

## ASX APPENDIX 4D

### FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

#### 1. DETAILS OF REPORTING PERIOD

Name of Entity	Firebrick Pharma Limited (the Company)
ABN	64 157 765 896
Reporting Period	31 December 2022
Previous Corresponding Period	31 December 2021
Presentation Currency	Australian Dollar (\$)

#### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2022 \$	31 Dec 2021 \$	% Change	\$ Change
Revenues from ordinary activities	830	3,372	Down 75.39%	2,542
Loss from ordinary activities after tax attributable to members	3,131,575	1,541,012	Up 103.22%	1,590,563
Loss after tax attributable to members	3,131,575	1,541,012	Up 103.22%	1,590,563

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

#### Commentary on results:

For further information, refer to the review of operations contained in the directors' report, which forms part of the attached consolidated financial statements.

#### 3. NET TANGIBLE ASSETS PER SHARE

	31 Dec 2022	31 Dec 2021
Net tangible asset backing per ordinary security	3.03 cents	3.44 cents

#### 4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

##### Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

##### Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

#### 5. DIVIDEND DETAILS

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2022.

#### 6. DETAILS OF DIVIDEND REINVESTMENT PLANS

N/A

#### 7. DETAILS OF ASSOCIATE AND JOINT VENTURE ENTITIES

N/A

#### 8. FOREIGN ENTITIES

N/A

#### 9. AUDIT

This report is based on accounts that have been subject to an audit review. The Independent Auditor's Report contains a paragraph drawing attention to a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The attached financial report has been prepared on a going concern basis. There are no items of dispute with the auditor.



Dr Peter Molloy  
Executive Chairman & Chief Executive Officer

17 February 2023

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# Financial report for the half-year ended

31 DECEMBER 2022



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# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

Dr Peter Molloy	Executive Chairman & Chief Executive Officer
Dr Stephen Goodall	Executive Director & Chief Operating Officer
Dr Phyllis Gardner	Non-Executive Director
Dr Richard Treagus	Non-Executive Director

## COMPANY SECRETARY

Mr Stephen Buckley

## REGISTERED OFFICE

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AUSTRALIA

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Web: [www.firebrickpharma.com](http://www.firebrickpharma.com)

## AUDITOR

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Level 9, Mia Yellagonga Tower 2  
5 Spring St  
Perth WA 6000  
AUSTRALIA

## SHARE REGISTRY

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## SECURITIES EXCHANGE LISTING

Securities Exchange Listing  
ASX Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

ASX Code  
**FRE**

## DIRECTORS' REPORT

The Directors of Firebrick Pharma Limited ("Firebrick" or "the Company") submit herewith the interim financial report of Firebrick Pharma Limited and its controlled entity ("the Group") for the half-year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

### DIRECTORS

The names of Directors in office at any time during the half year and to the date of this report are:

Name	Status	Appointed
Dr Peter Molloy	Executive Chairman & Chief Executive Officer	Appointed 12 April 2012
Dr Stephen Goodall	Executive Director & Chief Operating Officer	Appointed 12 April 2012
Dr Phyllis Gardner	Non-Executive Director	Appointed 13 November 2020
Dr Richard Treagus	Non-Executive Director	Appointed 1 June 2022

### COMPANY SECRETARY

The following person held the position of Company Secretary during and to the date of this report:

Mr Stephen Buckley	Appointed 4 December 2020
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### REVIEW OF OPERATIONS

#### Phase 3 Common Cold Study

The Phase 3 trial is a core project for Firebrick that commenced in May 2022 and continued during the half year. The trial is a confirmatory pivotal trial of Nasodine's efficacy and safety in the treatment of the common cold.

On 31 October 2022, the Company provided an update on the trial, announcing that the trial was 51% recruited at that time, having successfully recruited 224 subjects with early-stage colds into the ITT ('Intent-To-Treat' population), and with an estimated 100 subjects qualifying for the primary endpoint population of those with confirmed viral infection (the ITTi) based on PCR of a throat/nasal swab. This represented 51% of the trial's full recruitment target of 196 subjects in the ITTi.

