected and you could lose part or all of your investment in the Company. Whilst some of the risk factors may be mitigated by appropriate commercial action, many are either wholly or in part outside of the control of the Group, the Directors and management. The CDIs being offered under this Prospectus carry no guarantee as to maintenance of or appreciation in value, the payment of dividends or return of capital. Further, there can be no guarantee that the Group will achieve its stated objectives or that any forward-looking statement will eventuate.

Please note that this Section 9 does not purport to list every risk that may be associated with an investment in the CDIs, whether now or in the future. The risks highlighted in this Section 9 have been selected based on an assessment of the key risks that the management and Board would focus on when managing the Business, the probability of the risk occurring as well the significance of the impact on the Group if the relevant risk did occur. The assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of risks will not change or other risks will not emerge. Further, your individual financial objectives, financial situation and particular needs have not been taken into account in the preparation of this Section 9.

Before applying for CDIs, you should satisfy yourself, as a prospective investor, that you have a sufficient understanding of the inherent risks of investing in a company and becoming a shareholder of a company, including the risks described in this Section 9. Consider whether CDIs are a suitable investment for you having regard to your personal investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus, or are in any doubt as to whether or not to invest in CDIs, the Directors strongly recommend that you seek professional guidance from your accountant, financial adviser, stockbroker, lawyer, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

9.1 RISKS SPECIFIC TO AN INVESTMENT IN THE COMPANY

(A) PRE-CLINICAL DEVELOPMENT

Each Drug Candidate is currently at an early stage of development and it will take at least 24 months before a Drug Candidate will be ready to undergo first-in-human studies. There are numerous regulatory issues to pass before agencies such as the Food and Drug Administration in the USA, the European Medicines Agency in the European Union and the Therapeutic Goods Administration in Australia might be prepared to grant permission for a Drug Candidate to undergo first-in-human studies. Further, there is no certainty that any of the Drug Candidates will ever receive that permission.

In general, those regulatory issues comprise:

- having proof of concept of action in an appropriate animal model of the human disease;
- displaying an acceptable genotoxic profile;
- exhibiting an appropriate safety profile in two animal species;
- being capable of being administered to a human in a practical manner; and
- being capable of being manufactured to pharmaceutical industry standards.

These are the principal regulatory issues that may block the development of any drug, leading to its abandonment, but there are many other potential regulatory issues that may lead to the abandonment of a drug.

In addition, each Drug Candidate faces specific individual issues in terms of its pre-clinical development:

- in the case of the PCSK9i program, a key unanswered issue is long-term safety which will need to be at a high level considering that this is a drug that will need to be administered on a long-term basis. As at the date of this Prospectus, the longest duration of treatment of animals with the compound NYX-330 is two weeks, which was not accompanied by any

evidence of gross toxicity. However, the Company anticipates replacing NYX-330 with a more potent compound and the long-term safety of that compound is yet to be tested;

- in the case of the neuroprotectant drug program, while long-term safety is not an issue because the likely period of treatment in the clinic is 3-5 days, sub-chronic (7 or 14-day) safety in animals nevertheless is a requirement for human studies and an acceptable safety profile in animals for NYX-104 has not yet been established;
- in the case of the peripheral neuropathic pain program, the major unknown remains to what extent NYX-205's mechanism of action in inhibiting thromboxane production will provide a therapeutic benefit in any of the diseases being targeted. NYX-205 is also likely to require long-term administration for many of its target indications and its long-term safety in animals is yet to be tested; and
- in the case of the autoimmune diseases program, this program is very early-stage and is yet to face a range of potential issues, including efficacy and safety.

(B) UNCERTAINTY OF CLINICAL DEVELOPMENT

The Group's ability to commercialise its intellectual property is reliant on clinical data. Drug development is a highly risky business with a high failure rate. Approximately 10% of drugs that enter Phase I achieve marketing approval by the FDA in the USA. There are numerous reasons for this, mainly relating to low therapeutic benefit and unacceptable toxicity, with the drug's pre-clinical data failing to predict those adverse outcomes. While the Group will conduct its clinical programs and eventual drug submissions on the advice of consultants experienced in clinical trial design and regulatory affairs, there is no certainty that the trial design will provide appropriate data or that the data will meet the regulator's benchmark. This may require the Group to conduct further clinical studies, resulting in significant additional cost and delay.

Once a drug enters the clinic, the final drug development path typically takes 8-10 years, depending on the indication. It is expected that at least one of the Drug Candidates will be ready to enter a first-in-human study towards the end of the next two years. Any such clinical study would most likely be in a small number of healthy volunteers and be a pharmacokinetic/acute safety study using very low dosages of drug. The risk associated with a first-in-human study lies in the drug having an inappropriate pharmacokinetic profile such as being extensively metabolised and therefore inactivated or being eliminated from the body too quickly to provide a therapeutic benefit. Beyond conducting pre-clinical animal studies, there is no reliable way of predicting such adverse outcomes prior to testing in humans.

(C) COMMERCIALISATION

The Group's current business strategy is early-stage drug development, with the aim of eventually relying on a trade sale or license of its Drug Candidates to a third party with greater resources and expertise to undertake late-stage drug development, regulatory approvals, and sales and marketing. There is no certainty that any of the Drug Candidate will be of interest to such a third party or, if a Drug Candidate is of interest to such a third party, that terms can be negotiated that are commercially acceptable to the Group or will adequately realise the value of the Drug Candidate.

(D) ADDITIONAL CAPITAL REQUIREMENTS

Pharmaceutical R&D activities require a high level of funding over a protracted period of time. As set out in Section 5.3, the Company anticipates the proceeds of the Offer will provide a sufficient level of funding over the next two years for the Company's proposed use of funds as outlined in this Prospectus. However, additional development costs may arise during this period and the Company may require additional funding to meet its stated objectives or may decide to accelerate or diversify its activities within the same area.

The Company's requirement for additional capital may be substantial and will depend on many factors, some of which are beyond the Company's control, including:

- slower than anticipated research progress;
- the requirement to undertake additional research;
- competing technological and market developments;
- the cost of protecting the Company's intellectual property; and
- progress with commercialisation of any of the Company's Drug Candidates.

The Company will constantly evaluate data arising from its pre-clinical and clinical studies that may indicate new uses for its products and allow the Company to file patents, thereby providing potential new development and partnering opportunities. Accordingly, the Company may alter its funding

strategies to take advantage of such new opportunities if and when they present themselves.

There is no assurance that the funding required by the Company from time to time to meet its business requirements and objectives will be available to it, on favourable terms or at all. To the extent available, any additional equity financing may dilute existing Shareholdings (see Section 9.3(e)) and any debt financing may involve restrictions on the Company's financing and operating activities.

If the Company is unsuccessful in obtaining funds when required, it may be necessary for it to reduce the scope of its operations. Any of these consequences may significantly and adversely impact the value of the Company and the CDIs.

(E) TRADE SECRETS

The Group relies on its trade secrets, including information relating to the manufacture, development and administration of its Drug Candidates. The protective measures employed by the Group may not provide adequate protection for its trade secrets. This may erode the Group's competitive advantage and materially harm its business. Further, the Group cannot be certain that others will not independently develop the same or similar technologies on their own or gain access to trade secrets.

(F) INTELLECTUAL PROPERTY RIGHTS

Obtaining, securing and maintaining the Group's intellectual property rights is an integral part of securing potential value arising from conduct of the Business. If patents are not granted, or if granted only for limited claims, the Group's intellectual property may not be adequately protected and may be able to be copied or reproduced by third parties. The Group may not be able to achieve its objectives, to commercialise its products or to generate revenue or other returns.

The Group does not hold any patents and has only made provisional patent applications relating to the Drug Candidates (please refer to Section 6 for details of the Group's patent applications). The patent position of biotechnology and pharmaceutical companies can be highly uncertain and frequently involves complex legal and factual questions. Accordingly, there can be no guarantee that the provisional patent applications will be successful and lead to granted patents or all of the claims in any application will be granted. Furthermore, should such applications be granted, there is no guarantee competitors will not develop technology to avoid those patents, or that third parties will not seek to claim an interest in the intellectual property with a view to seeking a commercial benefit from the Group. The Group has engaged patent attorneys to develop and implement an intellectual property strategy to seek to establish broad patent protection to enable it to guard its exclusivity, maintain an advantage over competitors and provide it with a basis for enforcement in the event of infringement, but there is no guarantee that this intellectual property strategy will be successful.

There also can be no assurance employees, consultants or third parties will not breach their confidentiality obligations or not infringe or misappropriate the Group's intellectual property. The Group seeks to mitigate the risk of unauthorised use of its intellectual property by limiting disclosure of sensitive material to particular employees, consultants and others on a need to know basis. Where appropriate, parties having potential access to such sensitive material will be required to provide written commitments to confidentiality and ownership of intellectual property.

(G) THIRD PARTY INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS

The Group's success depends, in part, on its ability to enforce and defend its intellectual property against third party challengers. The Group believes that the manner in which it proposes to conduct activities will minimise the risk of infringement upon another party's patent rights. However, there can be no assurance that another party will not seek to claim a Group Company is infringing upon their rights.

While the Group relies on the advice of its patent attorneys that its patent applications do not infringe third party patents, the Company is unable to state with certainty that another party will not claim its rights are infringed or, if litigation claiming that a Group Company is infringing the intellectual property rights of a third party is launched, what the result of any such litigation will be. While the Group is pursuing clinical development and commercialisation strategies that it believes will minimise the risk of patent infringement, there can be no certainty that there will not be action taken against a Group Company, although each Group Company is prepared to defend its position in a forthright manner if required. Further, there can be no guarantee that competitors will not seek to claim an interest in the intellectual property with a view to seeking a commercial benefit from the Group.

If a third party claims that a Group Company is infringing its intellectual property rights or commences litigation against that Group Company for infringement of patent or other intellectual

property rights, the Group may incur significant costs defending such action, whether or not it ultimately prevails. Patent litigation in the pharmaceutical and biotechnology industry is typically expensive and any defence against any such action necessarily will divert the time of the Company's Directors and other key personnel. This may, in turn, have a materially adverse effect on both the financial performance and future prospects of the Group.

In addition, parties making claims against a Group Company may obtain injunctive or other relief to prevent that Group Company from further developing or commercialising its products. In the event that a successful claim of infringement is made out against a Group Company, it may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licences at a reasonable cost, if at all, it may suffer the loss of the prospective drug asset, which in turn may lead a Group Company to encounter delays and lose substantial resources while seeking to develop alternative product.

(H) RISK OF DELAY

The Group may experience delays in achieving a number of critical milestones in the development of its Drug Candidates due to unforeseen delays in contracted works, non-performance or loss of contractors or delay in obtaining regulatory approvals from hospital ethics committees or government agencies for the conduct of pre-clinical and clinical studies. Any material delays may impact adversely upon the Group, including increasing anticipated costs.

The Group also is dependent on its ability to secure sites and patients for the conduct of its clinical trial program. If the Group is unable to engage clinical trial site providers on commercially acceptable terms, or difficulties arise in procuring patients to fill the clinical trials, progress of the Group's clinical program will be delayed.

(I) DEPENDENCE ON SERVICE PROVIDERS

The Group currently operates on a project management basis, outsourcing its R&D program through a series of contractual arrangements with multiple service providers. The Group relies on and will continue to rely on the expertise of its contractors and suppliers in the manufacture of the Drug Candidates and any future drug candidates and the conduct of its pre-clinical and clinical development programs. While the Group has attempted to mitigate any risks in relation to its dependence of service providers by not relying too heavily on one single provider, all of the Group's contractual arrangements with its service providers carry a risk that the providers may not adequately or fully comply with contractual obligations. Such failure can lead to termination and/or damage to the Group's product development efforts.

(J) DEPENDENCE ON KEY PERSONNEL

The Group is dependent on the principal members of its scientific and development team, the loss of whose services could materially adversely affect the Group and may impede the achievement of its research and development objectives. Given the nature of the Group's activities, its ability to maintain its program is dependent on its ability to attract and maintain appropriately qualified personnel either within the Group or through contractual arrangements.

If one or more of the Group's key personnel was unwilling or unable to continue in their current roles, there is a risk that the Group may be unable to recruit a suitable replacement on commercially acceptable terms or at all. The loss of any key personnel, without suitable and timely replacement, may significantly disrupt the operations of the Business and impede the Group's ability to implement its business plans. This may, in turn, have a materially adverse effect on both the financial performance and future prospects of the Group. The Group may also incur significant costs in recruiting and retaining new key personnel.

Further, the Group's current size affects its ability to provide substantial training and development opportunities to its key managers and personnel. Extensive ongoing development opportunities are not feasible for a small biotechnology company such as Nyrada. The Group has sought to address this risk by hiring sufficiently qualified and skilled management and scientific development staff.

(K) COMPETITION

The biotechnology and medical technology industries are characterised by rapid and continuous innovation and development. The Group faces substantial competition as new and existing companies enter the market and advances in research and technology become available. The Group's services, expertise and product may be rendered obsolete or uneconomical by advances or entirely difference approaches developed by one or more of its competitors.

There is no assurance that the Group will be able to readily anticipate the actions of competitors and/or respond effectively and in a timely manner to them.

If the Group cannot compete successfully, it could lose customers and market share, suffer reduced operating margins and fail to effectively execute its long-term growth strategy. These outcomes could seriously impede the operating and financial performance and prospects of the Group.

(L) FUTURE MARKET ACCEPTANCE

Ultimately the Group's products need to find acceptance in a competitive marketplace. Market acceptance depends on many factors, including convincing potential consumers, healthcare workers, and commercial partners of the attractiveness of the Group's products and the ability to manufacture products to a sufficient quantity and quality at an acceptable cost. These and other factors may cause the Group's products to not gain market acceptance, which in turn would negatively affect the profitability of the Group.

(M) MANUFACTURING/PRODUCTION RISK

The Group has not previously manufactured any of the Drug Candidates on a large scale. While the small scale manufacture of each of the Drug Candidate has been successful and no potential issues have been identified that could be problematic in scaling up the manufacturing process, such large scale manufacture to the high standards of Good Manufacturing Practice conditions cannot be guaranteed, in which case the Group might not be able to meet the needs of its projected clinical development program. Should difficulties or delays occur in the manufacture and production of the Group's products, the development of the Drug Candidates may be adversely affected. If, for some reason, the product does not meet quality assurance standards, the Group may be obliged to remanufacture the product, resulting in increased cost and delay.

(N) PRODUCT LIABILITY

As with all new pharmaceutical and therapeutic products, even should the Group obtain regulatory approval, there is no assurance unforeseen adverse events or manufacturing defects will not arise. Adverse events could expose the Group to product liability claims in litigation, potentially resulting in any regulatory approval (when/if obtained) being removed and damages being awarded against the Group. In such event, the Group's liability may exceed the Group's insurance coverage (if any).

(O) REPORTING PROCEDURES

The Company is an early stage entity with limited resources and, accordingly, is still in the process of establishing adequate financial reporting procedures to meet the reporting obligations associated with being a listed entity on ASX. The Directors are aware of this need, but it is a matter which would create risks if not attended to by the Company.

(P) INTERNATIONAL AGREEMENTS

The Group has entered into contractual relations with parties that are domiciled in foreign jurisdictions. Changes in contract law, property law and intellectual property law in foreign jurisdictions may occur that are beyond the control of the Group and may affect the Group's ability to carry on its business, including the enforceability of its contractual arrangements. It may also be more difficult to enforce rights in foreign jurisdictions.

(Q) NEW BUSINESS INITIATIVES

To continue pursuing its objectives, the Group may from time to time undertake new business initiatives. Such arrangements have the potential to expose the Group to risks commonly associated with such initiatives, including assimilating any new operations and personnel into the Group. There can be no assurance the potential initiative will not have a materially adverse effect on the Group's business, financial conditions and operations.

(R) FOREIGN CURRENCY AND EXCHANGE RATE FLUCTUATIONS

There is potential that the Group's revenue and expenditure may in the future be domiciled in various currencies other than Australian dollars. This may expose the Group to foreign exchange movements, which has the potential to positively or negatively influence the Australian dollar equivalent of such revenue and expenditure. The Company will monitor and assess such risks and implement measures intended to manage such risks. These measures may not eliminate all such risks and may themselves expose the Group to related risks.

9.2 GENERAL RISKS

(A) MACRO-ECONOMIC RISKS

Changes in the general economic conditions in Australia and globally are outside of the control of the Group, but may have a significant impact on the future performance of the Group and the price or value of the CDIs. Such changes may include:

- general down-turn in investor confidence affecting the ability of the Company to raise additional funds;
- fluctuations in interest rates, exchange rates, commodity prices and the rate of inflation in Australia resulting from domestic or international conditions (including

movements in domestic interest rates and reduced activity in the Australian economy);

- changes in government, legislation, government policy or the regulatory environment in which the Group operates;
- changes in Australian and global equity market conditions;
- changes in investor sentiment toward particular market sectors;
- acts of terrorism or other hostilities; and
- the occurrence of natural disasters.

A prolonged deterioration in any number of the above factors may have a material adverse effect on the financial performance, financial position, cash flows, distributions, growth prospects and CDI price of the Company.

(B) REGULATION CHANGES

Changes to the laws, regulations, standards and practices applicable to the industry in which the Group operates (for example, drug approval regulations and government R&D rebates) may increase costs and limit the Group's proposed scope of activity.

(C) TAXATION

Relevant tax laws and treaties and their interpretation and applicability change from time to time. There is the risk that these changes could adversely and materially affect the Group's profitability and prospects.

(D) ACCOUNTING STANDARDS

The Company reports to CDI Holders as to the financial position and performance of the Group through the preparation of audited financial statements, in accordance with AAS (an accounting standard). Changes to accounting standards such as AAS are outside of the control of the Group and Board and may affect the future measurement and recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretations of existing AAS, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables, may differ. Changes to AAS issued by AASB or changes to the commonly held views on the application of those standards could adversely affect the financial performance and position reported in the Group's financial statements, possibly to a material extent.

(E) LITIGATION, CLAIMS AND DISPUTES

The Group may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes with suppliers or customers, employment disputes, indemnity claims, and occupational and other claims. There is a risk that any such litigation, claim or dispute could materially adversely impact the Group's operating and financial performance due to the significant cost and time invested by management in investigating, commencing, defending and/or settling such matters. Any claim against the Group, if proven, may also have a sustained negative impact on its operations, financial performance, financial position and reputation.

