

ASX APPENDIX 4D

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1. DETAILS OF REPORTING PERIOD

Name of Entity	Firebrick Pharma Limited (the Company)
ABN	64 157 765 896
Reporting Period	31 December 2023
Previous Corresponding Period	31 December 2022
Presentation Currency	Australian Dollar (\$)

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2023 \$	31 Dec 2022 \$	% Change	\$ Change
Revenues from ordinary activities	-	830	Down 100%	830
Loss from ordinary activities after tax attributable to members	898,418	3,131,575	Down 71.31%	2,233,157
Loss after tax attributable to members	898,418	3,131,575	Down 71.31%	2,233,157

	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 2023	31 Dec 2022
Net tangible asset backing per ordinary security	0.89 cents	3.03 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)	Firebrick Pharma Inc.*
Date control gained	25 October 2023
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	-
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)	-

** Incorporated as wholly owned subsidiary of Firebrick Pharma Limited*

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 2023.

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

28 February 2024



Financial Report

For the half-year ended
31 December 2023



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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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Auditor

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Share Registry

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ASX Code

FRE – fully paid ordinary shares

DIRECTORS' REPORT

The Directors of Firebrick Pharma Limited ("Firebrick" or "the Company") submit herewith the financial report of Firebrick Pharma Limited and its controlled entities ("the Group") for the half-year ended 31 December 2023. 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:

Dr Peter Molloy
Dr Stephen Goodall
Dr Phyllis Gardner
Dr Richard Treagus

COMPANY SECRETARY

Mr Stephen Buckley held the position of Company Secretary during and to the date of this report.

REVIEW OF OPERATIONS

Phase 3 Common Cold Study

Recruitment for this Phase 3 study of Nasodine® Nasal Spray ("Nasodine") as a common cold treatment was concluded during the half-year ended 31 December 2023, following which, the trial statisticians completed an efficacy analysis of the main endpoints in trial. The analysis showed that the trial did not meet its primary endpoint, which was the impact of Nasodine on overall cold severity (GSS) in subjects with a confirmed viral infection (ITTi). Based on the reported results, the placebo (sterile water) performed better than Nasodine. In the QoL ('quality-of-life') measure (functional impairment caused by a cold), the results were also in favour of the placebo in the ITTi. Similar enigmatic and inconsistent results were seen in other population subsets.

The Company undertook an extensive review of the trial results during the half-year, including a full review of the study logistics and data processing which confirmed there were no errors in the execution of the study. In addition, a detailed analysis by a data specialist was commissioned which concluded that the results were inconsistent with both a human model of wellness recovery and the results of the previous trial, which showed a positive therapeutic effect of Nasodine. The report indicated that there were major inexplicable inaccuracies in the 2023 trial data, raising significant concerns about using that data to draw any conclusions about the efficacy of Nasodine®. Firebrick is now completing remaining trial closure activities, including preparation of a clinical study report.

Firebrick remains committed to the development of Nasodine for the common cold but will now consider alternative study designs that could avoid the issues experienced in the 2023 trial. In the meantime, the Company's focus will be on building international sales of Nasodine in those markets where regulatory approval as a treatment for the common cold is not a prerequisite.

Phase 2 COVID-19 Study

During the half-year ended 31 December 2023, the Company announced that its Phase 2 Nasodine in COVID-19 achieved its primary endpoint.

The primary endpoint was the reduction in viral load of SARS-CoV-2 over 4 days, based on culturable virus from nasal swabs. Nasodine treatment resulted in 100% reduction by day 4, compared with 48% for placebo and this difference was statistically significant ($p=0.028$).

The small number of subjects meant that it was not possible to detect statistically significant outcomes on the secondary endpoints, which included the impact on COVID symptoms and the number of days to a RAT negative test, assessed over five days from start of treatment. The Company is not planning further COVID-19 studies or intending to pursue regulatory approval for Nasodine use in COVID-19.

