Nyrada Inc (ASX:NYR)
ABRN 625 401 818

Improving lives through innovation

Annual report

For the year ended 30 June 2023

Nyrada Overview

Our vision	To become a high growth pharmaceutical discovery and development company specialising in early-stage drug development of novel treatments.
Our strategy	To develop treatments for diseases where there is an unmet clinical need, or where current treatments are suboptimal, and to monetise the value of these treatments through advancing highly optimised drug candidates towards out-licensing.
Advancing our strategy	Delivering upon our vision and strategy through our current two lead drug candidates: a PKSK9 inhibitor for cholesterol lowering and a TRPC ion channel blocker for secondary brain injury treatment.

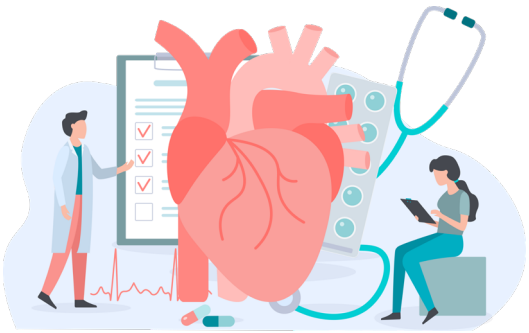
Nyrada Overview

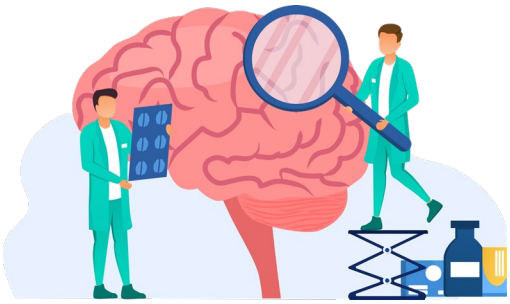
Drug development programs

Nyrada is developing novel, high value small molecule drugs:

Drug Candidate	Indication	Aim	Target Market
NYX-1492 (PCSK9i) **Oral PCSK9 inhibitor**	**Cholesterol-Lowering**	Best-in-class small molecule drug to disrupt and broaden the class in cardiovascular management, offering the convenience of a pill	**>18M patients (US)[1]**
NYR-BI03 **TRPC 3/6/7 blocker**	**Brain Injury**	First-in-class treatment to prevent secondary brain injury and reduce disability following moderate-severe TBI, concussion, or stroke	**~5.5M patients/ year (globally)[2]**

Upcoming catalysts





Cholesterol Lowering Program		Brain Injury Program	
Identification of alternative PCSK9 inhibitor candidates.	**Preclinical assessment of alternative target PCSK9 inhibitor candidate.**	**Phase 1 in-human study.**	**Walter Reed (US) Army Institute of Research Traumatic Brain Injury efficacy study.**

Corporate Directory

Board of Directors	John Moore Peter Marks (resigned 1 August 2022) Rüdiger Weseloh Marcus Frampton Christopher Cox Ian Dixon Gisela Mautner (appointed 1 August 2022)
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 9498 3390
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 Australia
Auditor	William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street Melbourne, VIC 3000 Australia
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

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Chair's Letter

Dear Fellow Shareholders,

On behalf of the Board and Company, it is with pleasure that I present to you Nyrada's Annual Report for the financial year ended 30 June 2023. Please permit me to provide you some context around our performance and our prospects.

You will know that success and perseverance are two sides of the same coin. The great Thomas Edison, inventor of the light bulb and one of the founders of the General Electric company, was once asked by a journalist *"How did it feel to fail 1,000 times?"* Edison's reply was that *"I didn't fail 1,000 times. The light bulb was an invention with 1,000 steps."* This is the history of every consequential human invention – a cycle of trial followed by setback followed by trial until ultimately triumph.

The just concluded 2023 financial year was another challenging one for capital markets and for the biotechnology sector globally. It was also a frustrating year for the Company and no doubt for you, our shareholders. But each twist and turn moves us closer to our destination – to create economic and social value through developing treatments for diseases where there is an unmet clinical need, or where current treatments are suboptimal.

Nyrada is well placed to achieve its goals. We operate in one of the best places in the world to develop drugs in a low-cost way. Australia has strong and stable legal and regulatory environment. It produces talented and gifted scientists from a world class university system. The government operates a supportive Research and Development (R&D) rebate scheme.

We are also blessed with a number of non-balance sheet assets. We have a talented and focused team, a team of six which continues to achieve significant operating leverage. Our scientific advisory board is world class, and our governing board counts seasoned, globally experienced industry executives who are engaged and aligned. These are important force multipliers. We have the components necessary to succeed.

Looking forward, the team remains focused on developing a PCSK9 inhibitor for cholesterol lowering and a TRPC ion channel blocker for secondary brain injury treatment. These drugs target indications where there is an unmet clinical need, or where current treatments are suboptimal. Importantly also, the markets for these drugs benefit from four thematic tailwinds:

- lifestyle and dietary changes leading in increased incidence of high cholesterol,
- greater awareness of the costs and consequence of brain injury from the sporting and combat fields,
- increasing incidence and expanding awareness of the need for better treatment options, and
- demographics and particularly an aging population.

Important progress in developing these two lead drug candidates has been made. For our cholesterol lowering drug candidate, one of the 11 mandatory safety and toxicology studies unfortunately showed an adverse signal. As a result, Nyrada will not be proceeding with NYX-1492 (PCSK9i) into human clinical trials for PCSK9 inhibition. Notwithstanding, the scientific team is keenly investigating next steps, specifically to identify alternative PCSK9 inhibitor candidates, structurally differentiated from NYX-1492.

> **"We continue to develop treatments for diseases where there is an unmet clinical need, or where current treatments are suboptimal. The team remains focused on developing a PCSK9 inhibitor for cholesterol lowering and a TRPC ion channel blocker for secondary brain injury treatment."**

Our brain injury program too had a minor setback, but one which opened the door to a better lit pathway. While undertaking GLP studies for NYR-BI02, the Company's brain injury program candidate, it was determined that it was a potent blocker of canonical transient receptor potential (TRPC) ion channels. However, NYR-BI02 demonstrated a sub-optimal safety profile for continuous dosing in patients.

Following a review, the Company identified NYR-BI03, a closely related analogue of NYR-BI02, had a superior safety profile for continuous intravenous dosing. This, coupled with superior potency on TRPC ion channel targets, guided the Company to select NYR-BI03 as its new lead brain injury drug candidate. NYR-BI03 will also be used for preclinical efficacy testing in the Walter Reed Army Institute of Research (WRAIR) Traumatic Brain Injury (TBI) model, and separately in a Contract Research Organisation (CRO) stroke model.

