Improving Lives
Offering Hope

ANNUAL REPORT

For the year ended 30 June 2021

NYRADA INC

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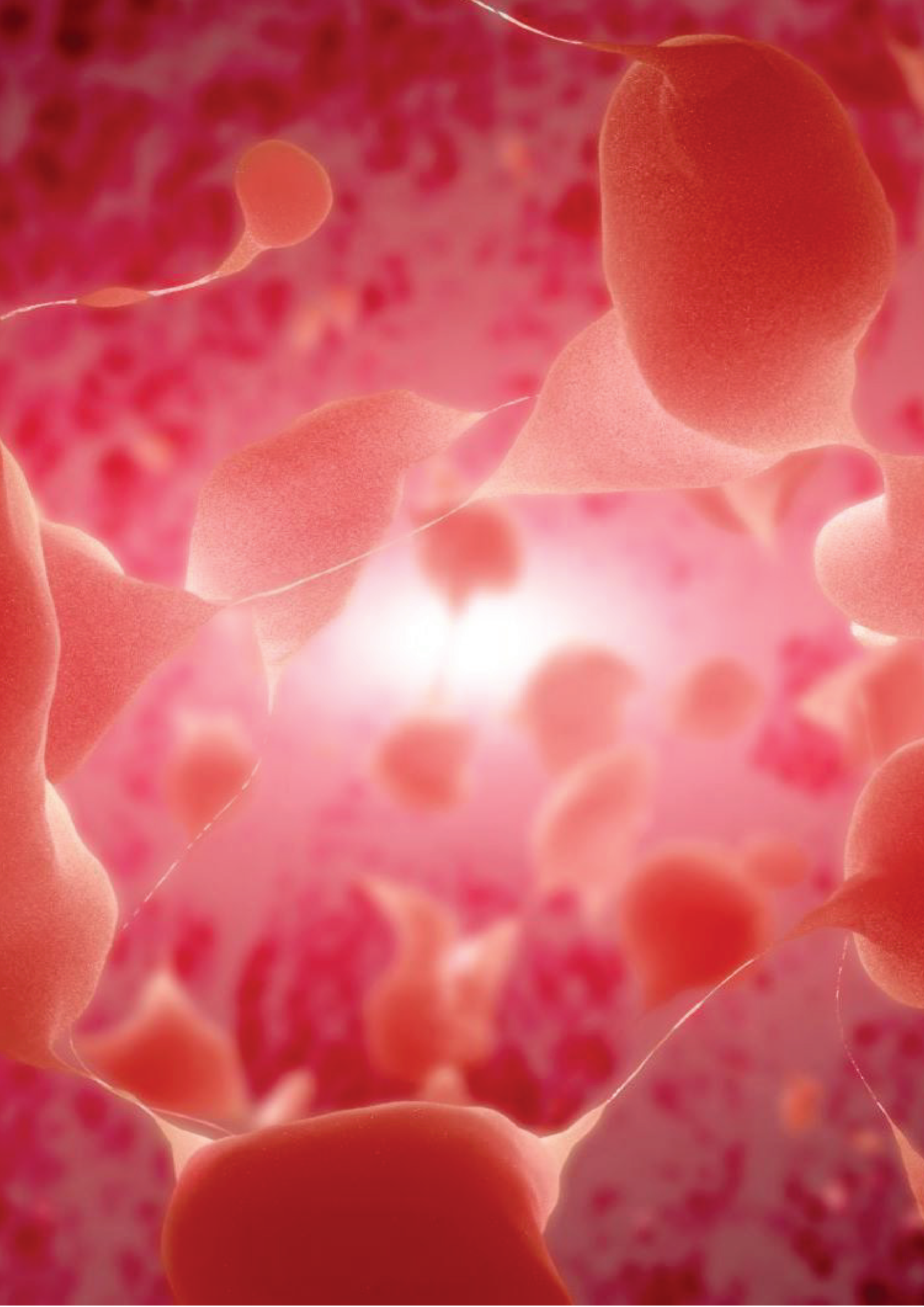


Corporate Directory

Board of Directors	John Moore Graham Kelly (resigned 8 September 2020) Peter Marks Rüdiger Weseloh Marcus Frampton Christopher Cox Ian Dixon (appointed 8 September 2020)
Company Secretary	David Franks
Registered office in Australia and principal place of business	Suite 2, Level 3 828 Pacific Highway Gordon, NSW 2072 Australia Tel: +61 2 9053 1990
Registered office in place of incorporation	1209 Orange Street Wilmington, Delaware 19801 United States of America
Share/CDI Registry	Automic Pty Ltd Level 5, 126 Phillip Street Sydney, NSW 2000
Auditor	William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street Melbourne, VIC 3000
Stock exchange listing	Nyrada Inc. instruments registered for trade on the Australian Securities Exchange are CHESS Depositary Interests (CDIs). One CDI is equivalent to one Share, being Class A Common Stock.
ASX Code	NYR
Website	www.nyrada.com

Contents

Chairman's Letter

Dear Shareholders,

It is with pleasure that I present Nyrada's Annual Report for the financial year ended 30 June 2021, our first full year of operation as an ASX listed company, and one in which a great deal of progress has been made.

Nyrada is a pharmaceutical company specialising in drug discovery and early-stage drug development. We focus on diseases with significant market size and considerable unmet patient need. Specifically, our drug candidates target cholesterol-lowering and brain injury prevention.

Our strategy is to advance highly optimised drug candidates towards a key value inflection point, such as an efficacy signal, and out-license them early to large pharma, where the risk-reward equation is most favourable for Nyrada shareholders. Coupled with judicious capital allocation, this strategy facilitates a high growth model focused on maximising shareholder value.

We have two core drug development programs that are both advancing well: our Cholesterol-Lowering Program and Brain Injury Program. Both Programs completed multiple preclinical studies during the year, culminating in the selection of optimised lead drug candidates to take forward into Phase I human trials. We are currently running the remaining necessary preclinical studies as we prepare to transition to a clinical-stage pharmaceutical company.

The lead product candidate for our Cholesterol-Lowering Program is a PCSK9 inhibitor, called NYX-PCSK9i. It is designed to help patients with high LDL ("bad") cholesterol achieve their target cholesterol levels. It has the potential to provide a convenient and cost-competitive oral therapy (in the form of a pill) for the 70% of patients at risk of cardiovascular disease who struggle to reach their target LDL cholesterol level despite taking a statin, such as Lipitor® (atorvastatin, Pfizer). Our aim is to help patients reduce their risk of cardiovascular disease (heart attack and stroke) which is responsible for 1-in-4 deaths in the US alone. At present, patients can augment their statin therapy with a monoclonal PCSK9 antibody drug, however, these are delivered by subcutaneous injection and are both inconvenient and expensive.

We expect to commence a first-in-human Phase I clinical trial in Australia in mid-2022, to evaluate if NYX-PCSK9i lowers LDL cholesterol in healthy human volunteers. A positive efficacy signal from this study would form the basis of business development discussions with potential industry partners to out-license the drug.

Nyrada's Brain Injury Program is advancing a neuroprotectant drug, called NYR-BI01, to limit the secondary brain injury that occurs in the hours and days following a traumatic brain injury, concussion, or stroke, known as excitotoxicity. Each year in the US alone, 2.8 million people suffer a traumatic brain injury and ~0.8 million suffer a stroke.

"Our strategy is to advance highly optimised drug candidates towards a key value inflection point, such as an efficacy signal, and out-license them early to large pharma, where the risk-reward equation is most favourable for Nyrada shareholders. Coupled with judicious capital allocation, this strategy facilitates a high growth model focused on maximising shareholder value."

Our drug candidate aims to improve the survivability of these events and ultimately reduce a patient's long-term disability. Critically, no treatments exist beyond neurosurgery and physical rehabilitation, making traumatic brain injury a serious and life-threatening condition.

Preclinical results from this program have already attracted interest from world-leading scientific teams. In February 2021, we entered into a collaboration with the Walter Reed Army Institute of Research (WRAIR) in the US and the University of NSW Sydney (UNSW), to evaluate and advance our lead preclinical neuroprotection compound for traumatic brain injury. With around 1 in 25 military service members diagnosed with a traumatic brain injury, finding a treatment to mitigate the debilitating effects of these injuries is a key priority for WRAIR. We are actively working with WRAIR and our partner UNSW, to apply for government grants to provide non-dilutive funding. Our CEO, James Bonnar has extensive experience in developing neuroprotective agents, designing clinical trials, and securing US government funding for this area of unmet medical need.

This year, we chose to formalise the qualities and principles that guide the Nyrada team's interactions with external stakeholders and each other, through the creation of a statement of values. Our values focus on improving patient health, acting with integrity and delivering on our promises, recognising that our differences make for a stronger team, leveraging insights and outside-the-box thinking to deliver exceptional results, and that resilience in all aspects is key. I am proud to say Nyrada's statement of values is already reflected in the way the team operates and further supports the company's strong reputation in the market.

Following a successful $11.5 million equity financing deal that was completed in June 2021, Nyrada is in a sound financial position to fund the planned Phase I clinical trials for both our key Programs, along with all the preparatory studies. We were pleased to have strong support from both existing and new shareholders for this financing, including Nyrada Directors.

I wish to note that we were fortunate to have Mr. Ian Dixon join Nyrada's Board as a Non-Executive Director in September 2020. Ian is a seasoned biotechnology entrepreneur with more than 20 years of experience in the Australian sector, and a co-inventor of the technology behind Nyrada's Cholesterol-Lowering Program, giving him deep expertise in the development of PCSK9 inhibitors. He is also the founder and Managing Director of the ASX-listed exosome medicine company, Exopharm (ASX: EX1).

Ian replaces Dr. Graham Kelly, who resigned from the Nyrada Board during the year in order to focus on his duties at Noxopharm. The Board wishes to thank Graham, who is Nyrada's founder, for his vision, guidance, and tireless efforts in getting the Company established and underway.

On behalf of the Board, I'd like to thank our shareholders for continuing to support Nyrada and sharing our vision to improve lives and offer hope through innovation. I'd also like to extend our sincere thanks to the whole operational team for their diligent efforts throughout the year. Nyrada is led by our highly experienced management team which continues to work hard to advance our programs with ongoing guidance from our exceptional Scientific Advisory Board.

Looking ahead, Nyrada is entering an exciting period as it approaches first-in-human trials for both of its programs. We look forward to keeping you updated as we continue to report key milestones along the way.

Yours sincerely,

John Moore,
Non-Executive Chairman
Nyrada, Inc

30 August 2021

Nyrada Statement of Values

Our Vision:

We can improve lives and offer hope through innovation.

We aim to deliver novel treatments for diseases where there is an unmet clinical need, or where current treatments are suboptimal.

Our Values:

Better Health Outcomes	Improving patient health is at the heart of everything we do.
Straight Talking	We say what we mean and deliver on our promises, both to each other and our stakeholders. We are transparent and act with integrity in everything we do.
Diversity is a Strength	We accept our differences and recognise that a variety of experiences and backgrounds creates a stronger team. We know we achieve more working together than alone.
Innovation Excellence	We leverage insights and outside-the-box thinking to turn complex problems into simple solutions. We seek to push the boundaries to truly see what's possible.
Resilience	We are quick to anticipate obstacles and can pivot and adapt to ensure we stay on course. We are agile in our thinking and embrace different points of view.

CEO Report

Dear Shareholders,

I am pleased to provide an update on Nyrada's activity for the 2021 financial year, a busy and productive year for the Company. The team has made significant progress in both our key drug development programs for Cholesterol-Lowering and Brain Injury, resulting in encouraging preclinical data that positions us well for completing the remaining safety and toxicology studies before we commence Phase I trials.