Nasodine as a Nasal Antiseptic/Disinfectant

In addition to its ongoing development of Nasodine for the common cold, Firebrick believes that there is an important early opportunity for Nasodine as a nasal antiseptic/disinfectant for elimination of microbial pathogens in the nasal passages (refer announcement 15 November 2023).

Based on regulatory advice, the Company expects that Nasodine can be legally marketed in several countries (outside Australia) as a nasal antiseptic/disinfectant without further clinical studies or new regulatory approvals. The Company is now advanced in its plans to introduce Nasodine in at least one international market, with sales expected to commence in the first half of 2024.

DIRECTORS' REPORT

Closure of AAT Appeal

On 22 December 2023, the Company withdrew its appeal with the Administrative Appeals Tribunal (AAT) against the TGA's decision to not approve Nasodine. The Company considered the significant distraction and legal costs associated with proceeding to a formal hearing in its decision to withdraw the Appeal, given the Company's new strategy to focus its operational attention and funds on international markets for Nasodine.

Patents

During the half year ended 31 December 2023, the Company announced that its patent covering Nasodine in COVID-19 was granted in South Africa. The patent has previously been granted in the US and Australia (innovation patent), and acceptance in other countries is still pending.

The patent specifically protects the use of intranasal povidone-iodine as a method of reducing the viral load of SARS-CoV-2 in the nose. Relevantly, the Company recently announced the results of its Phase 2 trial in COVID-19 patients, which demonstrated that Nasodine achieved 100% clearance of the SARS-CoV-2 virus from the nasal passages (refer announcement 7 August 2023).

Annual General Meeting

The Company held its Annual General Meeting on 17 November 2023 as a virtual meeting, with all resolutions passed on a poll.

Financial Review

During the half year ended 31 December 2023, the Company received an R&D Tax Incentive payment of \$1,816,127 for eligible R&D expenditure incurred in 2022/23. Most of this expenditure was associated with the two clinical trials of Nasodine: (1) Phase 3 trial of Nasodine as a treatment for the common cold, and (2) Phase 2 trial of Nasodine in COVID-19.

The net loss for the half year, after providing for income tax was \$898,418 (31 Dec 2022: \$3,131,575), with major expenses being research and development expenses (\$1,615,588), management consulting fees and employee benefit expenses (\$437,192), and other professional fees (\$314,627). The Company also received \$12,060 from the exercise of unlisted options. Cash and cash equivalents as at 31 December 2023 were \$1,304,964 (30 June 2023: \$2,354,579).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs for the half year ended 31 December 2023.

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 24 January 2024, the Company issued 900,000 fully paid ordinary shares upon exercise of unlisted options at an exercise price of \$0.0067 per share to raise \$6,030 (before transaction costs).

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

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company announced on 15 November 2023, that in addition to its ongoing development for the common cold, Firebrick intends to introduce Nasodine as a nasal antiseptic/disinfectant in at least one country outside Australia during 2024. This is pursuant to regulatory advice that Nasodine can be legally marketed in several countries as a nasal antiseptic/disinfectant without further clinical studies. The direct marketing of Nasodine outside Australia is a new strategy for the Company that brings opportunities for early sales revenues, expected to commence in 2024, but also brings new risks, included below under 'Material Risks'.

MATERIAL RISKS

There is a small number of risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance and prospects of Firebrick and the value of its shares. Some of these risks may be mitigated by Firebrick's internal controls and processes, but some are outside the control of Firebrick, its directors and management. The medium-term material risks identified by management are described below.

DIRECTORS' REPORT

Manufacturing & Execution Risk

The Company may be required to manufacture Nasodine outside of Australia in order to meet local regulatory requirements. This could introduce a range of risks, including technology transfer risk, foreign currency risk and supply and logistics risks. The Company will seek to mitigate these risks either directly or with the assistance of its existing business partners, where applicable.