To avoid unnecessary trial running costs over the summer when cases are typically very low, Firebrick paused recruitment at all sites from 1 November

2022 with the plan to restart recruitment in March 2023. This timetable remains on schedule and depending on recruitment at each site, the trial could be completed by mid-year with results announced in the July-September quarter of 2023.

The results of this trial will be important for international partnering and regulatory approvals in markets outside Australia, notably for the European regulatory filing for Nasodine. The results may also be important to support Australian approval if the AAT appeal process is unsuccessful.

#### AAT Appeal

The Company's appeal to the AAT (Administrative Appeals Tribunal or Tribunal) is also an important project that seeks to gain approval for Nasodine based on the first Phase 3 common cold, which was conducted in 2019 and was the basis for Firebrick's 2020 application to the TGA seeking approval of Nasodine based on that trial data.

Prior to initiating the AAT appeal, Firebrick had filed a Section 60 appeal with the TGA seeking to have the agency review its initial decision not to approve Nasodine based on the first Phase 3 trial results. On 7 July 2022, the Company announced it had received written advice from the TGA that the agency had completed its review and confirmed its original decision not to approve Nasodine based on existing efficacy data.

On 2 August 2022, the Company took the next step in the appeals process and lodged an appeal (application for review of decision) with the AAT (the Appeal). The Tribunal's role is to provide an independent merits review of decisions made by the Australian Government, including the TGA.

On 1 December 2022, a formal conference was held between the parties (TGA, Firebrick) and the Tribunal. That conference yielded an agreement in principle to a timetable for the Appeal as follows (ASX announcement 1 December 2022):

1. On or before 28 February 2023, Firebrick will provide the Tribunal and the TGA with its Statement of Issues, Facts and Contentions (SIFC) and any expert evidence on which Firebrick relies.
2. On or before 12 May 2023, the TGA will provide the Tribunal and Firebrick with its SIFC and any expert evidence on which it relies.
3. On a date on or about 30 May 2023, a conciliation conference between the parties will take place, to be conducted by a Tribunal-appointed conciliator.

On 12 December 2022, the Tribunal issued orders confirming the timing of (1) and (2), although confirmation of the conciliation meeting date is yet to be ordered.

If the conciliation occurs as currently scheduled and the parties reach an agreement on a pathway for the approval of Nasodine without further AAT proceedings, then Nasodine could be approved before the end of calendar 2023, allowing its market launch in early 2024. If the appeal process does not lead to an immediate approval of Nasodine, then the Company expects to resubmit for approval after we obtain the results of the second Phase 3 trial, which should readout in the second half of calendar 2023.

### Phase 2 COVID-19 Trial

As part of Firebrick's plan to explore new indications for Nasodine beyond the common cold, the Company has been conducting a Phase 2 trial in South Africa, assessing the potential role for Nasodine in the management of COVID-19. The trial is targeted to recruit up to 210 adults who are COVID-positive by Rapid Antigen Test (RAT) to achieve a target treatment population of 144 subjects who will be confirmed by viral culture to be shedding SARS-CoV-2 virus. The primary aim of the trial will be to show that frequent Nasodine application (every 2 hours, up to eight-times-daily) over three days leads to a significant reduction in nasal shedding of SARS-CoV-2 virus, compared with a placebo nasal spray.

Recruitment into the Phase 2 trial in South Africa commenced in April 2022 and continued throughout the half year. On 23 November 2022, the Company reported that 27 subjects had been recruited at that date and that recruitment would continue into 2023, with the trial to be closed by June 2023 regardless of total recruitment at that time. This would allow reporting of the trial results thereafter. Based on those results, the Company will consider whether any further studies should be undertaken into this indication.