As Edison counselled *"Just because something doesn't do what you planned it to do doesn't mean it's useless."*

The Board and I are heartened with what Nyrada achieved last financial year and how we are positioned for the current financial year. The Board and I continue to work with the management team to help make the Company great. Nyrada's imminent evolution to a clinical drug development company will be a key inflection point for the Company.

In conclusion, I would like to extend my thanks to all shareholders for your ongoing support which has allowed us to continue to strive towards our vision to become a high growth pharmaceutical discovery and development company specialising in early-stage drug development of novel treatments.

As previously advised, Peter Marks retired from the Board after supporting the Company through its IPO and first years as a public company. I again thank Peter for his contribution. Peter was succeeded in August 2022 by Dr Gisela Mautner. Dr Mautner is currently the Chief Executive Officer and Managing Director of Noxopharm Limited (ASX:NOX) which is a large shareholder in Nyrada. She has been a wonderful addition to the board bringing extensive leadership experience in global pharmaceutical organisations.

I also take this opportunity to thank James Bonnar and the whole Nyrada team for making significant progress. I wish to additionally acknowledge the ongoing support of our Scientific Advisory Board (SAB), whose members have a sound record in determining the best path forward. As part of the ongoing evolution of the Company, Professors David Burke and Gilles Lambert will be retiring from the SAB and we thank them for their contribution over the years.

I repeat the Board's gratitude to you, our shareholders, for your support of Nyrada. It is an honour to lead your Board and represent your interests. Our future is before us.

John Moore
Non-Executive Chair

> **"The Board and I continue to work with the Nyrada management team to help make the Company great. Our success is testament to the significant energies invested by our talented team. Nyrada's imminent evolution to a clinical drug development company will be a key inflection point for the Company."**

CEO Report

Dear Fellow Shareholders,

It is my pleasure again to provide to you with this update on Nyrada's results and operations for the 2023 financial year. I wish to thank all shareholders for your ongoing support.

Our drug development programs remain focused on areas of substantial unmet clinical need where few if any, effective or well-tolerated therapies exist. The Nyrada team and I are firmly committed to our strategy and success of the Company. Every day we work and strive to find solutions to important health issues for patients that are underserved by existing treatments available. Through this patient focus, we also aim to create value for our investors and broader stakeholders.

This is the strategic foundation upon which our Cholesterol Lowering and Brain Injury programs sit, with the work put in during the 2023 year setting us up for a stronger 2024. The target markets for these programs are significant and growing.

Cholesterol Lowering Program

2023 was a very active year for the Company's cholesterol lowering program. All necessary formulation work, toxicology, safety, and pharmacology studies were undertaken for NYX-1492 (PCSK9i), the Company's cholesterol-lowering PCSK9 inhibitor drug candidate.

Early into the 28-day in vivo Good Laboratory Practice (GLP) toxicology study, the Company was encouraged by preliminary results. However, late in June 2023, the Company was advised of an adverse signal in one of the 11 required studies. This finding occurred in a small number of animals which were otherwise healthy and was only detected following microscopic analysis.

Consequently, it was concluded that NYX-1492 will not be advanced into clinical development for cholesterol management. Such setbacks, whilst unfortunate and frustrating, are ultimately a normal part of the scientific discovery process. The Company is currently screening alternative PCSK9 inhibitor candidates that preclude the identified toxicity issue and are structurally differentiated from NYX-1492.

Nyrada remains committed to developing an oral small molecule PCSK9 inhibitor drug. The market opportunity is significant and underserved with current injectable treatments that are both expensive and inconvenient. Accelerated by demographic, lifestyle, and dietary changes, the market size for statins, the most common current treatment for cholesterol lowering reached US$14.9 billion in 2022[1] and is expected to reach US$22.2 billion by 2030[2].

Brain Injury Program

Our brain injury program continues to show great promise. The market size for secondary brain injury treatments is difficult to accurately quantify because there are no products available. Nyrada's candidate drug is a novel treatment and pioneering in this sense. However, it is estimated that some 2.8 million persons in the US experience sport and recreation related traumatic brain injury (TBI) annually, while globally 15 million people suffer a stroke every year. The opportunities to reduce the long-term consequences of stroke or TBI are significant.

> "This is the strategic foundation upon which our Cholesterol Lowering and Brain Injury programs sit, with the work put in during the 2023 year setting us up for a stronger 2024. The target markets for these programs are significant and growing."

1. *https://www.imarcgroup.com/statin-market#:~:text=Market%20Overview%3A,3.2%25%20during%202023%2D2028.*
2. *https://www.databridgemarketresearch.com/reports/global-statin-market*

Shortly after the conclusion of the 2023 financial year, a research study on canonical transient receptor potential (TRPC) ion channel involvement in secondary brain injury, the target of Nyrada's program, was published in the eminent journal Translational Stroke Research. Nyrada's neuroscientist Dr. Jasneet Parmar was the lead author of this study with our Scientific Advisory Board Chair Gary Housley as co-author. Dr. Parmar recently presented on this study and on Nyrada's brain injury program at the US Military Health System Research Symposium in Florida, US.

This study showed that animals lacking the target TRPC ion channels were protected against expansion of a photothrombotic-induced stroke infarct in the days following injury. This is a validation of the pathophysiological role of TRPC ion channels in brain injury progression and the target of our therapeutic program.

During the 2023 year, we also undertook GLP studies on NYR-BI02. Now completed, these studies showed NYR-BI02 was a potent blocker of TRPC ion channels, limiting excitotoxicity and secondary brain damage following a TBI or stroke. However, NYR-BI02 demonstrated a sub-optimal safety profile for continuous dosing in patients with these conditions.

Following a review, the team identified NYR-BI03, a closely related analogue of NYR-BI02, as having a superior safety profile for continuous intravenous dosing. This, coupled with superior potency on TRPC ion channel target, led to NYR-BI03's selection as Nyrada's new lead brain injury drug candidate.

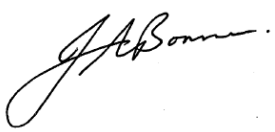
Nyrada continues to maintain a lean operating model with the vast proportion of resources allocated towards research and development. Notwithstanding, given current capital market conditions, further cost base optimisation decisions have been taken so to extend Nyrada's funding runway. This includes the Board volunteering to halve their director fees for the time being.

I take this opportunity to thank our eminent Scientific Advisory Board for their invaluable support, experience, and counsel. At the conclusion of the September quarter, Professors David Burke and Gilles Lambert will retire from their advisory duties at Nyrada. On behalf of the Company, I would like to thank them both for their dedicated service. They will remain available to consult to the Company should there be a future need.

In conclusion, I extend my thanks to the Nyrada Board, led by John Moore, for sharing their expertise, support, and counsel. This advice and support has been invaluable. Together, we collectively continue to work to deliver on the strategy to build a great company that improves human outcomes and create value for our shareholders.