Cholesterol-Lowering Program

Our Cholesterol-Lowering Program recently delivered very promising results in a second preclinical efficacy study using a specialised mouse model. In an *in vivo* study, NYX-PCSK9i was shown to reduce total cholesterol by 46% when administered on its own and by a further 65% when given in combination with a statin. Pleasingly, NYX-PCSK9i outperformed the statin drug Lipitor® in the same study, which reduced total cholesterol by 27%. These results build on an earlier, similar dose-range finding and efficacy study, and are particularly encouraging because the mouse model used in these studies possesses important human-like characteristics with respect to cardiovascular health, making it highly predictive of human clinical outcomes. Importantly, in both preclinical studies undertaken, NYX-PCSK9i has been well tolerated with no adverse effects observed.

This development work follows on from an earlier cell-based study where we reported NYX-PCSK9i matched the efficacy of the two FDA-approved monoclonal PCSK9 antibody drugs in protecting LDL receptors from degradation, caused by PCSK9. These receptors are important as their function is to remove cholesterol from the bloodstream. The two drugs evaluated in the comparison study, alirocumab (Praluent®, Sanofi/Regeneron) and evolocumab (Repatha®, Amgen), are "injectables" that are prescribed alongside statins for patients who are unable to effectively lower their cholesterol levels using statins alone.

Following a comprehensive medicinal chemistry program where multiple promising analogues were optimised and evaluated, Nyrada selected NYX-PCSK9i to progress to safety pharmacology and toxicology studies, before moving into a Phase I first-in-human study in mid-2022.

"In an in vivo study, NYX-PCSK9i was shown to reduce total cholesterol by 46% when administered on its own and by a further 65% when given in combination with a statin. Pleasingly, NYX-PCSK9i outperformed the statin drug Lipitor® in the same study, which reduced total cholesterol by 27%."

Brain Injury Program

The Brain Injury Program has also been active in FY21. The team's constant focus on optimising our compound to improve its drug-like characteristics has led to the development and selection of a new, more potent version of our brain injury candidate, called NYR-BI01, for our collaboration studies with WRAIR and UNSW.

This new compound has improved solubility and tissue protein-binding properties while maintaining its potency in blocking calcium ion build-up in cells. This build-up of calcium ions would otherwise activate cell-death pathways and inflammation in the brain following brain injury.

NYR-BI01 is also able to cross the blood-brain barrier at above therapeutic levels, meaning it can reach the area of the brain damaged by secondary brain injury (excitotoxicity).

The development of this new, highly potent compound follows studies last year in which Nyrada achieved durable therapeutic levels of two compounds in the brain. Both were safe and well-tolerated with continuous intravenous infusion, the preferred route for patients suffering from moderate-severe traumatic brain injury and stroke.

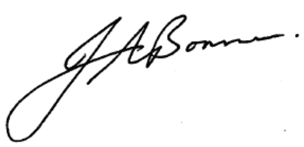
"The team has made significant progress in both our key drug development programs for Cholesterol-Lowering and Brain Injury, resulting in encouraging preclinical data that positions us well for completing the remaining safety and toxicology studies before we commence Phase I trials."

The team is now focused on completing the pilot work necessary before commencing the evaluation of NYR-BI01 in conjunction with WRAIR and UNSW in the third quarter of 2021. Nyrada expects the initial results of the collaboration studies to be reported before the end of the calendar year. We anticipate commencing the first-in-human Phase I study in the second half of calendar year 2022.

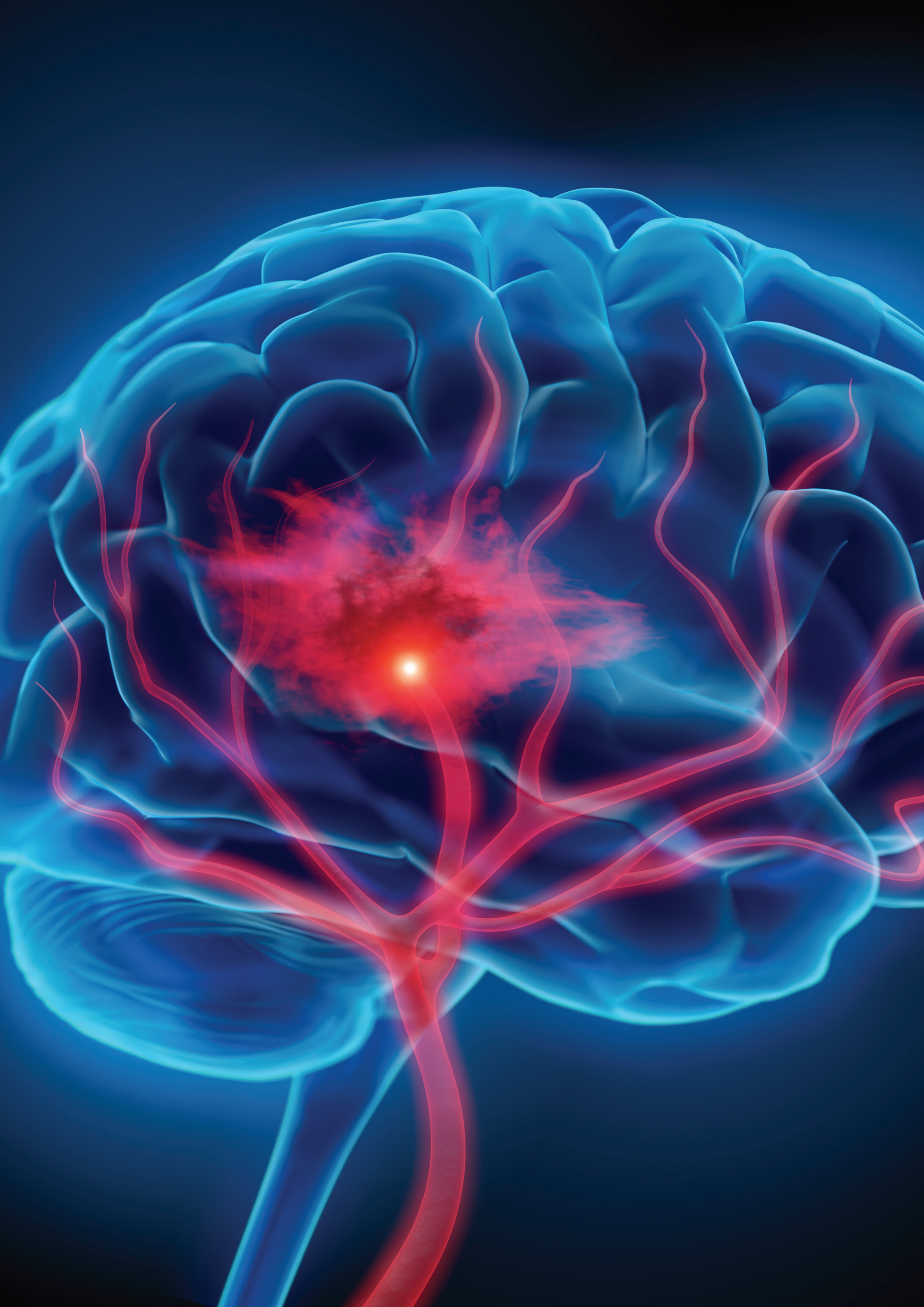
Our successes and good progress have been the result of a great deal of hard work from our talented team and I'd like to thank them for their continued commitment. Despite the ongoing challenges presented by the COVID-19 pandemic, the team continues to work effectively to advance our Programs and there has been minimal disruption to operations at our key vendors.

Nyrada's outlook is extremely positive, with new studies starting and a strong pipeline of results ahead. On behalf of the team, I want to offer everyone our best wishes and thank you for your ongoing support.

Yours sincerely,



James Bonnar
CEO
Nyrada, Inc



Directors' Report

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Nyrada Inc. (referred to hereafter as the 'Company' or 'Parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

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

- John Moore — Non-Executive Chairman
- Graham Kelly — Non-Executive Director (Resigned 8 September 2020)
- Peter Marks — Non-Executive Director
- Rüdiger Weseloh — Non-Executive Director
- Marcus Frampton — Non-Executive Director
- Christopher Cox — Non-Executive Director
- Ian Dixon — Non-Executive Director (Appointed 8 September 2020)

John Moore
Non-Executive Chairman, joined the Board in June 2019

John Moore currently serves as Chairman of Trialogics, a clinical trial informatics business and Chairman of Scientific Industries (SCND-OTCQB) a producer of laboratory instruments for the life sciences industry. John was CEO of Acorn Energy from 2006 to 2015, during which time the CoaLogix business was acquired for US$11 million and sold for US$101 million, and the Comverge business listed in the US before its sale to Constellation Energy. In 2002 he was a Partner and CEO of Edson Moore Healthcare Ventures and acquired for US$148 million a portfolio of sixteen drug delivery investments from Elan Pharmaceuticals. He is a graduate of Rutgers University, US.

Interest in shares and options	358,423 shares and 3,600,000 unlisted options
Special responsibilities	Chair of the Board. Member of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Directorship held in other listed entities (last 3 years)	Noxopharm Limited (ASX:NOX) – resigned 16 July 2019

Peter Marks
Non-Executive Director, joined the Board in August 2017

Peter Marks has over 35 years' experience in corporate advisory and investment banking. Throughout his long career, he has specialised in capital raising, IPOs, cross border M&A transactions, corporate underwriting, and venture capital transactions for companies in Australia, the US and Israel. He has been involved in a broad range of transactions with a special focus on the life sciences, biotechnology, medical technology and high-tech segments. Peter has served as both an Executive and Non-Executive Director of several different entities which have been listed on the ASX, NASDAQ, and AIM markets.

Peter is currently a Director of Alterity Therapeutics Limited (ASX:ATH and NASDAQ:ATHE), Non-Executive Director of Noxopharm Limited (ASX: NOX) and Non-Executive Director of Elsight Ltd (ASX:ELS). Until 31 March 2020, he was also a Non-Executive Director of Fluence Corporation Ltd (ASX: FLC). Peter holds an MBA from the University of Edinburgh, Scotland, a Bachelor of Economics, a Bachelor of Laws and a Graduate Diploma in Commercial Law.

Interest in shares and options	250,000 shares and 2,600,000 unlisted options
Special responsibilities	Member of the Audit and Risk Committee
Directorship held in other listed entities (last 3 years)	Alterity Therapeutics Limited (ASX: ATH) - current Noxopharm Limited (ASX:NOX) - current Elsight limited (ASX:ELS) - current Fluence Corporation Limited (ASX:FLC) - resigned 31 March 2020

Christopher Cox
Non-Executive Director, joined the Board in November 2019

Christopher Cox is a Co-Founder and Managing Partner of Population Health Partners, L.P., a global private equity firm focused on innovative therapeutics with the potential to transform health outcomes for populations. Prior to that, from January 2012 to February 2020, Chris was a partner at Cadwalader, Wickersham & Taft LLP, where he also served as the Chairman of Cadwalader's Corporate Department and as a member of its Management Committee. Chris remains a Senior Attorney of Cadwalader. 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.

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

Chris received both his undergraduate degree and J.D. from the University of Missouri.