### Scientific Advisory Board

On 14 September 2022, the Company announced it has established a Scientific Advisory Board (SAB) with the appointment of four inaugural members, being:

- Prof Richard Strugnell: Academic microbiologist and Fellow of the Australian Society of Microbiology.
- Prof Ronald Turner: A Professor at the University of Virginia School of Medicine and a prominent researcher in viral respiratory infections.
- Prof Andrew Wilks: A Fellow to the Australian Academy of Health and Medical Sciences and founder and co-founder of multiple biotech companies.
- Dr Bobby Singh: An accomplished pharmaceutical executive and lead inventor or co-inventor of more than 25 patents.

In addition, all Firebrick Board members (Dr Peter Molloy, Dr Stephen Goodall, Prof Phyllis Gardner and Dr Richard Treagus) participate in SAB meetings.

### Product development

During the half year, the Company continued development work, in conjunction with Probiotec, on a range of new products to complement Nasodine. These products include follow-on products aimed at the common cold market, which would be launched after Nasodine Nasal Spray. The Company is also developing a range of products under a second brand, called Xilodine®. The first of the Xilodine products will be an antibacterial body cleanser. Subject to TGA approval, the Xilodine Body Cleanser is expected to be launched after the launch of Nasodine Nasal Spray.

### Patents

On 25 October 2022, the Company announced that its patent covering Nasodine as a treatment and preventative for the common cold has been granted in Singapore. This took the number of countries where Firebrick's core patent had been granted to 27.

On 14 November 2022, the Company announced that a patent covering the unique formulation of Nasodine had been accepted in Australia. The patent (number 2021203846) is titled: "Virucidal Formulations Containing Povidone-Iodine" and once granted, expires in June 2041. The patent will also be pursued in the US, Europe and other key markets. This patent is considered by the Company to be an important development and complement to the existing patent portfolio.

### Annual General Meeting

The Company held its Annual General Meeting on 23 November 2022, with all resolutions being passed on a poll with circa 98.4% or greater of all votes cast being in favour of the resolutions. Shareholders approved amendments to the Company's constitution by a sufficient majority as a special resolution.

### Financial Review

During the half year ended 31 December 2022, the Company received an R&D Tax Incentive payment of \$1,081,266 for eligible R&D expenditure incurred in 2021/22. Most of this expenditure was associated with the two clinical trials of Nasodine, which commenced in the first half of calendar 2022. The net loss for the half year was \$3,131,575 (31 Dec 2021: \$1,541,012), with major expenses being management consulting fees and employee benefit expenses (\$449,834), R&D expenses (\$2,006,279), and other professional fees (\$271,025).

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs for the half year ended 31 December 2022.

## DIVIDENDS PAID OR RECOMMENDED

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

## EVENTS SUBSEQUENT TO REPORTING DATE

On 18 January 2023, the Company announced the publication of new research into Nasodine identifying its potential in the management of chronic rhinosinusitis (CRS).

There have been no other material events or circumstances that have arisen since the date of this report.

## FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

As detailed in the AGM Presentation (ASX announcement 23 November 2022) and telegraphed in the above Review of Operations, the 2023 calendar year promises to be an exciting one for the Company with multiple key projects expected to deliver outcomes before the end of the year, including:

- a. A potential outcome of the AAT appeal and if positive, subsequent approval of Nasodine.
- b. Completion of the Nasodine Phase 3 common cold trial and reporting of trial results.
- c. Subject to results in the Phase 3 trial, filing of an application for marketing authorization for Nasodine in Europe.
- d. Completion of the Nasodine Phase 2 COVID-19 trial and reporting of the results.

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2022 has been received and can be found on page 6 of this Report.

Signed in accordance with a resolution of the Board of Directors.



Dr Peter Molloy

Executive Chairman & Chief Executive Officer

17 February 2023

# AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*



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## DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF FIREBRICK PHARMA LIMITED

As lead auditor for the review of Firebrick Pharma Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Firebrick Pharma Limited and the entity it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a light grey horizontal line.

