ASX APPENDIX 4D

HALF-YEAR FINANCIAL REPORT TO 31 DECEMBER 2021

1. DETAILS OF REPORTING PERIOD

Name of Entity	Firebrick Pharma Limited ("the Company")
ABN	64 157 765 896
Reporting Period	31 December 2021
Previous Corresponding Period	31 December 2020

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Current $	Previous $	% Change	$ Change
Revenues from ordinary activities	3,372	-	Up 100%	3,372
Profit/(Loss) after tax from ordinary activities attributable to members	(1,541,012)	(979,275)	Up 57%	(561,737)
Profit/(Loss) after tax attributable to members	(1,541,012)	(979,275)	Up 57%	(561,737)

	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

	Current Half Year	Previous Half Year
Net tangible asset backing per ordinary security	3.44 cents	2.36 cents

The Company undertook a 3 for 1 share split effective 2 November 2021. The 31 December 2020 ("Previous Half Year") net tangible asset figure has been calculated on the basis that the split was effective as at 31 December 2020.

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 2021.

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 has been based on accounts that have been subject to an audit review. There are no items of dispute with the auditor and the audit review is not subject to qualification.

Dr Peter Molloy
Executive Chairman

11 February 2022

FirebrickPharma

INTERIM FINANCIAL REPORT
31 DECEMBER 2021

Firebrick Pharma Limited
ABN 64 157 765 896
for the interim period ended 31 December 2021

CONTENTS

CORPORATE DIRECTORY

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Stephen Goodall
Phyllis Gardner

Company Secretary
Stephen Buckley

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Level 40, Central Park
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ASX Code – FRE

The Directors of Firebrick Pharma Ltd ("Company") and controlled entity ("Group") present the following report for the half-year ended 31 December 2021.

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	Appointed 12 April 2012
Dr Stephen Goodall	Executive Director and Chief Operating Officer	Appointed 12 April 2012
Dr Phyllis Gardner	Non Executive Director	Appointed 13 November 2020
Dr Peter Kash	Non Executive Director	Appointed 21 February 2020, Resigned 18 October 2021

COMPANY SECRETARY

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

Stephen Buckley	Appointed 4 December2020

REVIEW OF OPERATIONS

IPO

Preparations for an Initial Public Offering (IPO) on the Australian Securities Exchange (ASX) continued during the half year, culminating in the filing of a final approved Prospectus with ASIC on 26 November 2021. The Prospectus offered 35 million shares at $0.20 per share, for a maximum raising of $7 million, in anticipation of the Company's listing on the ASX in January 2022. Before the end of December, the Company had received bids from existing and new investors aggregating to the maximum subscription of $7 million.

On 28 January 2022, the Company commenced trading on the Australian Securities Exchange under the ASX code of "FRE".

AGM

In anticipation of the IPO, several resolutions were unanimously passed at an Annual General Meeting (AGM) of shareholders, held on 18 October 2021. One of those resolutions passed the adoption of an ASX-compliant constitution, which was a requirement prior to ASX listing. That new constitution was adopted and published on the Company's website.

Another resolution allowed the Company to place any shortfall in the Series D Option exercise by making amendments to the Shareholders Agreement. Subsequently at the option expiry date of 21 October 2021, there was a shortfall of 3.045 million options (out of the 7.4 million issued) and these were placed by Euroz Hartleys with both existing and new investors. As a result, the Company received a cash injection of approximately $3.6 million (after costs) from the Series D Options.

A third resolution passed at the AGM approved the undertaking of a 3:1 share split, accommodating an ASX listing at a price of $0.20 per share. This split subsequently took place on 2 November 2021, bringing total shares on issue to 133,844,205 prior to the IPO.

TGA Update – Nasodine Nasal Spray

On 6 August, at a meeting with the Therapeutic Goods Administration (TGA), the TGA Delegate advised the Company that the agency was satisfied with most aspects of the Nasodine dossier, including manufacturing, quality and safety, but there were two outstanding issues: (1) Clinical efficacy: the 2019 Phase 3 trial did not reach statistical significance on its primary endpoint (nasal symptoms); and (2) they were concerned about potential interference with COVID-19 testing because of Nasodine's effects on SARS-CoV-2.