Interest in shares and options	1,425,000 shares and 1,800,000 unlisted options
Special responsibilities	Chair of the Remuneration and Nomination Committee
Directorship held in other listed entities (last 3 years)	N/A

Marcus Frampton
Non-Executive Director, joined the Board in June 2019

Marcus Frampton currently serves as the Chief Investment Officer of the Alaska Permanent Fund Corporation (APFC), the US$82 billion sovereign wealth fund for the State of Alaska. Marcus manages the investment team at APFC and leads all investment decisions related to APFC's investment portfolio within the guidelines established by APFC's Board of Trustees.

Before 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 the University of California, Los Angeles with a Bachelor's degree in Business-Economics and a Minor in Accounting.

Interest in shares and options	245,075 shares and 1,800,000 unlisted options
Special responsibilities	Chair of the Audit and Risk Committee
Directorship held in other listed entities (last 3 years)	N/A

Rüdiger Weseloh Ph.D.
Non-Executive Director, joined the Board in June 2019

Rüdiger Weseloh is a Senior Director of Business Development at Merck KgaA, Darmstadt, Germany, where over a period of 15 years he has led more than 60 transactions for its pharmaceutical division, completing deals across the drug development value chain in the fields of Oncology, Rheumatology, Neurodegenerative diseases, and Fertility. Before Merck KgaA, Dr. Weseloh spent 5 years as a Biotech/Pharma Equity Analyst at Gontard & Metallbank AG, Frankfurt, and Sal. Oppenheim, Cologne/Frankfurt, as well as 3 years as a Postdoc at the Max-Planck-Institute for Experimental Medicine in Goettingen. Dr. Weseloh has a university diploma in Biochemistry from the University of Hannover and a Ph.D. in Molecular Neurobiology, obtained at the Center for Molecular Neurobiology in Hamburg. Dr. Weseloh also serves on the Supervisory Board of Cytotools AG, Freiburg, Germany.

Interest in shares and options	100,000 shares and 1,800,000 unlisted options
Special responsibilities	N/A
Directorship held in other listed entities (last 3 years)	N/A

Ian Dixon Ph.D.
Non-Executive Director, joined the Board in September 2020.

Ian Dixon has a Ph.D. in biomedical engineering from Monash University, an MBA from Swinburne University and professional engineering qualifications. In 2011, Dr. Dixon Co-Founded Cynata Inc, a company that is progressing the commercialisation of what has become the Cymerus technology of ASX-listed Cynata Therapeutics Ltd (ASX-CYP). Dr. Dixon is a co-inventor of the LEAP Technology owned by Exopharm. Dr. Dixon brings to the Board an extensive technical and entrepreneurial background in founding, building and running technology-based companies, in recognising the potential commercial value of early-stage drug development, and in understanding the challenges involved in drug development. Dr. Dixon is also a founder of Exopharm Ltd. During the last three years, Dr. Dixon has served as a director of the following listed companies: Medigard Ltd (ASX:MGZ) and Noxopharm Ltd (ASX:NOX).

Interest in shares and options	10,114,033 shares , 5,999,400 Performance Shares and 1,800,000 unlisted options
Special responsibilities	Member of the Remuneration and Nomination Committee
Directorship held in other listed entities (last 3 years)	Exopharm Limited (ASX:EX1) - current Noxopharm Limited (ASX:NOX) - resigned on 31 August 2020

Dr. Graham Kelly Ph.D.
Founder and Non-Executive Director, joined the Board in August 2017, resigned 8 September 2020.

Graham Kelly is a scientist with 50 years' of experience in drug development in both the academic and biotechnology sectors. Graham is the Founder, CEO and Managing Director of Noxopharm Limited (ASX:NOX), a major shareholder of Nyrada. Graham has also founded two publicly listed drug development companies (Novogen Limited, now Kazia and Marshall Edwards Inc), serving variously as Managing Director and Executive Chairman of those companies. Graham holds a Ph.D. from The University of Sydney, and degrees in Science and Veterinary Science from The University of Sydney.

Other current directorships' quoted above are current directorships for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships in other listed entities quoted above are directorships held in the last 3 years for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary - David Franks

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 a 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.

Directors' Report

Principal activities

Nyrada is a preclinical stage, drug discovery and development company, specialising in novel small molecule drugs to treat cardiovascular and neurological diseases. The Company's two lead programs centre on cholesterol-lowering and brain injury, each targeting market sectors of significant size and unmet clinical need. The programs are focused on developing an oral, small molecule cholesterol-lowering drug, and a drug to treat secondary brain damage following a stroke or traumatic brain injury (TBI).

Nyrada is a Company incorporated in the state of Delaware US and is listed on the Australian Securities Exchange (ASX:NYR).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

Financial results

The loss for the Consolidated Entity after providing for income tax amounted to $3,539,253 (30 June 2020: $5,773,667).

The year ended 30 June 2021 operating results included the following:

- Research and Development Tax Incentive refund of $2,286,022 relating to the accrued FY2021 refund of $1,309,650 and received FY2020 refund of $976,372 (2020: $1,075,414 relating to the FY2018/2019 refund).
- Research and development costs of $2,175,050 (FY2020: $1,399,999);
- Corporate and administration expenses of $895,839 (FY2020: $571,862);
- Share-based payment expense of $1,111,622 (FY2020: $2,204,324);
- Professional services expense of $509,842 (FY2020: $1,005,316); and
- Employee benefits expense of $929,931 (FY2020: $1,342,993)

The cash position as at 30 June 2021 was $13,750,743 (30 June 2020: $5,146,169).

Review of operations

During the 2021 financial year, Nyrada continued to advance its two lead drug development programs:

- **Cholesterol-Lowering Program:** an oral PCSK9 inhibitor drug for the treatment of high blood LDL-cholesterol levels in patients at risk of cardiovascular disease, where statin drugs are poorly tolerated (monotherapy) or ineffective (single pill combination treatment).
- **Brain Injury Program:** a neuroprotectant drug to reduce the impact of secondary brain injury in patients following a stroke or TBI, which can occur following a motor vehicle accident, fall, or sporting injury.

Encouraging results have been reported from both these programs throughout the year, building the Company's confidence in the drug candidates that are advancing well towards Phase I human trials.

Advancing a first-ever oral cholesterol-lowering drug towards first-in-human trials

Our Cholesterol-Lowering Program delivered a series of positive results in FY21 which led to Nyrada selecting NYX-PCSK9i, an optimised oral PCSK9 inhibitor, to take forward into safety pharmacology and toxicology studies, before entering a Phase I first-in-human study in mid-2022.

In July 2020, Nyrada achieved a significant scientific milestone in its efforts to replace expensive inconvenient, and ongoing injections with the first-ever oral PCSK9 inhibitor pill. NYX-PCSK9i demonstrated equivalency to the two FDA-approved injectable PCSK9 monoclonal antibody drugs, Repatha® (Amgen) and Praluent® (Sanofi/Regeneron), in healthy human white blood cells. These results opened the potential for NYX-PCSK9i to be used alone, or in combination with a statin.

Very encouraging preliminary *in vivo* efficacy results were reported in December 2020, where NYX-PCSK9i demonstrated a 57% reduction in total cholesterol. These results marked an important step towards creating an effective, convenient, and cost-competitive single-pill treatment option for the 70% of US patients unable to reach their target LDL ("bad") cholesterol level despite taking a statin, which would replace ongoing expensive injections.[1]

This proof-of-concept study was conducted in a specialised mouse model of hypercholesterolemia which is known to be highly predictive of human cholesterol metabolism and cardiovascular health outcomes. The NYX-PCSK9i results compared favourably with historical *in vivo* studies of the statin, Lipitor® (atorvastatin, Pfizer), the best-selling drug of all time, and Praluent®, in the magnitude of total cholesterol reduction.

In January 2021, additional results from an exploratory arm in Nyrada's *in vivo* cholesterol efficacy study built on the 57% reduction in total cholesterol, confirming LDL cholesterol levels were lowered in a dose-dependent manner by NYX-PCSK9i. Importantly, no adverse effects were observed and NYX-PCSK9i was well-tolerated.

Further medicinal chemistry work revealed two additional candidates (called NYX-PCSK9i-211 and NYX-PCSK9i-212) which had improved potency *in vitro* compared to NYX-PCSK9i. In May 2021, Nyrada commenced a new *in vivo* efficacy study in the same specialised mouse model, evaluating NYX-PCSK9i in combination with a statin, alongside the two new drug candidates to determine if NYX-PCSK9i enhances the efficacy of a statin drug when co-administered.

This proof-of-concept study showed encouraging efficacy with NYX-PCSK9i reducing total cholesterol by 65% when given in combination with the statin Lipitor®, and 46% when given as a monotherapy. This compares to the 27% reduction achieved using Lipitor® alone. Nyrada's results, reported in June 2021, compare favourably to a similar 2014 study which found total cholesterol was reduced by the injectable PCSK9 monoclonal antibody, Praluent®, by 58% when given in combination with Lipitor®, and by 37% - 46% when given as a monotherapy.[2]

The study also demonstrated one of the new candidates NYX-PCSK9i-211, had compelling efficacy at the 14-day mark, however it presented with tolerability issues. Nyrada is undertaking further medicinal chemistry work in a targeted approach to improve the tolerability of the compound. Results from a follow-up exploratory analysis of the study were reported in Q1 FY22.

Based on the strong results reported throughout the year, Nyrada has selected NYX-PCSK9i as the preferred compound to take forward into safety pharmacology and toxicology studies at an internationally recognised Contract Research Organisation, before commencing a Phase I first-in-human study in mid-2022.

1 *Wong ND et al. Prevalence of the American College of Cardiology/American Heart Association statin eligibility groups, statin use, and low-density lipoprotein cholesterol control in US adults using the National Health and Nutrition Examination Survey 2011-2012. J Clin Lipidol. 2016 Sep-Oct;10(5):1109-18.*

2 *Kühnast S et al. Alirocumab inhibits atherosclerosis, improves the plaque morphology, and enhances the effects of a statin. J Lipid Res. 2014 Oct;55(10): 2103–2112*

Developing a drug to block secondary brain damage following a stroke or traumatic brain injury

Nyrada's Brain Injury Program saw significant progress with its neuroprotectant drug designed to limit secondary brain injury. This area of research is attracting significant international industry attention.

Nyrada's Brain Injury Program data was selected for publication in an abstract at the *US Military Health System Research Symposium* in July 2020. This event is the US Department of Defense's foremost scientific meeting for presenting new scientific knowledge resulting from military research and development.

Also in July 2020, Nyrada's preclinical pharmacokinetics study saw its brain injury drug candidates successfully delivered by continuous intravenous injection. Both candidates reached and maintained effective therapeutic levels in the brain, resulting in the desired pharmacokinetic profiles for clinical studies. Continuous intravenous injection is the preferred administration route for patients who suffer a stroke or sustain a moderate or severe TBI.

In addition, Nyrada performed a pilot study evaluating the intranasal route of delivery for its drug candidates. This is the preferred route of treatment for patients with mild TBI and concussion injury, which is common in sports.

Aligned with Nyrada's business model to collaborate and partner early, the Company achieved a key milestone announcing a new collaboration with the Walter Reed Army Institute of Research (WRAIR) and the University of New South Wales, Sydney (UNSW). The collaboration studies aim to examine the efficacy of a lead preclinical neuroprotection compound to interrupt and minimise the excitotoxicity process responsible for secondary damage to the brain in TBI, which can lead to a doubling of the injury size in the days following a TBI event.