**Ashleigh Woodley**  
**Director**

**BDO Audit (WA) Pty Ltd**  
Perth  
17 February 2023

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# FINANCIAL REPORT

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Revenue		830	3,372
Other income		21,720	149
Interest Income		17,748	89
Research and development expenses	3	(2,006,279)	(250,688)
Business development and marketing expenses		(220,926)	(68,533)
Consulting fees and employee benefit expenses	3	(449,834)	(569,660)
Listing and share registry expenses	3	(36,806)	(250,151)
Professional services expenses	3	(271,025)	(84,997)
Insurance expenses		(89,091)	(17,352)
Rent expenses		(46,705)	(26,006)
Other expenses		(69,123)	(88,323)
Share based payments expenses		22,664	(182,697)
Finance and interest expenses		-	(4,144)
Depreciation expenses		(4,748)	(2,071)
<b>Loss before income tax</b>		<b>(3,131,575)</b>	<b>(1,541,012)</b>
Income tax expense		-	-
<b>Loss for the period after income tax</b>		<b>(3,131,575)</b>	<b>(1,541,012)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the half-year</b>		<b>(3,131,575)</b>	<b>(1,541,012)</b>
Basic loss per share (cents per share)	4	(1.85)	(1.29)

The above 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 31 DECEMBER 2022

	Note	31 Dec 2022 \$	30 Jun 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		4,909,047	7,142,900
Trade and other receivables	5	117,789	1,081,624
Other assets	6	200,403	103,808
<b>TOTAL CURRENT ASSETS</b>		<b>5,227,239</b>	<b>8,328,332</b>
<b>NON-CURRENT ASSETS</b>			
Inventory	7	283,244	283,244
Other assets		76,100	76,100
Plant and equipment		38,622	41,755
<b>TOTAL NON-CURRENT ASSETS</b>		<b>397,966</b>	<b>401,099</b>
<b>TOTAL ASSETS</b>		<b>5,625,205</b>	<b>8,729,431</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	379,674	334,027
Provisions		118,027	116,073
<b>TOTAL CURRENT LIABILITIES</b>		<b>497,701</b>	<b>450,100</b>
<b>TOTAL LIABILITIES</b>		<b>497,701</b>	<b>450,100</b>
<b>NET ASSETS</b>		<b>5,127,504</b>	<b>8,279,331</b>
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital	9	16,002,229	15,999,817
Reserves	10	1,033,440	1,084,614
Accumulated losses		(11,908,165)	(8,805,100)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>5,127,504</b>	<b>8,279,331</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2022