In addition, there is the risk that sales uptake will be significantly lower than expected, take longer than anticipated to be achieved or otherwise be less profitable than expected, due to a range of factors, including the complexity and challenges of marketing a new product in foreign markets. Allied to this marketing execution risk is the potential for unexpected regulatory intervention or changes that reduce or prevent the commercial sales of Nasodine in some markets outside Australia.

Funding Risk

The Company's international launch initiatives will need to be funded by the Company's cash reserves until profitable sales can be generated in those markets where the product becomes available. This may require the Company to raise additional funds to supplement its reserves to adequately support the initiatives. However, the risk exists that the quantum of funding needed may be greater than anticipated, and/or that the Company may not be able to raise sufficient new funds from the sale of equity to adequately support the initiatives.

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 2023 has been received and can be found on page 5 of this half-year report.

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



Dr Peter Molloy
Executive Chairman & Chief Executive Officer
28 February 2024

DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF FIREBRICK PHARMA LIMITED

As lead auditor for the review of Firebrick Pharma Limited for the half-year ended 31 December 2023, 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.



Jackson Wheeler

Director

BDO Audit (WA) Pty Ltd

Perth, 28 February 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Revenue		-	830
Other income		1,816,127	21,720
Interest Income		12,270	17,748
Research and development expenses	3	(1,615,588)	(2,006,279)
Business development and marketing expenses		(112,621)	(220,926)
Consulting fees and employee benefit expenses	3	(437,192)	(449,834)
Compliance and share registry expenses	3	(38,664)	(36,806)
Professional services expenses	3	(314,627)	(271,025)
Insurance expenses		(85,660)	(89,091)
Rent expenses		(48,638)	(46,705)
Other expenses		(70,307)	(69,123)
Share based payments expenses		91	22,664
Depreciation expenses		(3,609)	(4,748)
Loss before income tax		(898,418)	(3,131,575)
Income tax expense		-	-
Loss for the period after income tax		(898,418)	(3,131,575)
Other comprehensive (loss)/income		-	-
Total comprehensive loss for the period		(898,418)	(3,131,575)
Basic loss per share (cents per share)	4	(0.51)	(1.85)

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 2023

	Note	31 Dec 2023 \$	30 Jun 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		1,304,964	2,354,579
Other receivables	5	93,193	137,380
Other assets	6	157,491	97,305
Inventory	7	283,244	-
TOTAL CURRENT ASSETS		1,838,892	2,589,264
NON-CURRENT ASSETS			
Inventory	7	-	283,244
Other assets		76,100	76,100
Plant and equipment		30,366	33,851
TOTAL NON-CURRENT ASSETS		106,466	393,195
TOTAL ASSETS		1,945,358	2,982,459
CURRENT LIABILITIES			
Trade and other payables	8	220,071	389,763
Provisions		135,901	116,680
TOTAL CURRENT LIABILITIES		355,972	506,443
TOTAL LIABILITIES		355,972	506,443
NET ASSETS		1,589,386	2,476,016
SHAREHOLDERS' EQUITY			
Issued capital	9	17,079,873	17,067,994
Reserves	10	843,883	986,684
Accumulated losses		(16,334,370)	(15,578,662)
TOTAL SHAREHOLDERS' EQUITY		1,589,386	2,476,016

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 2023

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2023	17,067,994	986,684	(15,578,662)	2,476,016
Loss for the period	-	-	(898,418)	(898,418)
Total comprehensive loss for the period	-	-	(898,418)	(898,418)
Transactions with owners, recognised directly in equity				
Equity issued during the period (<i>note 9</i>)	12,060	-	-	12,060
Capital raising costs	(181)	-	-	(181)
Share based payments	-	(91)	-	(91)
Exercise of options	-	(142,710)	142,710	-
Balance at 31 December 2023	17,079,873	843,883	(16,334,370)	1,589,386
Balance at 1 July 2022	15,999,817	1,084,614	(8,805,100)	8,279,331
Loss for the period	-	-	(3,131,575)	(3,131,575)
Total comprehensive loss for the period	-	-	(3,131,575)	(3,131,575)
Transactions with owners, recognised directly in equity				
Equity issued during the period	2,412	-	-	2,412
Share based payments	-	(22,664)	-	(22,664)
Exercise of options	-	(28,510)	28,510	-
Balance at 31 December 2022	16,002,229	1,033,440	(11,908,165)	5,127,504