Most recently in June 2021, Nyrada selected a new, more potent analogue of its brain injury candidate, called NYR-BI01, to be taken forward into the studies with WRAIR and UNSW. NYR-BI01 showed improved potency, along with excellent pharmacokinetic properties and blood-brain barrier penetration. Drug levels in the brain were significantly higher than those required to deliver a therapeutic effect and NYR-BI01 was well-tolerated throughout the 72-hour study. Importantly, the study duration aligns with the therapeutic window for preventing secondary brain injury in patients.

Together with WRAIR and UNSW, pilot work has commenced to determine the baseline injury signal in TBI animal models that are expected to be used in the studies. The animal models are highly specialised and mimic moderate to severe injury in humans. The injury is measured using multiple MRI techniques, which are commonly used in the clinical setting to assess injury localisation and volume in patients.

Following this pilot work, Nyrada anticipates testing of NYR-BI01 in the TBI models at WRAIR will commence in the third quarter of 2021, with the initial results expected before the end of the year. The Company anticipates commencing the first-in-human Phase I study in the second half of CY2022.

Intellectual Property

After the reporting period, in July 2021, Nyrada was granted its first patent for the Cholesterol Lowering Program's PCSK9i inhibitor by the United States Patent and Trademark Office (USPTO). The composition of matter patent protects Nyrada's intellectual property (IP) around its PCSK9 inhibitor technology in the US and marks an important achievement in its active IP strategy. The patent number is 11091466 and its expiry date is 16 March 2038.

Capital Raise

Following encouraging preclinical results from both programs, Nyrada raised $11.5 million via a two-tranche Placement, with strong demand from existing and new investors. The issue of stock in tranche two was approved at the Company's June 2021 Extraordinary General Meeting.

Importantly, the proceeds will be used to fund the planned Phase I clinical trials for both the Cholesterol-Lowering and Brain Injury drug development programs, and enable further proof-of-concept studies to evaluate existing drug candidates in additional therapeutic areas to deliver shareholder value.

Financial Position

	2021 $	2020 $
Cash and cash equivalents	13,750,743	5,146,169
Net assets / total equity	14,491,626	5,526,600
Contributed equity	25,320,332	15,607,349
Accumulated losses	(15,555,619)	(12,285,073)

The Directors believe the Consolidated Entity is in a strong and stable financial position to expand its current operations.

Liquidity and capital resources

Nyrada ended the financial year with cash of $13,750,743 and anticipates receiving a Research and Development tax incentive refund for FY2021 of $1,309,560 following 30 June 2021, further boosting capital resources.

Matters subsequent to the end of the financial year

On 30 July 2021 the Company announced it had been granted a US Patent for its PCSK9 Inhibitor.

On 13 August 2021 the Company announced exploratory analysis results from its *in vivo* cholesterol efficacy study.

No other matters or circumstances have arisen since 30 June 2021 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Future developments, prospects, and business strategies

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Information on future developments, prospects, and business strategies have only been referred to in the Chairman's Letter and CEO Report. For further information on the Company's business strategies and material risks, refer also to the Prospectus which is available on the Company website or ASX Announcements.

Environmental regulation

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Directors' shareholdings

In this section, reference is made to Share ownership. The instruments registered for trade on the Australian Securities Exchange are CHESS Depositary Interests (CDIs). One CDI is equivalent to one Share, being Class A Common Stock. The following table sets out each director's relevant interest in shares, debentures and rights or options in shares of Directors of the Company or a related body corporate as at the date of this report:

	Share Number	Options Number	Performance Shares
John Moore	358,423	3,600,000	-
Peter Marks	250,000	2,600,000	-
Rüdiger Weseloh	100,000	1,800,000	-
Marcus Frampton	245,075	1,800,000	-
Christopher Cox	1,425,000	1,800,000	-
Ian Dixon	10,114,033	1,800,000	5,999,400

Options Granted

During the financial year, the following options were granted:

No. of options	Grant date	Expiry date	Grant date fair value (cents)	Grantee
1,000,000	18/01/2021	15/02/2021	14.14	SAB Options
1,200,000	24/02/2021	3 years from vesting	16.76	James Bonnar
600,000	18/01/2021	18/01/2024	9.45	Ian Dixon
600,000	18/01/2021	18/01/2025	10.85	Ian Dixon
600,000	18/01/2021	18/01/2026	11.99	Ian Dixon
2,000,000	29/06/2021	29/06/2021	17.03	Broker Options
2,000,000	29/06/2021	29/06/2021	17.03	Broker Options
2,000,000	29/06/2021	29/06/2021	14.57	Broker Options
2,000,000	29/06/2021	29/06/2021	12.10	Broker Options

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Unissued Common Stock

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

Type of Security	Number	Exercise price	Expiry date
Performance shares	18,000,000	N/A[1]	25/11/2024
Unlisted options	6,000,000	0.20	30/06/2024
Unlisted options	2,000,000	0.20	25/11/2022
Unlisted options	4,000,000[4]	0.22	16/01/2025
Unlisted options	4,000,000[4]	TBC[2]	5 years from the vesting date
Unlisted options	5,000,000[4]	TBC[2]	5 years from the vesting date
Unlisted options	5,000,000[4]	TBC[2]	5 years from the vesting date
Unlisted options	3,600,000	0.24	25/11/2023
Unlisted options	3,600,000	TBC[3]	25/11/2024
Unlisted options	3,600,000	TBC[3]	25/11/2025
Unlisted options	800,000[4]	0.24	16/01/2023
Unlisted options	900,000[4]	TBC[3]	3 years from the vesting date
Unlisted options	4,000,000	0.40	29/06/2026
Unlisted options	2,000,000	0.60	29/06/2026
Unlisted options	2,000,000	0.90	29/06/2026
Unlisted options	1,200,000	TBC[3]	3 years from the vesting date
Unlisted options	600,000	TBC[3]	18/01/2024
Unlisted options	600,000	TBC[3]	18/01/2025
Unlisted options	600,000	TBC[3]	18/01/2026

1 *Performance shares convert when specified milestones are achieved, these milestones are outlined in note 9 of the financial statements.*

2 *The exercise price 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 Option is granted; and*
- *an amount equal to 110% of the volume-weighted average price of the CDIs for the period of 10 trading days immediately prior to the date on which that Option vests.*

3 *The exercise price 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 Option is granted; and*
- *an amount equal to 120% of the volume-weighted average price of the CDIs for the period of 10 trading days immediately prior to the date on which that Option vests.*

During the year a total of 1,441,901 Common stock/CDIs were issued on exercise of 1,441,901 unlisted options and a total of 2,283,755 unlisted options expired.

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

Dividends

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

Indemnity and insurance of officers

As permitted under Delaware law, Nyrada indemnifies its Directors and certain officers and is permitted to indemnify employees for certain events or occurrences that happen by reason of their relationship with, or position held at, Nyrada. The Company's Certificate of Incorporation and By-laws provide for the indemnification of its Directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law.

Nyrada has entered into indemnification agreements with its Directors and certain officers to this effect, including the advancement of expenses incurred in legal proceedings to which the Director or officer was, or is threatened to be made, a party by reason of the fact that such Director or officer is or was a Director, officer, employee or agent of Nyrada, provided that such a Director or officer acted in good faith and in a manner that the Director or officer reasonably believed to be in, or not opposed to, the Company's best interests. At present, there is no pending litigation or proceedings involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

Nyrada maintains insurance policies that indemnify the Company's Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such. The premium paid has not been disclosed as it is subject to confidentiality provisions under the insurance policy.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Meetings of Directors

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

	Board of Directors		Audit & Risk Committee		Remuneration & Nomination Committee	
Directors	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**
John Moore	9	9	2	2	1	1
Graham Kelly[1]	2	2	-	-	-	1
Peter Marks	9	9	2	2	-	-
Rüdiger Weseloh	7	9	-	-	-	-
Marcus Frampton	9	9	2	2	-	-
Christopher Cox	6	9	-	-	1	1
Ian Dixon[2]	7	7	-	-	-	-

1 *Graham Kelly resigned as Non-Executive Director on 8 September 2020.*

2 *Ian Dixon was appointed Non-Executive Director on 8 September 2020.*

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

In the event non-audit services are provided by the auditor, the Board has established procedures to ensure the provision of non-audit services is compatible with the general standard of independence for auditors. These include:

- all non-audit services are reviewed and approved to ensure they do not impact the integrity and objectivity of the auditor; and
- non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

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

Presentation Currency

The functional and presentation currency of the Company is Australian Dollars (AUD). The financial report is presented in AUD Dollars with all references to dollars, cents, or $'s in these financial statements presented in AUD currency, unless otherwise stated.

Jurisdiction of Incorporation

Nyrada is a company incorporated in the State of Delaware in the United States and registered in Australia as a foreign company. As a foreign company registered in Australia, Nyrada is subject to different reporting and regulatory regimes than Australian public companies.

Corporate Governance Statement

The Company's corporate governance statement is located at the Company's website:

https://www.nyrada.com/site/About-Us/corporate-governance

Required statements

- Nyrada is not subject to charters 6, 6A, and 6C of the *Corporations Act 2001* dealing with the acquisition of its shares (including substantial holdings and takeovers).

- The Company's securities are not quoted on any exchange other than the ASX.

- From the time of the Company's admission to the ASX until 30 June 2021, the Company has used the cash and assets in a form readily convertible to cash, that it had at the time of admission, in a way that is consistent with its business objectives at that time.

- Under the Delaware General Corporation Law, shares are generally freely transferable subject to restrictions imposed by US federal or state securities laws, by the Company's Certificate of Incorporation or By laws, or by an agreement signed with the holders of the shares at issue. The Company's amended and restated Certificate of Incorporation and by-laws do not impose any specific restrictions on transfer. The Company's CDIs were issued in reliance on the exemption from registration contained in Regulation S of the *US Securities Act of 1933* (Securities Act) for offers that are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US.

- As a result of relying on the Regulation S exemption, the CDIs are 'restricted securities' under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US, or to a US person for the foreseeable future except in very limited circumstances after the expiration of a restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a 'FOR US' designation on the ASX. This designation restricts any CDIs from being sold on the ASX to US persons. However, you are still able to freely transfer your CDIs on the ASX to any person other than a US person. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

Remuneration report (audited)

Nyrada Inc is a Delaware incorporated company that is listed on the Australian Securities Exchange (ASX) and as such is subject to remuneration disclosure requirements that are suitable for reporting in both Australia and the United States. This remuneration report forms part of the Directors' Report and has been prepared using the requirements of section 300A of the Australian *Corporations Act 2001* as a proxy to determine the contents that the Board has chosen to report.

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of Nyrada Inc.'s Key Management Personnel for the financial year ended 30 June 2021. The term 'Key Management Personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Consolidated Entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key Management Personnel
- Remuneration Policy
- Relationship between the Remuneration Policy and Consolidated Entity performance
- Remuneration of Key Management Personnel
- Key terms of employment contracts.

Key Management Personnel

The Directors and other Key Management Personnel (KMP) of the Group during the financial year were:

Non-Executive Directors	Position
John Moore	Non-Executive Chairman
Graham Kelly[1]	Non-Executive Director
Peter Marks	Non-Executive Director
Rüdiger Weseloh	Non-Executive Director
Marcus Frampton	Non-Executive Director
Christopher Cox	Non-Executive Director
Ian Dixon[2]	Non-Executive Director

Executive employees	Position
James Bonnar	Chief Executive Officer

1 *Graham Kelly resigned on 8 September 2020*

2 *Ian Dixon was appointed on 8 September 2020*

With the exception of Graham Kelly and Ian Dixon, the named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration Policy

The Company has a Remuneration and Nomination Committee, which consists of Christopher Cox (Chair of the Remuneration Committee), Ian Dixon, and John Moore (Ian Dixon replaced Graham Kelly on appointment as a Director). The Remuneration Policy, which is set out below, is designed to promote superior performance and long-term commitment to the Company. An overview of the Remuneration & Nomination Committee is outlined below.