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2022</b>	<b>15,999,817</b>	<b>1,084,614</b>	<b>(8,805,100)</b>	<b>8,279,331</b>
Loss for the period	-	-	(3,131,575)	(3,131,575)
Total comprehensive loss for the period	-	-	(3,131,575)	(3,131,575)
<b>Transactions with owners, recognised directly in equity</b>				
Equity issued during the period ( <i>note 9</i> )	2,412	-	-	2,412
Share based payments	-	(22,664)	-	(22,664)
Exercise of options	-	(28,510)	28,510	-
<b>Balance at 31 December 2022</b>	<b>16,002,229</b>	<b>1,033,440</b>	<b>(11,908,165)</b>	<b>5,127,504</b>
<b>Balance at 1 July 2021</b>	<b>5,773,897</b>	<b>805,915</b>	<b>(5,033,790)</b>	<b>1,546,022</b>
Loss for the period	-	-	(1,541,012)	(1,541,012)
Total comprehensive loss for the period	-	-	(1,541,012)	(1,541,012)
<b>Transactions with owners, recognised directly in equity</b>				
Equity issued during the period	3,700,000	-	-	3,700,000
Shares applied for but unissued	830,000	-	-	830,000
Capital raising costs	(110,304)	-	-	(110,304)
Share based payments	-	182,697	-	182,697
Exercise/expiry of options	-	(25,000)	25,000	-
<b>Balance at 31 December 2021</b>	<b>10,193,593</b>	<b>963,612</b>	<b>(6,549,802)</b>	<b>4,607,403</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Government grants and tax incentives		1,100,798	422,149
Revenue		830	3,372
Interest received		17,748	89
Payments for research and development		(1,941,011)	(292,711)
Payments for business development and marketing		(215,291)	(73,157)
Payments for manufacturing and distribution		-	(283,244)
Payments to suppliers and employees		(1,157,322)	(1,103,930)
Payments for finance and interest expense		-	(791)
<b>Net cash used in operating activities</b>		<b>(2,194,248)</b>	<b>(1,328,223)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(1,616)	(17,703)
<b>Net cash used in investing activities</b>		<b>(1,616)</b>	<b>(17,703)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	3,700,000
Proceeds from shares yet to be issued		-	830,000
Proceeds from exercise of options (refer to note 9)		2,412	-
Capital raising costs		-	(110,304)
Payments for leased assets (including premises)		(40,401)	-
Proceeds from borrowings		-	109,065
Repayment of borrowings		-	(18,178)
<b>Net cash (used in)/provided by financing activities</b>		<b>(37,989)</b>	<b>4,510,583</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,233,853)</b>	<b>3,164,657</b>
Cash and cash equivalents at the beginning of the financial period		7,142,900	1,151,751
<b>Cash and cash equivalents at the end of the period</b>		<b>4,909,047</b>	<b>4,316,408</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1:

### GENERAL INFORMATION

#### a) Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IFRS Accounting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual report and should be read in conjunction with the most recent annual financial report.

The half-year financial report was authorised for issue by the board of directors on 17 February 2023.

#### b) Basis of preparation

The financial statements have been prepared on the basis of historical costs, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies. All amounts are presented in Australian Dollars ("\$"), unless otherwise noted.

#### Going concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss for the half-year ended 31 December 2022 of \$3,131,575, net cash outflow used in operating activities was \$2,194,248.

The ability of the Group to continue as a going concern is dependent on securing additional funding through sale of equity to continue to fund its operational and technology development activities. These conditions indicate a material uncertainty that may cast doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However,

the directors believe that there are sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the ongoing operations of the Group for the following reasons:

- the Group successfully raised \$7m (before transaction costs) for its listing in January 2022 and management has confidence in its ability to raise further capital if and when required.
- the directors of Firebrick Pharma Limited have reason to believe that in addition to the cash flow currently available, the level of expenditure can be managed to meet working capital requirements for at least the next 12 months.

The directors plan to continue the Group's operations on the basis outlined above and believe that there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve (12) months from the date of this report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2022 annual financial report for the financial year ended 30 June 2022. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### Changes to presentation

Where applicable, changes to amounts presented in the comparative reporting period have been made for consistency with the current reporting period.

### 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 company'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 1(c).

### c) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. There have been no changes to accounting estimates and judgements since 30 June 2022.

### NOTE 2:

### ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

In the current half-year, the Group has applied the below amendment to Australian Accounting Standards [and Interpretations] issued by the Australian Accounting Standards Board (the Board) that are effective for the Group's annual reporting that began on 1 July 2022. Its adoption has had no material impacts on the disclosures and/or amounts reported in these financial statements:

- AASB 2020-03 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

## NOTE 3:

## LOSS FOR THE PERIOD

	31 Dec 2022 \$	31 Dec 2021 \$
<b>Research and development expenses</b>		
• Contract project expenses	1,802,890	87,132
• Patent expenses	203,389	163,556
	<b>2,006,279</b>	<b>250,688</b>
<b>Consulting fees and employee benefit expenses</b>		
• Consulting fees to KMP	-	185,000
• Consulting fees	92,750	298,160
• Employee benefits expense	357,084	86,500
	<b>449,834</b>	<b>569,660</b>
<b>Listing and share registry expenses</b>		
• Legal fees related to IPO	-	103,987
• Other costs related to IPO	-	24,634
• ASX fees	26,834	113,230
• Share registry expense	9,972	8,300
	<b>36,806</b>	<b>250,151</b>
<b>Professional services expenses</b>		
• Accounting fees	48,100	31,200
• Audit and tax expenses	29,289	17,265
• Legal fees	163,636	10,532
• Company secretary fees	30,000	26,000
	<b>271,025</b>	<b>84,997</b>

## NOTE 4:

## LOSS PER SHARE

	31 Dec 2022 \$	31 Dec 2021 \$
(Loss) per share ("EPS") (cents per share)	(1.85)	(1.29)
a. (Loss) used in calculation of basic EPS and diluted EPS	(3,131,575)	(1,541,012)
b. Weighted average number of ordinary shares outstanding during the half year used in calculation of basic and diluted loss per share	169,139,287	119,622,320

## NOTE 5:

## TRADE AND OTHER RECEIVABLES

	31 Dec 2022	30 June 2022
	\$	\$
<b>CURRENT</b>		
Goods and services tax	117,789	2,547
Research and development tax incentive refund	-	1,079,077
	<b>117,789</b>	<b>1,081,624</b>

All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value. All receivables are expected to be recovered in full.

## NOTE 6:

## OTHER ASSETS

	31 Dec 2022	30 June 2022
	\$	\$
<b>CURRENT</b>		
Deposits	5,353	5,353
Prepayments	195,050	98,455
	<b>200,403</b>	<b>103,808</b>

## NOTE 7:

## INVENTORY

	31 Dec 2022	30 June 2022
	\$	\$
<b>NON-CURRENT</b>		
Materials – at cost	283,244	283,244
	<b>283,244</b>	<b>283,244</b>

Inventory relates to Nasodine components purchased in preparation for product launch. The components are classified as non-current to align with the timing of the Group's anticipated Australian product launch.

## NOTE 8:

## TRADE AND OTHER PAYABLES

	31 Dec 2022	30 June 2022
	\$	\$
<b>CURRENT</b>		
Trade payables	208,934	36,271
Accruals	42,522	297,756
Other payables	128,218	-
	<b>379,674</b>	<b>334,027</b>

All amounts are short-term. The carrying values of trade payables are considered to approximate fair value.

## NOTE 9:

## ISSUED CAPITAL

	31 Dec 2022 \$	30 Jun 2022 \$
169,204,205 fully paid ordinary shares (30 Jun 2022: 168,844,205)	<b>16,002,229</b>	<b>15,999,817</b>

Fully paid ordinary shares	31 Dec 2022		30 Jun 2022	
	No.	\$	No.	\$
Balance at beginning of period	<b>168,444,205</b>	<b>15,999,817</b>	<b>37,214,735</b>	<b>5,773,897</b>
Issue of shares (i)	360,000	2,412	-	-
Issue of shares (ii)	-	-	4,355,000	2,177,500
Issue of shares (iii)	-	-	3,045,000	1,522,500
Issue of shares (iv)	-	-	89,229,470	-
Initial Public Offering	-	-	35,000,000	7,000,000
Share issue costs	-	-	-	(474,080)
	<b>169,204,205</b>	<b>16,002,229</b>	<b>168,844,205</b>	<b>15,999,817</b>

(i) Issue of shares on exercise of 360,000 unlisted options at \$0.0067 each on 3 August 2022.

(ii) Issue of shares on conversion of Series D Options at \$0.50 each on 25 October 2021.

(iii) Issue of shares on Series D Options shortfall placement at \$0.50 each on 28 October 2021.

(iv) Issue of shares on 3 for 1 split on 2 November 2021.

(v) Issue of shares pursuant to an Initial Public Offering at \$0.20 each on 18 January 2022.