Looking forward, I remain confident that Nyrada has the people, assets, and platforms to achieve our goals in developing therapies for the lowering of cholesterol and the treatment of brain injury. The markets for these treatments are significant and we are in an unique position considering our existing preclinical work to date and assets developed.

I look forward to the opportunity to update you on our progress at our upcoming Annual General Meeting.



James Bonnar
Chief Executive Officer

""Looking forward, I remain confident that Nyrada has the people, assets, and platforms to achieve our goals in developing therapies for the lowering of cholesterol and the treatment of brain injury. The markets for these treatments are significant and we are in an unique position considering our existing preclinical work to date and assets developed."

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 2023.

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 Chair
Peter Marks	Non-Executive Director (Resigned 1 August 2022)
Rüdiger Weseloh	Non-Executive Director
Marcus Frampton	Non-Executive Director
Christopher Cox	Non-Executive Director
Ian Dixon	Non-Executive Director
Gisela Mautner	Non-Executive Director (Appointed 1 August 2022)

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

John Moore currently serves as Chairman of Trialogics, a clinical trial informatics business, Chairman of Scientific Industries (SCND-OTCQB), a producer of laboratory instruments for the life sciences industry and Chairman of Cormetech, a manufacturer of environmental catalysts. 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 Audit & Risk Committee Member of Remuneration & Nomination Committee
Directorship held in other listed entities (last 3 years)	N/A

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

Christopher Cox is a Co-Founder and has been a Managing Partner of Population Health Partners since April 2020. Additionally, Chris is a retired Partner of Cadwalader, Wickersham & Taft LLP (New York) a position he held from January 2012. He remains a Senior Attorney of the firm.

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

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

Interest in shares and options	1,425,000 shares and 1,800,000 unlisted options
Special responsibilities	Chair of Remuneration & 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$77 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 UCLA 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 Audit & 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 an Executive Director of Business Development at EMD Serono, Inc, Rockland, MA, USA., where over a period of 17 years he has led more than 80 transactions for the health care division of its parent company Merck KGaA, Darmstadt, Germany. Completed deals across the drug development value chain were in the fields of Oncology, Rheumatology, Neurodegenerative diseases, and Fertility. Before joining Merck KGaA, Rüdiger 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. He has a university diploma in Biochemistry from the University of Hannover and a PhD in Molecular Neurobiology, obtained at the Center for Molecular Neurobiology in Hamburg. Rüdiger also served 5 years 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.

Dr Dixon has a PhD in biomedical engineering from Monash University, an MBA from Swinburne University and professional engineering qualifications. He is also a co-inventor of Nyrada's patented drug NYX-330 to treat hypercholesterolemia and atherosclerosis.

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.

In 2011, Dr Dixon co-founded Cynata Inc, now a subsidiary of ASX-listed Cynata Therapeutics Ltd (ASX-CYP), a company progressing the commercialisation what has become the Cymerus stem cell therapy to treat various medical conditions including osteoarthritis, ARDS and critical limb ischemia. Also a founder director of genetic medicines company Exopharm Ltd (ASX-EX1) in 2013 and during the last three years Dr Dixon has served as a director of the following listed companies: Medigard Ltd (ASX-MGZ); 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 Audit & Risk Committee Member of Remuneration & Nomination Committee
Directorship held in other listed entities (last 3 years)	Exopharm Limited (ASX:EX1) – current Medigard Limited (ASX:MGZ) – resigned on 16 April 2021 Noxopharm Limited (ASX:NOX) – resigned on 31 August 2020

Gisela Mautner
Non-executive Director, joined the Board 1 August 2022

Gisela is an international business leader with significant experience developing and launching new pharmaceutical products and delivering successful corporate strategies in highly competitive global markets. She is currently the CEO and Managing Director of Noxopharm Ltd (ASX:NOX).

Gisela has held senior positions with Amgen, Bayer, Siemens Medical Solutions and Merck/MSD generating successful commercial and scientific outcomes. She is currently the Past-President of the Medical Affairs Professionals Association of Australasia (MAPA), a Fellow of the Australasian College of Physician Executives and a Member of the Australian Institute of Company Directors and the CEO Institute. She is also a Non-executive Director of a not-for-profit organisation.

Gisela holds an MD from the Technical University of Munich, a PhD from the Ludwig Maximilian University, an MPH from Harvard University and an MBA from Northwestern University Chicago.

Interest in shares and options	N/A
Special responsibilities	N/A
Directorship held in other listed entities (last 3 years)	Noxopharm Limited (ASX:NOX) - current

Peter Marks
Non-Executive Director, joined the Board in August 2017, resigned 1 August 2022

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 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 Limited. David was also a Non-Executive Director of Jcurve Solutions Limited (ASX:JCS) from 2014 to 2021 and a Director, Principal and shareholder of Automic Group Pty Ltd, a service provider to the Company.

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 are focused on cholesterol-lowering and brain injury, each targeting market sectors of significant size and unmet clinical need. These programs are developing an oral, small molecule cholesterol-lowering drug, and a drug to reduce 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 $7,781,692 (30 June 2022: $3,959,661).

The year ended 30 June 2023 operating results included the following:

- Research and Development Tax Incentive refund of $1,309,407 relating to the accrued FY2023 refund (2022: $1,048,333 relating to the accrued FY2022 refund).
- Research and development costs of $6,411,264 (FY2022: $1,835,072);
- Corporate and administration expenses of $641,117 (FY2022: $699,653);
- Share based payment expense of $541,214 (FY2022: $966,951);
- Professional services expense of $409,523 (FY2022: $338,841); and
- Employee benefits expense of $1,100,136 (FY2022: $1,000,030)

The cash position as at 30 June 2023 was $3,708,761 (30 June 2022: $10,816,039).

Review of operations

During the financial year concluded 30 June 2023, Nyrada continued to advance its two lead drug development programs:

- **Cholesterol Lowering Program** - an oral PCSK9 inhibitor drug for the management of high blood LDL-cholesterol levels in patients at risk of cardiovascular disease, where statin drugs are poorly tolerated or ineffective; and
- **Brain Injury Program** - a TRPC channel blocking neuroprotectant drug to reduce the impact of secondary brain injury in patients following a stroke or traumatic brain injury, a sudden and external shock which can disrupt the normal functioning of the brain.

Cholesterol Lowering Program

Preclinical Studies

During the 2023 financial year, Nyrada undertook Good Laboratory Practice (GLP) safety and toxicology studies of its cholesterol lowering PCSK9 inhibitor drug NYX-1492 (PCSK9i). These studies are required by regulators to assess the safety and tolerability of drug candidate prior to commencing in-human clinical trials.

In late June 2023, however, the Company received news of an adverse signal in one of the 11 mandatory GLP safety and toxicology studies. The finding occurred in a small number of animals which were otherwise healthy and were only detected following microscopic analysis.

Following consultation with the Contract Research Organisation (CRO) that performed the GLP studies, and a subsequent review by the Company's Scientific Advisory Board (SAB), it was concluded that NYX-1492 will not be advanced into clinical development for cholesterol management.