The 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 the 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. It 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.

Non-Executive Director remuneration

Under the Company's By-laws, 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 By-laws 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 Directors set the individual Non-Executive Director fees within the overall limit approved by CDI Holders. Non-Executive Directors are not provided with retirement benefits.

Executive Director remuneration

Executive directors receive a base remuneration which is at market rates and may be entitled to performance-based remuneration, which is determined on an annual basis. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Group and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance, relevant comparative information and expert advice.

The Board's Remuneration Policy reflects its obligation to align executive remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Consolidated Entity. The main principles are:

- remuneration reflects the competitive market in which the Consolidated Entity operates;
- individual remuneration should be linked to performance criteria if appropriate; and
- executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

- salary – executives receive a fixed sum payable monthly in cash plus superannuation at 9.5% of salary;
- cash at-risk component – executives may participate in share and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to issue shares and options to executives outside of approved schemes in exceptional circumstances;
- other benefits – executives may, if deemed appropriate by the Board, be provided with a fully expensed mobile phone and other forms of remuneration; and
- performance bonus.

The Board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by directors or other key management personnel during the financial year.

Relationship between the Remuneration Policy and Consolidated Entity performance

The Board considers that at this time, evaluation of the Consolidated Entity financial performance using generally accepted measures such as profitability, total shareholder return or benchmarking are not relevant as the Consolidated Entity is in the preclinical phase of drug development.

	Short-term employee benefits			Post-employment benefits	Share-based payments	
	Salary & fees	**Bonus**	**Other**	**Super-annuation**	**Options[4]**	**Total**
2021	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors						
John Moore	130,101	-	-	-	182,564	312,665
Graham Kelly[1]	5,189	-	-	493	191,780	197,462
Peter Marks	49,522	-	-	-	91,282	140,804
Rüdiger Weseloh[3]	66,906	-	-	-	91,282	158,188
Marcus Frampton	51,887	-	-	-	91,282	143,169
Christopher Cox	51,887	-	-	-	91,282	143,169
Ian Dixon[2]	40,800	-	-	-	69,168	109,968
Executive Employees						
James Bonnar (CEO)	277,177	-	18,163	23,948	58,757	378,045
Total	**673,469**	**-**	**18,163**	**24,441**	**867,397**	**1,583,470**

1 *Graham Kelly resigned as Non-Executive Director on 8 September 2020.*

2 *Ian Dixon was appointed as Non-Executive Director on 8 September 2020.*

3 *Rüdiger Weseloh was remunerated $22,268 for services provided outside of his Director role for R&D consulting. The fees paid were at market rates.*

4 *The value included in the share-based payment options column is calculated using sophisticated financial models. The expense is apportioned from the grant date to the date the options vest. As at the date of this report no KMP options have been exercised and this amount does not represent a cash benefit to the KMP.*

	Short-term employee benefits			Post-employment benefits	Share-based payments	
	Salary & fees	Bonus	Other	Super-annuation	Options[3]	Total
2020	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors						
John Moore	63,340	-	-	-	157,168	220,508
Graham Kelly[1]	266,628	-	-	21,937	250,215	538,780
Peter Marks	51,220	-	-	-	138,719	189,939
Marcus Frampton	24,519	-	-	-	78,584	103,103
Rüdiger Weseloh	20,432	-	-	-	78,584	99,016
Christopher Cox[2]	24,519	-	-	-	78,584	103,103
Executive Employees						
James Bonnar (CEO)	275,000	-	-	26,125	1,213	302,338
Total	**725,658**	**-**	**-**	**48,062**	**783,067**	**1,556,787**

1 *Graham Kelly was an employee for the period 1 July 2019 to 18 November 2019. On 18 November 2019, Dr. Kelly entered into a Consulting Agreement to provide strategic and advisory consulting services for the Company. The Consulting Agreement ceased on 31 March 2020 when Dr. Kelly transitioned to a Non-Executive Director.*

2 *Christopher Cox was appointed as Director on 7 November 2019.*

3 *The value included in the share-based payment options column is calculated using sophisticated financial models. The expense is apportioned from the grant date to the date the options vest. As at the date of this report, no KMP options have been exercised and this amount does not represent a cash benefit to the KMP.*

Other transactions with Key Management Personnel and their related parties

Prue Kelly, spouse of Graham Kelly (Non-Executive Director) was employed as the Company's part-time Executive Assistant and Investor Relations Manager on the Company's employment terms and conditions. Refer to note 20 to the financial statements for further details.

During the year the Company fully settled a $342,322 loan to related party, Noxopharm Ltd. The loan was repayable upon the March 2021 Placement. The facility was unsecured with no interest payable.

Key terms of employment contracts

James Bonnar

The Company has entered into an Executive Services Agreement with 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.

James 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.

Non-Executive Directors

The Company has entered into a Director Services Agreement with each Non-Executive Director. The Board resolved to increase Non-Executive Director fees effective 1 April 2021. 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 Fees 1 July 2020 - 31 March 2021	Annual Non-Executive Director Fees Effective 1 April 2021
John Moore	US$67,500	US$120,000
Peter Marks	US$25,000	US$50,000
Rüdiger Weseloh	US$25,000	US$50,000
Marcus Frampton	US$25,000	US$50,000
Christopher Cox	US$25,000	US$50,000
Ian Dixon	US$25,000	US$50,000

Further, if a Director is a member of the 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.

On appointment to the board, all Non-Executive Directors are required to sign a letter of appointment with the Company. The letter of appointment summarises the Board policies and terms, including compensation relevant to the office or director.

Key Management Personnel equity holdings

Shares of Nyrada Inc.

2021	Balance at 1 July No.	Granted as compensation No.	Additions No.	Net other change[3] No.	Balance on resignation No.	Balance at 30 June No.
Non-Executive Directors						
John Moore	197,500	-	-	160,923	-	358,423
Graham Kelly[1]	616,551	-	-	-	(616,551)	-
Peter Marks	50,000	-	-	200,000	-	250,000
Rüdiger Weseloh	-	-	-	100,000	-	100,000
Marcus Frampton	110,075	-	-	135,000	-	245,075
Christopher Cox	800,000	-	-	625,000	-	1,425,000
Ian Dixon[2]	-	-	9,921,725	192,308	-	10,114,033
Executive Employees						
James Bonnar	65,000	-	-	76,923	-	141,923

1 *Graham Kelly resigned as Non-Executive Director on 8 September 2020.*

2 *Ian Dixon was appointed as Non-Executive Director on 8 September 2020. On appointment Ian Dixon held 9,921,725 shares.*

3 *Net other changes relate to participation in Placement and on-market purchases of issued shares / CDIs.*

2020	Balance at 1 July No.	Additions No.	Net other change[2] No.	Balance on resignation No.	Balance at 30 June No.
Non-Executive Directors					
John Moore	-	-	197,500	-	197,500
Graham Kelly	-	-	616,551	-	616,551
Peter Marks	-	-	50,000	-	50,000
Rüdiger Weseloh	-	-	-	-	-
Marcus Frampton	-	-	110,075	-	110,075
Christopher Cox[1]	-	-	800,000	-	800,000
Executive Employees					
James Bonnar	-	-	65,000	-	65,000

1 *Christopher Cox was appointed as Director on 7 November 2019.*

2 *Net other changes relate to on-market purchases of issued shares / CDIs.*

Options of Nyrada Inc.

2021	Balance at 1 July	Granted as compens-ation	Exercised/ Cancelled	Balance on resignation	Balance at 30 June	Balance vested at 30 June	Options vested during year
	No.	No.	No.	No.	No.	No.	No.
Non-Executive Directors							
John Moore	3,600,000	-	-	-	3,600,000	1,200,000	1,200,000
Graham Kelly	18,037,293	-	-	(18,037,293)	-	-	-
Peter Marks	2,600,000	-	-	-	2,600,000	1,400,000	600,000
Rüdiger Weseloh	1,800,000	-	-	-	1,800,000	600,000	600,000
Marcus Frampton	1,800,000	-	-	-	1,800,000	600,000	600,000
Christopher Cox	1,800,000	-	-	-	1,800,000	600,000	600,000
Ian Dixon	-	1,800,000	-	-	1,800,000	-	-
Executive Employee							
James Bonnar	600,000	1,200,000	-	-	1,800,000	-	-

2020	Balance at 1 July	Granted as compens-ation	Granted as C-note	Exercised/ Cancelled	Balance at 30 June	Balance vested at 30 June	Options vested during year
	No.	No.	No.	No.	No.	No.	No.
Non-Executive Directors							
John Moore	-	3,600,000	-	-	3,600,000	-	-
Graham Kelly	440,000	18,000,000	37,293	(440,000)	18,037,293	4,000,000	4,000,000
Peter Marks	22,000	2,600,000	-	(22,000)	2,600,000	800,000	800,000
Marcus Frampton	-	1,800,000	-	-	1,800,000	-	-
Rüdiger Weseloh	-	1,800,000	-	-	1,800,000	-	-
Christopher Cox	-	1,800,000	-	-	1,800,000	-	-
Executive Employees							
James Bonnar	22,000	600,000	-	(22,000)	600,000	-	-

End of Remuneration report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

John Moore

Non-Executive Chairman

30 August 2021

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NYRADA INC

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

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

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

William Buck

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

N.S. Benbow
Director

Melbourne, 30 August 2021

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Nyrada Inc

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nyrada Inc (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial report of Nyrada Inc. for the year ended 30 June 2020 was audited by another auditor, who expressed an unmodified opinion to that report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

ACCOUNTING FOR SHARE-BASED PAYMENTS	
Area of focus	**How our audit addressed it**
The Group actively encourages its employees, key management personnel and other contracting parties to be aligned with overall shareholder value through share-based payment arrangements. Its share-based payment arrangements in periods leading up to and for the year ended 30 June 2021 took the form of share options and performance rights. These arrangements have some complexity in their calculation, namely around the following: — The determination of their grant date, which sets the value of the share-based payment arrangement; — Applying a valuation model that is appropriate in the context of the vesting terms of the arrangement, particularly concerning any market and non-market based vesting terms; — Applying inputs into the valuation models, particularly concerning the determination of expected volatility calculations; and — Assessing the appropriateness of the vesting charge of each share-based payment arrangement taken to the profit or loss during the year. This is a key audit matter as vesting charges concerning key management personnel remuneration are recorded in the Remuneration Report, which accompanies these financial statements.	For new share-based payment arrangements in the year we performed the following: — Determining the appropriateness of the model applied in valuing the share-based payment arrangement; — Where the arrangement involved a market-based vesting hurdle, assessing the competence and appropriateness of the independent expert contracted by the Group to value the arrangement; and — Assessing the appropriateness of other inputs, including the grant date and ensuring the model captured the key terms and conditions of the share-based payment arrangement. For volatility inputs, we consulted our Corporate Advisory team for their assessment of the appropriateness of the volatility assumption. We also recomputed the vesting charge taken to the profit or loss of share-based payment arrangements, both those granted in the current financial year and for prior periods, reconciled to the share-based payment reserve, and then traced vesting charges of key management personnel beneficiaries to Remuneration Report disclosures.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Nyrada Inc for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

