

29 July 2022

ASX Announcement

## June 2022 Quarterly Activity Report

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### Q4 FY22 HIGHLIGHTS

- R&D focus for activities and expenditure in Q4 FY22
- Commenced second Phase 3 trial of Nasodine® for the Common Cold
- Commenced Phase 2 COVID-19 trial of Nasodine® in South Africa
- Dr Richard Treagus joins Firebrick board, adding commercial, R&D & ASX skills
- Firebrick's core patent now granted in 26 countries

**Firebrick Pharma Limited** (ASX:FRE) (**Company** or **Firebrick**) is pleased to provide its business update for the quarter ending 30 June 2022, along with its Appendix 4C quarterly cashflow report.

### REVIEW OF QUARTERLY OPERATIONS

Following the Company's successful listing on the ASX in the last quarter (on 28 January 2022), the Firebrick team continued to push towards meeting its stated key goals for 2022, which included initiating a Phase 3 clinical trial to confirm the efficacy of Nasodine® Nasal Spray ("Nasodine") in the common cold and a Phase 2 clinical trial of Nasodine targeting COVID-19. Both trials started before the end of Q4.

#### Phase 3 Common Cold Study

On 3 May 2022, the Company announced that the first patient had been recruited into its Phase 3 trial for Nasodine in the treatment for the common cold. The trial is a multi-centre international study, with recruitment starting at one site in Adelaide, and with other sites in Australia and in South Africa scheduled to come online by the end July.

The pivotal Phase 3 trial is a double-blinded, randomised, placebo-controlled Phase 3 trial, titled: "Confirmatory Phase III study of Nasodine Nasal Spray (povidone-iodine 0.5%) as a symptomatic treatment for early stage common cold in the natural setting."

The primary endpoint of the trial will be the impact of Nasodine treatment (3 sprays per nostril, 4 times daily for 5 days) on overall cold severity in the viral-infected population. Overall cold severity will be measured using the Global Severity Score (GSS) from the WURSS-21 cold severity study.

This second Phase 3 trial was designed to support international regulatory approvals, but if the Australian appeal (see below) is unsuccessful, it may also be required to support approval in Australia.

The Company intends to provide a more detailed update on the progress with recruitment into the trial later in 2022.

### **Phase 2 COVID-19 Study**

On 26 April 2022 the Company announced that the first patient had been recruited into its Phase 2 clinical trial in South Africa of Nasodine for the management of COVID-19.

The study is a randomised, placebo-controlled Phase 2 trial, titled: 'Reduction of nasal shedding of SARS-CoV-2 in COVID-19 positive patients by the use of Nasodine (povidone-iodine 0.5%) Nasal Spray.'

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.

While secondary to the Company's focus on the common cold, this Phase 2 COVID-19 trial may provide proof-of-principle for the reduction of SARS-CoV-2 viral load in patients who are shedding the virus.

The Company intends to provide a more detailed update on the progress with recruitment of the trial later in 2022.

### **Dr Richard Treagus joins Firebrick Board**

The Company was pleased to announce (25 May 2022) the appointment of Dr Richard Treagus as a non-executive director on the Firebrick board of directors, with effect from 1 June 2022.

Dr Treagus was previously Commercial Director for Aspen Pharmacare in South Africa, responsible for sales and marketing of pharmacy and consumer products. More recently, from 2006 to 2012, he was CEO of Acrux Limited (ASX:ACR), which grew 10-fold in value during his tenure and from 2013 to 2020, he was Executive Chairman of Neuren Pharmaceuticals Limited (ASX:NEU), which grew 6-fold in value during his tenure. He is also Executive Chairman and Founder of BTC Health (ASX: BTC).

### **Patents**

The patent covering Nasodine as a treatment and preventative for the common cold was granted in Malaysia bringing the number of countries where Firebrick's common cold patent had been granted to 26. The patent, which expires in most countries in 2035, is titled: "Treatment and prevention of the common cold using povidone-iodine," and protects the intranasal use of povidone-iodine (in any form) for the treatment or prevention of the common cold.

### **Product Development**

Throughout the quarter, the Company continued development work on a range of new products. 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 which is expected to be launched in late 2023.

## Financial Overview

In the June quarter, net cash outflow from operating activities was \$1.7m, which was \$583k higher than the March quarter, mainly due to an increase in research and development (R&D) costs of \$466k associated with clinical trials, and an increase in advertising and marketing expenditure of \$91k, associated with pre-launch planning for Nasodine.

As at 30 June 2022, the Company had \$7.1 million in cash reserves.