The Group is not currently engaged in litigation and, as at the date of the Prospectus, the Directors are not aware of any legal proceedings pending or threatened against, or any material legal proceedings affecting, the Company or other Group Companies.

9.3 RISKS ASSOCIATED WITH HOLDING CDIS

(A) CONCENTRATION OF SHAREHOLDINGS

Immediately after the Offer, the Company will have two major CDI Holders, Noxopharm and Altnia Holdings Pty Ltd (**Altnia**), which are expected to hold up to 32.76% and 9.74% respectively of the CDIs (if Company only achieves the Minimum Subscription). Both CDI Holders will be in a position to exert significant influence over the outcome of matters relating to the Company, including election of Directors and the approval of significant corporate decisions. Accordingly, there is a risk that Noxopharm and Altnia may make collective decisions that do not accord with, or are not in the best interests of, other CDI Holders. For example, Noxopharm and Altnia could, through their concentration of ownership, delay or prevent a change of control, even if a change of control is in the best interests of the Company's other CDI Holders.

(B) COSTS IN COMPLYING WITH DELAWARE LAWS AND AUSTRALIAN LAWS

As a Delaware company with an ASX listing and a registration as a foreign company in Australia, Nyrada will need to ensure its compliance with Delaware law and relevant Australian laws and regulations, including the ASX Listing Rules and certain provisions of the Corporations Act. To the extent of any inconsistency between Delaware law and Australian laws and regulations, the Company may need to make changes to its business

operations, structure or policies to resolve such inconsistency. If the Company is required to make such changes, this is likely to result in interruptions to its operations, additional demands on management time and extra costs.

(C) STOCK MARKET RISKS

There are risks associated with any investment in securities.

In particular, there is a risk that the price at which CDIs trade on ASX may be less than the Offer Price payable under this Prospectus. While fluctuations in the price of the CDIs may be a direct reflection of changes in the financial performance of the Group, the market price of the CDIs may also be affected by factors unrelated to the operating performance of the Group, such as the macro-economic conditions referred to in Section 9.2(a) above) and the demand for and supply of capital generally.

As the CDIs have not previously been publicly traded, they have no trading history and as such, there is no indication of the prices at which they may trade, or of the liquidity of the market for them.

(D) LIQUIDITY OF CDIS

The Company will be applying to ASX for admission to the Official List and official quotation of all CDIS (including CDIs issued under the Offer) on ASX. There can be no guarantee however that an active market in the CDIs will develop or that the price of the CDIs will increase after Listing. There may be relatively few buyers or sellers of the CDIs on ASX at any given time, which may in turn affect the prevailing market price at which the CDIs are able to be sold and generally increase the volatility of the market price of the CDIs. In particular, if the volume of trading in the CDIs is low, significant price movement can result from the trading of a relatively small number of CDIs.

In accordance with the ASX Listing Rules, the Company will have a minimum free float of 20% upon Listing. However, if a market in the CDIs does not develop or is not sustained, it may be difficult for CDI Holders to sell their CDIs at all. As at Listing, approximately 43.93% of the Company's total issued capital (if Company only achieves the Minimum Subscription).) will be subject to escrow on the terms set out in Section 5.11(b). While these escrow arrangements are in place, the liquidity in the market for CDIs is likely to be reduced. As these CDIs are released from escrow, if their holders wish to sell more CDIs than the level of demand of the market, the additional CDIs available for sale may result in an overall reduction in the market price of the Company's CDIs.

Therefore, if you decide to apply for CDIs and become an investor in the Company, there is no guarantee that you will be able to sell your CDIs or recover all or any of the amount that you paid in subscribing for them.

1 *"Free float" refers to the portion of the Company's CDIs that can be publicly traded after Listing and that are not held by persons affiliated with the Company.*

(E) RISK OF DILUTION

After Listing, the Company may issue CDIs from time to time to raise additional capital to finance its continued growth or other future developments. The amount and timing of such additional financing needs will vary primarily on the amount of cash flow from the Group's operations. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within any 12 month period (other than where exceptions apply), there is a risk that the issue of additional equity will result in the ownership interest of CDI Holders in the Company from time to time being diluted.

(F) NO GUARANTEE OF DIVIDENDS

The prospect of future dividends being paid or made to CDI Holders will be contingent upon the Group's ability to generate sustainable profits.

As such, no assurance can be given by any person, including the Board, about the payment or the quantum of future dividends (if any).

(G) TAX CONSIDERATIONS

An investment in CDIs involves tax considerations which may differ for each CDI Holder. As a prospective investor, you are encouraged to obtain professional tax advice in connection with any investment in CDIs.

10. KEY PEOPLE, INTERESTS AND BENEFITS AND CORPORATE GOVERNANCE

10.1 BOARD OF DIRECTORS

The Board of the Company currently comprises six Directors. A biography for each Director is set out below.

Together, the Directors bring to the Board a broad range of experience and skills required for the future conduct and growth of the Business under a publicly listed structure, including experience in general business, drug development in the biotech industry (including the conduct of clinical trials and regulatory submissions), financial management and corporate governance. As such, the Board is well positioned to guide the Group towards achieving its strategic objectives.

JOHN MOORE, NON-EXECUTIVE CHAIRMAN

John currently serves as Chairman of Trialogics a clinical trial informatics business. John was CEO of Acorn Energy from 2006 to 2015 during which time Comverge was taken public through Citigroup at a $304 million valuation and a subsequent $600 million secondary through Goldman Sachs. Acorn's CoaLogix business was acquired for $11 million and sold for $101 million. In 2002 he was a partner and CEO of Edson Moore Healthcare Ventures and acquired for $148 million a portfolio of sixteen drug delivery investments from Elan Pharmaceuticals.

John is a director of Scientific Industries (SCND-OTCQX) a producer of laboratory instruments for the life sciences industry. He is a graduate of Rutgers University, U.S.

DR GRAHAM KELLY, FOUNDER AND NON-EXECUTIVE DIRECTOR

Graham Kelly is a scientist with 50 years' experience in drug development in both academic and biotechnology sectors. Graham is the Founder and Chief Executive Officer of Noxopharm Limited (ASX:NOX), a major shareholder of Nyrada.

Graham has also founded two public, listed drug development companies (Kazia Therapeutics Limited (formerly Novogen Limited), Marshall Edwards Inc), serving variously as Managing Director and Executive Chairman of those companies.

Graham holds a PhD from The University of Sydney, and degrees in Science and Veterinary Science from The University of Sydney.

PETER MARKS, NON-EXECUTIVE DIRECTOR

Peter Marks brings over 30 years' experience in corporate advisory, investment banking and director/advisory roles to the Board. Peter specialises in capital raising IPOs, cross border M&A transactions, corporate underwriting, and venture capital transactions for companies in Australia, the U.S. and Israel.

Peter has served as an Executive and Non-Executive Director of many entities which have been listed on the ASX, NASDAQ and AIM markets. Peter is currently a Non-Executive Director of Alterity Therapeutics Limited (ASX:ATH and NASDAQ:ATHE), Non-Executive Director of Noxopharm Limited (ASX: NOX) and Non-Executive Director of Fluence Corporation Ltd (ASX: FLC).

Peter holds an MBA from the University of Edinburgh, Scotland, a Bachelor of Economics, Bachelor of Laws and a Graduate Diploma in Commercial Law from Monash University, Australia.

MARCUS FRAMPTON, NON-EXECUTIVE DIRECTOR

Marcus Frampton currently serves as the Chief Investment Officer of the Alaska Permanent Fund Corporation (**APFC**), the $65 billion sovereign wealth fund for the State of Alaska. Marcus manages investment team at APFC and leads all investment decisions related to the APFC's investment portfolio within the guidelines established by APFC's Board of Trustees.

Prior to joining the APFC in 2012, Marcus held positions ranging from Investment Banking Analyst & Associate at Lehman Brothers (2002-2005), to private equity investing at PCG Capital Partners (2005-2010), and acted as an executive of a private equity-backed portfolio company at LPL Financial (2010-2012). In addition to his duties at the APFC, Marcus is also a shareholder and sits on the board of directors of Scientific Industries, Inc., a leading manufacturer of laboratory equipment and the owner of intellectual property related to bioprocessing systems.

Marcus graduated from UCLA with a Bachelors degree in Business-Economics and a Minor in Accounting.

RÜDIGER WESELOH, NON-EXECUTIVE DIRECTOR

In more than 13 years of doing Business Development for Merck KGaA, Darmstadt, Germany, Rüdiger has led more than 50 transactions for its pharmaceutical division, across the drug development value chain in the fields of Oncology, Rheumatology, Neurodegenerative diseases, and Fertility.

Rüdiger has a university diploma in Biochemistry from the University of Hannover and a PhD in Molecular Neurobiology, obtained at the Center for Molecular Neurobiology in Hamburg. After working as a Postdoc for three years at the Max-Planck-Institute for Experimental Medicine in Göttingen, Germany, he spent 5 years as a Biotech/Pharma Equity Analyst, at Gontard & Metallbank, Frankfurt, and Sal. Oppenheim, Cologne/Frankfurt. Subsequently, he joined Merck KGaA, Darmstadt, Germany, as a Senior Licensing Manager in 2006. Since then he held various positions in BD now as a Senior Director. Rüdiger is member of the Supervisory Board and its Finance Committee of the German Biotech Cytotools AG.

CHRISTOPHER COX, NON-EXECUTIVE DIRECTOR

Christopher Cox has been a partner at Cadwalader, Wickersham & Taft LLP in New York since January 2012. Previously the Chairman of Cadwalader's Corporate Department and a member of its Management Committee, Chris advises clients on a wide array of corporate and financial matters, including mergers and acquisitions and restructurings, spin-offs, joint ventures, IP monetisations and other complex financing transactions. From February 2016 to March 2019, Chris was seconded to The Medicines Company, a global biopharmaceutical company, where he served as Executive Vice President and Chief Corporate Development Officer and was responsible for business development and strategy. Prior to January 2012, Chris was a partner at Cahill Gordon & Reindel LLP in New York.

Chris also serves as the Chief Executive Officer of Symphony Capital Holdings, LLC, a private investment holding company with interests in biotechnology, network security and entertainment.

Chris received both his undergraduate degree and J.D. from the University of Missouri, where he was also a member of the Missouri Law Review.

Each Director has confirmed that he anticipates being available to perform his duties and responsibilities as a director of the Company after Listing, without constraint from other commitments.

For a more detailed discussion of the criteria applied by the Company in determining the independence of the Directors, please see Section 10.8(a).

10.2 DIRECTOR DISCLOSURES

In 2010, Dr Graham Kelly was the subject of a tax fraud claim and a claim of obtaining financial advantage by deception by the Australian Taxation Office (**ATO**). Dr Graham Kelly denied, and was defending, the claims. Ultimately, in July 2011, the claims against Dr Graham Kelly by the ATO were withdrawn and all charges were dismissed for reasons which included Dr Kelly's health at the time and public interest grounds.

Other than as set out immediately above, no Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for CDIs.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

10.3 SENIOR MANAGEMENT

A biography for each member of the Company's senior management is set out below.

JAMES BONNAR, CHIEF EXECUTIVE OFFICER

James joined Nyrada in February 2018, bringing over 20 years of experience in the global Life Sciences industry, including pre-clinical research, operations management, CMC (Chemistry, Manufacturing and Controls), Regulatory Affairs, and Quality Assurance. Before joining Nyrada, James was at Neuren for eleven years. During this period, he was the Director, CMC and Regulatory Affairs and then Director, Clinical Operations where he oversaw clinical development for drugs in the areas of traumatic brain injury and neuro-developmental disorders. Prior to that, he worked in diabetes research, GMP manufacturing, and drug formulation development.

James brings an experienced scientific focus to Nyrada, having led teams from early stage development through to end of Phase II.

BENJAMIN (BENNY) EVISON, CHIEF SCIENTIFIC OFFICER

Benny gained his PhD in the design, development, and analysis of novel DNA-directed therapeutic agents for the treatment of cancer, particularly breast and prostate cancers and lymphomas. Benny subsequently was a Post-Doctoral Fellow at the world-renowned St. Jude Children's Research Hospital, Memphis, U.S., where he was involved in the discovery and development of novel inhibitors of DNA repair for the chemo-sensitisation of paediatric cancers to existing DNA-damaging therapies.

In 2017, Benny took up the post of Director of Pre-clinical (Non-oncology) at Noxopharm. Benny subsequently took the post of Chief Scientific Officer when Nyrada was formed.

DAVID FRANKS, COMPANY SECRETARY

David is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 25 years in finance and governance (including company secretarial and corporate finance), David has been CFO, company secretary and director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, software as a service, transport, financial services, oil and gas / mineral exploration, technology, automotive, software development, wholesale distributions, retail, biotechnology and healthcare. He has acted in these capacities for Top 200 to small-cap companies listed on ASX, including for companies with OTC listings.

David is also the company secretary of Noxopharm. David is also a Non-Executive Director of JCurve Solutions Limited (ASX:JCS) and a director, principal and shareholder of Automic Group Pty Ltd, a service provider to the Company.

10.4 SCIENTIFIC ADVISORY BOARD

In addition to the Directors and the senior management of the Company, the Company has assembled a Scientific Advisory Board that will provide oversight of the Company's R&D programs. The Scientific Advisory Board currently comprises five scientists of international standing with expertise in particular areas of activity that are relevant to the Business. As the Company's R&D programs transit from pre-clinical to clinical, additional members will be added to the Scientific Advisory Board as required.

PROF. GARY HOUSLEY M.SC. PH.D

Prof. Gary Housley holds the Chair in Physiology at UNSW Sydney, where he is the founding Director of the Translational Neuroscience Facility. He brings thirty years of leadership experience prosecuting research programs in the Brain Sciences, spanning from neuroscience discovery to clinical trials. He completed M.Sc. and Ph.D. studies at the University of Auckland (New Zealand), and post-doctoral research in the U.S.A. and U.K. in cellular and molecular neuroscience in sensori-motor circuits.

The innovative brain injury model his research team has developed, recently published in the journal Translational Stroke Research, has been central to the identification of Nyrada Inc. lead compounds. He is a co-inventor of the Nyrada Inc. neuroprotection technology.

PROF. JUNICHI NABEKURA PH.D

Junichi Nabekura is a Professor of Physiology and Neuroscience and a Vice-Director of the National Institute of Physiological Sciences (NIPS) in Okazaki, one of the top Neuroscience research institutions in Japan. He graduated from Kyushu University in 1987, undertook a postdoctoral fellowship at Washington University, and held academic posts at various Universities across Japan (Tohoku, Akita, Kyushu) before being appointed Professor at NIPS in 2003. Prof. Nabekura also plays a prominent role in Science leadership in Japan, having served as a Senior Program Officer for both the Ministry of Education, Sports, Science and Technology and the Japan Society for Promotion of Science.

His research is focused on neuronal circuit wiring and plasticity during development and following injury, measured using electrophysiology and in vivo imaging approaches. In particular, the work of his group focuses on how glia contribute to cortical circuit plasticity during development and learning, and during the rewiring that occurs after injury.

PROF. DAVID BURKE MD, DSC

David Burke is currently Professor of Neurology at Royal Prince Alfred Hospital and Sydney Medical School, University of Sydney. He graduated in medicine from the University of Sydney (MB,BS 1967) and was awarded MD (by research, in 1972) and DSc (1983) by the University of New South Wales. He is a fellow of the Royal Australasian College of Physicians and in 1999 was appointed Officer in the Order of Australia (AO).

He was President of the Australian & New Zealand Association of Neurologists 2005–2007, is a member of the Executive Committee of the International Federation of Clinical Neurophysiology and has served on committees of the World Federation of Neurology and the Royal Australasian College of Physicians. He was Editor-in-Chief of Clinical Neurophysiology 2008–2015 and is on the Executive Board of the journal. He is currently inaugural Editor-in-Chief of the new companion journal Clinical Neurophysiology Practice.

PROF. GILLES LAMBERT PH.D

Prof. Gilles Lambert was awarded a PhD in Pathophysiology from the University of Paris in 1998. He further specialised in lipidology, first as a post-doctoral fellow at the Molecular Disease Branch of the National Institutes of Health (Bethesda MD, USA) and then as a senior research fellow at the Heart Research Institute (Sydney, NSW, Australia). He is currently Professor in Cell Biology at University of La Réunion Medical School (France) and group leader, Inserm laboratory of Diabetes & Atherothrombosis of the University Hospital of La Réunion.

Since 2004, Dr Lambert has conducted seminal research projects on PCSK9. He received several competitive research grants in Australia and in France to study the cardiovascular benefits and potential side effects of PCSK9 inhibition.

JIM PALMER PH.D

Dr. Palmer undertook post-doctoral studies at Purdue University, having obtained a Bachelor of Science in Chemistry (1979, Old Dominion University) and a Ph.D. in Organic Chemistry (1985, Purdue University).

He has over 30 years of experience of drug discovery programs targeting oncology, cardiovascular, inflammation, joint and bone disease, and infectious diseases. Formerly, he was Director, Drug Discovery at Biota Pharmaceuticals, responsible for coordinating Biota's antibacterial research discovery program. Prior to this he was Head of Chemistry at Cytopia. Before joining Cytopia, he was Senior Director, Medicinal Chemistry, at Celera Genomics, in San Francisco.

10.5 DIRECTORS' INTERESTS IN THE COMPANY

(A) NON-EXECUTIVE DIRECTORS

Under the Company's Bylaws, the Directors decide the total amount paid to each non-executive Director for their services. However, under the ASX Listing Rules, the total amount paid to all non-executive Directors must not exceed in any financial year the amount fixed in a general meeting of the Company. This amount is capped under the Bylaws at US$500,000 per annum. Any increase to the aggregate amount needs to be approved by CDI Holders. The Directors will seek CDI Holder approval from time to time as appropriate. The aggregate annual sum does not include any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company, which may be made in addition to or in substitution for the Director's fees.