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

N.S. Benbow
Director

Melbourne, 30 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Revenue			
Other income	5	53,989	50,000
R&D grant revenue	6	2,286,022	1,075,414
Total revenue		**2,340,011**	**1,125,414**
Expenses			
Employee benefits expense – share-based payments		(1,111,622)	(2,204,324)
Professional services expenses		(509,842)	(1,005,316)
Travelling expenses		-	(13,361)
Employee benefits expense		(929,931)	(1,342,993)
Depreciation and amortisation expense		(1,811)	(1,484)
Research and development costs		(2,175,050)	(1,399,999)
Other expenses		(249,564)	(219,387)
Finance costs		(5,605)	(140,355)
Corporate and administration expenses		(895,839)	(571,862)
Total expenses		**(5,879,264)**	**(6,899,081)**
Loss before income tax expense		**(3,539,253)**	**(5,773,667)**
Income tax expense	12	-	-
Loss after income tax expense for the year attributable to the owners of Nyrada Inc.		**(3,539,253)**	**(5,773,667)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Nyrada Inc.		**(3,539,253)**	**(5,773,667)**

		$	$
Basic loss per share:	18	(0.03)	(0.09)
Diluted loss per share:	18	(0.03)	(0.09)

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

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents		13,750,743	5,146,169
Trade, other receivables and prepayments	7	1,360,821	1,078,845
Total current assets		**15,111,564**	**6,225,014**
Non-current assets			
Plant and equipment		8,443	5,254
Intangibles		37,000	37,000
Total non-current assets		**45,443**	**42,254**
Total assets		**15,157,007**	**6,267,268**
Liabilities			
Current liabilities			
Trade and other payables	8	588,029	696,883
Employee benefits		77,352	43,785
Total current liabilities		**665,381**	**740,668**
Total liabilities		**665,381**	**740,668**
Net assets		**14,491,626**	**5,526,600**
Equity			
Issued capital	9	25,320,332	15,607,349
Reserves	10	4,726,913	2,204,324
Accumulated losses		(15,555,619)	(12,285,073)
Total equity		**14,491,626**	**5,526,600**

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

	Issued capital	Reserves	Accumulated losses	Total equity
	$	$	$	$
Balance at 1 July 2019	**37,003**	**1,519,937**	**(6,511,406)**	**(4,954,466)**
Loss after income tax expense for the year	-	-	(5,773,667)	(5,773,667)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(5,773,667)**	**(5,773,667)**
Transactions with owners in their capacity as owners:				
Issue of Common Stock	11,400,000	-	-	11,400,000
Conversion of convertible note to Common Stock	4,317,750	(762,045)	-	3,555,705
Share issue costs	(905,296)	-	-	(905,296)
Recognition of share-based payments	-	2,204,324	-	2,204,324
Transfer vested option reserve	757,892	(757,892)	-	-
Balance at 30 June 2020	**15,607,349**	**2,204,324**	**(12,285,073)**	**5,526,600**
Balance at 1 July 2020	**15,607,349**	**2,204,324**	**(12,285,073)**	**5,526,600**
Loss after income tax expense for the year	-	-	(3,539,253)	(3,539,253)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(3,539,253)**	**(3,539,253)**
Transactions with owners in their capacity as owners:				
Issue of Common Stock	11,870,579	-	-	11,870,579
Issuance of Common Stock - Advisors	304,615	-	-	304,615
Share issue costs	(782,537)	-	-	(782,537)
Share-based payments - Broker options	(1,214,494)	1,214,494	-	-
Share-based payments - reclassification in share capital	(648,332)	648,332	-	-
Share-based payments - exercise of options	183,152	(183,152)	-	-
Share-based payments - lapse of options	-	(268,707)	268,707	-
Share-based payments – vesting	-	1,111,622	-	1,111,622
Balance at 30 June 2021	**25,320,332**	**4,726,913**	**(15,555,619)**	**14,491,626**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(4,878,622)	(4,460,623)
R & D tax incentive received		2,051,785	-
Interest received		3,989	-
Cash receipts from other operating activities	5	50,000	50,000
Net cash used in operating activities		**(2,772,848)**	**(4,410,623)**
Cash flows from investing activities			
Payments for plant and equipment		(5,000)	(2,999)
Net cash used in investing activities		**(5,000)**	**(2,999)**
Cash flows from financing activities			
Proceeds from related party loans		-	1,204,378
Repayment of related party loans		(342,322)	-
Proceeds from issue of Common Stock		11,870,579	8,700,000
Payments to convertible note holders		-	(515,000)
Proceeds from other financing activities		44,521	-
Transaction costs relating to issue of Common Stock		(234,286)	(905,296)
Net cash from financing activities		**11,338,492**	**8,484,082**
Net increase in cash and cash equivalents		8,560,644	4,070,460
Cash and cash equivalents at the beginning of the financial year		5,146,169	1,102,397
Effects of exchange rate changes on cash and cash equivalents		43,930	(26,688)
Cash and cash equivalents at the end of the financial year		**13,750,743**	**5,146,169**

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

Notes to the Consolidated Financial Statements

1. General information

The financial statements cover Nyrada Inc (the "Company"), as a Consolidated Entity consisting of Nyrada Inc. and the entities it controlled at the end of, or during, the year (the "Consolidated Entity"). The financial statements are presented in Australian dollars, which is Nyrada Inc.'s functional and presentation currency.

Nyrada Inc is a company incorporated in the State of Delaware in the United States and registered in Australia as a foreign company. As a foreign company registered in Australia, Nyrada Inc is subject to different reporting and regulatory regimes than Australian public companies.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2021.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent entity is disclosed in note 13.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nyrada Inc. ('Company' or 'Parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Nyrada Inc. and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

2. Significant accounting policies (continued)

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.

Revenue recognition

The Consolidated Entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grants

In the financial year ending 30 June 2021, the Consolidated Entity has accounted for the prior year R&D Tax Incentive received and current year accrued. In the 2020FY the Consolidated Entity reported the 2019FY R&D Tax Incentive refund only.

Government research and development tax incentives

Government grants, including research and development incentives are recognised at fair value when there is reasonable assurance that the grant will be received and all grant conditions will be met.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

2. Significant accounting policies (continued)

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 receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

2. Significant accounting policies (continued)

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment *3-7 years*

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year 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.

Research and development expenditure

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Consolidated Entity is able to use or sell the asset; the Consolidated Entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

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

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.

2. Significant accounting policies (continued)

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, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting 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.
- 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.

The Consolidated Entity assesses non market performance conditions. As at 30 June 2021, the Consolidated Entity assumes Key Management Personnel non-market performance conditions will be achieved.

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 is available to measure fair value, are used, maximising the use of relevant observable inputs, and minimising the use of unobservable inputs.

2. Significant accounting policies (continued)

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.

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.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Consolidated Entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Consolidated Entity may have needed to review such policies under the revised framework. At this time, the application of the Conceptual Framework did not have a material impact on the Consolidated Entity's financial statements.

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

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

There is no significant impact of the new standards on the Consolidated Entity expected from the adoption of this standard.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated Entity based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the Consolidated Entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements, or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Assessment of R&D expenditure not advancing to a stage of technical feasibility

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Consolidated Entity is able to use or sell the asset; the Consolidated Entity has sufficient resources and intent to complete the development; and its costs can be measured reliably.

4. Operating segments

From the period beginning 1 July 2019, the Board considers that the Consolidated Entity has only operated in one Segment, being research and development of drugs focusing on small molecules with potential therapeutic benefit in areas of significant medical needs, and it operates in one geographical area being Australasia. The financial information presented in the statement of financial performance and statement of financial position represents the information for the business segment.

5. Other income

	2021	2020
	$	$
Interest received	3,989	-
Grant income	50,000	50,000
Other income	**53,989**	**50,000**

6. R&D grant revenue

	2021	2020
	$	$
R&D grant revenue	**2,286,022**	**1,075,414**

R&D grant revenue recorded in 2021 relates to the FY2020 refund received of $976,372 and the accrued FY2021 refund of $1,309,650 (2020: $1,075,414 recognised relating to FY2019 refund).

7. Trade, other receivables and prepayments

	2021	2020
	$	$
Current assets		
R&D Tax Incentive Receivable	1,309,650	1,075,414
Prepayments	1,688	3,431
Other receivables	49,483	-
	1,360,821	**1,078,845**

8. Trade and other payables

	2021	2020
	$	$
Current liabilities		
Trade payables	87,195	209,639
Amount owing to related party - Noxopharm Limited	-	342,322
Accrued expenses	433,428	138,534
Other payables	67,406	6,388
	588,029	**696,883**

The $342,322 Noxopharm Loan was unsecured and no interest was payable. The loan was settled in full post the March 2021 Placement.

9. Issued capital

	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	156,008,700	109,383,722	25,320,332	15,607,349

Common Stock

	30 June 2021 Shares	30 June 2020 Shares	30 June 2021 $	30 June 2020 $
At the beginning of reporting period/year	109,383,722	10,000	15,607,349	37,003
Adjustment as a result of stock splits	-	29,784,970	-	-
Transfer from Option Reserve	-	-	-	757,892
Issuance of Common Stock upon conversion of the Convertible Notes	-	21,588,752	-	4,317,750
Issuance of Common Stock upon conversion of Noxopharm Loan	-	13,500,000	-	2,700,000
Issue of Common Stock	44,231,154	44,500,000	11,500,899	8,700,000
Issue of Common Stock upon exercising of options	1,441,901	-	369,680	-
Issuance of Common Stock - Advisors	951,923	-	304,615	-
Share-based payments - exercise of options	-	-	183,152	-
Less: Share placement costs	-	-	(782,537)	(905,296)
Less: Share-based payments - Broker options	-	-	(1,214,494)	-
Less: Share-based payments - reclassification in share capital	-	-	(648,332)	-
At the end of reporting period/year	**156,008,700**	**109,383,722**	**25,320,332**	**15,607,349**

The Company has CHESS Depositary Interests (CDIs) quoted on the Australian Securities Exchange (ASX) trading under the ASX code NYR. Each CDI represents an interest in one share of Class A Common Stock of the Company (Share).

Legal title to the Shares underlying the CDIs is held by CHESS Depositary Nominees Pty Ltd (CDN), a wholly owned subsidiary of the ASX. The Company's securities are not quoted on any other exchange.

CDI Holders are entitled to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

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.

9. Issued capital (continued)

Options on issue

The following share-based payment arrangements were issued in the current reporting period:

No. of options.	Grant date	Expiry date	Grant date fair value	Vesting date/ Expected Vesting Date	Exercise Price
600,000	18/01/2021	18/01/2024	$0.1054	18/01/2022	TBC[1]
600,000	18/01/2021	18/01/2025	$0.1166	18/01/2023	TBC[1]
600,000	18/01/2021	18/01/2026	$0.1260	18/01/2024	TBC[1]
1,200,000	24/02/2021	3 years from vesting	$0.1667	24/02/2021	TBC[2]
4,000,000	29/06/2021	29/06/2026	$0.1703	29/06/2021	$0.40
2,000,000	29/06/2021	29/06/2026	$0.1457	29/06/2021	$0.60
2,000,000	29/06/2021	29/06/2026	$0.1210	29/06/2021	$0.90

1. *The exercise price 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 Option is granted; and*
    - *an amount equal to 120% of the volume weighted average price of the CDIs for the period of 10 trading days immediately prior to the date on which that Option vests.*
    - *An exercise price of $0.23 was used for the purpose of the fair value calculation at grant date.*
2. *The exercise price 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 Option is granted; and*
    - *an amount equal to 120% of the volume weighted average price of the CDIs for the period of 10 trading days immediately prior to the date on which that Option vests.*

    An exercise price of $0.33 was used for the purpose of the fair value calculation at grant date.