The Company provides the following disclosure required by ASX Listing Rule 4.7C.2 regarding a comparison of its actual expenditure since admission date against the “use of funds” statement in Section 8.3 of its Prospectus dated 26 November 2021 and lodged with ASX on 25 January 2022.

| Use of Funds under Prospectus   | Budgeted Expenditure \$'000 Over 2 years (Jan '22-Dec'23) | Actual Expenditure to 30 June 2022 \$'000 |
|---------------------------------|-----------------------------------------------------------|-------------------------------------------|
| Research & Development          | 7,473                                                     | 1,794                                     |
| Sales & Marketing               | 2,039                                                     | 184                                       |
| Manufacturing & Distribution    | 48                                                        |                                           |
| General & Administration        | 3,274                                                     | 883                                       |
| <b>Total operating expenses</b> | <b>12,834</b>                                             | <b>2,861</b>                              |

Note: The above table represents budgeted expenditure for the period 1 Jan 2022 – 31 Dec 2023. The actual expenditure is reported as per the ASX Listing Rules and is from admission of the Company on 28 January 2022. Depending on Firebrick's progress and success in its programs, the Company may or may not require new capital in the future to complete the development and commercialisation of its intellectual property portfolio.

As per item 6 of the attached Appendix 4C cashflow report for the quarter, payments to related parties and their associates of \$223k comprised of Executive Chairman and Executive Director/COO remuneration and Non-Executive Director Fees.

This announcement has been authorised for release by the Board of Firebrick Pharma Limited.

- ENDS -

## About Firebrick Pharma

Firebrick is a pharmaceutical company founded in 2012 to develop and commercialise a nasal spray treatment for the common cold based around the potential of povidone-iodine as a broad-spectrum antimicrobial agent. The Company subsequently developed Nasodine® Nasal Spray (“Nasodine”) and owns numerous granted and pending patents, including a core patent family that covers the use of Nasodine for the treatment and prevention of the common cold. The Company also owns a patent family that covers the use of Nasodine for the prevention of pandemic viral diseases, including COVID-19. Firebrick is currently undertaking two major clinical trials: A Phase 2 trial of Nasodine in COVID-19 and a Phase 3 trial for Nasodine, to confirm its efficacy as a treatment for the common cold and support international approvals.

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

FIREBRICK PHARMA LIMITED

**ABN**

64 157 765 896

**Quarter ended ("current quarter")**

30 June 2022

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(12 months)<br/>\$A'000</b> |
|-----------------------------------------------------------|------------------------------------|-------------------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                                    |                                                 |
| 1.1 Receipts from customers                               | -                                  | 4                                               |
| 1.2 Payments for                                          |                                    |                                                 |
| (a) research and development                              | (1,155)                            | (2,137)                                         |
| (b) product manufacturing and operating costs             | -                                  | (283)                                           |
| (c) advertising and marketing                             | (168)                              | (318)                                           |
| (d) leased assets (including premises)                    | (13)                               | (51)                                            |
| (e) staff costs                                           | (230)                              | (809)                                           |
| (f) administration and corporate costs                    | (163)                              | (773)                                           |
| 1.3 Dividends received (see note 3)                       | -                                  | -                                               |
| 1.4 Interest received                                     | 1                                  | 1                                               |
| 1.5 Interest and other costs of finance paid              | -                                  | (4)                                             |
| 1.6 Income taxes paid                                     | -                                  | -                                               |
| 1.7 Government grants and tax incentives                  | -                                  | 422                                             |
| 1.8 Other – listing fees and IPO costs                    | -                                  | (254)                                           |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(1,728)</b>                     | <b>(4,202)</b>                                  |
| <b>2. Cash flows from investing activities</b>            |                                    |                                                 |
| 2.1 Payments to acquire or for:                           |                                    |                                                 |
| (a) entities                                              | -                                  | -                                               |
| (b) businesses                                            | -                                  | -                                               |
| (c) property, plant and equipment                         | (6)                                | (33)                                            |
| (d) investments                                           | -                                  | -                                               |
| (e) intellectual property                                 | -                                  | -                                               |
| (f) other non-current assets                              | -                                  | -                                               |