The Company has entered into a director services agreement with each non-executive Director. The Directors' fees currently agreed to be payable by the Company under the director services agreements are set out below:

NAME	ANNUAL NON-EXECUTIVE DIRECTOR'S FEES
John Moore	US$67,500
Graham Kelly	US$25,000
Peter Marks	US$25,000
Marcus Frampton	US$25,000
Rüdiger Weseloh	US$25,000
Christopher Cox	US$25,000

Further, if a Director is a member of Audit & Risk Committee and/or the Remuneration & Nomination Committee, the Company has agreed to pay that Director an additional US$5,000 per annum for each committee in respect of which that Director is a member.

All Directors' fees are exclusive of any superannuation that is required by law to be made by the Company.

(B) INTERESTS IN SHARES AND OTHER SECURITIES

The Directors are not required to hold Shares under the Bylaws. As at the date of this Prospectus, the Directors have the direct and indirect interests in the Company as set out in the table below:[1]

NAME	SHARES / CDIS		% OF TOTAL ISSUED CAPITAL AT THE MINIMUM SUBSCRIPTION	% OF TOTAL ISSUED CAPITAL AT THE MAXIMUM SUBSCRIPTION	OPTIONS[2]
	DIRECT	INDIRECT			
John Moore	Nil	Nil	Nil	Nil	3,600,000
Graham Kelly	Nil	466,551[3]	0.46%	0.43%	18,037,293[3,4]
Peter Marks	Nil	Nil	Nil	Nil	2,600,000
Marcus Frampton	Nil	Nil	Nil	Nil	1,800,000
Rüdiger Weseloh	Nil	Nil	Nil	Nil	1,800,000
Christopher Cox	Nil	Nil	Nil	Nil	1,800,000

1. *Assumes that the Restructuring has occurred (see Section 11.4). Does not include CDIs that the Directors may subscribe for under the Offer.*
2. *29,600,000 of these Options are ESOP Options. The grant of the relevant ESOP Options to each Director is subject to and conditional upon Listing occurring.*
3. *Phytose Corporation Pty. Limited, an entity related to Dr Kelly, holds Convertible Notes with a face value of $75,100. These Convertible Notes will convert into 466,551 Shares/CDIs and 37,293 Options immediately prior to Completion of the Offer.*
4. *Dr Kelly holds, subject to and conditional upon Listing occurring, 18,000,000 ESOP Options in his personal capacity. The remaining 37,293 Options are held by Phytose Corporation Pty. Limited, an entity related to Dr Kelly.*

The key terms of the ESOP Options held by each Director are set out in Section 10.5(c).

The Directors may, but are not obliged, to apply for CDIs under the Offer. As at the date of this Prospectus, all of the Directors (other than Rüdiger Weseloh) have indicated their intention to participate in the Offer. Final directors' CDI holdings will be notified to ASX after Listing, to the extent required by any applicable laws and the ASX Listing Rules.

(C) KEY TERMS OF ESOP OPTIONS HELD BY EACH DIRECTOR

KELLY OPTIONS

The Company has, subject to and conditional upon Listing occurring, granted 18,000,000 ESOP Options to Dr Graham Kelly (**Kelly Options**). The Kelly Options will vest in accordance with the following schedule:

- 4,000,000 Kelly Options will vest upon the admission of the Company to the Official List (**First Tranche**);
- 4,000,000 Kelly Options will vest upon the admission of the Company to the official list of a recognised securities exchange in the United States;
- 5,000,000 Kelly Options will vest upon the Company achieving a market capitalisation of $500 million; and
- 5,000,000 Kelly Options will vest upon the earliest of, the Company achieving a market capitalisation of $1 billion and the Company or any of its related bodies corporate completing a share sale or a business sale with a minimum value of $700 million.

Notwithstanding the foregoing, if there is a change in control of the Company, the Kelly Options will automatically vest in full.

The Kelly Options will automatically cease to vest, and the unvested Kelly Options will automatically terminate, upon the termination of the provision by Dr. Kelly of services to the Group.

The exercise price of the First Tranche is 110% of the Offer Price.

The exercise price of each Kelly Option (other than the First Tranche) is the higher of:

- 100% of the Fair Market Value (as defined in the Company's Stock Incentive Plan) of the Shares on the date that Kelly 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 Kelly Option vests.

The exercise period of each Kelly Option is five years from the date on which that Kelly Option vests.

DIRECTOR OPTIONS

The Company has, subject to and conditional upon Listing occurring, granted 3,600,000 ESOP Options to John Moore (**Moore Options**) and 1,800,000 ESOP Options to each of Peter Marks, Marcus Frampton, Rüdiger Weseloh and Christopher Cox (**NED Options**) (the Moore Options and the NED Options are together the **Director Options**). The Director Options shall vest in accordance with the following schedule:

- 33.33% of the Director Options shall vest upon the first anniversary of the grant date (**First Tranche**);
- 33.33% of the Director Options shall vest upon the second anniversary of the grant date (**Second Tranche**); and
- 33.33% of the Director Options shall vest upon the third anniversary of the grant date (**Third Tranche**),

with all Director Options subject to such grant being fully vested on the third anniversary of the grant date.

Notwithstanding the foregoing, if there is a change in control of the Company, the Director Options will automatically vest in full.

The Director Options shall automatically cease to vest, and the unvested Director Options shall automatically terminate, upon a termination of the provision of services by the relevant Director to the Group.

The exercise price of the First Tranche of John Moore's, Marcus Frampton's and Christopher Cox's Director Options is 120% of the Offer Price.

The exercise price of all of Peter Marks' and Rüdiger Weseloh 's Director Options and the Second Tranche and Third Tranche of John Moore's, Marcus Frampton's and Christopher Cox's Director Options is the higher of:

- 100% of the Fair Market Value (as defined in the Company's Stock Incentive Plan) of the Shares on the date that Director Option is granted; and
- 120% of the volume weighted average price of the Company's CDIs for the period of 10 trading days prior to the date on which that Director Option vests.

The exercise period of each Director Option is three years from the date on which that Director Options vests.

MARKS OPTIONS

In addition to the Director Options, the Company has, subject to and conditional upon Listing occurring, also granted an additional 800,000 ESOP Options to Peter Marks (**Marks Options**).

The Marks Options shall vest in full on the date on which the Company is admitted to the Official List. The exercise price of each Marks Option is 120% of the Offer Price. The exercise period of each Marks Option is three years from the date on which the Company is admitted to the Official List.

(D) STOCK INCENTIVE PLAN

The key terms of the Group's Stock Incentive Plan are set out in Section 13.1. The Directors are entitled to participate in the Group's Stock Incentive Plan. The details of the Directors' participation in the Stock Incentive Plan are set out in Sections 10.5(b) and (c).

(E) OTHER INTERESTS AND PAYMENTS

Directors may also be reimbursed for travel and other expenses reasonably incurred in connection with the performance of their duties as Directors.

There is no retirement benefit scheme for Directors, other than statutory superannuation contributions.

10.6 SENIOR MANAGEMENT BENEFITS AND INTERESTS

As at the date of this Prospectus, senior management have the direct and indirect interests in the Company as set out in the table below:

NAME	SHARES / CDIS		% OF TOTAL ISSUED CAPITAL AT THE MINIMUM SUBSCRIPTION	% OF TOTAL ISSUED CAPITAL AT THE MAXIMUM SUBSCRIPTION	OPTIONS[1]
	DIRECT	INDIRECT			
James Bonnar	Nil	Nil	Nil	Nil	600,000
Benjamin Evison	Nil	Nil	Nil	Nil	300,000
David Franks	Nil	Nil	Nil	Nil	Nil

1. *These Options are ESOP Options. The grant of the relevant ESOP Options to the relevant recipient is subject to and conditional upon Listing occurring.*

The key terms of the ESOP Options held by James Bonnar are set out in Section 12.3.

10.7 INDEMNIFICATION AGREEMENTS

The Company's Certificate of Incorporation and Bylaws provide for the indemnification of its Directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law.

The Company has entered into indemnification agreements with each Director (**Indemnification Agreement**). Under each Indemnification Agreement, the Company has agreed to indemnify, to the extent permitted by law, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as a director of the Company. These liabilities include losses or liabilities incurred by the Director to any other person as a director of the Company, including legal expenses to the extent such losses or liabilities relate to actions taken in good faith by the Director and in a manner the Director reasonably believed to be in or not opposed to the best interests of the Company and, in the case of criminal proceedings, where the Director had no reason to believe that his conduct was unlawful.

At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in indemnification.

The Company maintains insurance policies that indemnify the Directors and officers against various liabilities that might be incurred by any Director or officer in his capacity as a Director or officer.

10.8 CORPORATE GOVERNANCE

The Board considers it to be its primary responsibility to represent and advance the interests of CDI Holders and to protect the interests of all stakeholders of the Group, considered as a whole. To fulfil this responsibility, the Board oversees the management of the Business by, among other things:

- determining the strategic direction and objectives of the Business and approving its annual business plans and budgets; and
- monitoring the Group's achievement of these goals, including in particular its operational and financial position and performance.

The Board is committed to maximising the performance of the Group, generating an appropriate level of CDI Holder value and financial return and sustaining the growth and success of the Group. In conducting the Business with these overriding objectives, the Board seeks to ensure that the Group is properly managed to protect and enhance CDI Holder interests and that the Group, its directors, officers and personnel operate in an appropriate environment of corporate governance.

Accordingly, the Board has developed and adopted a framework of corporate governance policies and practices, risk management practices and relevant internal controls that it believes are appropriate for the Business, given its nature and size, and that are designed to promote the responsible management and conduct of the Group.

The main policies and practices that have been adopted the Group are summarised below. The policies and practices will be formally reviewed by the Board after Listing to ensure they are appropriate as the Group's operations evolve over time.

(A) BOARD APPOINTMENT AND COMPOSITION

The Board of the Company currently comprises six Directors.

The size and composition of the Board is determined in accordance with the Bylaws (see further Section 11.8). The Board will seek to ensure that it is comprised of directors that will provide the range of skills and experience required to enable the Board to carry out its roles and responsibilities effectively.

A Director will be considered independent by the Company if he is free of any business, interest, position, association or other relationship that might interfere, or reasonably be perceived to interfere, in a material respect with his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group and CDI Holders generally. The Board will regularly review the independence of each Director.

Based on the above guidelines, the Board considers John Moore, Marcus Frampton, Rüdiger Weseloh and Christopher Cox to be independent directors of the Company. Graham Kelly and Peter Marks are not considered independent directors of the Company, as each of them was nominated to be a director of the Company by Noxopharm, a major shareholder of the Company.

Given the range of skills and knowledge that the Directors bring and the current number of independent directors on the Board, the Board considers that its composition is appropriate for the requirements of the Group and Business once a publicly listed entity on ASX.

(B) BOARD CHARTER

The Board has adopted a written charter to provide a framework for the effective operation of the Board. The charter sets out:

- the roles and responsibilities of the Board, including to provide strategic guidance to and effective oversight of the CEO and other senior management;
- the role and responsibilities of the Chairman and company secretary;
- the authority delegated by the Board to Board committees and the CEO;
- the membership and composition of the Board, including in relation to the independence of directors and the conduct of individual directors; and
- the Board process, including how meetings of the Board shall be convened and the frequency.

The charter does not limit the ability of the Board to delegate any of their powers to such other persons as the Board determines, provided the delegation is in accordance with the Delaware General Corporation Law or any other applicable laws, the Bylaws or the Certificate of Incorporation.

A copy of the Company's Board Charter is available on the Company's website at www.nyrada.com. The Company will also send you a paper copy of its Board Charter, at no cost to you, should you request a copy during the Offer Period.

(C) BOARD COMMITTEES

As set out below, the Board has established two standing committees, the Audit & Risk Committee and the Remuneration & Nomination Committee, which will be constituted at Listing to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time-to-time to assist in the discharge of its responsibilities.

Each committee has the responsibilities described in the charter for the relevant committee (which has been prepared having regard to the ASX Corporate Governance Principles and Recommendations (3rd Edition) (**ASX Corporate Governance Principles**)) adopted by the Company.

COMMITTEE	OVERVIEW	MEMBERS
Audit & Risk Management Committee	Oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements and the qualifications, independence, performance and terms of engagement of the Company's external auditor. This committee will also be responsible for monitoring and advising the Board on risk management policies and procedures.	Marcus Frampton (Chair) Peter Marks John Moore
Remuneration & Nomination Committee	Establishes, amends, reviews and approves the compensation and equity incentive plans with respect to senior management and employees of the Company, including determining individual elements of total compensation of the Chief Executive Officer and other members of senior management. The Remuneration & Nomination Committee is also responsible for reviewing the performance of the Company's executive officers with respect to these elements of compensation. Recommends the Director nominees for each annual general meeting and ensures that the Audit & Risk Committee and Remuneration & Nomination Committee have the benefit of qualified and experienced directors.	Christopher Cox (Chair) Graham Kelly John Moore

(D) CORPORATE GOVERNANCE POLICIES

The Company has also adopted the following policies, each of which has been prepared having regard to the ASX Corporate Governance Principles.

- **Code of Conduct** – this policy sets out the standards of ethical behaviour that the Company expects from its Directors, officer and employees.
- **Communication and Disclosure Policy** – once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the CDIs. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations. This policy sets out practices which the Company will implement to ensure effective communication with its CDI Holders.
- **Risk Management Policy** – this policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business.
- **Securities Trading Policy** – this policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide on avoiding any breach of the insider trading laws.
- **Diversity Policy** – this policy sets out the Company's objectives for achieving diversity amongst the Board, management and employees.

Copies of the Group's key corporate governance policies and the charters for the Board and each of its committees will be available from Listing at www.nyrada.com.

The Company will also send you a free paper copy of any of these policies and charters if you request a copy during the Offer Period.

(E) ASX CORPORATE GOVERNANCE PRINCIPLES

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles. A brief summary of the approach currently adopted by the Company is set out below.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board's responsibilities are defined in the Board Charter.

The Company has also established a clear delineation between the Chairman's responsibility for the Company's strategy and activities, and the day-to–day management of operations conferred upon the Chief Executive Officer and certain other officers of the Company. The Remuneration and Nomination Committee evaluates the performance of senior executives.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

The majority of the Company's Board is comprised of independent Directors as recommended by the ASX Corporate Governance Principles. The roles of Chairman and Chief Executive Officer are exercised by two separate individuals and the Company's Chairman is also an independent director.

The Company's Remuneration & Nomination Committee is responsible for regularly reviewing the size, composition and skills of the Board to ensure that the Board is able to discharge its responsibilities effectively, and to identify and gaps in the skills or experience of the Board. The Remuneration & Nomination Committee is comprised of three Directors, the majority of whom are independent directors for ASX purposes. The Remuneration & Nomination Committee is governed by a charter which is available on the Company's website at www.nyrada.com. As the Company is still in an early stage of development, it has not yet undertaken a formal review of the Board's performance.

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

The Company has adopted a Code of Conduct, as well as a Securities Trading Policy and a Diversity Policy.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Company has established an Audit & Risk Committee which complies with the ASX Corporate Governance Principles to oversee the management of financial and internal risks and the Company's risk strategy and to assess the effectiveness of the Company's risk management framework. The Audit and Risk Committee is comprised of three Directors, the majority of whom are independent directors for ASX purposes. The Audit & Risk Committee is governed by a charter which is available on the Company's website at www.nyrada.com.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

The Company is committed to providing timely and balanced disclosure to the market in accordance with the Communication and Disclosure Policy.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has adopted a Communication and Disclosure Policy for CDI Holders wishing to communicate with the Board. The Company seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with CDI Holders is frequent, clear and accessible.

All CDI Holders are invited to attend the Company's annual general meeting, either in person or by representative. The Board regards the annual general meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by CDI Holders. CDI Holders have an opportunity to submit questions to the Board and to the Company's auditors.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy, which is designed to assist the Company to identify, evaluate and mitigate risks affecting the Company. In addition, the Board has established two standing committees to provide focused support in key areas. Regular internal communication between the Company's management and Board supplements the Company's quality system, employee policies and standard operating procedures which are all designed to address various forms of risks.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The Remuneration & Nomination Committee is responsible for overseeing the level and composition of remuneration of the Company's Directors and executives. The Company will provide disclosure of its Directors' and executives' remuneration in its annual report.

11. CDIS, SHARES AND OTHER CORPORATE INFORMATION

11.1 INCORPORATION AND REGISTRATION AS A FOREIGN COMPANY

The Company was incorporated in Delaware, U.S. on 29 August 2017.

On 1 May 2018, Nyrada was registered as a foreign company in Australia under the Corporations Act. Graham Kelly has been appointed as the local agent of Nyrada pursuant to the Corporations Act.

11.2 CONVERTIBLE NOTES

Between December 2017 and February 2018, the Company undertook a fundraising round using convertible notes (**Convertible Notes**), raising a total of $3,990,100 (before costs). In October 2019, the Company redeemed Convertible Notes with a face value of $515,000. Accordingly, as at the date of this Prospectus, the Company has on issue Convertible Notes with a face value of $3,475,100. The Convertible Notes do not accrue interest.

Under the terms of the Convertible Notes, if the Company is admitted to the Official List prior to 31 January 2020, the outstanding principal under the Convertible Notes will be automatically converted into 21,588,752 CDIs and 1,725,656 Options.

The Options that will be granted by the Company upon conversion of the Convertible Notes will have an exercise price of $2.0138 and an exercise period commencing on the date of grant and ending on 30 November 2020.

11.3 NOXOPHARM LOAN

Noxopharm and the Company have entered into a loan agreement (**Loan Agreement**), pursuant to which Noxopharm has made available to the Company a loan facility of up to $5,000,000. As at the date of this Prospectus, approximately $3,531,595 has been drawn down by the Company under the Loan Agreement. The Company's obligation to repay the funds drawn down by Company under the Loan Agreement (**Noxopharm Loan**) will be satisfied in the following manner:

- $2.7 million of the Noxopharm Loan will be converted into equity at a deemed issue price of $0.20 per CDI immediately prior to Completion of the Offer;
- $500,000 will be repaid out of the proceeds received by the Company under the Offer; and
- the remainder of the Noxopharm Loan will be repayable within three years of Completion of the Offer (or reduced from time to time by up to 50% of the proceeds of any subsequent capital raisings by the Company).

(together, the **Repayment Obligations**).

There is no interest payable under the Loan Agreement. The Loan Agreement is unsecured.