On 20 August, the Company was advised by TGA that the agency had decided to seek advice from the Advisory Committee on Medicines (ACM) on Nasodine, specifically relating to clinical efficacy. The Company made a submission to the ACM arguing that Nasodine is an unscheduled over the counter product with no quality or safety concerns and the 2019 Phase 3 trial demonstrated statistical significance on impact on overall cold severity in patients with stronger symptoms at enrolment, subjects who started treatment within the first 24 hours after symptom onset and those with confirmed viral infections; and on this basis Nasodine should be approved. The application was considered by the ACM on 30 September and a report received by the Company on 15 October, which indicated that the committee supported the TGA evaluator's assessment that approval was not currently supported because the 2019 Phase 3 trial missed its primary endpoint of impact on nasal symptoms.

REVIEW OF OPERATIONS (CONTINUED)

TGA Update – Nasodine Nasal Spray (Continued)

The Company wrote to the TGA Delegate on 29 October 2021, requesting a final decision from the Delegate, having regard to all the submissions made by Firebrick in support of registration of Nasodine. As at 11 February 2002, no response had been received from the Delegate. If the Delegate decides to reject Nasodine, the Company may appeal that decision under Section 60 of the Therapeutic Goods Act.

2022 Phase 3 Trial

In support of the regulatory approval of Nasodine in Europe and US, the Company had been planning a second confirmatory Phase 3 common cold trial to take place in 2022. This trial may also be required for approval in Australia, if the TGA does not approve Nasodine based on the previous 2019 Phase 3 results. In support of the second Phase 3 trial, Firebrick sought advice on the trial design from European pharmaceutical regulators to help ensure that the trial, if successful, could be used in regulatory approval applications that jurisdiction. In November 2021, the Company received advice from the Medical Products Agency in Sweden on behalf of the European Medicines Agency (EMA) and incorporated that advice into the trial design. Similar advice was sought from the Food and Drug Administration (FDA), with a Pre-IND meeting request for advice submitted in November 2021. The Company had not yet received advice from the FDA.

COVID-19 study

During the half-year, Firebrick started preparation for a multi-dose Phase 2 trial of Nasodine in COVID-19 in South Africa in 2022. The main aim of this trial will be to establish that the repeated frequent use of Nasodine over several days significantly reduces or eliminates shedding of SARS-CoV-2. In early December, a trial protocol was submitted to the South African Health Products Regulatory Authority (SAHPRA) and approved by SAHPRA on 1 February 2022. Subject to receiving remaining approvals and other factors, the trial is expected to start in the first quarter of the 2022 calendar year.

Product development

During the half year, the Company continued development work, in conjunction with Probiotec, on a range of povidone-iodine products to complement Nasodine Nasal Spray. These products include follow-on Nasodine 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. Based on estimated development and approval timelines, the Xilodine Body Cleanser is expected to be launched in 2023.

Patents

In October 2021:

- the Company received a notice of allowance for its US Patent Application titled: "Prevention of infection by highly pathogenic viruses using topical application of povidone-iodine on mucous membranes";
- the Company's European patent titled: "Treatment and prevention of the common cold using povidone-iodine" was granted; and
- the Company's Australian Innovation Patent titled: "Methods for treating and/or preventing body odour" was granted.

Financial Review

The net loss for the half year was $1.54 million, with the major expenses being management consulting fees and employee benefit expenses ($0.57 million), R&D expenses ($0.25 million), and ASX, legal and other fees related to the IPO ($0.25 million). The loss also included $0.18 million in share based payments related to employee options issued in prior reporting periods.