## Capital Management

Due to the nature of the Company's activities, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet due diligence programs and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

## NOTE 10:

### RESERVES

	No of Options	\$
Opening balance at 1 July 2022	9,709,000	1,084,614
Pro-rata expense of options issued in prior periods	-	2,052
Options issued during the period ( <i>refer to note 13</i> )	100,000	15,000
Options exercised during the period	(360,000)	(28,510)
Options forfeited on employee termination	(315,000)	(39,715)
<b>Closing balance at 31 December 2022</b>	<b>9,134,000</b>	<b>1,033,441</b>

As at 31 December 2022, the following options were on issue:

Grant Date	Expiry Date	Exercise Price	Number of shares under option
1 January 2019	1 January 2024	\$0.0067	1,800,000
31 January 2019	31 January 2024	\$0.0067	900,000
30 April 2019	30 April 2024	\$0.0067	360,000
30 September 2019	30 September 2024	\$0.0067	360,000
1 April 2020	1 April 2025	\$0.01	189,000
31 March 2020	31 March 2025	\$0.01	2,700,000
1 September 2020	1 September 2025	\$0.025	180,000
22 January 2021	22 January 2026	\$0.0233	1,260,000
1 April 2021	1 April 2026	\$0.0217	960,000
1 June 2021	1 June 2026	\$0.0167	225,000
24 May 2022	23 November 2026	\$0.420	100,000
24 November 2022	23 November 2026	\$0.420	100,000
			<b>9,134,000</b>

## NOTE 11:

### SUBSIDIARIES

Subsidiary	Country of Incorporation	Percentage owned	
		31 Dec 2022	30 Jun 2022
Anti-Viral Innovations Pty Ltd	Australia	100%	100%

Anti-Viral Innovations Pty Ltd is a dormant company with no operations at 31 December 2022 and 30 June 2022.

## NOTE 12:

### COMMITMENTS AND CONTINGENT LIABILITIES

The Group's commitments and contingent liabilities are consistent with those disclosed in the Group's 30 June 2022 Annual Report. There has been no significant change in contingent liabilities and/or contingent assets since the last annual report.

## NOTE 13:

### RELATED PARTY TRANSACTIONS

On 23 November 2022, the Company issued 100,000 unlisted options exercisable at \$0.42 expiring on or before 23 November 2026 to Dr Gardner following shareholders approval at the Annual General Meeting ("Gardner Options"). The Black-Scholes option pricing model was used to determine the fair value of the Gardner Options. The inputs to the model and valuation were as follows:

	Gardner Options
Number of options	100,000
Grant date	23 November 2022
Grant date fair value	\$0.15
Exercise price	\$0.42
Expected volatility	90%
Implied option life (years)	4.0
Expected dividend yield	n/a
Risk free rate	3.389%

On 23 November 2022, shareholders of the Company also approved the issue of 100,000 unlisted options exercisable at \$0.42 expiring on or before 23 November 2026 to Dr Treagus ("Treagus Options"). The fair value of the Treagus Options was recorded in the 30 June 2022 accounts.

There were no other transactions with related parties during the half-year other than those mentioned above.

## NOTE 14:

### EVENTS SUBSEQUENT TO REPORTING DATE

On 18 January 2023, the Company announced the publication of new research into Nasodine identifying its potential in the management of chronic rhinosinusitis (CRS).

There have been no other material events or circumstances that have arisen since the date of this report.

## DIRECTORS' DECLARATION

The directors declare that:

- a. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable: and
- b. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Dr Peter Molloy

Executive Chairman & Chief Executive Officer

17 February 2023

# INDEPENDENT AUDITOR'S REPORT



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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Firebrick Pharma Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Firebrick Pharma Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 1b in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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#### **Responsibility of the directors for the financial report**

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

#### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', with the BDO logo above it.

**Ashleigh Woodley**

**Director**

Perth

17 February 2023

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