If an "Event of Default" occurs, Noxopharm may declare the Noxopharm Loan due and payable immediately or upon expiry of a time period specified by Noxopharm, in which case, the Noxopharm Loan, together with all other amounts payable under the Loan Agreement, are due and payable by the Company to Noxopharm immediately or upon the expiry of the specified time period. "Events of Default" comprise the Company:

- failing to comply with any of the Repayment Obligations; or
- suffering an insolvency event.

The Loan Agreement is otherwise on standard terms for an agreement of its nature.

11.4 RESTRUCTURING

Immediately prior to Completion of the Offer, the Company intends to:

- convert the Convertible Notes into 21,588,752 CDIs and 1,725,656 Options; and
- convert part of the Noxopharm Loan into 13,500,000 CDIs,

(together, the **Restructuring**). For further information in relation to the Noxopharm Loan, please see Section 11.3.

The Restructuring will result in the pre-Offer structure in this Prospectus being achieved.

The Restructuring will become effective immediately prior to, but conditional upon, the allotment of the CDIs under the Offer.

11.5 PERFORMANCE SHARES

The Company has issued the following fully-paid shares of Performance Common Stock in the Company (Performance Shares):

HOLDER	PERFORMANCE SHARES
Noxopharm Limited	12,000,600
Altnia Holdings Pty Ltd	5,999,400
Total	**18,000,000**

The Performance Shares shall be convertible into 18,000,000 Shares upon the achievement of the milestones referred to below on or before 25 November 2024:

HOLDER	PERFORMANCE SHARES	PERFORMANCE MILESTONES
Noxopharm Limited	6,000,300	The later to occur of: • the trading price for the Company's CDIs achieving at least AU$0.40 for 5 consecutive trading days on the ASX; and • the Scientific Advisory Board to the Company determining that, based on in-vivo data, the final lead neuroprotectant drug candidate is ready to proceed to pre-clinical safety and toxicology studies.
	6,000,300	The later to occur of: • the trading price for the Company's CDIs achieving at least AU$0.40 for 5 consecutive trading days on the ASX; and • the Scientific Advisory Board to the Company determining that, based on in-vivo data, the final lead peripheral neuropathic pain drug candidate is ready to proceed to pre-clinical safety and toxicology studies.
Altnia Holdings Pty Ltd	5,999,400	The later to occur of: • the trading price for the Company's CDIs achieving at least AU$0.40 for 5 consecutive trading days on the ASX; and • the Scientific Advisory Board to the Company determining that, based on in-vivo data, the final lead PCSK9 inhibiter drug candidate is ready to proceed to pre-clinical safety and toxicology studies.
Total	**18,000,000**	

If the relevant performance milestones are not achieved on or before 25 November 2024, the Performance Shares held by each holder will be automatically redeemed by the Company for the sum of AU$1.00.

The terms and conditions of the Performance Shares are set out in Annexure A of this Prospectus.

11.6 ESOP OPTIONS

In addition to the ESOP Options that have, subject to and conditional upon Listing, been granted to the Directors (the key terms of which are set out in Section 10.5(c)), the Company has also granted, subject to and conditional upon Listing, the following ESOP Options:

SENIOR MANAGEMENT OPTIONS

The Company has, subject to and conditional upon Listing occurring, granted 600,000 ESOP Options to James Bonnar (**Bonnar Options**) and 300,000 ESOP Options to Dr Benny Evison (**Evison Options**) (the Bonnar Options and the Evison Options are together the **Senior Management Options**). The Senior Management Options shall vest in accordance with the following schedule:

- half of the Senior Management Options will vest upon an investigational new drug application in relation to a drug asset owned by the Company (**Drug Asset**) coming into effect; and
- half of the Senior Management Options will vest upon the earliest of:
  - the treatment of the first patient under a clinical study in relation to a Drug Asset;
  - the completion of the sale of a Drug Asset, or the total issued share capital of subsidiary of the Company that owns the Drug Asset, to a third party and
  - the entry by the Company into a licensing agreement, pursuant to which the third party is granted the right to exploit a Drug Asset.

Notwithstanding the foregoing, if there is a change in control of the Company, the Senior Management Options will automatically vest in full.

The Senior Management Options will automatically cease to vest, and the unvested Senior Management Options will automatically terminate, upon the termination of the provision of services by the relevant holder of Senior Management Options to the Group. The exercise price of each Senior Management Option is the higher of:

- 100% of the Fair Market Value (as defined in the Company's Stock Incentive Plan) of the Shares on the date that Senior Management Option is granted; and
- the 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 Senior Management Option vests.

The exercise period of each Senior Management Option is three years from the date on which that Senior Management Option vests.

SAB OPTIONS

The Company, has, subject to and conditional upon Listing occurring, granted 200,000 ESOP Options to each member of the Scientific Advisory Board (**SAB Options**).

Half of the SAB Options are unvested and the half of the SAB Options vest on 31 December 2019. The exercise price of each SAB Option is 130% of the Offer Price. The exercise period of each SAB Option ends on 15 February 2021.

11.7 WARRANTS

For further information in relation to the Warrants that have been granted by the Company to the Lead Manager and the Co-Lead Manager, please see Section 12.5.

11.8 CDIS

The relationship between Nyrada, CHESS Depositary Nominees Pty Limited (**CDN**) and the CDI Holders is governed in part by the ASX Listing Rules and the ASX Settlement Operating Rules in combination with Nyrada's Certificate of Incorporation and Bylaws. The ASX Listing Rules and the ASX Settlement Operating Rules are enforceable against listed entities under the Corporations Act.

Rights and specific features (including key differences) attaching to CDIs:

Title	The CDI Holders hold the beneficial title to the Shares underlying the CDIs while CDN holds the legal title. CDI Holders receive all direct economic and other benefits of the Shares. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by CDI Holders.
Ratio	Each CDI will represent one Share. To obtain one Share, an investor will need to convert one CDI.
Conversion	A CDI Holder may either leave their holdings in the form of CDIs (so that legal title remains in the name of CDN) or convert the CDIs to Shares and hold legal title in their own right. CDI Holders can convert their ASX-listed CDIs to Shares by instructing the Registry, either: • directly in the case of CDIs on the issuer sponsored sub-register operated by Nyrada. CDI Holders will be provided with a "CDI Cancellation AU-US Register form" for completion and return to the Registry; or • through their "sponsoring participant" (usually your broker) in the case of CDIs which are sponsored on the CHESS subregister. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Registry. The Registry will then arrange for the transfer of the Shares from CDN to the former CDI Holder and a new Statement of Account Holding will be issued. The Shares will be registered in the name of the holder on Nyrada's share register and trading on the ASX will no longer be possible. The Shares are not and will not in the near future be quoted on any securities exchange. The Shares may bear restrictive legends on the register in accordance with U.S. law. This process will normally be completed within three to five days once the Registry received a duly completed and valid instruction. However, the timeframe for conversion cannot be guaranteed. The Registry will not charge an individual holder a fee for transferring their CDIs into Shares (although a fee may be payable by market participants). Shareholders can convert their holdings to CDIs by contacting the Registry and completing a "CDI Issuance (United States Register to Australian CDI Register) form". Again, the Registry will not charge a fee for the conversion (although a fee may be payable by market participants). The underlying Shares will then be transferred to CDN and a holding statement for the CDIs will be issued to the Shareholder. No trading in the CDIs on the ASX can take place until this transfer process is complete. The contact details for the Registry are set out in the Corporate Directory.

Shareholders meetings and voting	CDI Holders may attend and vote at Nyrada's general meetings. The Company must allow CDI Holders to attend any meeting of Shareholders unless relevant U.S. law at the time of the meeting prevents CDI Holders from attending those meetings. In order to vote at such meetings, CDI Holders may: • instruct CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI Holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Registry before the meeting; • inform Nyrada that they wish to nominate themselves or another person to be appointed as CDN's proxy for the purposes of attending and voting at the general meeting; or • convert their CDIs into a holding of Shares and vote these at the meeting. Afterwards, if the former CDI Holder wishes to sell their investment on the ASX it would need to convert the Shares back to CDIs. In order to vote in person, the conversion from CDIs to Shares must be completed before the record date for the meeting. See above for further information regarding the conversion process. One of the above steps must be undertaken before CDI Holders can vote at Shareholder meetings. CDI voting instruction forms and details of these alternatives will be included in each notice of meeting or proxy statement sent to CDI Holders by Nyrada.
Communications	CDI Holders will receive all notice and company announcements (such as annual reports) that Shareholders are entitled to receive from Nyrada.
Dividends and other distributions	Any dividend declared or other distribution paid in respect of the Shares underlying the CDIs will be distributed to CDI Holders. However, the Directors do not envisage that Nyrada will pay dividends or make other distributions for the foreseeable future.
Registers	On Listing, Nyrada will operate three registers for the Shares and CDIs: • an uncertificated register of Shares; • an uncertificated issuer-sponsored sub-registers of CDIs; and • an uncertificated CHESS sub-register of legal title. The register of Shares will be the register of legal title. The Shares will be uncertificated unless a Shareholder requests a stock certificate from the Registry denoting the number of Shares owned. Nyrada must ensure that at all times the total number of CDIs on the issuer sponsored sub-register of CDIs and CHESS sub-register of CDIs reconciles with the number of Shares registered in the name of CDN on the Share register. Nyrada will make available for inspection the Share register and the CDI register as if those registers were registers of securities of an Australian listed public company.
Transfer	CDI Holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically through CHESS. Trading in CDIs essentially the same as trading in other CHESS approved securities, such as shares in an Australian listed public company.
Corporate actions (including bonus issues, rights issues and reconstructions)	Nyrada must administer all corporate actions (including bonus issues, rights issues, reconstructions and mergers) that result in the issue of additional or replacement Shares so that the benefits are generally distributed to CDI Holders on the same terms as Shareholders as though the CDI Holders are the holders of the relevant corresponding number of Shares.
Takeovers	If a takeover bid or similar transaction is made in relation to the Shares under which CDN is the registered holder, under the ASX Settlement Operating Rules CDN must not accept the takeover offer unless that acceptance is authorised by the relevant CDI Holder. If a CDI Holder instructs it to do so, CDN must ensure that the offeror processes the takeover acceptance.
Winding up	If Nyrada is in liquidation, dissolution or winding up, CDI Holders will be entitled to the same economic benefits on their CDIs as Shareholders receive on the Shares they hold.
Fees	A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares. CDN will not receive any fees from investors for acting as the Depositary for the CDIs.

11.9 CERTIFICATE OF INCORPORATION, BYLAWS AND RIGHTS OF HOLDERS OF SHARES

As Nyrada is incorporated under the laws of Delaware, rights attaching to the Shares will be governed by Delaware law, U.S. federal securities laws, Nyrada's Certificate of Incorporation and its Bylaws. Once listed on the ASX, the Company will also become subject to the ASX Listing Rules.

If you would like to read the Company's Certificate of Incorporation or Bylaws, these documents are available on the Company's website at www.nyrada.com.

A summary of the Company's securities and provisions of its Certificate of Incorporation and Bylaws is set out below. This summary is not intended to be exhaustive. You should consult your own legal adviser if you require further information.

(A) GENERAL DESCRIPTION OF SHARE CAPITAL

Shares: The Company is authorised to issue 400,000,000 Shares, par value of $0.00001 per Share, 332,000,000 of which are designated "Class A Common Stock," and 50,000,000 of which are designated "Class B Common Stock." and 18,000,000 of which are designated Performance Common Stock.

Certain existing stockholders will enter into restriction agreements with, or will be issued restriction notices by, the Company in conjunction with the Listing. In the event of a breach of any such restriction agreement or restriction notice, the relevant Shares will convert automatically into Class B Common Stock for the duration of the breach. As of the date of the Prospectus, no shares of Class B Common Stock are issued or outstanding.

Options: The Company has reserved an aggregate of 80,000,000 shares of Class A Common Stock for issuance under the Stock Incentive Plan. The key terms of the Group's Stock Incentive Plan are set out in Section 13.1.

(B) VOTING

At a meeting of the Company's stockholders, each stockholder present in person or by proxy, is entitled to one vote for each Share held on the record date for the meeting on all matters submitted to a vote of the stockholders. The Company's stockholders do not have cumulative voting rights. Except as may be required by law, holders of Class B Common Stock or Performance Common Stock are not entitled to any voting rights or powers.

(C) DIVIDENDS

Stockholders are entitled to receive, out of any assets legally available for dividend payments, such dividends when, as if declared by the Board, on a pro rata basis based on the number of Shares held.

Holders of Class B Common Stock or Performance Common Stock are not entitled to share in any dividends.

(D) RIGHTS ATTACHING TO SHARES

Other than the existing stockholders who are (or will be) subject to restriction agreements or restriction notices as described above, whose Shares will be subject to conversion into Class B Common Stock upon breach of applicable restrictions, stockholders have no preferences of rights of conversion, exchange, pre-emption or other subscription rights.

(E) ANTI-TAKEOVER PROVISIONS OF DELAWARE LAW, CERTIFICATE OF INCORPORATION AND BYLAWS

As a foreign company registered in Australia, the Company will not be subject to Chapters 6A, 6B and 6C of the Corporations Act dealing with the acquisition of securities.

Provisions of the Delaware General Corporation Law (**DGCL**), the Company's Certificate of Incorporation and the Company's Bylaws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and Directors of the Company. These provisions (which are summarised below) could discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and to encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Company believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware anti-takeover statute: The Company is subject to Section 203 of the DGCL which prohibits a Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date the person became an interested stockholder, unless either the interested stockholder attained such status with the approval of the Board, the business combination is

approved by the Board and stockholders in a prescribed manner or the interested stockholder acquired at least 85% of the outstanding voting shares in the transaction in which it became an interested stockholder. A "business combination" can include a merger, asset or share sale or other transaction resulting in financial benefit to an interested stockholder. Generally, an interested stockholder is a person who, together with its affiliates and associates, owns (or within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation's voting shares. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the Board, including discouraging attempts that might result in a premium over the market price for the Shares held by stockholders.

(F) STOCKHOLDER ACTION; SPECIAL MEETING OF STOCKHOLDERS; AND DIRECTOR NOMINATIONS

The Company's Bylaws provide that any action required or permitted to be taken at any annual or special meeting of stockholders of the Company may be taken without a meeting, without prior notice and without a vote, by means of a consent in writing, setting forth the action so taken, signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorise or take such action at a meeting at which all Shares entitled to vote thereon were present and voted. The Company's Bylaws also provide that, except as otherwise required by law, special meetings of the stockholders can only be called by the Board or by one or more stockholders holding Shares in the aggregate entitled to cast not less than 25% of the votes at that meeting.

Removal of Directors: The Company's Bylaws provide that any Director may be removed either with or without cause, by the holders of a majority of the Shares then entitled to vote at an election of directors.

Amendment: The Company's Certificate of Incorporation provides that the Company's Bylaws may be amended by an affirmative vote of a majority of the Board. The Company's Bylaws provide that the Bylaws may also be amended by a majority of the stockholders then entitled to vote or by a majority of the directors then in office.

Size of the Board and Board vacancies: The Company's Bylaws provide that the number of Directors on the Board may be fixed exclusively by the Board or by the stockholders entitled to vote. Newly created directorships resulting from any increase in the Company's authorised number of Directors or any vacancies will be filled by a majority of the remaining Directors in office, unless otherwise required by law.

No cumulative voting: The DGCL provides that stockholders are denied the right to cumulative votes in the election of directors unless the Company's Certificate of Incorporation provides otherwise. The Company's Certificate of Incorporation does not provide for cumulative voting.

Authorised but unissued Shares: Subject to the limitations on the issue of securities under the ASX Listing Rules and the DGCL, the Company's authorised but unissued Shares will be available for future issue without stockholder approval. The Company may use additional Shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation.

11.10 COMPARISON OF LAWS GOVERNING THE COMPANY AS A U.S. COMPANY WITH LAWS GOVERNING AUSTRALIAN PUBLICALLY LISTED COMPANIES GENERALLY

Unless otherwise stated, the Corporations Act provisions referred to below do not apply to the Company as a foreign company.

	DELAWARE LAW AND U.S. FEDERAL LAW	AUSTRALIAN LAW
Transactions that required Shareholder approval	The DGCL and the Company's Certificate of Incorporation and Bylaws govern the type of transactions that require stockholder approval. Generally, the following types of transactions will require stockholder approval: • amendments to the certificate of incorporation; and • material corporate transactions such as a merger or acquisition, the sale of all or substantially all of the Company's assets, or the dissolution of the Company. The Company's Bylaws provide that the Bylaws may also be amended by a majority of the stockholders then entitled to vote, or by the Board of Directors.	Under the Corporations Act, the principal transactions or actions requiring shareholder approval include: • adopting or altering the constitution of the company; • appointing or removing a director or auditor; • certain transactions with related parties of the company; • putting the company into liquidation; • changes to the rights attached to shares; and • certain transactions affecting share capital (e.g. share buybacks and share capital reductions). Under the ASX Listing Rules, shareholder approval is required for matters including: • increases in the total amount of directors' fees; • directors' termination benefits in certain circumstances; • certain transactions with related parties; • certain issues of shares; and • if a company proposes to make a significant change to the nature of scale of its activities or proposes to dispose of its main undertaking.
Shareholders' right to request or requisition a general meeting	Pursuant to the Company's Bylaws, special meetings of the Company's stockholders may be called, for any purpose as is a proper matter for stockholder action under the DGCL, by the Board or by stockholders holding at least 25% of the capital stock issued and outstanding and entitled to vote at such meeting.	The Corporations Act requires the directors to call a general meeting on the request of shareholders with at least 5% of the vote that may be cast at the general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.