Funding

In October 2021, the Company received a total of $3.6 million after costs, from the exercise of the Series D Options. Pursuant to the IPO, Euroz Hartleys placed 35 million shares, raising $7.0 million before costs; subsequent to the half-year, the net funds were received by the Company upon settlement of the IPO in January 2022. The Company also received in October an R&D tax credit of $0.42 million. As at 31 December 2021, the Company had net assets of $4.6 million, including $4.3 million in cash reserves.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The full impact of the COVID-19 pandemic continues to evolve at the date of this report. While it has not significantly impacted the entity up to 31 December 2021, the longer-term impacts on the Group cannot be fully determined at this time.

There are no other significant changes in the state of affairs for the half year ended 31 December 2021.

DIVIDENDS PAID OR RECOMMENDED

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

EVENTS SUBSEQUENT TO REPORTING DATE

On 28 January 2022, the Company commenced trading on the ASX under the code 'FRE', having completed its maximum raising of $7 million. Proceeds from the IPO were received across December 2021 and January 2022, with $830,000 received up to 31 December and the balance of $6,170,000 received in January 2022. The corresponding 35 million shares were issued on 18 January 2022.

On 1 February 2022 the Company announced that SAHPRA had granted approval to proceed with the Company's planned Nasodine trial in COVID-19 patients in South Africa. The SAHPRA approval specifically allows the Company to import Nasodine into South Africa for the trial and to administer the product to patients during the trial, according to the trial protocol submitted to SAHPRA.

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 Review of Operations above, the outlook for Firebrick is decidedly positive and 2022 promises to be an exciting year.

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 2021 has been received and can be found on page 5 of this Report.

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

Dr Peter Molloy
Executive Chairman
11 February 2022

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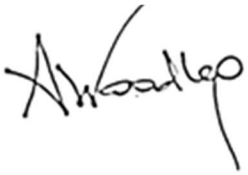
DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF FIREBRICK PHARMA LIMITED

As lead auditor for the review of Firebrick Pharma Limited for the half-year ended 31 December 2021, 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.



Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 11 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	31-Dec-21 $	31-Dec-20 $
Revenue		3,372	-
Other income		149	-
Interest Income		89	599
Research and development expense	2	(250,688)	(407,100)
Business development and marketing expense		(68,533)	(24,000)
Consulting fees and employee benefit expense	2	(569,660)	(174,462)
Listing and share registry expense	2	(250,151)	(28,623)
Professional services expense	2	(84,997)	(158,855)
Insurance expense		(17,352)	(8,713)
Rent expense		(26,006)	(255)
Other expense		(88,323)	(10,566)
Share based payments expense		(182,697)	(166,768)
Finance and interest expense		(4,144)	-
Depreciation expense		(2,071)	(532)
Loss before income tax		**(1,541,012)**	**(979,275)**
Income tax expense		-	-
Loss for the period after income tax		**(1,541,012)**	**(979,275)**
Other comprehensive income		-	-
Total comprehensive loss for the half-year		**(1,541,012)**	**(979,275)**
Basic loss per share (cents per share)	3	(1.29)	(0.88)

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 2021

	Note	31-Dec-21 $	30-Jun-21 $
CURRENT ASSETS			
Cash and cash equivalents		4,316,408	1,151,751
Trade and other receivables	4	89,791	503,136
Other assets	5	132,220	13,684
TOTAL CURRENT ASSETS		**4,538,419**	**1,668,571**
NON-CURRENT ASSETS			
Inventory	6	283,244	-
Other assets		76,100	76,100
Plant and equipment		31,783	16,151
TOTAL NON-CURRENT ASSETS		**391,127**	**92,251**
TOTAL ASSETS		**4,929,546**	**1,760,822**
CURRENT LIABLILITIES			
Trade and other payables	7	151,702	138,700
Provision		76,100	76,100
Borrowings	8	94,341	-
TOTAL CURRENT LIABILITIES		**322,143**	**214,800**
NON-CURRENT LIABLILITIES		**-**	**-**
TOTAL NON-CURRENT LIABILITIES		**-**	**-**
TOTAL LIABILITIES		**322,143**	**214,800**
NET ASSETS		**4,607,403**	**1,546,022**
SHAREHOLDERS' EQUITY			
Issued and unissued capital	9	10,193,593	5,773,897
Reserve	10	963,612	805,915
Accumulated losses		(6,549,802)	(5,033,790)
TOTAL SHAREHOLDERS' EQUITY		**4,607,403**	**1,546,022**