Nyrada has maintained its commitment to developing an oral small molecule PCSK9 inhibitor drug, developing a plan to assess alternative candidates that are structurally differentiated from NYX-1492. As part of this process, alternative candidates will be screened with a view to preclude the identified toxicity issue.

No costs for the now deferred Phase I/IIa clinical trial were incurred.

Brain Injury Program

Preclinical Studies

During the 2023 financial year, GLP studies on NYR-BI02 were undertaken. These studies showed that NYR-BI02 was a potent blocker of canonical transient receptor potential (TRPC) ion channels, limiting excitotoxicity and secondary brain damage following a traumatic brain injury (TBI) or stroke. However, NYR-BI02 demonstrated a sub-optimal safety profile for continuous dosing in patients with these conditions.

Following review, NYR-BI03, a closely related analogue of NYR-BI02, was identified as having a superior safety profile for continuous intravenous dosing. This, coupled with superior potency on TRPC ion channel target, led to NYR-BI03's selection as Nyrada's new lead brain injury drug candidate.

NYR-BI03 will also be the agent used for preclinical efficacy testing in the Walter Reed Army Institute of Research (WRAIR) TBI model, and separately in a CRO stroke model. The stroke model will be used to study the efficacy of NYR-BI03 in blocking three key channels (TRPC 3,6,7).

Subsequent to the close of the 2023 financial year, sufficient supply of the NYR-BI03 molecule was received to permit the commencement of GLP safety and toxicology studies. These studies are currently being undertaken. Subject to the successful conclusion of these GLP studies, Nyrada expects to commence a Phase I clinical study.

TBI Efficacy Study and Stroke Model Study

NYR-BI03 will also replace NYR-BI02 as the compound for preclinical efficacy testing in the WRAIR TBI model, and separately in a CRO stroke model. This work is expected to be conducted in the second half of this calendar year.

Published Research Study

Subsequent to the conclusion of the 2023 financial year, a research study led by Nyrada's neuroscientist Dr. Jasneet Parmar was published in the journal Translational Stroke Research. This study assessed the impact of TRPC ion channel involvement in secondary brain injury. TRPC ion channel inhibition is the target of Nyrada's brain injury program. Co-authored with SAB Chair and UNSW Scientia Professor Gary Housley, the study validated the pathophysiological role of TRPC ion channels in brain injury progression, showing that animals lacking the target TRPC ion channels were protected against expansion of a photothrombotic-induced stroke infarct in the days following injury.

Dr. Parmar also presented on Nyrada's brain injury program at the US Military Health System Research Symposium in mid-August 2023.

Corporate Operations

Nyrada continued to maintain lean corporate operations, prioritising capital allocation towards research and development (R&D). For the full 2023 financial year, in excess of 70% of net operating cash flow outflows were devoted for this purpose.

Following the end of the 2023 financial year, the Company announced a review of operating costs and financial plans. As part of the review, the Nyrada Board of Directors voluntarily agreed to halve their director fees until further notice reducing the Company's annualised operating outflows by approximately $0.3 million. Some other minor efficiencies have been achieved with an ongoing watch for further cost-reduction opportunities.

At the conclusion of the September quarter, Professors David Burke and Gilles Lambert will retire from the Nyrada SAB. They remain available to consult to the Company should there be a future need.

Board Changes

In August 2022, Dr. Gisela Mautner was appointed to the Board as a non-executive director. Dr. Mautner is a medical doctor and brings over 20 years pharmaceutical industry experience encompassing all aspects of drug development, from clinical research through to product commercialisation. She is a seasoned senior leader, having held positions at MSD (Merck), Bayer and Amgen, where she successfully launched several new drugs in different therapeutic areas, including in cardiovascular diseases.

In addition, Peter Marks retired from his role as a non-executive director on the Board to pursue a range of other interests, having supported Nyrada through its IPO and key first years as a listed company.

Financial Position

	2023 $	2022 $
Cash and cash equivalents	3,708,761	10,816,039
Net assets / total equity	4,258,438	11,498,916
Contributed equity	25,320,332	25,320,332
Accumulated losses	(27,216,732)	(19,515,280)

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 $3,708,761 and anticipates receiving an Research and Development tax incentive refund of $1,309,407 for FY2023 following 30 June 2023, thus further boosting capital resources.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

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 Chair'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 or 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	-
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
Gisela Mautner	-	-	-

Options Granted

There were no options granted during the financial year.

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	8,000,000	0.20	30/06/2024
Unlisted options	4,000,000	0.22	16/01/2025
Unlisted options	4,000,000	TBC[2]	5 years from the vesting date
Unlisted options	5,000,000	TBC[2]	5 years from the vesting date
Unlisted options	5,000,000	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	900,000	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.*

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 Bylaws 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	
	Attended	Held	Attended	Held	Attended	Held
John Moore	7	7	2	2	1	1
Rüdiger Weseloh	7	7	-	-	-	-
Marcus Frampton	7	7	2	2	-	-
Christopher Cox	2	7	-	-	-	1
Ian Dixon	7	7	2	2	1	1
Gisela Mautner	7	7	-	-	-	-

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 (including Independence Standards)' 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

Business Risks

(a) Uncertainty of clinical development

There are numerous regulatory requirements to address before a drug candidate can progress into human studies, including review by a Human Research Ethics Committees (HREC). Further, there is no certainty that any of the drug candidates will receive that permission.

The Group's ability to commercialise its intellectual property is reliant on clinical data. Drug development is a highly risky business with a high failure rate. Only ~10% of drugs that enter Phase 1 achieve marketing approval by the US Food and Drug Administration (FDA). There are numerous reasons for this, mainly relating to low therapeutic benefit and unacceptable toxicity, with the drug's preclinical data failing to predict those adverse outcomes. While the Group will conduct its clinical programs and eventual drug submissions on the advice of consultants experienced in clinical trial design and regulatory affairs, there is no certainty that the trial design will provide appropriate data or that the data will meet the regulator's benchmark. This may require the Group to conduct further clinical studies, resulting in significant additional cost and delay.

Once a drug enters the clinic, the final drug development path typically takes 8-10 years, depending on the indication and regulatory pathway.

Any such clinical study would most likely be in a small number of human volunteers and be a pharmacokinetic/acute safety study using very low dosages of drug. The risk associated with a first-in-human study lies in the drug having an inappropriate pharmacokinetic profile such as being extensively metabolised and therefore inactivated or being eliminated from the body too quickly to provide a therapeutic benefit. Beyond conducting preclinical animal studies, there is no reliable way of predicting such adverse outcomes prior to testing in humans.