    - *As at 30 June, the known range of exercise price of options is between $0.20 and $0.90 and of nil for performance common stock (refer note c). The weighted average remaining contractual life of options and performance common stock is 1,361 days.*

9. Issued capital (continued)

c) Performance Common Stock

The Company has issued the following Performance Common Stock in the Company (Performance Shares):

	2021	2020
	No.	No.
At the beginning of the reporting period	18,000,000	-
Issued to Noxopharm Limited	-	12,000,600
Issued to Altnia Holdings Pty Ltd	-	5,999,400
At the end of the reporting period	**18,000,000**	**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. The fair value of each Performance Share at grant date is $0.08:

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 inhibitor 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.

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.

9. Issued capital (continued)

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.

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.

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.

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. Altina is a related party of Ian Dixon.

Upon the occurrence of a Change of Control:

- 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;
- the Company shall ensure a pro-rata allocation of shares of Shares issued under this paragraph to all Holders; and
- 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.

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.

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.

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.

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.

9. Issued capital (continued)

Reorganisation

If and for the period that the Company is admitted to the official list of ASX:

- 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.
- 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.
- 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.

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.

10. Reserves

	2021	2020
	$	$
Share-based payments reserve	**4,726,913**	**2,204,324**

Share-based payments reserve

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

11. Dividends

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

12. Income tax benefit

The Company has income tax revenue losses of approximately $5,708,177 for which no deferred tax asset has been recognised.

13. Parent entity information

Set out below is the supplementary information about the Parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	$	$
Loss after income tax	(8,226,143)	(10,372,229)
Total comprehensive income	**(8,226,143)**	**(10,372,229)**

Statement of financial position

	Parent	
	2021	2020
	$	$
Total current assets	9,466,431	5,046,116
Total non-current assets	-	533,269
Total assets	**9,466,431**	**5,579,385**
Total current liabilities	268,962	126,781
Total liabilities	268,962	126,781
Equity		
Issued capital	25,320,332	15,607,349
Share-based payments reserve	4,726,913	2,204,324
Accumulated losses	(20,849,776)	(12,359,069)
Total equity	**9,197,469**	**5,452,604**

Guarantees entered into by the Parent entity in relation to the debts of its subsidiaries

The Parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities

The Parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The Parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the Parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the Parent entity.
- Dividends received from subsidiaries are recognised as other income by the Parent entity and its receipt may be an indicator of an impairment of the investment.

14. Subsidiaries

	2021 ownership interest	2020 ownership interest
Nyrada Pty Ltd[1]	100%	100%
Norbio No.2 Pty Ltd	100%	100%
Cardio Therapeutics Pty Ltd	100%	100%

1 On 13 March 2020 the Company changed its name from Norbio No1 Pty Ltd to Nyrada Pty Ltd.

15. Events after reporting period

On 30 July 2021 the Company announced it had been granted a US Patent for its PCSK9 Inhibitor.

On 13 August 2021 the Company announced exploratory analysis results from its *in vivo* cholesterol efficacy study.

No other matters or circumstances have arisen since 30 June 2021 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

16. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

Reconciliation of loss after income tax to net cash used in operating activities

	2021 $	2020 $
Loss after income tax expense for the year	(3,539,253)	(5,773,667)
Adjustments for:	-	-
Depreciation & amortisation	1,811	1,484
Share-based payments	1,111,622	2,204,324
Unwinding of the interest on convertible notes	-	140,355
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	(281,976)	(1,078,839)
Increase/(decrease) in trade and other payables	(98,620)	95,028
Increase/(decrease) in employee benefits	33,568	692
	(2,772,848)	**(4,410,623)**

Reconciliation of Cash

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

	2021 $	2020 $
Cheque account	220,229	100,056
USD account	4,122,025	298,724
Saving bonus	9,408,489	4,747,389
	13,750,743	**5,146,169**

17. Share-based payments

During the period, Nyrada Inc agreed to grant the following share-based payments to its directors, and other executives and advisers.

2021

Grant date	Expiry date	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the end of the year
		41,255,656	-	441,901	2,283,755	38,500,000
						-
18/01/2021	15/02/2021	-	1,000,000	1,000,000	-	-
18/01/2021	18/01/2024	-	600,000	-	-	600,000
18/01/2021	18/01/2025	-	600,000	-	-	600,000
18/01/2021	18/01/2026	-	600,000	-	-	600,000
24/02/2021	3 years from vesting date	-	1,200,000	-	-	1,200,000
29/06/2021	29/06/2026	-	8,000,000	-	-	8,000,000
		41,225,656	**12,000,000**	**1,441,901**	**2,283,755**	**49,500,000**

2020

Grant date	Expiry date	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the end of the year
15/02/2018	3 years from vesting date	440,000	-	-	440,000[2]	-
15/02/2018	15/02/2021	33,000	-	-	33,000[2]	-
1/05/2018	15/02/2021	22,000	-	-	22,000[2]	-
23/05/2018	15/02/2021	44,000	-	-	44,000[2]	-
23/05/2018	31/12/2019	22,000			22,000[2]	-
23/05/2018	3 years from vesting date	22,000	-	-	22,000[2]	-
25/11/2019	30/06/2024	-	6,000,000	-	-	6,000,000
25/11/2019	25/11/2022		2,000,000			2,000,000
25/11/2019	30/11/2020	-	1,725,656	-	-	1,725,656
25/11/2019	5 years from vesting date	-	18,000,000[2]	-	-	18,000,000
25/11/2019	25/11/2023	-	3,600,000[1, 2]	-	-	3,600,000
25/11/2019	25/11/2024	-	3,600,000[1, 2]	-	-	3,600,000
25/11/2019	25/11/2025	-	3,600,000	-	-	3,600,000
25/11/2019	16/01/2023	-	800,000	-	-	800,000
25/11/2019	3 years from vesting date	-	600,000[2]	-	-	600,000
25/11/2019	3 years from vesting date	-	300,000	-	-	300,000
25/11/2019	15/02/2021	-	1,000,000[2]	-	-	1,000,000
		583,000	**41,225,656**	**-**	**583,000**	**41,225,656**

1 *Note 2 below also applies in respect of 600,000 options in each of these tranches.*

2 *On the date when the options were granted, the Company identified these as replacement options for cancelled options, which were granted during the 2018 financial year. Therefore, in accordance with AASB 2: Share-Based Payments the new options are treated as a modification of the original grant of options, whereby the incremental fair value of the new options granted is recognised over the vesting period of the new options. The incremental fair value is the difference between the fair value of the replacement options and the net fair value of the cancelled options, at the date of grant of the replacement options. The increment is recognised in addition to the amount based on the grant date fair value of the original cancelled options, which continue to be recognised over the remainder of the original vesting period.*

17. Share-based payments (continued)

The Company has calculated the fair values of the options granted using the same Black-Scholes model.

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

Grant date	Expiry date	Assumed exercise price	Expected volatility	Dividend yield	Risk-free interest rate
18/01/2021	15/02/2021	0.26	89.6%	-	0.37%
18/01/2021	18/01/2024	0.23[1]	82.6%	-	0.37%
18/01/2021	18/01/2025	0.23[1]	82.6%	-	0.37%
18/01/2021	18/01/2026	0.23[1]	82.6%	-	0.37%
24/02/2021	3 years from vesting date	0.38[1]	90.8%	-	0.48%
29/06/2021	29/06/2026	0.40	78.0%	-	0.70%
29/06/2021	29/06/2026	0.60	78.0%	-	0.70%
29/06/2021	29/06/2026	0.90	78.0%	-	0.70%

1 *The Exercise price included in the table above is for calculation purposes only. The Exercise price will be calculated by 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 Option is granted; and*
- *amount equal to 120% of the volume weighted average price of the CDIs for the period of 10 trading days immediately prior to the date on which that Option vests.*

18. Loss per share

	2021 $	2020 $
Loss after income tax attributable to the owners of Nyrada Inc.	**(3,539,253)**	**(5,773,667)**

	2021 Number	2020 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	116,743,748	60,911,038
Weighted average number of ordinary shares used in calculating diluted earnings per share	116,743,748	60,911,038

	2021 $	2020 $
Basic loss per share	(0.03)	(0.09)
Diluted loss per share	(0.03)	(0.09)

There are 16,000,000 of options which have vested and are considered to be dilutive. The options are not included as the Consolidated Entity is loss-making, so incorporating in the impacts of contingent equity is anti-dilutive.

19. Key Management Personnel disclosures

Compensation

The aggregate compensation made to directors and other members of Key Management Personnel of the Consolidated Entity is set out below:

	2021	2020
	$	$
Short-term employee benefits	691,632	725,658
Post-employment benefits	24,441	48,062
Share-based payments	867,397	783,067
	1,583,470	**1,556,787**

20. Related party transactions

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered Key Management Personnel.

For details of disclosures relating to Key Management Personnel, refer to the remuneration report contained in the Directors' report and note 19.

Other related party transactions

Mrs Prue Kelly was employed on a part-time basis by the Consolidated Entity in the role of Executive Assistant and Investor Relations Manager, effective 1 March 2020 to 4 February 2021. Mrs Kelly is the spouse of Director Graham Kelly. During the period where Graham Kelly was a director, Mrs Kelly was remunerated $23,269 (inclusive of superannuation) at market rates (30 June 2020: $31,025).

During the year the Company fully settled a $342,322 loan to related party Noxopharm Ltd as disclosed in note 8. Noxopharm Limited is classified as a related party as Nyrada Inc and Noxopharm Limited have common directors and prior to 29 June 2021, Noxopharm Limited held in excess of 20% of diluted capital in Nyrada Inc. The loan was repayable upon the March 2021 Placement. The facility was unsecured with no interest payable.

During the year ended 30 June 2020, the Consolidated Entity issued 12,000,600 performance shares to Noxopharm Limited and 5,999,400 per as an associate. Refer to note 9 for details.

21. Commitments and contingencies

There are no significant commitments and contingencies at balance date in the current or prior reporting periods.

22. Financial instruments

Capital management

The Consolidated Entity manages its capital to ensure entities in the Consolidated Entity will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Consolidated Entity's overall strategy remains unchanged from 2020.

The Company is not subject to any externally imposed capital requirements, except for Chapter 6 of the *Corporations Act 2001* in relation to take over provisions and Chapter 7 of ASX listing rules on 15% placement capacity on new equity raising.

On 19 November 2020, at the Annual General Meeting of the Company, the shareholders of Nyrada approved an additional 10% placement facility in accordance with Listing Rule 7.1A. The Company now has total placement facility to issue up to 25% of the share capital of the Company up to 19 November 2021, being twelve months since shareholders approved the additional placement capacity.

Given the nature of the business, the Consolidated Entity monitors capital on the basis of current business operations and cash flow requirements.

Categories of financial instruments

	2021	2020
	$	$
Financial assets		
Cash and cash equivalents	13,750,743	5,146,169
Trade and other receivables	1,360,821	1,078,845
	15,111,564	**6,225,014**
Financial liabilities		
Trade and other payables	**588,029**	**696,883**

The fair value of the above financial instruments approximates their carrying values.

Financial risk management objectives

In common with all other businesses, the Consolidated Entity is exposed to risks that arise from its use of financial instruments. This note describes the consolidated entities objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

There have been no substantive changes in the Consolidated Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the consolidated entities risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entities finance function.

The consolidated entities risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Consolidated Entity where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the consolidated entities competitiveness and flexibility.