	DELAWARE LAW AND U.S. FEDERAL LAW	AUSTRALIAN LAW
Shareholders' right to appoint proxies to attend and vote at meetings on their behalf	At a meeting of the Company's stockholders, every holder of shares of common stock present in person or by proxy is entitled to one vote for each share held on the record date for the meeting on all matters submitted to a vote of stockholder. Under the Company's Bylaws, the presence at the meeting (in person or represented by proxy) of the holders of one-third of the outstanding shares of stock entitled to vote will constitute a quorum for the transaction of business. Except as otherwise provided by statute or by applicable stock exchange rules, the affirmative vote of the majority of shares present in person, by remote communication or represented by proxy at the meeting and entitled to vote generally on the subject matter will be the act of the stockholders. Directors will be elected by a plurality of the votes of the shares (present at a quorum, either in person or represented by proxy at the meeting) entitled to vote on the election of Directors.	The position is comparable under the Corporations Act.
Changes in the rights attaching to shares	The DGCL allows a majority of the shares of a class or series of shares, or such other number of shares as set out in a company's certificate of incorporation, to amend the rights attaching to such class or series (as applicable) of shares.	The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by: • a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or • a written consent of members with at least 75% of the votes in the class.
Shareholder protections against oppressive conduct	There are no statutory provisions under the DGCL that restrict a stockholder from bringing an action against a corporation to recover damages an individual or group of stockholders may have incurred as a result of oppressive or unfair conduct of the company's affairs.	Under the Corporations Act, shareholders have statutory remedies for oppressive or unfair conduct of the company's affairs and a court can make any order as it sees appropriate.

	DELAWARE LAW AND U.S. FEDERAL LAW	AUSTRALIAN LAW
Shareholders' rights to bring or intervene in legal proceedings on behalf of the Company	Under Delaware law, a stockholder may bring a derivative action on behalf of the Company where those in control of the Company have failed to assert a claim belonging to the Company. A stockholder must meet certain eligibility and standing requirements, including a requirement that the plaintiff has been a stockholder of the Company at the time of the act of which the plaintiff makes the complaint and a requirement that the plaintiff maintain his or her status as a stockholder throughout the course of the litigation. A derivative plaintiff must also have made a demand on the Directors of the Company to assert the corporate claim, unless such a demand would have been futile.	The Corporations Act permits a shareholder to apply for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings or for a particular step in those proceedings. The court must grant the application if it is satisfied that: • it is probable that the company will not itself bring the proceedings, or properly take responsibility for them or for the steps in them; • the applicant is acting in good faith; • it is in the best interests of the company that the applicant be granted leave; • if the applicant is applying for leave to bring the proceedings, there is a serious question to be tried; and • either at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave. The Corporations Act provides that proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.

	DELAWARE LAW AND U.S. FEDERAL LAW	AUSTRALIAN LAW
"Two Strikes" rule in relation to remuneration reports	In the U.S., the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (U.S.) requires all "reporting companies" to have an advisory stockholder vote on pay at least once every three years. Companies must report the results and say how they have responded to these when making decisions on pay the following year. The Company will be required to register as a U.S. reporting company pursuant to Section 12(g) of the U.S. Securities Exchange Act of 1934, as amended, or the "U.S. Exchange Act," if, among other things, it has (i) assets of more than US$10m on the last day of its fiscal year and (ii) either 2,000 or more holders of any class of equity securities or 500 or more holders of any class of equity securities who are not "accredited investors" as defined in Rule 501 of Regulation D of the U.S. Securities Act. If the Company qualifies as an "emerging growth company" at the time it becomes a reporting company, then it will not be required to hold an advisory stockholder vote on pay until it is no longer an emerging growth company. The Company will be an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which the Company's annual gross revenues exceed US$1.07 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the U.S. Exchange Act, which would occur if the market value of the Company's Common Stock that is held by non-affiliates exceeds US$700 million as of the last business day of the Company's most recently completed second fiscal quarter, or (iii) the date on which the Company has issued more than US$1.0 billion in non-convertible debt during the preceding three year period.	The Corporations Act requires that a company's annual report must include a report by the directors on the company's remuneration framework (called a remuneration report). A resolution must be put to shareholders at each annual general meeting of the company's shareholders (AGM) seeking approval for the remuneration report. The approval is advisory only; however, if more than 25% of shareholders vote against the remuneration report at two consecutive AGMs (i.e. two strikes), an ordinary resolution must be out to shareholders at the second AGM proposing that a further meeting be held within 90 days at which all of the directors who approved the second remuneration report must resign and stand for re-election.

	DELAWARE LAW AND U.S. FEDERAL LAW	AUSTRALIAN LAW
Disclosure of substantial holdings	The U.S. Exchange Act requires every person who acquires beneficial ownership of 5% or more of a U.S. reporting company's equity securities to disclose: • how many securities are beneficially owned by the filing person; • whether there is a movement of at least 1% in their beneficial ownership; and • whether they have intent to control or influence control of the company.	The Corporations Act requires every person who is a substantial holder to notify the listed company and ASX that they are a substantial holder and to give prescribed information in relation to their holding if: • the person begins to have, or ceases to have, a substantial holding in the company; • the person has a substantial holding in the company and there is a movement of at least 1% in their holding; or • the person makes a takeover bid for the securities of the company. Under the Corporations Act, a person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have relevant interests is 5% or more of the total number of votes attaching to voting shares in the company, or the person has made a takeover bid for voting shares in the company and the bid period has started and not ended yet. These provisions do not apply to Nyrada as an entity established outside of Australia. However, the Company will be required to release to ASX any substantial holder notices that are filed in the U.S.
Regulation of takeovers	The acquisition of securities in the Company is subject to the DGCL and applicable U.S. Securities Laws. As a Delaware corporation, the Company is subject to Section 203 of the DGCL, which generally prohibits a Delaware corporation from engaging in any business combinations with any stockholder who owns, or at any time in the last three years owned, and is an affiliate or associate of the Company, 15% or more of the Company's outstanding voting stock, referred to as an interested stockholder, for a period of three years following the date on which the stockholder became an interested stockholder, subject to certain exceptions. In addition, under the DGCL, the Board, in certain circumstances with approval of the Stockholders, will have the ability to implement a broader range of takeover defence mechanisms.	The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person's voting power in the company will increase from 20% or below to more than 20% or from a starting point that is above 20% and below 90%. Exceptions to the prohibition apply (e.g. acquisitions with shareholder approval, 3% creep over 6 months and rights issues that satisfy certain prescribed conditions). Substantial holder notice requirements apply (as discussed above under the heading "Disclosure of substantial holdings"). Compulsory acquisitions are permitted by persons who hold 90% or more of the securities or voting rights in a company. This regime will not apply to Nyrada as a foreign company.

11.11 FOR U.S. RESTRICTIONS

(A) REGULATION S

The Offer is being made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers which are made outside the U.S. Accordingly, the CDIs to be issued under the Offer have not been, and will not be, registered under the U.S. Securities Act or the laws of any state or other jurisdiction in the U.S.

As a result of relying on the Regulation S exemption, the CDIs which are issued under the Offer will be "restricted securities" under Rule 144 of the U.S. Securities Act. This means that you will not be able to sell the CDIs issued to you under the Offer into the U.S. or to a U.S. Person for a period of 12 months from the date of allotment of the CDIs under the Offer, unless the resale of the CDIs is registered under the U.S. Securities Act. Accordingly, the market for CDIs is likely to be limited to ASX, and if the market outside of the U.S. does not develop or is illiquid, purchasers of the CDIs will be unable to sell the CDIs into the market within the U.S. until the expiration of such 12 month period due to restrictions on the transfer of CDIs.

To enforce the above transfer restrictions, the Company has requested that all CDIs issued under the Offers bear a "FOR U.S." designation on ASX. This designation effectively automatically prevents any CDIs from being sold on ASX to U.S. Persons. However, you will still be able to freely transfer your CDIs on ASX to any person other than a U.S. Person.

In addition, hedging transactions with regard to the Company's CDIs may only be conducted in accordance with the U.S. Securities Act.

(B) NO-ACTION LETTER

In January 2000, the SEC issued a no-action letter to ASX with regard to initial public offerings of U.S. private companies on ASX. The letter provided that non-reporting private U.S. companies, which had not listed their shares in the U.S., such as the Company, could do so on ASX in reliance on Regulation S.

The no-action letter requires purchasers of CDIs pursuant to the Offer and any person who purchases CDIs in the secondary market to make representations about their non-U.S. status. The no-action letter is based on certain assumptions and also requires that the Company, ASX, the CUSIP Global Services and ASX Participating Organisations (as defined below) take certain actions in order to comply with the requirements set forth in the no-action letter.

(C) REPRESENTATIONS REGARDING NON-U.S. STATUS

Each Applicant under the Offer will be deemed to have represented, warranted and agreed for the benefit of the Company and its related bodies corporate and any officers, employees, agents, advisers or brokers of any of them (affiliates) as follows:

- that the Applicant is not a U.S. person and is not acting for the account or benefit of a U.S. Person. A U.S. Person includes, among other things and subject to certain limited exceptions:
  - any natural person resident in the U.S.;
  - any partnership or corporation organised or incorporated under the laws of the U.S.;
  - any estate of which any executor or administrator is a U.S. Person;
  - any trust of which any trustee is a U.S. Person;
  - any agency or branch of a foreign entity located in the U.S.;
  - any non-discretionary account or similar account, other than an estate or trust, held by a dealer or other fiduciary for the benefit or account of a U.S. person;
  - any discretionary account or similar account, other than an estate or trust, held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the U.S.; and
  - any partnership or corporation, organised or incorporated under the laws of any foreign jurisdiction, if formed by a U.S. person principally for the purpose of investing in securities not registered under the U.S. Securities Act;
- the Applicant acknowledges and agrees that, in order to ensure that U.S. Persons do not purchase any CDIs under the Offer, a number of procedures governing the trading and clearing of CDIs will be implemented, including the application to the CDIs of the status of Foreign Ownership Restriction (FOR) securities under the ASX Settlement Operating Rules and the addition of the notation "FOR U.S." to the CDI description on ASX trading screens and elsewhere, which will inform the market of the prohibition of U.S. Persons acquiring CDIs;
- the Applicant understands and agrees that, if in the future it decides to resell, pledge, transfer or otherwise dispose of any CDIs (or the Shares underlying those CDIs), it will only do so: (i) outside the U.S. in an offshore transaction in compliance with Rule 903 or 904 under the U.S. Securities Act, (ii) pursuant to an effective registration statement under the U.S. Securities Act or (iii) pursuant to an available exemption from the registration requirements of the U.S. Securities Act, and in each case in accordance with all applicable securities laws;
- the Applicant agrees not to engage in hedging transactions with regard to the CDIs (or the Shares underlying the CDIs) unless in compliance with the U.S. Securities Act; and
- the Applicant acknowledges that the Company and its affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any such acknowledgements, representations or warranties are no longer accurate, it will notify the Company immediately. Each Applicant agrees to indemnify the Company, its affiliates and their respective directors, officers, employees and advisers against any loss, damage or costs incurred and arising out of or in relation to any breach by it of the acknowledgements, representations, warranties and agreements.

(D) REPRESENTATIONS OF PURCHASERS OF CDIS IN THE SECONDARY MARKET

The no-action letter requires that purchasers of CDIs in the secondary market make similar certifications and agreements to the ones that purchasers make in the Offer regarding their status as non-U.S. Persons.

(E) REQUIREMENTS OF ASX AND CUSIP BUREAU

The no-action letter requires that ASX and entities like CUSIP Global Services take certain actions in order to comply with the provisions of the no-action letter, a summary of which is set out below:

- the CDIs issued under the Offers will be classified as FOR securities under the ASX Settlement Operating Rules, and will be identified on trading screens as being on the FOR list. For this purpose, "Foreign Person" will be defined as a "U.S. Person" and the permitted foreign ownership level will be zero. As a result, no U.S. Person may apply for CDIs under the Offer. If you have a CHESS HIN designed as "Foreign", you may not subscribe for CDIs under the Offer. If for any reason CDIs are purchased by a U.S. Person under the Offer, the CDIs will be divested under the ASX Settlement Operating Rules;
- ASX will widely publish an explanation of the restricted stock identifier beginning a reasonable period prior to initial quotation of the Company's CDIs on ASX and continually thereafter, the CDIs will be identified in the records maintained by entities such as CUSIP Global Services, as restricted under the U.S. Securities Act, so that participants in book entry clearance facilities and others that trade the CDIs will have notice that transfer of the CDIs to U.S. Persons are restricted and must qualify under an appropriate exemption;
- U.S. entities may not participate in the ASX market, either as brokers or as market makers;
- no ASX trading screens may be placed in the U.S.; and
- whilst ASX and ASX Settlement will maintain these procedures and systems, neither the ASX or ASX Settlement is responsible for monitoring compliance with SEC requirements or U.S. law, nor is the ASX or ASX Settlement responsible to third parties for any misfeasance by the Company in relation to those procedures. If the Company breaches U.S. law, neither ASX nor ASX Settlement is responsible for those breaches.

(F) REQUIREMENTS OF THE LEAD MANAGER, THE CO-LEAD MANAGER & ASX PARTICIPATING ORGANISATIONS

The no-action letter requires that the Lead Manager, the Co-Lead Manager and ASX Participating Organisations (brokers that are members of ASX) take certain actions in order to comply with the provisions of the no-action letter, a summary of which is set out bellow:

- whether in the Offer or in secondary trading, the Lead Manager, the Co-Lead Manager and ASX Participating Organisations must not execute a transaction on ASX in Regulation S securities if that broker knows that the purchaser is acting for the account or benefit of a U.S. Person;
- in connection with any purchase of CDIs, whether in the Offer or any secondary trading, the Lead Manager, the Co-Lead Manager and ASX Participating Organisations must make reasonable efforts to ascertain whether a purchaser is a U.S. Person or is acting for the account or benefit of a U.S. Person, and implement measures designed to assure reasonable compliance with these requirements;
- the confirmation sent to each purchaser of CDIs either in the Offer or in any secondary market trading must include a notice that the CDIs are subject to restrictions of Regulation S; and
- any information provided by the Lead Manager or the Co-Lead Manager to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the U.S. Securities Act and are subject to restrictions under Regulation S.

(G) LEGENDING REQUIREMENTS

Global securities, certificates into which global securities may be subdivided and any physical certificate representing the Shares into which CDIs have been converted prior to the end of the restriction period must bear certain restrictive legends required under Regulation S and certain other pertinent provisions of the U.S. Securities Act and the regulations promulgated under the U.S. Securities Act. No Shares bearing the restrictive legend may be transferred by the Registry or other transfer agent without a favourable opinion or counsel or the assurance that the transfer complies fully with the U.S. Securities Act.

12. MATERIAL CONTRACTS

12.1 SHARED SERVICES AGREEMENT

The Company has entered into a shared services agreement dated on 4 April 2018 with Norbio No. 1, Norbio No. 2, Cardio Therapeutics and Noxopharm (**Shared Services Agreement**), pursuant to which Noxopharm agreed to provide certain services to each Group Company.

Noxopharm must provide each Group Company with access to Noxopharm's premises and all associated services. Noxopharm must also provide each Group Company with access to, and use of, Noxopharm's personnel. The Company and Noxopharm may also agree additional services and facilities to be provided by Noxopharm to one or more Group Companies (**Additional Noxopharm Services**). As at the date of this prospectus, the Company and Noxopharm have not agreed any Additional Noxopharm Services.

The Company and Noxopharm may also agree that certain services and facilities are to be provided by the Company to Noxopharm under the Shared Services Agreement (**Additional Nyrada Services**). However, as at the date of this prospectus, the Company and Noxopharm have not agreed any Additional Nyrada Services.

Each Group Company must pay various fees to Noxopharm in relation to, and must reimburse Noxopharm for any out-of-pocket expenses incurred by Noxopharm in providing, the services under the Shared Services Agreement. The Company may satisfy its obligation to pay fees to Noxopharm for the services by issuing Shares to Noxopharm at a deemed issue price per Share agreed between the Company and Noxopharm in writing.

Either the Company or Noxopharm may terminate the Shared Services Agreement at any time by giving Noxopharm (in the case of the Company) or each Group Company (in the case of Noxopharm) at least 30 days' prior written notice. Each of the Company and Noxopharm may also terminate the Shared Services Agreement immediately if Noxopharm (in the case of the Company) or a Group Company (in the case of Noxopharm):

- breaches a material obligation that is not remediable or, if the breach is capable of being remedied, is not remedied within 15 business days after receiving notice of the breach; or
- suffers an insolvency event.

Otherwise, the Shared Services Agreement includes customary provisions for an agreement of its nature, including, without limitation, in relation to the liability of the parties, intellectual property rights, confidentiality and warranties.

12.2 CALL OPTION DEED AND INTELLECTUAL PROPERTY LICENCE AGREEMENT

The Company and Noxopharm have agreed to enter into two interrelated agreements (being the Call Option Deed and the Intellectual Property Licence Agreement) to enable a joint research program for the co-operative research into and design of drugs based on a family of molecules known as flavonoids to inhibit IRAK4 and TPL2 (**Joint Research Program** or **autoimmune diseases program**).

The Company and Noxopharm currently are collaborating to design flavonoid compounds that inhibit IRAK4 or TPL2, with Noxopharm pursuing anti-cancer indications and Nyrada pursuing non-oncology indications such as psoriasis and multiple sclerosis. It is anticipated that IRAK4- and TPL2-inhibitors each will have utility in both oncology and non-oncology applications, in which case each company will select different compounds to be developed for oncological purposes (Noxopharm) or non-oncological purposes (Nyrada).

The Program's immediate focus is on IRAK4 inhibitors, with work on identifying TPL2 inhibitors not expected to start until 2020.

Norbio No. 2 and Noxopharm have jointly lodged a provisional patent application with the U.S. Patent Office for compounds that inhibit IRAK4 (**IRAK4 Patent Application**).

To enable this Joint Research Program to proceed, Noxopharm has agreed to license to Nyrada its relevant know-how and proprietary rights relating to the use of flavonoids in the inhibition of IRAK4/TPL2.

As the initiator of the Joint Research Program, Noxopharm has the right to select its preferred drug candidate (IRAK4-inhibitor and/or TPL2-inhibitor) from any libraries of compounds developed under the Join Research Program.

If no such compounds are discovered, then at the end of the Joint Research Period (as defined below), the Intellectual Property Licence Agreement, so far as it relates to flavonoids in the inhibition of IRAK4 and TPL2, will terminate and any rights of Nyrada to IRAK4 and TPL2 inhibitors will revert to Noxopharm.