(b) Commercialisation

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

(c) Additional capital requirements

R&D activities require a high level of funding over a protracted period of time. However, additional development costs may arise during this period and the Company may require additional funding to meet its stated objectives or may decide to accelerate or diversify its activities within the same area

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

(1) slower than anticipated research progress;

(2) the requirement to undertake additional research;

(3) competing technological and market developments;

(4) the cost of protecting the Company's intellectual property.

The Company will constantly evaluate data arising from its R&D activities that may indicate new uses for its products and allow the Company to file patents, thereby providing potential new development and partnering opportunities. Accordingly, the Company may alter its funding strategies to take advantage of such new opportunities if and when they present themselves.

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

If the Company is unsuccessful in obtaining funds when required, it may be necessary for it to reduce the scope of its operations.

(d) Intellectual property rights

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

The Group has been granted patents in the US and Europe in relation to its Cholesterol Lowering Program and also has a provisional patent application under examination. The Company's brain injury drug candidate will be the subject of a provisional patent application in due course.

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

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

(e) Third party intellectual property infringement claims

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

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

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

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

(f) Risk of delay

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

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

Required statements

- Nyrada is not subject to chapters 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 2023, 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 bylaws, 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, 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 2023. 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 Chair
Peter Marks[1]	Non-executive Director
Rüdiger Weseloh	Non-executive Director
Marcus Frampton	Non-executive Director
Christopher Cox	Non-executive Director
Ian Dixon	Non-executive Director
Gisela Mautner[2]	Non-executive Director

Executive employees	Position
James Bonnar	Chief Executive Officer

1 *Resigned as non-executive director on 1 August 2022.*
2 *Appointed as non-executive director on 1 August 2022.*

Remuneration Policy

The Company has a Remuneration & Nomination Committee, which consists of Christopher Cox (Chair of the Remuneration Committee), Ian Dixon, and John Moore. 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 Bylaws, the Directors decide the total amount paid to each non-executive Director for their services. However, under the ASX Listing Rules, the total amount paid to all non-executive Directors must not exceed in any financial year the amount fixed in a general meeting of the Company. This amount is capped under the Bylaws at US$500,000 (exclusive of securities) 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 10.5% 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 Entities financial performance using generally accepted measures such as profitability, total shareholder return or benchmarking are not relevant as the Consolidated Entity is in the pre-clinical phase of drug development.

	Short-term employee benefits			Post-employment benefits	Share-based payments	
2023	Salary & fees $	Bonus $	Other $	Super-annuation $	Options and performance shares[3] $	Total $
Non-Executive Directors						
John Moore	193,342	-	-	-	21,698	215,040
Peter Marks[1]	20,221	-	-	-	10,849	31,070
Rüdiger Weseloh[1]	74,362	-	-	-	10,849	85,211
Marcus Frampton	81,798	-	-	-	10,849	92,647
Christopher Cox	81,798	-	-	-	10,849	92,647
Ian Dixon	89,798	-	-	-	135,333	225,131
Gisela Mautner[2]	63,563	-	-	4,704		68,267
Executive Employees						
James Bonnar (CEO)	294,178	-	27,261	27,500	45,120	394,059
Total	**899,060**	**-**	**27,261**	**32,204**	**245,547**	**1,204,072**

1 *Resigned as non-executive director on 1 August 2022.*

2 *Appointed as non-executive director on 1 August 2022.*

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 key management personnel.*

	Short-term employee benefits			Post-employment benefits	Share-based payments	
2022	Salary & fees $	Bonus $	Other $	Super-annuation $	Options and performance shares[2] $	Total $
Non-Executive Directors						
John Moore	181,135	-	-	-	83,698	264,833
Peter Marks	76,275	-	-	-	41,849	118,124
Rüdiger Weseloh[1]	82,812	-	-	-	41,849	124,661
Marcus Frampton	76,633	-	-	-	41,849	118,482
Christopher Cox	76,633	-	-	-	41,849	118,482
Ian Dixon	76,577	-	-	-	177,275	253,852
Executive Employees						
James Bonnar (CEO)	273,750	-	21,093	27,375	141,928	464,146
Total	**843,815**	**-**	**21,093**	**27,375**	**570,297**	**1,462,580**

Key terms of employment contracts

James Bonnar

The Company has entered into an Executive Services Agreement (ESA) with James Bonnar (Bonnar).

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, inclusive of superannuation and subject to annual review by the Company. The Board approved to increase James Bonnar's salary effective 26 October 2022 from $301,125 inclusive of statutory superannuation to $331,238 inclusive of statutory superannuation, all other terms of employment remain consistent.

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

T The Company maintains a Director Services Agreement with each Non-Executive Director. The Directors' fees currently agreed to be payable by the Company under the Director Services Agreements are set out below:

Name	Annual Non-Executive Director Fees
John Moore	US$120,000
Peter Marks (Resigned 1 August 2022)	US$50,000
Rüdiger Weseloh	US$50,000
Marcus Frampton	US$50,000
Christopher Cox	US$50,000
Ian Dixon	US$50,000
Gisela Mautner (Appointed 1 August 2022)	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.

2023	Balance at 1 July No.	Granted as compensation No.	Additions No.	Net other change No.	Balance on resignation No.	Balance at 30 June No.
Non-Executive Directors						
John Moore	358,423	-	-	-	-	358,423
Peter Marks	250,000	-	-	-	(250,000)	-
Rüdiger Weseloh	100,000	-	-	-	-	100,000
Marcus Frampton	245,075	-	-	-	-	245,075
Christopher Cox	1,425,000	-	-	-	-	1,425,000
Ian Dixon	10,114,033	-	-	-	-	10,114,033
Gisela Mautner	-	-	-	-	-	-
Executive Employees						
James Bonnar	141,923	-	-	-	-	141,923

2022	Balance at 1 July No.	Granted as compensation No.	Additions No.	Net other change No.	Balance on resignation No.	Balance at 30 June No.
Non-Executive Directors						
John Moore	358,423	-	-	-	-	358,423
Peter Marks	250,000	-	-	-	-	250,000
Rüdiger Weseloh	100,000	-	-	-	-	100,000
Marcus Frampton	245,075	-	-	-	-	245,075
Christopher Cox	1,425,000	-	-	-	-	1,425,000
Ian Dixon	10,114,033	-	-	-	-	10,114,033
Executive Employees						
James Bonnar	141,923	-	-	-	-	141,923

Options of Nyrada Inc.