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|----------------------------------------|
| 2.2                                  | Proceeds from disposal of:                            |                            |                                        |
|                                      | (a) entities                                          | -                          | -                                      |
|                                      | (b) businesses                                        | -                          | -                                      |
|                                      | (c) property, plant and equipment                     | -                          | -                                      |
|                                      | (d) investments                                       | -                          | -                                      |
|                                      | (e) intellectual property                             | -                          | -                                      |
|                                      | (f) other non-current assets                          | -                          | -                                      |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                      |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                      |
| 2.5                                  | Other (provide details if material)                   | -                          | -                                      |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(6)</b>                 | <b>(33)</b>                            |

|             |                                                                                         |          |               |
|-------------|-----------------------------------------------------------------------------------------|----------|---------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                             |          |               |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -        | 7,000         |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -        | -             |
| 3.3         | Proceeds from exercise of options                                                       | -        | 3,700         |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | -        | (474)         |
| 3.5         | Proceeds from borrowings                                                                | -        | 109           |
| 3.6         | Repayment of borrowings                                                                 | -        | (109)         |
| 3.7         | Transaction costs related to loans and borrowings                                       | -        | -             |
| 3.8         | Dividends paid                                                                          | -        | -             |
| 3.9         | Other (provide details if material)                                                     | -        | -             |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>-</b> | <b>10,226</b> |

|           |                                                                              |         |         |
|-----------|------------------------------------------------------------------------------|---------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |         |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 8,877   | 1,152   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (1,728) | (4,202) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (6)     | (33)    |

| Consolidated statement of cash flows |                                                                  | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|--------------------------------------|------------------------------------------------------------------|----------------------------|----------------------------------------|
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above) | -                          | 10,226                                 |
| 4.5                                  | Effect of movement in exchange rates on cash held                | -                          | -                                      |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b>                | <b>7,143</b>               | <b>7,143</b>                           |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances                                                                                                                                                        | 7,143                      | 8,877                       |
| 5.2 | Call deposits                                                                                                                                                        | -                          | -                           |
| 5.3 | Bank overdrafts                                                                                                                                                      | -                          | -                           |
| 5.4 | Other – IPO funds held on trust                                                                                                                                      | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                     | <b>7,143</b>               | <b>8,877</b>                |

| 6.                                                                                                                                                              | Payments to related parties of the entity and their associates                          | Current quarter<br>\$A'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|
| 6.1                                                                                                                                                             | Aggregate amount of payments to related parties and their associates included in item 1 | 223                        |
| 6.2                                                                                                                                                             | Aggregate amount of payments to related parties and their associates included in item 2 | -                          |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> |                                                                                         |                            |

|           |                                                                                                                                                                                                                                                                                                                                             |                                                                 |                                                    |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------|
| <b>7.</b> | <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>                                                                                              | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
| 7.1       | Loan facilities                                                                                                                                                                                                                                                                                                                             | -                                                               | -                                                  |
| 7.2       | Credit standby arrangements                                                                                                                                                                                                                                                                                                                 | -                                                               | -                                                  |
| 7.3       | Other (please specify)                                                                                                                                                                                                                                                                                                                      | -                                                               | -                                                  |
| 7.4       | <b>Total financing facilities</b>                                                                                                                                                                                                                                                                                                           | -                                                               | -                                                  |
| 7.5       | <b>Unused financing facilities available at quarter end</b>                                                                                                                                                                                                                                                                                 |                                                                 | -                                                  |
| 7.6       | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. |                                                                 |                                                    |
|           | n/a                                                                                                                                                                                                                                                                                                                                         |                                                                 |                                                    |

|           |                                                                                                                                                                                                                    |                |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>8.</b> | <b>Estimated cash available for future operating activities</b>                                                                                                                                                    | <b>\$A'000</b> |
| 8.1       | Net cash from / (used in) operating activities (item 1.9)                                                                                                                                                          | (1,728)        |
| 8.2       | Cash and cash equivalents at quarter end (item 4.6)                                                                                                                                                                | 7,143          |
| 8.3       | Unused finance facilities available at quarter end (item 7.5)                                                                                                                                                      | -              |
| 8.4       | Total available funding (item 8.2 + item 8.3)                                                                                                                                                                      | 7,143          |
| 8.5       | <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>                                                                                                                                      | 4.1            |
|           | <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> |                |
| 8.6       | If item 8.5 is less than 2 quarters, please provide answers to the following questions:                                                                                                                            |                |
| 8.6.1     | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?                                                                        |                |
|           | Answer: N/A                                                                                                                                                                                                        |                |
| 8.6.2     | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?   |                |
|           | Answer: N/A                                                                                                                                                                                                        |                |
| 8.6.3     | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?                                                                                        |                |
|           | Answer: N/A                                                                                                                                                                                                        |                |
|           | <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>                                                                                               |                |

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: By the board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.