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

AS AT 31 DECEMBER 2021

	Issued and Unissued Capital $	Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2021	**5,773,897**	**805,915**	**(5,033,790)**	**1,546,022**
Loss for the period	-	-	(1,541,012)	(1,541,012)
Total comprehensive loss for the period	-	-	(1,541,012)	(1,541,012)
Transactions with owners, recognised directly in equity				
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	-
Balance at 31 December 2021	**10,193,593**	**963,612**	**(6,549,802)**	**4,607,403**
Balance at 1 July 2020	**2,655,268**	**330,081**	**(2,594,751)**	**390,598**
Loss for the period	-	-	(979,275)	(979,275)
Total comprehensive loss for the period	-	-	(979,275)	(979,275)
Transactions with owners, recognised directly in equity				
Equity issued during the period	3,160,000	-	-	3,160,000
Capital raising costs	(141,371)	-	-	(141,371)
Share based payments	-	191,768	-	191,768
Balance at 31 December 2020	**5,673,897**	**521,849**	**(3,574,026)**	**2,621,720**

The above Statements 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 2021

	Note	31-Dec-21 $	31-Dec-20 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Research and development tax incentive		422,149	510,285
Revenue		3,372	-
Interest received		89	599
Payments for research and development		(292,711)	(523,658)
Payments for business development and marketing		(73,157)	-
Payments for manufacturing and distribution		(283,244)	-
Payments to suppliers and employees		(1,103,930)	(379,392)
Payments for finance and interest expense		(791)	-
Net cash used in operating activities		**(1,328,223)**	**(392,166)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(17,703)	(5,450)
Net cash used in investing activities		**(17,703)**	**(5,450)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,700,000	3,105,588
Proceeds from shares yet to be issued		830,000	-
Capital raising costs		(110,304)	(116,371)
Proceeds from borrowings		109,065	-
Repayment of borrowings		(18,178)	-
Net cash provided by financing activities		**4,510,583**	**2,989,217**
Net increase in cash and cash equivalents		**3,164,657**	**2,591,601**
Cash and cash equivalents at the beginning of the financial period		1,151,751	92,704
Cash and cash equivalents at the end of the period		**4,316,408**	**2,684,305**

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

These financial statements cover Firebrick Pharma Limited ("Company") and its controlled entity ("Group") for the interim financial half-year ended 31 December 2021. Firebrick Pharma Limited is a company limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity.

The financial statements were issued by the board of directors on 11 February 2022 by the directors of the Company.

The following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the interim financial report. The accounting policies have been consistently applied, unless otherwise stated. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2021.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian interpretations) adopted by the Australian Accounting Standard Board (**AASB**) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

b) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

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(d).

b) Adoption of New and Amended Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretation issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the reporting period. Any new, revised, or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

c) First Time Application of Accounting Policies

The Group has applied the following accounting policies for the first time at 31 December 2021.

Inventory

Raw materials are stated at the lower of cost and net realisable value. Cost comprises direct materials. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) First Time Application of Accounting Policies (Continued)

Borrowings (Continued)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

d) 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.

Key Estimates and judgements

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the Group may operate. There was no significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavorably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

NOTE 2: LOSS FOR THE PERIOD

	31 Dec 2021 $	31 Dec 2020 $
Research and development expenses		
- Contract project expense	87,132	353,144
- Patent expense	163,556	53,956
	250,688	**407,100**
Consulting fees and employee benefit expense		
- Consulting fees to KMP	185,000	166,074
- Consulting fees	298,160	-
- Employee benefits expense	86,500	8,388
	569,660	**174,462**
Listing and share registry expense		
- Legal fees related to IPO	103,987	28,623
- Other costs related to IPO	24,634	-
- ASX fees	113,230	-
- Share registry expense	8,300	-
	250,151	**28,623**
Professional fees		
- Accounting fees	31,200	26,204
- Audit and tax expenses	17,265	32,135
- Legal fees	10,532	82,485
- Company secretary fees	26,000	18,031
	84,997	**158,855**