2023	Balance at 1 July No.	Granted as compens-ation No.	Exercised/ Cancelled No.	Balance on resignation No.	Balance as at 30 June No.	Balance vested at 30 June No.	Options vested during year No.
Non-Executive Directors							
John Moore	3,600,000	-	-	-	3,600,000	2,400,000	1,200,000
Peter Marks	2,600,000	-	-	(2,600,000)	-	-	-
Rüdiger Weseloh	1,800,000	-	-	-	1,800,000	1,200,000	600,000
Marcus Frampton	1,800,000	-	-	-	1,800,000	1,200,000	600,000
Christopher Cox	1,800,000	-	-	-	1,800,000	1,200,000	600,000
Ian Dixon	1,800,000	-	-	-	1,800,000	600,000	600,000
Gisela Mautner	-	-	-	-	-	-	-
Executive Employee							
James Bonnar	1,800,000	-	-	-	1,800,000	1,200,000	1,200,000

2022	Balance at 1 July No.	Granted as compens-ation No.	Exercised/ Cancelled No.	Balance on resignation No.	Balance as at 30 June No.	Balance vested at 30 June No.	Options vested during year No.
Non-Executive Directors							
John Moore	3,600,000	-	-	-	3,600,000	1,200,000	1,200,000
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	1,800,000	-	-	-	1,800,000	-	-

Performance Shares

2023	Balance at 1 July No.	Granted as compensation No.	Exercised/ Cancelled No.	Balance on resignation No.	Balance at 30 June No.	Balance vested at 30 June No.	Options vested during year No.
Non-Executive Directors							
John Moore	-	-	-	-	-	-	-
Rüdiger Weseloh	-	-	-	-	-	-	-
Marcus Frampton	-	-	-	-	-	-	-
Christopher Cox	-	-	-	-	-	-	-
Ian Dixon	-	5,999,400	-	-	5,999,400	-	-
Gisela Mautner	-	-	-	-	-	-	-
Executive Employee							
James Bonnar	-	-	-	-	-	-	-

2022	Balance at 1 July No.	Granted as compensation No.	Exercised/ Cancelled No.	Balance on resignation No.	Balance at 30 June No.	Balance vested at 30 June No.	Options vested during year No.
Non-Executive Directors							
John Moore	-	-	-	-	-	-	-
Peter Marks	-	-	-	-	-	-	-
Rüdiger Weseloh	-	-	-	-	-	-	-
Marcus Frampton	-	-	-	-	-	-	-
Christopher Cox	-	-	-	-	-	-	-
Ian Dixon	-	5,999,400	-	-	5,999,400	-	-
Executive Employee							
James Bonnar	-	-	-	-	-	-	-

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 Chair
28 August 2023

William Buck
ACCOUNTANTS & ADVISORS

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 2023 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, 28 August 2023

William Buck
ACCOUNTANTS & ADVISORS

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 2023, the consolidated statement of profit or loss and other 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 2023 and of its financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *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.

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.

ACCOUNTING FOR SHARE BASED PAYMENTS	
Area of focus **Refer also to notes 2 and 17**	**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 in accordance with AASB 2 *Share-based Payment*. Its share-based payment arrangements in periods leading up to and for the year ended 30 June 2023 took the form of share options and performance rights which were granted and issued in prior financial years. 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 due to the complexities and judgements involved, and also due to the vesting charges concerning key management personnel remuneration are recorded in the Remuneration Report, which accompanies these financial statements.	For the year ended 30 June 2023 there were no new share-based payment arrangements; however vesting charges continued to accrue to the profit or loss in-respect of prior period share-based payment arrangements. These also impacted disclosures in the Remuneration Report and in Related Party transaction arrangements. As such, our audit procedures involved: — Rolling forward share-based payment arrangements from the prior year; — Ensuring that none of these arrangements were modified by examining board minutes, public announcements and through our discussions with management; and — Recomputing the vesting charge applied from those arrangements. We also confirmed that these existing share-based payment arrangements were appropriately disclosed in the financial report and Remuneration Report.

RESEARCH AND DEVELOPMENT RECEIVABLE AND REVENUE	
Area of focus **Refer also to notes 2, 6 and 7**	**How our audit addressed it**
During the financial year and as disclosed in note 6, the Group recorded R&D grant revenue of $1,429,905 for the year ended 30 June 2023, of which $1,309,407 relates to the FY23 R&D tax incentive and is also recognised as a receivable in note 7. The income was recognised in accordance with the Group's accounting policy.	Our audit procedures included: — Income from the R&D claim was tested substantively to confirm it was recognised correctly as per AASB 120 and the Group's accounting policy; — Performed substantive testing of R&D expenditure incurred and employment payroll costs which are included in the FY23 R&D claim; — The R&D tax incentive claim workings were prepared by an expert engaged by

RESEARCH AND DEVELOPMENT RECEIVABLE AND REVENUE	
Area of focus **Refer also to notes 2, 6 and 7**	**How our audit addressed it**
Notwithstanding that there being a history of the claims being received there remains a risk that the R&D receivable is overstated with expenses inappropriately included in the claim and revenue therefore overstated. This matter was considered a Key Audit Matter due to the complexity and judgement applied in calculating the R&D claim.	management, as well as being assessed by our specialist, William Buck R&D team for its appropriateness with respect ATO guidelines to consider if expenditure is deemed eligible; and — Vouched the prior period receivable amount to cash at bank in relation to the FY22 expenditure. We assessed the adequacy of the financial statement disclosures concerning the Group's accounting policies with respect to the current claim and the disclosure within the notes to the financial report.

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 2023, 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:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Nyrada Inc, for the year ended 30 June 2023, 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.

Yours sincerely

William Buck

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

N.S. Benbow
Director
Melbourne, 28 August 2023

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue			
Other income	5	148,817	59,241
R&D grant revenue	6	1,429,905	1,048,333
Total revenue		**1,578,722**	**1,107,574**
Expenses			
Employee benefits expense - share based payments		(541,214)	(966,951)
Professional services expenses		(409,523)	(338,841)
Employee benefits expense		(1,100,136)	(1,000,030)
Depreciation and amortisation expense		(6,534)	(4,734)
Research and development costs		(6,411,264)	(1,835,072)
Other expenses		(250,626)	(220,568)
Finance costs		-	(1,386)
Corporate and administration expenses		(641,117)	(699,653)
Total expenses		**(9,360,414)**	**(5,067,235)**
Loss before income tax expense		**(7,781,692)**	**(3,959,661)**
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Nyrada Inc.		**(7,781,692)**	**(3,959,661)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Nyrada Inc.		**(7,781,692)**	**(3,959,661)**
		$	**$**
Basic loss per share	18	(0.05)	(0.03)
Diluted loss per share	18	(0.05)	(0.03)

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 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents		3,708,761	10,816,039
Trade, other receivables and prepayments	7	1,417,865	1,153,725
Total current assets		**5,126,626**	**11,969,764**
Non-current assets			
Plant and equipment		4,481	8,729
Intangibles		33,615	35,901
Total non-current assets		**38,096**	**44,630**
Total assets		**5,164,722**	**12,014,394**
Liabilities			
Current liabilities			
Trade and other payables	8	720,502	382,955
Employee benefits		163,670	89,169
Total current liabilities		**884,172**	**472,124**
Non-current liabilities			
Employee benefits		22,112	43,354
Total non-current liabilities		**22,112**	**43,354**
Total liabilities		**906,284**	**515,478**
Net assets		**4,258,438**	**11,498,916**
Equity			
Issued capital	9	25,320,332	25,320,332
Reserves	10	6,154,838	5,693,864
Accumulated losses		(27,216,732)	(19,515,280)
Total equity		**4,258,438**	**11,498,916**