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 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government grants and tax incentives		1,816,127	1,100,798
Revenue		-	830
Interest received		12,270	17,748
Payments for research and development		(1,730,187)	(1,941,011)
Payments for business development and marketing		(120,301)	(215,291)
Payments to suppliers and employees		(991,948)	(1,157,322)
Net cash (used in) operating activities		(1,014,039)	(2,194,248)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(125)	(1,616)
Net cash (used in) investing activities		(125)	(1,616)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of options (<i>refer to note 9</i>)		12,060	2,412
Transaction costs relating to capital raising/exercise of options		(1,770)	-
Payments for leased assets (including premises)		(45,741)	(40,401)
Net cash (used in) financing activities		(35,451)	(37,989)
Net (decrease) in cash and cash equivalents		(1,049,615)	(2,233,853)
Cash and cash equivalents at the beginning of the financial period		2,354,579	7,142,900
Cash and cash equivalents at the end of the period		1,304,964	4,909,047

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 28 February 2024.

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 ("A\$"), 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 net loss for the half-year ended 31 December 2023 of \$898,418, net cash outflow used in operating activities was \$1,014,041 and cash and cash equivalents as at 31 December 2023 was \$1,304,964.

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 and sale of Nasodine as an antiseptic/disinfectant in overseas jurisdictions. 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. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern. 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 has been successful in raising capital in last few occasions and management has confidence in its ability to raise further capital if and when required.
- Anticipated cash flows from sales of Nasodine as an antiseptic/disinfectant in international markets.
- 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 2023 annual financial report for the financial year ended 30 June 2023. 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 2023.

NOTE 2: ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

In the current half-year, the Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023. The adoption of the below amendment which is relevant to the Group for the current half-year has had no material impact on the disclosures and/or amounts reported in these financial statements.

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*.

NOTE 3: LOSS FOR THE PERIOD

	31 Dec 2023 \$	31 Dec 2022 \$
Research and development expenses		
- Contract project expenses	1,577,041	1,802,890
- Patent expenses	38,547	203,389
	1,615,588	2,006,279
Consulting fees and employee benefit expense		
- Consulting fees	130,769	92,750
- Employee benefits expense	306,423	357,084
	437,192	449,834
Compliance and share registry expense		
- ASX fees	20,062	26,834
- Share registry expense	18,602	9,972
	38,664	36,806
Professional fees		
- Accounting fees	30,000	48,100
- Audit and tax expenses	40,170	29,289
- Legal fees	216,457	163,636
- Company secretary fees	28,000	30,000
	314,627	271,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: LOSS PER SHARE

	31 Dec 2023 \$	31 Dec 2022 \$
(Loss) per share ("EPS") (cents per share)	(0.51)	(1.85)
a) (Loss) used in calculation of basic EPS and diluted EPS	(898,418)	(3,131,575)
b) Weighted average number of ordinary shares outstanding during the half year used in calculation of basic and diluted loss per share	176,364,769	169,139,287

NOTE 5: OTHER RECEIVABLES

	31 Dec 2023 \$	30 June 2023 \$
CURRENT		
Goods and services tax	93,193	137,380
	93,193	137,380

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 2023 \$	30 June 2023 \$
CURRENT		
Deposits	5,353	5,353
Prepayments	152,138	91,952
	157,491	97,305

NOTE 7: INVENTORY

	31 Dec 2023 \$	30 June 2023 \$
CURRENT		
Materials – at cost	283,244	-
NON-CURRENT		
Materials – at cost	-	283,244

Inventory relates to Nasodine components purchased in preparation for product launch. At 31 December 2023, the components have been classified under current assets to align with the timing of the Group's anticipated product launch.