NOTE 3: EARNINGS/(LOSS) PER SHARE

	31 Dec 2021 $	31 Dec 2020 $
Earnings/(loss) per share ("EPS") (cents per share)	(1.29)	(0.88)
a) (Loss) used in calculation of basic EPS and diluted EPS	(1,541,012)	(979,275)
b) Weighted average number of ordinary shares outstanding during the half year used in calculation of basic and diluted earnings/(loss) per share	119,622,320	111,044,204

As disclosed in Note 9 the Group undertook a 3 for 1 share split effective 2 November 2021. The 31 December 2020 EPS figure has been restated accordingly, with the denominator adjusted on the basis that the split was effective as at the comparative reporting date.

NOTE 4: TRADE AND OTHER RECEIVABLES

	31 Dec 2021 $	30 June 2021 $
CURRENT		
Research and development tax incentives	-	422,000
Goods and services tax	89,791	81,136
	89,791	**503,136**

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 5: OTHER ASSETS

	31 Dec 2021 $	30 June 2021 $
CURRENT		
Deposits	5,953	10,706
Prepayments	126,267	2,978
	132,220	**13,684**

NOTE 6: INVENTORY

	31 Dec 2021 $	30 June 2021 $
NON-CURRENT		
Materials – at cost	283,244	-
	283,244	**-**

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 7: TRADE AND OTHER PAYABLES

	31 Dec 2021 $	30 June 2021 $
CURRENT		
Trade payables	28,394	34,659
Accruals	95,842	101,029
Other payables	27,466	3,012
	151,702	**138,700**

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

NOTE 8: BORROWINGS

	31 Dec 2021 $	30 June 2021 $
CURRENT		
Insurance premium funding	94,341	-
	94,341	**-**

The insurance premium funding facility is unsecured, matures 26 May 2022 and has an effective interest rate of approximately 3.9%.

NOTE 9: ISSUED AND UNISSUED CAPITAL

(a) Movements in fully paid Ordinary Capital	Date	No of Shares	$
Opening balance at 1 July 2021		37,214,735	5,773,897
Shares issued on conversion of Series D Options	25-Oct-21	4,355,000	2,177,500
Shares issued on Series D Options shortfall placement	28-Oct-21	3,045,000	1,522,500
Shares issued on 3 for 1 share split	2- Nov-21	89,229,470	-
Shares applied for but unissued		-	830,000
Less: capital raising costs		-	(110,304)
Closing balance at 31 December 2021		**133,844,205**	**10,193,593**

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	Note	No of Options	$
Opening balance at 1 July 2021		4,483,000	805,915
Pro-rata expense of options issued in prior periods		-	182,697
Series D options exercised or expired		(1,000,000)	(25,000)
Options issued on 3 for 1 share split		6,966,000	-
Closing balance at 31 December 2021		**10,449,000**	**963,612**

The 3 for 1 share split had no impact on the terms and conditions of options on issue, apart from the exercise prices which have been divided by 3.

Following the share split and at 31 December 2021 the Company has the following options 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 March 2019	31 March 2024	$0.0067	900,000
30 April 2019	30 April 2024	$0.0067	720,000
31 August 2019	31 August 2024	$0.0067	360,000
13 March 2020	13 March 2025	$0.01	1,089,000
21 March 2020	21 March 2025	$0.01	1,800,000
1 September 2020	1 September 2025	$0.025	180,000
1 February 2021	1 February 2026	$0.0233	1,260,000
1 April 2021	1 April 2026	$0.0217	1,260,000
1 April 2021	1 April 2026	$0.0217	360,000
1 April 2021	1 April 2026	$0.0217	180,000
1 June 2021	1 June 2026	$0.0167	540,000
			10,449,000

NOTE 11: CONTROLLED ENTITY CONSOLIDATED

		Percentage owned	
Controlled Entity	Country of Incorporation	31 Dec 2021	30 June 2021
Anti-Viral Innovations Pty Ltd	Australia	100%	100%

Anti-Viral Innovations Pty Ltd is a dormant company with no operations at 31 December and 30 June 2021.