Key terms of the Call Option Deed

Exercise period	5 years from the date of the Call Option Deed
Non-oncology IP over which Call Option is granted	Non-oncology IP comprises: • Non-oncological Compounds developed or discovered in the Joint Research Period; • any developments, modifications and enhancements of, or improvements to the intellectual property rights made by either party in the Joint Research Period (relating to non-oncology applications); and • related patents and documentation (relating to non-oncology applications), where the molecular structure of the compound differs from the molecular structure of an Oncological Compound (**Differentiation**). That is, the Call Option is only over different molecules to those identified as being for the treatment of cancer. If the research does not produce a compound whose molecular structure for non-cancer treatment differs from that for cancer treatment, then no asset will have been produced over which the Call Option may be exercised.
Call Option exercise price	Fair market value. As agreed by the Company or Noxopharm or, in the absence of any such agreement, the average determined by two experts. Fair value will take into account the relative contributions of both companies (including any existing joint ownership of intellectual property such as the IRAK4 Patent Application).
Call Option exercise payment	Payment, subject to obtaining any necessary regulatory approvals (including under the ASX Listing Rules), will, if the Company is admitted to the Official List, be in the form of equity being issued to Noxopharm. The number of CDIs will be determined by dividing the exercise price by the volume weighted average trading price of CDIs for the 10 trading day period ending on the trading day immediately prior the exercise of the Call Option.
Joint Research Period	The Joint Research Program expires on the earliest to occur of the expiry of 5 years, the exercise of the Call Option in respect of all the Non-Oncology IP and the termination of the IP Licence Agreement. If Differentiation has not been identified in this period the parties can agree to extend the Joint Research Program.

Key terms of IP License Agreement

What is being licensed to the Company by Noxopharm?	• A worldwide, exclusive, royalty free, sub-licensable (but non-transferable) licence to use Noxopharm's intellectual property rights to, develop and modify the Non-oncological Compounds (**Licenced IP**) (**IP Licence**); and • a worldwide, non-exclusive, royalty-free, non-transferable and sub-licensable licence to use Noxopharm's relevant know how during the Term (defined below) to the extent reasonably required by the Company for the full exploitation of the Licence (**Know-How Licence**).
Term	Until the expiry of the Joint Research Period unless terminated prior to that time for cause (due to material breach or the Company is inactive in research activity in the first two years of the agreement).
Conditions of IP Licence	The Company must during the Term actively pursue using, developing or modifying the Licenced IP for the Approved Purpose (as defined below). The Company must provide Noxopharm with a written report setting out progress in relation to the use, development or modification of the Licenced IP for the Approved Purpose, including any improvements, within 30 days of the end of each financial year during the Term.
Approved Purpose	Research, testing and development of the Licenced IP to produce IRAK4 and TPL2 inhibitors based on flavonoid chemistry for the treatment of conditions unrelated to cancer such as rheumatoid arthritis, lupus, psoriasis, and multiple sclerosis.

What happens to improvements?	If during the Joint Research Period Noxopharm discovers or develops enhancements to the Non-oncological Compound (**Non-oncological Improvements**), then those improvements will form part of the Licensed IP and Noxopharm must disclose the Non-oncological Improvements to the Company to enable the Company to use the Non-oncological Improvements for the Approved Purpose. If during the Joint Research Period the Company discovers Improvements to the Licenced IP so far as they relate to oncological purposes (**Oncological Improvements**), then the Company will provide all relevant information relating to the Oncological Improvements to Noxopharm and the Oncological Improvements will be the property of Noxopharm.
Joint Research Period	Same as in Call Option Deed.
Restraints on Nyrada	The IP Licence is limited to research and development using flavonoid chemistry aimed at the inhibition of IRAK4 and TPL2. Outside of this limit (and subject to "Other Restraints" referred to below), the Company is not restrained at all by these agreements, regardless of whether it is pursuing oncological research or non-oncological research.
Other Restraints	Nyrada and Noxopharm have jointly lodged a provisional patent application with the U.S. Patent Office for compounds that inhibit IRAK4. Nyrada has agreed that it may only use, assign or license the rights arising from the provisional patent application (or any resulting patent) for non-oncological purposes. Noxopharm has agreed that it may only use, assign or license the rights arising from the provisional patent application (or any resulting patent) for oncological purposes.

**References to the Company and Noxopharm include their respective related bodies corporate.*

12.3 LEAD MANAGER MANDATE

Nyrada and the Lead Manager have entered into a corporate advisory and capital raising mandate, pursuant to which the Lead Manager was appointed to act as lead manager to the Offer (**Lead Manager Mandate**).

The material terms of the Lead Manager Mandate are as follows:

Manager of Offer	The Lead Manager will act as the lead manager and corporate advisor to the Offer.
Fees and reimbursement	The Lead Manager is entitled to receive the following fees from the Company under the Lead Manager Mandate: • **Lead Manager Options:** 8 million options with an exercise price of $0.20 and an exercise period commencing on the date of grant and ending on 30 June 2024. However, the Lead Manager has agreed to 2 million of these Lead Manager Options being granted to the Co-Lead Manager on different terms. Accordingly, the Lead Manager is entitled to 6 million Lead Manager Options. For further information in relation to the Lead Manager Options (which are in the form of the Warrants), please see Section 12.5. • **IPO Capital Raising Fee:** a fee equal to 6% of all funds raised by the Company excluding the "Nyrada Network". The Nyrada Network is comprised of investors introduced by Nyrada or Noxopharm independently of the Lead Manager, such as shareholders of Noxopharm and broker and fund manager contacts of Nyrada. • **Success Fee:** a fee of $15,000 for every $ 1 million raised under the Offer (outside of the Nyrada Network). • **Management Fee:** a fee equal to 2% of all funds raised from the Nyrada Network. • **Corporate Advisory Fee:** o a fee of $10,000 per month until the Company has commenced trading on the ASX. o following Nyrada's admission to the Official List, a fee of $5,000 per month for a minimum of 12 months from Listing. In addition, the Lead Manager is entitled to reimbursement of all reasonable costs, professional fees and expenses incurred in performing its services under the Lead Manager Mandate, provided that prior approval is obtained before incurring any expenses in excess of $1,000. The above fees are all exclusive of GST.

Termination of mandate and entitlement to fees on termination	Either party may terminate the Lead Manager Mandate by providing one month's written notice. The entitlement of the Lead Manager to the fees set out above will survive termination of the Lead Manager Mandate. If, within 12 months of termination of the Lead Manager Mandate, the Company or the shareholders in the Company undertake an initial public offering (or a similar transaction) with any third-party purchaser who is introduced by the Lead Manager during the course of the Lead Manager Mandate or any third party that is assisting the Lead Manager with the Lead Manager Mandate, the fees set out immediately above remain payable by the Company to the Lead Manager.
Capital raisings	For a period of 24 months from Listing, the Lead Manager will be entitled to participate in capital raising undertaken by the Company up to $500,000. Subject to the Nyrada Network not raising more than 50% of the funds under the Offer, the Lead Manager will have the first right to act as lead manager to any future capital raisings undertaken by the Company in Australia for a period of 12 months after Listing (but no obligation to do so).
Indemnity	Nyrada agrees to indemnify the Lead Manager and to hold the Lead Manager harmless from and against: • all actions, claims, demands or proceedings which may be instituted against the Lead Manager; and • all liabilities, losses, damages, cost and expenses (including reasonable legal costs and expenses) which may be suffered or incurred by the Lead Manager in connection with or arising out of the Lead Manager Mandate.

The Lead Manager Mandate is otherwise on terms and conditions considered standard for agreements of this nature.

12.4 CO-LEAD MANAGER MANDATE

Nyrada and the Co-Lead Manager have entered into a capital raising mandate, pursuant to which the Co-Lead Manager was appointed to assist the Lead Manager with managing part of the Offer (**Co-Lead Manager Mandate**). The material terms of the Co-Lead Manager Mandate are as follows:

Manager of Offer	The Co-Lead Manager will assist the Lead Manager with raising up to $2,000,000 under the Offer (Placement).
Fees and reimbursement	The Co-Lead Manager is entitled to receive the following fees from the Company under the Co-Lead Manager Mandate: • Placing Fee: the Co-Lead Manager will receive a fee of 6% for funds raised under the Placement; and • Co-Lead Manager Options: 2 million options with an exercise price of $0.20 and an exercise period ending three years from the date of grant. For further information in relation to the Co-Lead Manager Options (which are in the form of the Warrants), please see Section 12.5. The Co-Lead Manager is only entitled to reimbursements, excluding travel expenses, if the Company provides prior written approval. The Co-Lead Manager shall be entitled to reimbursement of reasonable expenses in undertaking its role. Any travel requests and expenses above $1,000 will not be incurred without the prior approval of the Chair. The above fees are all exclusive of GST.
Termination of mandate and entitlement to fees on termination	The Co-Lead Manager may terminate the Co-Lead Manager Mandate: • with 14 days' written notice if the Company commits a material breach of any of the terms or conditions of the Co-Lead Manager Mandate or if any warranty or representation given or made by the Company is not complied with or proves to be untrue in any respect (provided that the Co-Lead Manager first gives the Company 14 days' prior notice and the Company is unable to rectify the matter during that time); or • immediately if the Company suffers an insolvency event. The Company may terminate the Co-Lead Manager Mandate with 7 days' written notice. If the Co-Lead Manager Mandate is terminated, any outstanding expenses payable by the Company to the Co-Lead Manager will be immediately payable.

Indemnity	The Company agrees to indemnify the Co-Lead Manager, its related or associated entities, and its respective directors, officers, employees and agents harmless from and against any and all material losses, claims, actions, suits, proceedings, damages, liabilities or expenses whether in tort, contract, under statute or otherwise and of whatsoever nature which an indemnified party may suffer or incur and which may in any way directly or indirectly arise: • out of or in connection with the services rendered to the Company under the Co-Lead Manager Mandate; or • as a consequence of a breach of any of the representations, warranties or undertakings contained in the Co-Lead Manager Mandate or any failure by the Co-Lead Manager to perform its obligations under the Co-Lead Manager Mandate.

The Co-Lead Manager Mandate is otherwise on terms and conditions considered standard for agreements of this nature.

12.5 WARRANTS

The Company (on one hand) and the Lead Manager and its Associates (on the other) have entered into warrants dated on or about 25 November 2019 (**Lead Manager Warrants**), pursuant to which the Lead Manager and its Associates are entitled, upon surrender of the Lead Manager Warrants, to purchase from the Company up to 6,000,000 CDIs (**Lead Manager Warrant Securities**). The exercise price for the Lead Manager Warrant Securities is $0.20 each and the Lead Manager Warrants are exercisable, in whole or in part, during the term commencing on the date of the Lead Manager Warrants and ending on 30 June 2024. The Lead Manager Warrants otherwise contains terms and conditions considered standard for agreements of this nature.

The Company and an Associate of the Co-Lead Manager, Celtic Capital Pty Ltd (**Celtic Capital**), have entered into a warrant dated on or about 25 November 2019 (**Co-Lead Manager Warrant**), pursuant to which Celtic Capital is entitled, upon surrender of the Co-Lead Manager Warrant, to purchase from the Company up to 2,000,000 CDIs (**Co-Lead Manager Warrant Securities**). The exercise price for the Co-Lead Manager Warrant Securities is $0.20 each and the Co-Lead Manager Warrant is exercisable, in whole or in part, during the term ending three years from the date of the Co-Lead Manager Warrant. The Co-Lead Manager Warrant otherwise contains terms and conditions considered standard for agreements of this nature.

12.6 EXECUTIVE SERVICES AGREEMENT - JAMES BONNAR

The Company has entered into an executive services agreement James Bonnar (**Bonnar**) (**ESA**).

Under the ESA, Bonnar is employed by the Company to provide services to the Company as Chief Executive Officer on a full-time basis. The Company will remunerate Bonnar for his services with a base remuneration of $301,125 per annum, inclusive of superannuation and subject to annual review by the Company.

The ESA may be terminated by either the Company or Bonnar for any reason on 6 months' written notice, in which case the Company can elect for Bonnar to serve out all or part of that notice period and/or to pay Bonnar an amount in lieu of continuing his employment during all or part of that notice period.

The ESA may also be terminated by the Company summarily at any time if Bonnar breaches a material term of the ESA or engages in any act or omission constituting serious misconduct, in which case the Company need not make any payment to Bonnar other than accrued entitlements.

Any discoveries and inventions, made or discovered by Bonnar during the term of the ESA which relate to the Company's business must be disclosed to the Company and will remain the sole property of the Company.

Bonnar is also subject to restrictions in relation to:

- the use of confidential information during and after his employment with the Company; and
- being directly or indirectly involved in a competing business during and after his employment with the Company,

on terms which are considered standard for agreements of this nature.

Otherwise, the ESA is on terms considered standard for agreements of this nature.

12.7 LOAN AGREEMENT

See Section 11.3 for a summary of the key terms of the Loan Agreement.

13. ADDITIONAL INFORMATION

13.1 EQUITY INCENTIVE PLAN

The Company's 2018 Equity Incentive Plan provides for the grant of incentive stock options to employees of the Company, and for the grant of non-statutory stock options, stock appreciation rights, restricted stock and restricted stock units to the employees and consultants of the Company and to the members of the Board. The maximum aggregate number of Shares that have been reserved for issuance under the Stock Incentive Plan is 80,000,000. As at the date of this Prospectus, the Company has, subject to and conditional upon Listing occurring, granted 31,500,000 ESOP Options in aggregate to the Directors, officers, employees and consultants of the Company under the Equity Incentive Plan. The key terms of the ESOP Options that have been granted to the Directors are set out in Section 10.5(c). The key terms of the ESOP Options that have been granted to James Bonnar, Benny Evison and the members of the Scientific Advisory are set out in Section 11.6.

The Equity Incentive Plan will be administered by the Board or a committee of the Board. Subject to the provisions of the Equity Incentive Plan, the administrator of the Equity Incentive Plan generally has the power to determine:

- who will receive awards under the Equity Incentive Plan,
- the number of shares to be covered by each award,
- the terms and conditions, not inconsistent with the terms of the Equity Incentive Plan, of any award granted under the Equity Incentive Plan, including, without limitation, the exercise or purchase price (if any) applicable to the award, the time or times when awards may vest and/or be exercised, and any restriction or limitation regarding any award or the shares underlying any award, and
- to construe and interpret the terms of the Equity Incentive Plan and any award agreement.

In the event of certain corporate events or changes in the Company's capitalisation, to prevent diminution or enlargement of the benefits or potential benefits available under the Equity Incentive Plan, and in compliance with applicable law, the Board will make adjustments to one or more of the number, kind and class of securities that may be delivered under the Equity Incentive Plan and/or the number, kind, class and price of securities covered by each outstanding award, subject to compliance with the ASX Listing Rules. In the event of a sale of substantially all of the Company's assets, merger or other change in control, each outstanding award will be treated as the Board determines, including, but not limited to, providing for the assumption or substitution of the outstanding award, the cancellation of the outstanding award on such terms and conditions as it deems appropriate, including providing for the cancellation of such outstanding award for no consideration.

Subject to compliance with applicable law, the Board has the authority to amend or terminate the Equity Incentive Plan, provided no amendment or termination (other than an adjustment pursuant to a recapitalisation as described above) shall be made that would materially and adversely affect the rights of any participant under any outstanding award, without his or her consent. Certain amendments will require the approval of the CDI holders. The Equity Incentive Plan will automatically terminate in 2028, unless terminated earlier by the Board.

13.2 AUSTRALIAN TAXATION CONSIDERATIONS

This Section 13.2 contains a general summary of the Australian tax treatment for CDI Holders who acquire CDIs in the Company to hold on capital account. This summary does not apply to CDI Holders who hold their CDIs on revenue account, such as taxpayers that carry on a securities trading business.

The following tax comments are a general in nature only and are not intended to be a complete analysis of how applicable tax laws may apply to a particular taxpayer's circumstances. The Directors strongly urge you, as a prospective CDI Holder, to seek your own independent and personal taxation advice to ensure that your specific tax circumstances are appropriately considered before deciding whether or not to invest in the Company and apply for CDIs.

For tax purposes the owner of a CDI is treated as being absolutely entitled to the security covered by the CDI. In this case each CDI confers on the holder an absolute entitlement to one Share. The Commissioner of Taxation has an administrative practice of treating the CDI holder as owning the underlying security.

This section deals only with Australian resident CDI Holders. Foreign CDI Holders should generally be treated as if they held shares in a United States Company for Australian tax purposes and would not be subject to Australian tax unless the CDI's were held as part of an Australian permanent establishment of the foreign person.

(A) TAXATION OF DIVIDENDS

Dividends paid by the Company will not be franked as the Company is not an Australian resident for Australian income tax purposes.

Broadly, for Australian tax resident CDI Holders that are individuals, complying superannuation funds or corporate entities, any dividend amount received should be included as assessable income in the income year the dividend is paid.

Where the CDI Holder is an Australian tax resident trust or partnership, the dividend should be included when determining the net income (i.e. the income for tax purposes) of the trust or partnership.

(B) CAPITAL GAINS TAX (CGT) ON DISPOSAL OF CDIS

For Australian tax resident CDI Holders, the disposal of CDIs in the Company will be a CGT event. A CDI Holder will make a capital gain where the proceeds (net of costs of disposal) it receives upon the sale of the CDIs are greater than the cost base of the CDIs, or a capital loss where the capital proceeds are less than the cost base of the CDIs. The capital proceeds received on the sale of CDIs should broadly be equal to the money received in respect of the disposal. The CDI's cost base is generally the amount paid to acquire the CDI plus any transaction or incidental costs. The net capital gain is included in the assessable income of the CDI Holder.

Where the CDI Holder is an individual, trust or complying superannuation fund, a CGT discount may be available to reduce the assessable capital gain arising on disposal of the CDI. This discount is only available if the CDIs are owned by the CDI Holder for at least 12 months prior to disposal. The CGT discount applicable for individuals is 50% and 33⅓% for complying superannuation funds. Any current year or carry-forward capital losses should be offset against the capital gain first, before the CGT discount is applied. The CGT discount is not available to CDI Holders that are companies.

Where the CDI Holder is a trust that has held the relevant CDIs for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not companies. CDI Holders in these circumstances should seek independent advice regarding the tax consequences of distributions to beneficiaries who may qualify for discount capital gains.

To the extent that a capital loss arises on the disposal of CDIs, CDI Holders may offset such capital loss against any capital gains they derive in the same income year or in future income years. CDI Holders cannot offset their net capital losses against their ordinary income. In addition, rules relating to the recoupment of carried-forward losses must first be satisfied if the CDI Holder is a company or a trust.