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 2023

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	25,320,332	4,726,913	(15,555,619)	14,491,626
Loss after income tax expense for the year	-	-	(3,959,661)	(3,959,661)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(3,959,661)**	**(3,959,661)**
Transactions with owners in their capacity as owners:				
Share based payments – vesting	-	966,951	-	966,951
Balance at 30 June 2022	**25,320,332**	**5,693,864**	**(19,515,280)**	**11,498,916**

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	25,320,332	5,693,864	(19,515,280)	11,498,916
Loss after income tax expense for the year	-	-	(7,781,692)	(7,781,692)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(7,781,692)**	**(7,781,692)**
Transactions with owners in their capacity as owners:				
Transfer of fair value on expired options	-	(80,240)	80,240	-
Share based payments – vesting	-	541,214	-	541,214
Balance at 30 June 2023	**25,320,332**	**6,154,838**	**(27,216,732)**	**4,258,438**

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(8,517,039)	(4,292,579)
R & D tax incentive received		1,168,831	1,309,650
Interest received		148,817	13,830
Cash receipts from other government grants	5	-	45,411
Net cash used in operating activities		**(7,199,391)**	**(2,923,688)**
Cash flows from investing activities			
Payments for plant and equipment		-	(4,756)
Net cash used in investing activities		**-**	**(4,756)**
Cash flows from financing activities			
Proceeds from other financing activities		-	(44,521)
Transaction costs relating to issue of Common Stock		-	(224,440)
Net cash used in financing activities		**-**	**(268,961)**
Net decrease in cash and cash equivalents		(7,199,391)	(3,197,405)
Cash and cash equivalents at the beginning of the financial year		10,816,039	13,750,743
Effects of exchange rate changes on cash and cash equivalents		92,113	262,701
Cash and cash equivalents at the end of the financial year		**3,708,761**	**10,816,039**

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 28 August 2023.

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, therefore there is no impact to the financial statements.

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 2023 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.

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

The Consolidated Entity has accounted for the current year accrued R&D Tax Incentive.

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.

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.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

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.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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 2023 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 are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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

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.

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.

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.

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 for deductible temporary differences and carry-forward tax losses

Deferred tax assets are recognised for deductible temporary differences and carry-forward tax losses 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.

Research and Development Rebate

With the successful track record of the Consolidated Entity in obtaining the Research and Development rebate from the ATO, an estimated rebate of $1,309,407 has been accrued as income for the full-year ended 30 June 2023 (30 June 2022: $1,048,333)

The company is entitled to claim grant credits from the Australian Government in recompense for its research and development program expenditure. The program is overseen by AusIndustry, which is entitled to audit and/or review claims lodged for the past 4 years. In the event of a negative finding from such an audit or review AusIndustry has the right to rescind and clawback those prior claims, potentially with penalties. Such a finding may occur in the event that those expenditures do not appropriately qualify for the grant program. In their estimation, considering also the independent external expertise they have contracted to draft and claim such expenditures, the directors of the company consider that such a negative review has a remote likelihood of occurring.

4. Operating segments

From the period beginning 1 July 2022 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

	2023 $	2022 $
Interest received	148,817	13,830
Grant income	-	45,411
Other income	**148,817**	**59,241**

6. R&D grant revenue

	2023 $	2022 $
R&D grant revenue	**1,429,905**	**1,048,333**

In FY22 the Company received a R&D tax incentive refund greater than the amount accrued by $120,498. The estimated FY2023 R&D tax incentive refund is $1,309,407.

7. Trade, other receivables and prepayments

	2023 $	2022 $
Current assets		
R&D Tax Incentive Receivable	1,309,407	1,048,333
Prepayments	81,070	82,486
Other receivables	27,388	22,906
	1,417,865	**1,153,725**

8. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	505,727	65,420
Accrued expenses	183,604	295,027
Other payables	31,171	22,508
	720,502	**382,955**

9. Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	156,008,700	156,008,700	25,320,332	25,320,332

Common stock

	30 June 2023 Shares	30 June 2022 Shares	30 June 2023 $	30 June 2022 $
At the beginning of reporting period/year	156,008,700	156,008,700	25,320,332	25,320,332

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.

Performance Common Stock

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

	2023 No	2022 No
At the beginning 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 inhibiter drug candidate is ready to proceed to pre-clinical safety and toxicology studies.
Total	**18,000,000**	

If the relevant performance milestones are not achieved on or before 25 November 2024, the Performance Shares held by each holder will be automatically redeemed by the Company for the sum of AU$1.00.

Each Performance Share shall be convertible into one (1) fully paid and non-assessable Share upon the terms and conditions set forth herein. The Company will at all times reserve and keep available, solely for the purpose of issue upon conversion of the outstanding Performance Shares, such number of Shares as shall be issuable upon the conversion of all such outstanding shares; provided, that nothing contained herein shall be construed to preclude the Company from satisfying its obligations in respect of the conversion of the outstanding Performance Shares by delivery of Shares which are held in the treasury of the Company.

The Company covenants that if any shares, required to be reserved for purposes of conversion hereunder, require registration with or approval of any governmental authority under any federal or state law before such shares may be issued upon conversion, the Company will use its best efforts to cause such shares to be duly registered or approved, as the case may be. The Company will endeavour to list the shares required to be delivered upon conversion prior to such delivery upon each national securities exchange, if any, upon which the outstanding shares are listed at the time of such delivery. The Company covenants that all Shares which shall be issued upon conversion of the Performance shares will, upon issue, be fully paid and non-assessable and not entitled to any pre-emptive rights.

Fifty Percent (50%) of the Noxopharm 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 Noxopharm Performance Common Stock will convert into one Share.

Fifty Percent (50%) of the Noxopharm 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 Noxopharm 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. Altnia 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.