NOTE 12: RELATED PARTY TRANSACTIONS

The following related party transactions have been entered into as of 31 December 2021:

Referral arrangements

The Company has entered into an agreement dated 1 July 2018 with FFD LLC ("FFD"), a private US entity owned by Drs Peter Kash and Linda Friedland to make introductions to prospective distribution partners ("FFD Agreement"). Peter Kash is a former director of the Company and Linda Friedland is a consultant to the Company.

The term of the FFD Agreement is four years, expiring on 1 July 2022 for FFD to complete all introductions, although the opportunity to exclusively make introductions on behalf of the Company expired on 1 July 2021. The FFD Agreement does not contain any renewal provisions.

Under the FFD Agreement, FFD makes introductions to prospective distribution partners, outside Australia and New Zealand in relation to Nasodine branded products, in return for a share of the Company's net revenues ("FFD Fees") from firm agreements arising from those introductions. The FFD Fees are 10% of net revenues earned by the Company from a distribution partner where the Company has a granted patent, or 20% where there is no granted patent.

Relevant granted patents currently exist in US, Europe, South Africa, Philippines and Hong Kong. For calculating the FFD Fees, where applicable, revenues are net of a range of deductions for costs incurred by the Company, including cooperative advertising, local marketing expenses, registration costs, taxes, freight, insurance, duties and other importation costs, any bonus stock, rebates, discounts, reimbursements or other payments made to a distribution partner or to wholesalers or retailers in the country that are related to generating the revenues in the country.

The Company's obligation to pay FFD Fees on an introduced distribution partner continues beyond the term of the FFD Agreement for the life of the distribution partnership. The Company has no obligation to pay FFD Fees on any distribution partners not Introduced directly by FFD and the Company has no obligation to use FFD introductions as distribution partners in any country. As at 31 December 2021, FFD had made Introductions to parties in a number of countries, but only two Introductions (SV More and AICC) had resulted in binding agreements, in both cases in countries where the Company holds granted patents (South Africa and Philippines respectively); the Company considers that some of the other introductions are unlikely to proceed to binding agreements. The Board believes that the agreement with FFD has been valuable in accelerating the internationally partnering of the Company at no material cost to the Company and earlier than if the Company had waited until after the launch of Nasodine in Australia.

The FFD Agreement will terminate upon expiry of the term, except that either party may terminate the FFD Agreement immediately by written notice to the other party if the other party breaches a material term of the FDD Agreement and the breach is not remedied within 30 days after being required in writing to do so.

Executive Service Agreement – Peter Molloy

The Company entered into an executive services agreement with Peter Molloy on 15 October 2021, pursuant to which Dr Molloy serves as Executive Chairman, to commence on 1 January 2022 subject to successful completion of the Company's IPO by 31 December 2021 ("Molloy Agreement"). Pursuant to the Molloy Agreement, Dr Molloy is responsible for (amongst other things) the oversight and liaison with product manufacturers, the oversight of clinical trials, oversight of contracts, accounting and regulatory affairs and management of day-to-day operations of the Company, in addition to being a Director of the Company.

Pursuant to the Molloy Agreement, Dr Molloy is entitled to receive $283,584 per annum (excluding statutory superannuation) to be reviewed annually. In addition, Dr Molloy is entitled to a maximum bonus of 30% of his salary.

NOTE 12: RELATED PARTY TRANSACTIONS (CONTINUED)

The agreement is for an indefinite term, continuing until terminated by either the Company or Dr Molloy giving not less than six month's written notice of termination to the other party (or shorter period in limited circumstances).