22. Financial instruments (continued)

Foreign currency risk management

The Consolidated Entity undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. At 30 June 2021, the Company has cash denominated in US dollars (US$3,089,998 (2020: US$204,858)). The A$ equivalent at 30 June 2021 is $4,122,025 (2020: $298,724). A 5% movement in foreign exchange rates would increase or decrease the Consolidated Entity's loss before tax by approximately $208,443 (2020: $7,248).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the consolidated entities short, medium and long-term funding and liquidity management requirements. The Consolidated Entity manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

	Carrying Amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years	Total contractual cash flows
2021	**$**	**$**	**$**	**$**	**$**	**$**
Trade and other payables	588,029	588,029	-	-	-	588,029

23. Remuneration of auditors

	2021	2020
	$	**$**
Audit and review services		
Nexia Sydney Audit Pty Ltd	-	49,500
William Buck Audit (Vic) Pty Ltd	33,500	-
	33,500	49,500
Other services		
Nexia Sydney Corporate Advisory Pty Ltd	-	32,500

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

John Moore

Non-Executive Chairman

30 August 2021

Shareholder Information

Corporate Governance Statement

The Company's corporate governance statement is located at the Company's website:

https://www.nyrada.com/site/ About-Us/corporate-governance

CHESS Depositary Interests

The Company has CHESS Depositary Interests (CDIs) quoted on the Australian Securities Exchange (ASX) trading under the ASX code NYR. Each CDI represents an interest in one share of Class A Common Stock of the Company (Share). Legal title to the Shares underlying the CDIs is held by CHESS Depositary Nominees Pty Ltd (CDN), a wholly owned subsidiary of the ASX. The Company's securities are not quoted on any other exchange.

All information provided below is current as at 13 August 2021 except as otherwise stated. To avoid double-counting, the holding of Shares by CHESS Depositary Nominees Pty Limited (underpinning the CDIs on issue) have been disregarded in the presentation of the information below, unless otherwise stated.

Distribution of CDIs

Analysis of number of equitable security holders by size of holding:

Holding Ranges	Holders	Total Units	% Share Capital
1 to 1,000	15	2,867	-
1,001 to 5,000	397	1,229,647	0.79
5,001 to 10,000	254	2,091,681	1.34
10,001 to 100,000	873	35,642,173	22.85
100,001 and over	225	117,042,332	75.02
	1,764	**156,008,700**	**100.00**

Unmarketable parcels

There are 76 shareholdings held with less than a marketable parcel, totalling 95,213 shares or 0.06% of the total CDIs.

Unlisted securities

- 18,000,000 Performance Common Stock, with terms and conditions outlined in the Prospectus (released to the ASX on 14 January 2020)
- 8,000,000 Broker Options, with an exercise price of $0.20 and expiry date of 30 June 2024
- 33,500,000 ESOP Options, with terms and conditions outlined in the Prospectus (released to the ASX on 14 January 2020) and subsequent allotments
- 4,000,000 Broker Options, with an exercise price of $0.40 and expiry date of 29 June 2026
- 2,000,000 Broker Options, with an exercise price of $0.60 and expiry date of 29 June 2026
- 2,000,000 Broker Options, with an exercise price of $0.90 and expiry date of 29 June 2026

Distribution of Unlisted Securities (> 20% holding)

Holder	Performance Common Stock %	Broker Options[2] %	Broker Options[1] %	ESOP Options %
NOXOPHARM LIMITED	66.67%	-	-	-
ALTNIA HOLDING PTY LTD <I DIXON FAMILY A/C>	33.33%	-	-	-
ACNS CAPITAL MARKETS PTY LTD	-	-	25.00%	-
GRAHAM KELLY	-	-	-	53.73%
ANNA CARINA PTY LTD (ANNA CARINA FAMILY A/C)	-	30.00%	-	-
MERSOUND PTY LIMITED	-	30.00%	-	-
MR JODET DURAK	-	30.00%	-	-

Note 1 –

8,000,000 Broker Options, with an exercise price of $0.20 and expiry date of 30 June 2024

Note 2 – Broker Options for the following unlisted securities, noting the option holders for each tranche of broker options are the same

2,000,000 Broker Options, with an exercise price of $0.60 and expiry date of 29 June 2026

2,000,000 Broker Options, with an exercise price of $0.90 and expiry date of 29 June 2026

Note 3 – There are no holders that hold >20%

4,000,000 Broker Options, with an exercise price of $0.40 and expiry date of 29 June 2026

Restricted securities

Of the total 156,009,700 CDIs on issue:

- 33,105,853 CDIs are restricted securities to 16 January 2022

Of the total 18,000,000 Performance Common Stock on issue:

- 18,000,000 Performance Common Stock are restricted securities to 16 January 2022

Of the total 8,000,000 Broker Options on issue:

- 8,000,000 Broker Options are restricted securities to 16 January 2022

Of the total 33,500,000 ESOP Options on issue:

- 29,600,000 ESOP Options are restricted securities to 16 January 2022

Voting rights

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.

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.

Required Statements

The Company advises that the Annual General Meeting (AGM) of the Company is scheduled for Friday 19 November 2021 at 10:00am (AEDT). The location of the AGM is subject to COVID-19 restrictions, including regulatory requirements. Further details, including any hybrid or virtual meeting arrangements, will be confirmed closer to the AGM.

Further to Listing Rule 3.13.1, Listing Rule 14.3, nominations for election of directors at the AGM must be received not less than 35 Business Days before the meeting, being no later than Friday 1 October 2021.

On-Market buy-back

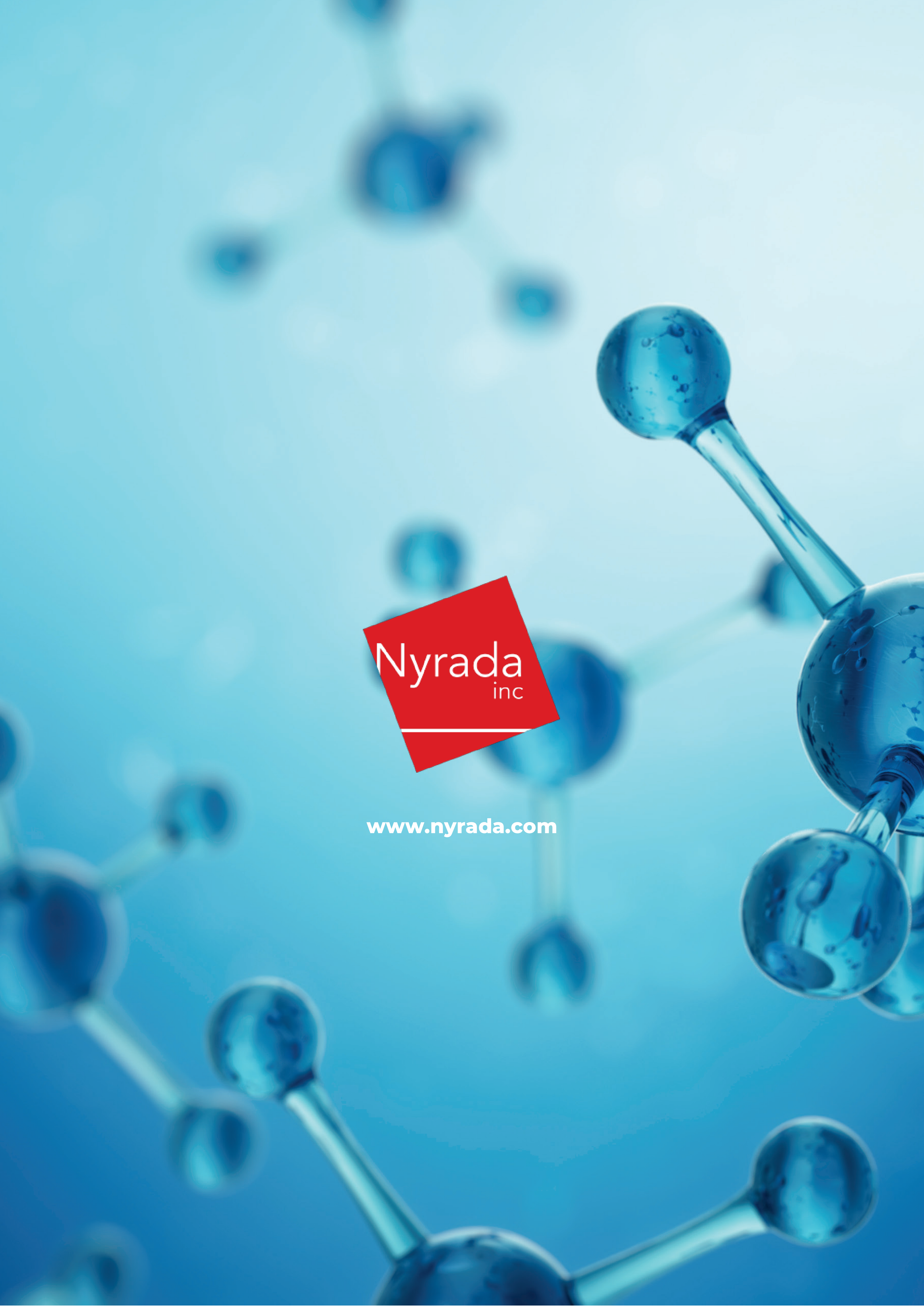
There is no current on-market buy-back.

Twenty (20) largest shareholders of quoted equity securities

Position	Holder	Holding	% held
1	NOXOPHARM LIMITED	33,373,245	21.39%
2	"ALTNIA HOLDING PTY LTD (I DIXON FAMILY A/C)"	9,921,725	6.36%
3	"SUNSET CAPITAL MANAGEMENT PTY LTD (SUNSET SUPERFUND A/C)"	2,548,197	1.63%
4	"COLIN HOUSELY & FREDA HOUSELY (CM HOUSLEY & FV HOUSLEY FAM)"	1,863,725	1.19%
5	KOHEN ENTERPRISES PTY LTD	1,735,000	1.11%
6	CANARY CAPITAL PTY LTD	1,701,923	1.09%
7	SYMPHONY CAPITAL HOLDINGS LLC	1,425,000	0.91%
8	PROFESSOR GARY DAVID HOUSLEY	1,411,411	0.90%
9	KYRIACO BARBER PTY LTD	1,400,000	0.90%
10	JOHN W KING NOMINEES PTY LTD	1,242,483	0.80%
11	"GOODRIDGE FOUNDATION PTY LTD (GOODRIDGE FOUNDATION A/C)"	1,212,416	0.78%
12	DIXSON TRUST PTY LIMITED	1,100,000	0.71%
13	MR GRAHAM ARTHUR ROBINSON	1,082,888	0.69%
14	"HIMSTEDT & CO PTY LTD (THE HIMSTEDT FAMILY A/C)"	1,057,000	0.68%
15	"RHLC PTY LIMITED (RHLC S/F A/C)"	1,000,000	0.64%
16	MR MICHAEL FRANCIS MCMAHON & MRS SUSAN LESLEY MCMAHON (MCMAHON SUPER FUND A/C)	924,616	0.59%
17	MR JASON FERNANDO HADDOCK	873,146	0.56%
18	"SANDHURST TRUSTEES LTD (WUNALA CAPITAL A/C)"	831,250	0.53%
19	MR ANTHONY JOHN LOCANTRO	734,540	0.47%
20	MR JOHN GARDNER	734,384	0.47%

Use of funds

Since admission to the ASX on 16 January 2020 the Company has used its cash in a way consistent with its business objectives.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inc
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