NOTE 8: TRADE AND OTHER PAYABLES

	31 Dec 2023 \$	30 June 2023 \$
CURRENT		
Trade payables	90,000	197,484
Accruals	14,000	100,347
Other payables	116,071	91,932
	220,071	389,763

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: ISSUED CAPITAL

	31 Dec 2023 \$	30 Jun 2023 \$
178,046,736 fully paid ordinary shares (30 Jun 2023: 176,246,736)	17,079,873	17,067,994

Fully paid ordinary shares	31 Dec 2023		30 Jun 2023	
	No.	\$	No.	\$
Balance at beginning of period	176,246,736	17,067,994	168,844,205	15,999,817
Issue of shares (i)	1,800,000	12,060	-	-
Issue of shares (ii)	-	-	360,000	2,412
Issue of shares (iii)	-	-	372,531	71,526
Share placement (iv)	-	-	5,610,000	841,500
Share placement (v)	-	-	1,060,000	159,000
Share issue costs	-	(181)	-	(6,261)
	178,046,736	17,079,873	176,246,736	17,067,994

- (i) Issue of shares on exercise of 1,800,000 unlisted options at \$0.0067 each on 19 December 2023.
(ii) Issue of shares on exercise of 360,000 unlisted options at \$0.0067 each on 3 August 2022.
(iii) Cashless exercise of 400,000 unlisted options on 28 March 2023 resulting in the issue of 372,531 ordinary shares at a calculated value of \$71,526.
(iv) Issue of shares pursuant to a Placement at \$0.15 per share on 9 May 2023.
(v) Issue of shares pursuant to a Placement at \$0.15 per share on 21 June 2023.

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: RESERVE

	No of Options	\$
Opening balance at 1 July 2023	8,399,000	986,684
Pro-rata expense of options issued in prior periods	-	(91)
Options exercised during the period	(1,800,000)	(142,710)
Closing balance at 31 December 2023	6,599,000	843,883

As at 31 December 2023, the following options were on issue:

Grant Date	Expiry Date	Exercise Price	Number of shares under option
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	945,000
1 April 2021	1 April 2026	\$0.0217	540,000
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
			6,599,000

NOTE 11: SUBSIDIARIES

Subsidiary	Country of Incorporation	Percentage owned	
		31 Dec 2023	30 Jun 2023
Anti-Viral Innovations Pty Ltd (i)	Australia	100%	100%
Firebrick Pharma Inc. (ii)	United States of America	100%	-

(i) Anti-Viral Innovations Pty Ltd is a dormant company with no operations at 31 December 2023 and 30 June 2023.

(ii) Incorporated on 25 October 2023 in the state of Delaware, United States of America.

NOTE 12: SEGMENT INFORMATION

The Group operates in one business segment, namely the development and commercialisation of a povidone-iodine nasal spray. AASB 8 Operating Segments states that similar operating segments can be aggregated to form one reportable segment. However, none of the operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Group has therefore decided to aggregate all its reporting segments into one reportable segment.

The revenue and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and set out in the consolidated statement of financial position.

NOTE 13: COMMITMENTS AND CONTINGENT LIABILITIES

The Group's commitments and contingent liabilities are consistent with those disclosed in the Group's 30 June 2023 Annual Report. There has been no significant change in contingent liabilities and/or contingent assets since the last annual report.

NOTE 14: RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the half-year ended 31 December 2023.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

On 24 January 2024, the Company issued 900,000 fully paid ordinary shares upon exercise of unlisted options at an exercise price of \$0.0067 per share to raise \$6,030 (before transaction costs).

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

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group 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

Melbourne, 28 February 2024

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 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 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 2023 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 1 b) 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.

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 2023 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 'JW', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a cursive style.

Jackson Wheeler

Director

Perth, 28 February 2024