(C) GOODS & SERVICE TAX (GST)

The acquisition, redemption or disposal of CDIs should not be subject to GST.

Where an Australian resident is registered for Australian GST, it should not generally be entitled to claim full input tax credits in respect of the GST incurred on their expenses relating to the acquisition or disposal of the CDIs (for example, lawyers' and accountants' fees).

(D) STAMP DUTY

No stamp duty should be payable by a CDI Holder as a consequence of acquiring any CDIs pursuant to the Offer.

(E) UNITED STATES WITHHOLDING TAX

United States Withholding tax may be deducted from dividends paid to Australian CDI Holders In such a case the Australian recipient may be entitled to a foreign tax offset and they should seek their own tax advice as to their eligibility.

(F) TFN OR ABN WITHHOLDING

Tax File Number (TFN) or Australian Business Number (ABN) withholding from dividends will not apply. CDI Holders are not required to give their TFN or ABN to the Company.

13.3 U.S. TAX CONSIDERATIONS

(A) GENERAL

This Section summarises certain U.S. federal income tax consequences of the ownership and disposition of CDIs by a non-U.S. holder, and is relevant to Australian resident holders (among others). The tax consequences for CDI holders in respect of CDIs are generally the same as for Shares. Accordingly, references to Shares should also be read in this Section as a reference to CDIs in respect of the Shares.

This Section applies to you only if you acquire your Shares in this offering and you hold your Shares as capital assets for tax purposes. You are a non-U.S.

holder if you are, for U.S. federal income tax purposes:

- a non-resident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to U.S. federal income tax, on a net income basis, with respect to income or gain from Shares.

This Section does not consider the specific facts and circumstances that may be relevant to a particular non-U.S. holder and does not address the treatment of a non-U.S. holder under the laws of any state, local or foreign taxing jurisdiction. This Section also does not address any estate or gift tax consequences of ownership or disposition of CDIs.

This Section is based on the tax laws of the U.S., including the Internal Revenue Code of 1986, as amended (**Code**), existing and proposed regulations, and administrative and judicial interpretations, all as at the date of this Prospectus. These laws are subject to change, possibly on a retroactive basis.

If an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes holds Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding Shares should consult its tax adviser with regard to the U.S. federal income tax treatment of an investment in Shares.

You should consult a tax adviser regarding the U.S. federal income tax consequences of acquiring, holding and disposing of Shares in your particular circumstances, as well as any tax consequences that may arise under the laws of any state, local or foreign taxing jurisdiction.

(B) DIVIDENDS

If the Company makes a distribution of cash or other property (other than certain distributions of its shares) in respect of Shares, the distribution generally will be treated as a dividend to the extent of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Any portion of a distribution that exceeds the Company's current and accumulated earnings and profits will generally be treated first as a tax-free return of capital, on a share-by-share basis, to the extent of your tax basis in the Shares (and will reduce your basis in such Shares), and, to the extent such portion exceeds your tax basis in the Shares, the excess will be treated as gain from the taxable disposition of Shares, the tax treatment of which is discussed below under "Gain on Disposal of Shares."

Except as described below, if you are a non-U.S. holder of Shares, dividends paid to you are subject to withholding of U.S. federal income tax at a 30% rate, or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Even if you are eligible for a lower treaty rate, and the Company (and other payors) will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished to the Company or another payor:

- a valid U.S. Internal Revenue Service (**IRS**) Form W-8 or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a non-U.S. person and your entitlement to the lower treaty rate with respect to such payments; or
- in the case of payments made outside the U.S. to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the U.S.), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with U.S. Treasury regulations.

If you are eligible for a reduced rate of U.S. withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the IRS.

If dividends paid to you are "effectively connected" with your conduct of a trade or business within the U.S., and, if required by a tax treaty, the dividends are attributable to a permanent establishment that you maintain in the U.S., the Company and other payors generally are not required to withhold tax from the dividends, provided that you have furnished to the Company or another payor a valid IRS Form W-8ECI or an acceptable substitute form upon which you represent, under penalties of perjury, that:

- you are a non-U.S. person; and
- the dividends are effectively connected with your conduct of a trade or business within the U.S. and are includible in your gross income.

"Effectively connected" dividends are taxed at rates applicable to U.S. citizens, resident aliens and domestic U.S. corporations.

If you are a corporate non-U.S. holder, "effectively connected" dividends that you receive may, under certain circumstances, be subject to an additional 'branch profits tax' at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

(C) GAIN ON DISPOSAL OF SHARES

If you are a non-U.S. holder, you generally will not be subject to U.S. federal income tax on any gain that you recognise on a disposition of Shares unless:

- the gain is "effectively connected"' with your conduct of a trade or business within the U.S., and (if required by an applicable income tax treaty) the gain is attributable to a permanent establishment that you maintain in the U.S.;
- you are an individual, you hold Shares as a capital asset, you are present in the U.S. for 183 or more days in the taxable year of the sale and certain other conditions exist; or
- the Company is or has been a "U.S. real property holding corporation" (as described below), at any time within the five-year period preceding the disposition or your holding period, whichever period is shorter, you are not eligible for a treaty exemption, and either (i) the Shares are not regularly traded on an established securities market prior to the beginning of the calendar year in which the sale or disposition occurs or (ii) you owned or are deemed to have owned, at any time within the five-year period preceding the disposition or your holding period, whichever period is shorter, more than 5% of the Shares.

If you are a non-U.S. holder and the gain from the taxable disposition of Shares is effectively connected with your conduct of a trade or business within the U.S. (and, if required by a tax treaty, the gain is attributable to a permanent establishment that you maintain in the U.S.), you will be subject to tax on the net gain derived from the sale at rates applicable to U.S. citizens, resident aliens and domestic U.S. corporations. If you are a corporate non-U.S. holder, "effectively connected" gains that you recognise may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate, or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. If you are an individual non-U.S. holder described in the second bullet point immediately above, you will be subject to a flat 30% tax, or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate, on the gain derived from the sale, which may be offset by U.S. source capital losses, even though you are not considered a resident of the U.S.

The Company will be a U.S. real property holding corporation at any time that the fair market value of Nyrada's "U.S. real property interests," as defined in the Code (as defined above) and applicable Treasury Regulations, equals or exceeds 50% of the aggregate fair market value of the Company's worldwide real property interests and other assets used or held for use in a trade or business (all as determined for the U.S. federal income tax purposes). While there can be no assurances, Nyrada does not believe that it is a U.S. real property holding corporation.

(D) FATCA WITHHOLDING

Pursuant to Code Sections 1471 through 1474, commonly known as the Foreign Account Tax Compliance Act (**FATCA**), a 30% withholding tax (**FATCA withholding**) may be imposed on certain payments to you or to certain foreign financial institutions, investment funds and other non-U.S. persons receiving payments on your behalf if you or such persons fail to comply with certain information reporting requirements. Payments of dividends that you receive in respect of Shares could be affected by this withholding if you are subject to the FATCA information reporting requirements and fail to comply with them or if you hold Shares through a non-U.S. person (e.g., a foreign bank or broker) that fails to comply with these requirements (even if payments to you would not otherwise have been subject to FATCA withholding).

Payments of gross proceeds from a sale or other disposition of Shares could also be subject to FATCA withholding. You should consult your own tax advisers regarding the relevant U.S. law and other official guidance on FATCA withholding.

(E) BACKUP WITHHOLDING AND INFORMATION REPORTING

If you are a non-U.S. holder, the Company and other payors are required to report payments of dividends on IRS Form 1042-S, even if the payments are exempt from withholding. You are otherwise generally exempt from backup withholding and information reporting requirements with respect to dividend payments and the payment of the proceeds from the sale of Shares effected at a U.S. office of a broker provided that either (i) the payor or broker does not have actual knowledge or reason to know that you are a U.S. person, and you have furnished a valid IRS Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-U.S. person or (ii) you otherwise establish an exemption. Payment of the proceeds from the sale of Shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the U.S. (and in certain cases may be subject to backup withholding as well) if (a) the broker has certain connections to

the U.S., (b) the proceeds or confirmation are sent to the U.S. or (c) the sale has certain other specified connections with the U.S. In addition, certain foreign brokers may be required to report the amount of gross proceeds from the sale or other disposition of Shares under FATCA if you are presumed to be a U.S. person.

13.4 LEGAL PROCEEDINGS

So far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company or any other Group Company is directly or indirectly concerned which is likely to have a material adverse impact on the Business or financial position of the Company, any other Group Company or the Group as a whole.

13.5 ASX AND ASIX WAIVERS

ASX has given the Company 'in principle' advice that it would be likely to provide, upon receipt of the Company's application for admission to the Official List of ASX

- confirmation that the terms of the Performance Shares are appropriate and equitable for the purposes of ASX Listing Rules 6.1; and
- a waiver of ASX Listing Rule 14.2.1 to the extent necessary to permit the Company to not provide in the proxy form for meetings an option for CDI Holders to vote against a resolution to elect a Director.

The Company has lodged an application with ASIC requesting a modification of section 707 of the Corporations Act to the extent necessary to permit CDIs that will be issued upon conversion of the Convertibles Notes to be sold within 12 months of their issue without the requirement for a future disclosure document to be prepared in connection with that sale (**Modification**). As at the date of this Prospectus, ASIC has not issued a declaration under section 741(1)(b) of the Corporations Act in relation to the Modification. There is no guarantee that ASIC will issue such a declaration in relation to the Modification prior to the conversion of the Convertible Notes.

13.6 INTERESTS OF ADVISERS

For the purpose of preparing this Prospectus and conducting the Offer, the Company engaged the following professional advisers:

- Alto Capital as Lead Manager and corporate adviser in relation to the Offer. The Company has paid, or agreed to pay, up to approximately $657,500 (excluding disbursements and GST) for these services;
- CPS Capital Group as Co-Lead Manager in relation to the Offer. The Company has paid, or agreed to pay, up to approximately $120,000 (excluding disbursements and GST) for these services;
- Addisons as Australian legal adviser, for the purpose of advising the Company in relation to legal issues arising in connection with the Offer under Australian law and the preparation of this Prospectus. The Company has paid, or agreed to pay, approximately $400,000 (excluding disbursements and GST) for these services. Further amounts may be paid to Addisons in accordance with its normal time-based rates;
- Reitler Kailas & Rosenblatt LLC as U.S. legal adviser, for the purpose of advising the Company in relation to legal issues arising in connection with the Offer under U.S. law. The Company has paid, or agreed to pay, approximately $200,000 (excluding disbursements) for these services. Further amounts may be paid to Reitler Kailas & Rosenblatt LLC in accordance with its normal time-based rates;
- FPA Patent Attorneys Pty Ltd as patent attorneys, for the purpose of performing work in relation to the Patent Attorney Report in Section 6. The Company has paid, or has agreed to pay approximately $9,000 (excluding disbursements and GST) for these services;
- Nexia Sydney Corporate Advisory Pty Ltd as Investigating Accountant, for the purpose of reviewing and advising the Company on the accuracy of the Financial Information (including the accompanying notes, discussions and analysis set out in Section 7) and performing work in relation to the Independent Limited Assurance Report in Section 8. The Company has paid, or has agreed to pay approximately $81,000 (excluding disbursements and GST) for these services;
- Nexia Sydney Audit Pty Ltd as Auditor, for the purpose of auditing the Financial Information (including the accompanying notes, discussions and analysis set out in Section 7). The Company has paid, or has agreed to pay approximately $57,000 (excluding disbursements and GST) for these services;

- Johnson Winter & Slattery as tax adviser, for the purpose of reviewing and advising the Company on the accuracy of the overview in Section 13.2 of the tax treatment for Australian resident investors that acquire CDIs in the Company on capital account. The Company has paid, or agreed to pay, approximately $40,000 (excluding disbursements and GST) for these services; and
- Automic Pty Ltd as share registry to the Company in connection with the Offer. The Company has agreed to pay $6,000 (excluding disbursements and GST) for these services.

The Company has already paid part of these amounts and will pay the remainder of these amounts, and other expenses of the Offer, out of the funds raised under the Offer or cash otherwise available to the Company. Further information on the use of the proceeds, and the payment of the expenses, of the Offer are set out in Sections 5.4, 7 and 13.8.

13.8 EXPENSES OF THE OFFER

The cash expenses of the Offer are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company:

EXPENSE	MINIMUM SUBSCRIPTION ($7,000,000)	MAXIMUM SUBSCRIPTION ($8,500,000)
ASIC fees*	$1,500	$1,500
ASX fees	$45,000	$45,000
Lead Manager's capital raising fee / Co-Lead Manager's fees	$420,000	$510,000
Lead Manager's success fee	$105,000	$127,500
Lead Manager's management fee	$20,000	$20,000
Lead Managers Post Advisory fee	$60,000	$60,000
Consultants' / experts' fees	$156,500	$156,500
Legal fees	$650,000	$650,000
Promotion, printing, distribution and registry expenses	$26,000	$26,000
Miscellaneous expenses	$15,000	$15,000
Total	**$1,499,000**	**$1,611,500**

** GST does not apply to ASIC fees.*

As at the date of this Prospectus, the Company has already paid approximately $811,500 of these amounts.

The remainder of the expenses of the Offer will be paid out of the funds raised under the Offer or cash otherwise available to the Company (see Sections 5.4 and 7).

13.9 NO OTHER INTERESTS AND BENEFITS

Other than as set out elsewhere in this Prospectus:

- no Director;
- no person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which such person is a partner or employee; and
- no promoter of the Company,
- holds at the date of this Prospectus, nor has held in the two years preceding that date, any interest in:
- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, CDIs or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such person for services in connection with the formation or promotion of the Company or the Offer, or to any Director to induce them to become, or qualify as, a director of the Company.

13.10 CONSENTS AND LIABILITY STATEMENTS

The Corporations Act requires the Company to obtain the consent of any person who has made a statement that is included in this Prospectus or whose statement forms the basis of certain content in this Prospectus. For this and all other purposes:

- Alto Capital has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Lead Manager in the form and context in which it has been named;
- CPS Capital Group has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Co-Lead Manager in the form and context in which it has been named;

- Addisons has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Australian legal adviser to the Company in the form and context in which it has been named;
- Reitler Kailas & Rosenblatt LLC has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as U.S. legal adviser to the Company in the form and context in which it has been named;
- FPA Patent Attorneys Pty Ltd has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as patent attorney to the Company in the form and context in which it has been named and the inclusion of the Patent Attorney Report in the form in which it appears in this Prospectus;
- Nexia Sydney Corporate Advisory Pty Ltd has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as investigating accountant to the Company in the form and context in which it has been named and to the inclusion of the Independent Limited Assurance Report in the form in which it appears in this Prospectus;
- Nexia Sydney Audit Pty Ltd has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as auditor to the Company in the form and context in which it has been named;
- Johnson Winter & Slattery has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as tax adviser to the Company in the form and context in which it has been named; and
- Automic Pty Ltd has given, and at the time of lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as the registry for the Company in the form and context in which it has been named.

Each person referred to in this Section 13.10 has not authorised or caused the issue of this Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and any statement or report included in this Prospectus with its consent as specified above.

References are made in this Prospectus to entities that have certain dealings with the Company and other Group Companies, including counterparties to contractual arrangements referred to in this Prospectus. Please note that these parties have been referred to for information purposes only, and have neither authorised or caused the issue of this Prospectus nor had no involvement in the preparation of any part of this Prospectus.

13.11 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

14. DIRECTORS' AUTHORISATION

This Prospectus is dated 26 November 2019 and is issued by Nyrada Inc. Its issue has been authorised by the unanimous resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and, at the date of this Prospectus, has not withdrawn his consent.

John Moore
Non-Executive Chairman
on behalf of the Board of Nyrada Inc.