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

	2023 $	2022 $
Balance at beginning of period	5,693,864	4,726,913
Transfer of fair value on expired options	(80,240)	-
Share based payments - vesting	541,214	966,951
	6,154,838	**5,693,864**

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. Unrecognised carry-forward tax losses

The Company has income tax revenue losses of approximately $9,718,406 (2022: $7,533,789) 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	
	2023	2022
	$	$
Loss after income tax	(4,992,021)	(2,195,362)
Total comprehensive income	**(4,992,021)**	**(2,195,362)**

Statement of financial position

	Parent	
	2023	2022
	$	$
Total current assets	3,586,914	8,021,863
Total non-current assets	-	-
Total assets	**3,586,914**	**8,021,863**
Total current liabilities	95,662	79,805
Total liabilities	**95,662**	**79,805**
Equity		
Issued capital	25,320,332	25,320,332
Share-based payments reserve	6,154,838	5,693,864
Accumulated losses	(27,983,918)	(23,072,138)
Total equity	**3,491,252**	**7,942,058**

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 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

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

	2023 ownership interest	2022 ownership interest
Nyrada Pty Ltd	100%	100%
Norbio No.2 Pty Ltd	100%	100%
Cardio Therapeutics Pty Ltd	100%	100%

15. Events after reporting period

No matters or circumstances have arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

16. Cash flow information

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

	2023 $	2022 $
Loss after income tax expense for the year	(7,781,692)	(3,959,661)
Adjustments for:		
Depreciation & amortisation	6,534	4,734
Share-based payments	541,214	966,951
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	(264,140)	207,096
Increase/(decrease) in trade and other payables	245,433	(197,978)
Increase/(decrease) in employee benefits	53,260	55,170
	(7,199,391)	**(2,923,688)**

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:

	2023 $	2022 $
Cheque account	196,729	421,940
USD account	671	2,450,841
Saving bonus	3,511,361	7,943,258
	3,708,761	**10,816,039**

17. Share-based payments

With the exception of 800,000 options which expired during the year, the number of options and performance shares representing amounts in the share-based payments reserve did not change (total of 48,700,000 options and 18,000,000 performance shares). The vesting charge taken to the profit and loss in-respect of these options and shares for the year was $541,214 and the transfer of fair value on expired options was ($80,240). Details of the fair value assumptions underpinning these share-based payment arrangements are disclosed in previous years' financial reports of the Company.

The weighted average exercise price at the end of the financial year was $0.21 (2022: $0.21). The weighted average remaining contractual life of options and performance shares outstanding at the end of the financial year was 1.75 years (2022: 2.75 years).

18. Loss per share

	2023 $	2022 $
Loss after income tax attributable to the owners of Nyrada Inc.	(7,781,692)	(3,959,661)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	156,008,700	156,008,700
Weighted average number of ordinary shares used in calculating diluted earnings per share	156,008,700	156,008,700

	$	$
Basic loss per share	(0.05)	(0.03)
Diluted loss per share	(0.05)	(0.03)

There are 38,000,000 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:

	2023 $	2022 $
Short-term employee benefits	926,321	864,908
Post-employment benefits	32,204	27,375
Share-based payments	245,547	570,297
	1,204,072	**1,462,580**

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, including who is included within these disclosures, refer to the remuneration report contained in the Directors' report and note 19.

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 2022.

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 including a 15% placement capacity on new equity raising.

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

	2023 $	2022 $
Financial assets		
Cash and cash equivalents	3,708,761	10,816,039
Trade and other receivables	1,417,865	1,153,725
	5,126,626	**11,969,764**

	2023 $	2022 $
Financial liabilities		
Trade and other payables	720,502	382,955

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

Financial risk management objectives

For the year, the only material financial risk of the Consolidated Entity was liquidity risk. 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 Entity's 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 Entity's competitiveness and flexibility.

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.

2023	Carrying amount $	Less than 1 month $	1-3 months $	3-12 months $	1 year to 5 years $	Total contractual cash flows $
Trade and other payables	720,502	645,486	73,516	-	-	719,002

23. Remuneration of auditors

	2023 $	2022 $
Audit and review services		
William Buck Audit (Vic) Pty Ltd	37,500	35,000

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 2023 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 Chair

28 August 2023

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 7 August 2023 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:

	Holders	Total units	% share capital
1 to 1,000	32	5,311	0.00%
1,001 to 5,000	359	1,153,775	0.74%
5,001 to 10,000	255	2,100,987	1.35%
10,001 to 100,000	775	29,607,127	18.98%
100,001 and over	227	123,141,500	78.93%
Total	**1,648**	**156,008,700**	**100.00%**

Unmarketable parcels

There are 799 shareholdings held with less than a marketable parcel, totalling 5,345,874 shares or 3.43% 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
- 32,700,000 ESOP Options, of which 31,500,000 with the terms and conditions outlined in the Prospectus (released to the ASX on 14 January 2020) and subsequent allotments outlined within the Notice of Meeting (released to the ASX on 18 October 2022).
- 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)

	Performance Common Stock %	Broker Options[2] %	ESOP Options %
NOXOPHARM LIMITED	66.67%	-	-
ALTNIA HOLDING PTY LTD (I DIXON FAMILY A/C)	33.33%	-	-
ACNS CAPITAL MARKETS PTY LTD	-	-	-
GRAHAM KELLY	-	-	55.05%
ANNA CARINA PTY LTD (ANNA CARINA FAMILY A/C)	-	30.00%	-
MERSOUND PTY LIMITED	-	30.00%	-
MR JODET DURAK	-	30.00%	-

Note 1 – There are no holders that hold >20% for the following unlisted securities

- *8,000,000 Broker Options, with an exercise price of $0.20 and expiry date of 30 June 2024;*
- *4,000,000 Broker Options, with an exercise price of $0.40 and expiry date of 29 June 2026*

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*

Voting rights

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 Monday, 20 November 2023 at 10:00am (AEDT) as a hybrid meeting.

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 Monday, 2 October 2023.

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>	2,400,000	1.54%
4	KYRIACO BARBER PTY LTD	1,982,498	1.27%
5	COLIN HOUSELY & FREDA HOUSELY <CM HOUSLEY & FV HOUSLEY FAM>	1,863,725	1.19%
6	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	1,793,715	1.15%
7	HIMSTEDT & CO PTY LTD <THE HIMSTEDT FAMILY A/C>	1,760,500	1.13%
8	MR NICHOLAS JOHN AXAM	1,731,400	1.11%
9	SYMPHONY CAPITAL HOLDINGS LLC	1,425,000	0.91%
10	PROFESSOR GARY DAVID HOUSLEY	1,411,411	0.90%
11	HARLUND INVESTMENTS PTY LTD <HART FAMILY SUPER FUND A/C>	1,400,000	0.90%
12	MR JOHN GARDNER	1,400,000	0.90%
13	DOSSMAN PTY LTD	1,353,705	0.87%
14	MR ANTHONY JOHN LOCANTRO	1,327,567	0.85%
15	JOHN W KING NOMINEES PTY LTD	1,242,483	0.80%
16	RHLC PTY LIMITED <RHLC S/F A/C>	1,210,000	0.78%
17	MR COLIN JAMES EASTERBROOK & MRS JANET ELIZABETH EASTERBROOK <C & J EASTERBROOK SUPER A/C>	1,200,000	0.77%
18	CANARY CAPITAL PTY LTD	1,134,615	0.73%
19	DIXSON TRUST PTY LIMITED	1,100,000	0.71%
20	MR GRAHAM ARTHUR ROBINSON	1,082,888	0.69%

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