Dr Molloy is also subject to restrictions in relation to the use of confidential information during his employment and after his employment with the Company, being directly or indirectly involved in a competing business during his employment and for a period of 12 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Molloy Agreement contains additional provisions considered standard for agreements of this nature.

Executive Service Agreement – Stephen Goodall

The Company entered into an executive services agreement with Stephen Goodall on 15 October 2021, pursuant to which Dr Goodall serves as Chief Operating Officer, to commence on 1 January 2022 subject to successful completion of the Company's IPO by 31 December 2021 ("Goodall Agreement"). Pursuant to the Goodall Agreement, Dr Goodall is also responsible for (amongst other things) the oversight and liaison with product manufacturers, the oversight of clinical trials, oversight of contracts, accounting and regulatory affairs and management of day-to-day operations of the Company, in addition to being a Director of the Company.

Pursuant to the Goodall Agreement, Dr Goodall is entitled to receive $231,396 per annum (excluding statutory superannuation) to be reviewed annually. In addition, Dr Goodall is entitled to a maximum bonus of 30% of his salary.

The agreement is for an indefinite term, continuing until terminated by either the Company or Dr Goodall giving not less than six month's written notice of termination to the other party (or shorter period in limited circumstances).

Dr Goodall is also subject to restrictions in relation to the use of confidential information during his employment and after his employment with the Company, being directly or indirectly involved in a competing business during his employment and for a period of 12 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Goodall Agreement contains additional provisions considered standard for agreements of this nature.

Non-Executive Director Letter of Appointment – Phyllis Gardner

The Company has entered into a non-executive director letter of appointment with Dr Phyllis Gardner pursuant to which the Company has agreed to pay Dr Gardner non-executive director fees of $60,000 per annum. The Company issued to 200,000 shares in the Company to Dr Gardner under her letter of appointment. The shares were issued in January 2021 as disclosed in the Company's 30 June 2021 Annual Report. Payment of director fees is to commence from 1 January 2022, subject to successful completion of the Company's IPO by 31 December 2021.

The letter of appointment contains additional provisions considered standard for agreements of this nature.

Consulting Fees – Peter Molloy and Stephen Goodall

Dr Molloy and Dr Goodall received consulting fees of $110,000 and $75,000, respectively, for the period 1 July – 31 December 2021 as remuneration for services provided to the Group in the period before their Executive Service Agreements came into effect.

Offer Participation

Pursuant to the Offer of up to 35 million shares on the terms set out in the Prospectus lodged with ASIC on 26 November 2021 and as at 31 December 2021, Dr Peter Molloy (on behalf of family members) applied for 400,000 Offer Shares with a value of $80,000 and Dr Stephen Goodall (on behalf of family members) applied for 100,000 Offer Shares with a value of $20,000. The related parties of Dr Molloy and Dr Goodall were issued the number of shares applied for on 18 January 2022.

NOTE 13: COMMITMENTS AND CONTINGENT LIABILITIES

The Group's commitments and contingent liabilities are consistent with those disclosed in the Group's 30 June 2021 Annual Report.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

On 28 January 2022, the Company commenced trading on the ASX under the code 'FRE', having completed its maximum raising of $7 million. Proceeds from the IPO were received across December 2021 and January 2022, with $830,000 received up to 31 December and the balance of $6,170,000 received in January 2022. The corresponding 35 million shares were issued on 18 January 2022.

On 1 February 2022 the Company announced that SAHPRA had granted approval to proceed with the Company's planned Nasodine trial in COVID-19 patients in South Africa. The SAHPRA approval specifically allows the Company to import Nasodine into South Africa for the trial and to administer the product to patients during the trial, according to the trial protocol submitted to SAHPRA.

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

In the Director's opinion:

1. The interim financial statements and notes set out on pages 6 to 16 are in accordance with the *Corporations Act 2001*, including:

   a) comply with Australian Accounting Standards AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Dr Peter Molloy
Executive Chairman
11 February 2022

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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 subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 2021 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.

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 gives a true and fair view and 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 2021 and its financial 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

Ashleigh Woodley

Director

Perth, 11 February 2022