15 GLOSSARY

15.1 CORPORATE GLOSSARY

For the purposes of this Prospectus, the following terms have the meanings specified below:

AAS	Australian Accounting Standards and other authoritative pronouncements issued by the AASB and Urgent Issues Group interpretations
AASB	Australian Accounting Standards Board, being an Australian government agency under the Australian Securities and Investments Commission Act 2001 (Cth)
AEDT	Australian Eastern Daylight Time
Alto Capital or **Lead Manager**	ACNS Capital Markets Pty Ltd (ACN 088 503 208) as trustee for the ACNS Unit Trust trading as 'Alto Capital'
Applicant	A person who applies for CDIs under and in accordance with this Prospectus
Application	An application made by an Applicant to subscribe for CDIs in accordance with the terms of the Offer as set out in this Prospectus
Application Form	The application form attached to or accompanying this Prospectus, pursuant to which an application for CDIs may be made under the Offer
Application Money	Money received from an Applicant in respect of its application for CDIs under the Offer
ASIC	Australian Securities and Investments Commission
Associate	Has the meaning given in section 12 of the Corporations Act as if this Prospectus is a provision to which that section applies
ASX	ASX Limited (ACN 008 624 691) or, where the context requires, the financial market it operates
ASX Corporate Governance Principles	The ASX Corporate Governance Principles and Recommendations (3rd Edition) published the ASX Corporate Governance Council as at the date of this Prospectus
ASX Listing Rules	The official listing rules of ASX
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532)
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement
AUD, A$** or **$	Australian dollars
Autoimmune diseases program	The drug development program described in Section 4.4
AWST	Australian Western Standard Time
Auditor	Nexia Sydney Audit Pty Ltd (ACN 606 785 399)
Board	The board of Directors of the Company as constituted from time to time
Business	The business of the Group as at the date of this Prospectus, being the development of novel small molecule drugs pertaining to cardiovascular, neurological and chronic inflammatory diseases, as described in further detail in Section 3
Bylaws	The Company's amended and restated bylaws
Cardio Therapeutics	Cardio Therapeutics Pty. Ltd. (ACN 167 825 201)
Certificate of Incorporation	The Company's amended and restated certificate of incorporation
CDI Holder	A holder of one or more CDIs
CDI or **Chess Depositary Interest**	A unit of beneficial ownership of Shares, the rights of which are summarised in Section 11.8

CDN	CHESS Depositary Nominees Pty Limited (ACN 071 346 506 and Australian Financial Services Licence Number: 254514)
CEO	Chief Executive Officer
CGT	Capital gains tax
Chairman	The chairman of the Board as at the date of this Prospectus, John Moore
CHESS	Clearing House Electronic Sub-register System, an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form
Company or **Nyrada**	Nyrada Inc. (ARBN 625 401 818)
Closing Date	The last day on which investors are invited to subscribe for CDIs under the Offer, in accordance with its terms, being 16 December 2019, unless varied by the Company at the discretion of the Board
Completion or **Completion of the Offer**	Subject to satisfaction of the Minimum Subscription, the completion of the Offer, upon which CDIs validly subscribed under the Offer will be issued to successful Applicants in accordance with its terms as set out in this Prospectus
Convertible Notes	Convertible notes issued by the Company and described in Section 11.2
Corporations Act	Corporations Act 2001 (Cth)
CPS Capital Group or **Co-Lead Manager**	CPS Capital Group Pty Ltd (ACN 088 055 636)
Delaware General Corporation Law or **DGCL**	Chapter 1 of Title 8 of the Delaware Code, which governs corporations incorporated in the U.S. state of Delaware
Director	A director of the Company as at the date of this Prospectus, being each of John Moore, Graham Kelly, Peter Marks, Marcus Frampton, Rüdiger Weseloh and Christopher Cox, whose profiles are set out in Section 10.1
Drug Candidates	The autoimmune diseases program, the neuroprotectant drug program, the PCSK9i program and the peripheral neuropathic pain program
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESOP Options	Options which have been granted under the Company's Stock Incentive Plan (the terms of which are described in Section 13.1)
Existing Holders	A person holding Shares or other securities (including Convertible Notes and Options) in the Company immediately prior to the date of this Prospectus.
Exposure Period	The period specified in section 727(3) of the Corporations Act, being the period commencing on the date of this Prospectus and ending on the seventh day after that date, during which the Company is prohibited from accepting an Application or issuing CDIs pursuant to an Application. ASIC may extend this period to no more than 14 days after the date of this Prospectus
Financial Information	Has the meaning given in Section 7.1
FY	Financial year ended 30 June of any year (e.g. FY18 means the financial year ended 30 June 2018)
Group	The Company and each other entity required by the AAS to be included in its consolidated financial statements, including Cardio Therapeutics, Norbio No. 1 and Norbio No. 2
Group Company	Any member of the Group
GST	Goods and services tax or similar tax imposed in Australia
HIN	Holder Identification Number
IFRS	International Financial Reporting Standards
Investigating Accountant	Nexia Sydney Corporate Advisory Pty Ltd (ACN 114 696 945)

Independent Limited Assurance Report	The Independent Limited Assurance Report issued by the Independent Expert in relation to the Group which is set out in Section 8
Listing	The admission of the Company to the Official List of ASX and quotation of the CDIs (including CDIs issued under the Offer) on ASX
Loan Agreement	Has the meaning given in Section 11.3
Material Contracts	Those agreements of the Group listed and summarised in Section 11
Maximum Subscription	The offer by the Company of 42,500,000 CDIs at $0.20 per CDI to raise $8,500,000
Minimum Subscription	The offer by the Company of 35,000,000 CDIs at $0.20 per CDI to raise $7,000,000
Neuroprotectant drug program	The drug development program described in Section 4.2
Norbio No. 1	Norbio No. 1 Pty Ltd (ACN 619 956 722)
Norbio No. 2	Norbio No. 1 Pty Ltd (ACN 619 956 973)
Noxopharm	Noxopharm Limited (ACN 608 966 123)
Noxopharm Loan	Has the meaning given in Section 11.3
Offer	The offer of up to 42,500,000 CDIs at the Offer Price, to raise a minimum of $7,000,000 (before costs) and a maximum of $8,500,000 (before costs), made under this Prospectus
Offer Period	The period during which the Offer is open for acceptance, being the period from the Opening Date to the Closing Date (both inclusive)
Offer Price	The price at which CDIs are proposed to be issued under the Offer, being $0.20 per CDI
Official List	The official list of entities that ASX has admitted and not removed
Opening Date	The first day on which eligible Applicants are invited to subscribe for CDIs under the Offer, in accordance with its terms, being 4 December 2019, unless varied by the Company at the discretion of the Board
Option	An option to acquire one Share or CDI
Optionholder	A holder of one or more Options
Participating Broker	An entity holding an Australian Financial Services Licence (AFSL) or who is a Corporate Authorised Representative of an AFSL holder as selected by the Lead Manager or the Co-Lead Manager to act as a broker for the Offer
Patent Attorney	FPA Patent Attorneys Pty Ltd (ACN 613 950 342)
Patent Attorney Report	The Patent Attorney Report issued by the Patent Attorney, which is set out in Section 6
PCSK9i program	The drug development program described in Section 4.1
Performance Share	A fully-paid share of Performance Common Stock in the Company, the terms of which are set out in Annexure A
Peripheral neuropathic pain program	The drug development program described in Section 4.3
Prospectus	This Prospectus, both in print and electronic form, and any supplementary or replacement prospectus lodged with ASIC in relation to this Prospectus
Registry	Automic Pty Ltd (ACN 152 260 814)
Restructuring	Has the meaning given in Section 11.4
Section	A section of this Prospectus
Share	A fully paid share of Class A Common Stock in the Company

Shareholder	A holder of one or more Shares
Shareholding	A holding of one or more Shares
SRN	Security Reference Number
Subsidiaries	Cardio Therapeutics, Norbio No. 1 and Norbio No. 2
U.S. or United States	United States of America
U.S. Person	Has the meaning given in the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Warrants	Has the meaning given in Section 11.7
Wholly-Owned Drug Candidates	the neuroprotectant drug program, the PCSK9i program and the peripheral neuropathic pain program

15.2 TECHNICAL GLOSSARY AND LIST OF ABBREVIATED TERMS

For the purposes of this Prospectus, the following terms have the meanings specified below:

Analgesic	A drug acting to relieve pain
ASCVD	Atherosclerotic cardiovascular disease
Atherosclerosis	The build-up of cholesterol plaque on the artery wall
Autoimmune	Relating to disease caused by antibodies or lymphocytes produced against substances naturally present in the body
Ca2+	Calcium ion
Cardiovascular disease	Refers to conditions that involve narrowed or blocked blood vessels that can lead to a heart attack, chest pain (angina) or stroke
CNS	Central nervous system
Core infarct area	The primary area of damage in the brain from stroke or TBI
CVD	Cardiovascular disease
Cytokine	Substances, such as interferon, interleukin, and growth factors, which are secreted by certain cells of the immune system and have an effect on other cells
Degenerative	Degenerative disease is the result of a continuous process based on degenerative cell changes, affecting tissues or organs, which will increasingly deteriorate over time
Eicosanoids	The final chemicals in the inflammatory cascade responsible for such outcomes as redness, swelling and pain
Excitotoxicity	The pathological process by which nerve cells are damaged or killed by excessive stimulation by neurotransmitters such as glutamate and similar substances
Flavonoids	A family of regulatory chemicals, serving a broad range of range of fundamental biochemical, hormonal, defence and reproductive functions in plants
FDA	The Food and Drug Administration, the regulatory body for public health and drug approval in the US
Generic drug	Copies of brand-name drugs that have exactly the same dosage, intended use, effects, side effects, route of administration, risks, safety, and strength as the original drug
HDL-cholesterol	High-density lipoprotein cholesterol. Moderates cholesterol levels in the body
HMG-CoA reductase	3-hydroxy-3-methyl-glutaryl-coenzyme A reductase
Idiopathic	Relating to or denoting any disease or condition which arises spontaneously or for which the cause is unknown
Inflammation	A localised physical condition in which part of the body becomes reddened, swollen, hot, and often painful, especially as a reaction to injury or infection
In silico	Conducted or produced by means of computer modelling or computer simulation

In vitro	Studies performed in a test tube or culture dish, or elsewhere outside a living organism
In vivo	Studies performed in a living organism (e.g. animal or human)
IP	Intellectual property
IRAK4	Interleukin 1 receptor associated kinase 4
Ischaemic stroke	The most common type. It is usually caused by a blood clot that blocks or plugs a blood vessel in the brain
LDL	Low-density lipoprotein, which are combinations of fats (lipids) and proteins, are the form in which lipids are transported in the blood
LDL-cholesterol (LDL-C)	Low-density lipoprotein cholesterol, commonly referred to as 'bad' cholesterol. Elevated LDL-C levels are associated with an increased risk of cardiovascular disease.
LIPROSE	Flavonoid drug delivery technology
mg/dL	Milligrams per decilitre
Monoclonal antibody	A therapy using an antibody produced by a single clone of cells and consisting of identical antibody molecules
mmol/L	Millimoles per litre
mTBI	Mild traumatic brain injury
Neuroinflammation	Inflammation of the nervous tissue. It may be initiated in response to a variety of cues, including infection, traumatic brain injury, toxic metabolites, or autoimmunity
Neuropathic pain	Chronic pain resulting from injury to the nervous system. The injury can be to the central nervous system (brain and spinal cord) or the peripheral nervous system (nerves outside the brain and spinal cord)
Neuroprotectant	Development of a drug to protect the brain from GAE
NSAIDs	Non-steroidal anti-inflammatory drugs
PCSK9	Proprotein convertase subtilisin/kexin type 9, a type of protein that prevents LDL-cholesterol from recycling in the liver
PCSK9 inhibitor (PCSKi)	A class of drug that inhibits the expression of the PCSK9 protein
PCT	Patent Cooperation Treaty (PCT) is an international patent law treaty
Penumbra	The secondary area of damage in the brain following a stroke or TBI
Peripheral neuropathic pain	Pain affecting the peripheral nerve system
PNS	Peripheral nervous system
Preclinical	A stage of research that begins before clinical trials (testing in humans) can begin
Psoriasis	A skin disease, associated with dysfunction of the immune system, marked by red, itchy, scaly patches
R&D	Research and Development
Statin drugs	A class of drug that can reduce cholesterol levels
TBI	Traumatic Brain Injury
Tolerability	Degree to which overt adverse effects of a drug can be tolerated by a patient
Thromboxane	An eicosanoid seen to have an important role in neuro-inflammation. Includes TXA2 and TXB2
TPL2	Tumour progression locus 2
Vascular	Relating to, affecting, or consisting of a vessel or vessels, especially those which carry blood
WHO	World Health Organisation

CORPORATE DIRECTORY

Registered office in Australia

Suite 3, Level 4
828 Pacific Highway
Gordon NSW 2072
Australia

Registered office in the U.S.

The Corporation Trust Company

1209 Orange Street
Wilmington Delaware 19801
United States of America

Directors

John Moore – Non-Executive Chairman

Graham Kelly – Non-Executive Director

Peter Marks – Non-Executive Director

Marcus Frampton – Non-Executive Director

Rüdiger Weseloh – Non-Executive Director

Christopher Cox– Non-Executive Director

Company Secretary

David Franks

Registry

Automic Pty Ltd

Level 5, 126 Phillip Street
Sydney NSW 2000
Australia

Website

www.nyrada.com

Lead Manager

Alto Capital

Ground Level, 16 Ord Street
West Perth WA 6005
Australia

AFSL No. 279099

Co-Lead Manager

CPS Capital Group

Level 45, 108 St Georges Terrace
Perth WA 6000
Australia

AFSL No. 294848

Australian legal adviser

Addisons

Level 12, 60 Carrington Street
Sydney NSW 2000
Australia

U.S. legal adviser

Reitler Kailas & Rosenblatt LLC

885 Third Avenue, 20th Floor
New York, New York 10022-4834
United States of America

Investigating Accountant

Nexia Sydney Corporate Advisory Pty Ltd

Level 16, 1 Market Street
Sydney NSW 2000
Australia

Auditor*

Nexia Sydney Audit Pty Ltd

Level 16, 1 Market Street
Sydney NSW 2000
Australia

Tax Adviser

Johnson Winter & Slattery
Level 25, 20 Bond Street
Sydney NSW 2000
Australia

**Included for information purposes only. This entity has not been involved in the preparation of this Prospectus.*

ANNEXURE A – TERMS OF PERFORMANCE SHARES

1. Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, the holders of Performance Shares shall not be entitled to share in any assets of the Company available for distribution to its stockholders.

2. Voting. Except as may be required by law, the Performance Shares shall not be entitled to any voting rights.

3. Conversion.

3.1. Each Performance Share shall be convertible into one (1) fully paid and non-assessable Share upon the terms and conditions set forth herein. The Company will at all times reserve and keep available, solely for the purpose of issue upon conversion of the outstanding Performance Shares, such number of Shares as shall be issuable upon the conversion of all such outstanding shares; provided, that nothing contained herein shall be construed to preclude the Company from satisfying its obligations in respect of the conversion of the outstanding Performance Shares by delivery of Shares which are held in the treasury of the Company. The Company covenants that if any Shares, required to be reserved for purposes of conversion hereunder, require registration with or approval of any governmental authority under any federal or state law before such Shares may be issued upon conversion, the Company will use its best efforts to cause such shares to be duly registered or approved, as the case may be. The Company will endeavour to list the Shares required to be delivered upon conversion prior to such delivery upon each national securities exchange, if any, upon which the outstanding Shares are listed at the time of such delivery. The Company covenants that all Shares which shall be issued upon conversion of the Performance Shares will, upon issue, be fully paid and non-assessable and not entitled to any pre-emptive rights.

3.2. Fifty Percent (50%) of the Nox Performance Common Stock will automatically convert into Shares upon 10 Business Days after the First Milestone and the Second Nox Milestone are both satisfied, such that each such share of Nox Performance Common Stock will convert into one Share.

3.3. Fifty Percent (50%) of the Nox Performance Common Stock will automatically convert into Shares upon 10 Business Days after the First Milestone and the Third Nox Milestone are both satisfied, such that each such share of Nox Performance Common Stock will convert into one Share.

3.4. The Altnia Performance Common Stock will automatically convert into Shares upon 10 Business Days after the First Milestone and the Second Altnia Milestone are both satisfied, such that each such share of Altnia Performance Common Stock will convert into one Share.

3.5. Upon the occurrence of a Change of Control:

3.5.1. that number of Performance Shares that, after conversion, is no more than 10% of the issued and outstanding capital stock of the Company (as at the date of the Change of Control) may by the Holder be converted into Shares;

3.5.2. the Company shall ensure a pro-rata allocation of shares of Shares issued under this paragraph to all Holders; and

3.5.3. any Performance Shares that are not converted into Shares in accordance with this Section will continue to be held by the Holder on the same terms and conditions.

3.6. Procedures for Conversion. The Company will issue the Holders with a new holding statement for the Shares within 2 Business Days following the conversion of the Performance Shares into Shares.

4. Restrictions on Transfer. The Performance Shares shall be issued only to, and shall be held only by those persons designated by the Board. Any purported sale, transfer, pledge or other disposition of any Performance Shares to any person, other than a successor to such designated person by merger or reorganisation of the designated person, or a duly authorised agent acting for the benefit of such designated person, shall be null and void and of no force and effect.

5. No Dividends or Distributions. Holders shall not be entitled to share in any dividends or other distributions of cash, property or shares of the Company, whether in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or otherwise.

6. No Pre-emptive Rights. No Holder shall be entitled as of right to purchase or subscribe for any part of any unissued or treasury stock of the Company, or of any additional stock of any class, to be issued by reason of any increase of the authorized capital stock of the Company, or to be issued from any unissued or additionally authorized stock, or of bonds, certificates of indebtedness, debentures or other securities convertible into stock of the Company, but any such unissued or treasury stock, or any such additional authorized issue of new stock or securities convertible

into stock, may be issued and disposed of by the Board to such persons, firms, corporations or associations, and upon such terms as the Board may, in its discretion, determine, without offering to the Holders then of record, on the same terms or any terms.

7. Reorganisation. If and for the period that the Company is admitted to the official list of ASX:

7.1. If there shall occur a reorganisation, recapitalisation, reclassification, consolidation or merger involving the Company (Reorganisation), then the rights of the Holder (including the number of Shares into which a Performance Share may be converted) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital stock at the time of the Reorganisation.

7.2. Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Holder.

7.3. The Company must, within a reasonable period, give to the Holder notice of any change to the number of Shares into which a Performance Share held by the Holder may be converted.

8. Redemption. If the Performance Shares have not been converted into Shares within five (5) years after the date of issue of the Performance Shares, then the Performance Shares held by a Holder at that date will be automatically redeemed by the Company for the sum of AUD1.00 within ten (10) Business Days of the expiration of that five (5) year period.

9. Definitions. For purposes of this Annexure A:

9.1. "AUD" means the lawful currency of the Commonwealth of Australia.

9.2. "Business Days" means a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia.

9.3. "Change of Control" means a merger or consolidation in which:

9.3.1. the Company is a constituent party; or

9.3.2. a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Company or a subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

9.3.3. (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company.

9.4. "First Milestone" means the trading price for the Company's CDIs achieving at least AUD0.40 for 5 consecutive trading days on the ASX.

9.5. "Holder" means the owner of a Performance Share.

9.6. "Second Altnia Milestone" means the Scientific Advisory Board to the Company determining that, based on in-vivo data (being data resulting out of a study to establish proof of principle in an animal model), the final lead PCSK9 inhibiter drug candidate (the intellectual property in which is, as at the date of issue of the Performance Share, owned by the Company's wholly-owned subsidiary, Cardio Therapeutics Pty. Ltd.) is ready to proceed to pre-clinical safety and toxicology studies.

9.7. "Second Nox Milestone" means the Scientific Advisory Board to the Company determining that, based on in-vivo data (being data resulting out of a study to establish proof of principle in an animal model), the final lead neuroprotectant drug candidate (the intellectual property in which is, as at the date of issue of the Performance Share, owned by the Company's wholly-owned subsidiary, Norbio No. 1 Pty Ltd) is ready to proceed to pre-clinical safety and toxicology studies.

9.8. "Third Nox Milestone" means the Scientific Advisory Board to the Company determining that, based on in-vivo data (being data resulting out of a study to establish proof of principle in an animal model), the final lead peripheral neuropathic pain drug candidate (the intellectual property in which is, as at the date of issue of the Performance Share, owned by the Company's wholly-owned subsidiary, Norbio No. 2 Pty Ltd) is ready to proceed to pre-clinical safety and toxicology studies.

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