Rules 4.3A

Appendix 4E

Final Statement

Name of entity

EMYRIA LIMITED

ABN or equivalent company reference	Financial year ended ('current period')	Financial year ended ('previous period')
96 625 085 734	30 June 2022	30 June 2021

For announcement to the market

	Current year reported amount $	Previous year reported amount $	Change up/(down) from previous year %
Revenues from customer sales	1,822,400	1,975,909	(7.77)%
Other revenues from continuing operations	1,282,868	977,328	31.26%
Total revenues from continuing operations	3,105,268	2,953,237	5.15%
Loss from ordinary activities after tax attributable to members	(7,327,691)	(4,906,234)	(49.35)%
Net loss for the period attributable to members	(7,327,691)	(4,906,234)	(49.35)%

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	Nil	- ¢
Final dividend	Nil	- ¢
Previous corresponding period	Nil	- ¢

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	N/A

Net Tangible Assets per share	**30 June 2022**	**30 June 2021**
Net tangible asset backing per ordinary security (cents per share)	1.25	2.54

The above results should be read in conjunction with the notes and commentary contained in this report.

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on +accounts to which one of the following applies.

(Tick one)

☑	The +accounts have been audited.	☐	The +accounts have been subject to review.
☐	The +accounts are in the process of being audited or subject to review.	☐	The +accounts have *not* yet been audited or reviewed.

Name of officer authorising lodgement: Michael Winlo
Managing Director

Date: 29 August 2022

Annual Report 2022

emyria
UPDATE

Commenced
Human Trials
for EMD-RX5

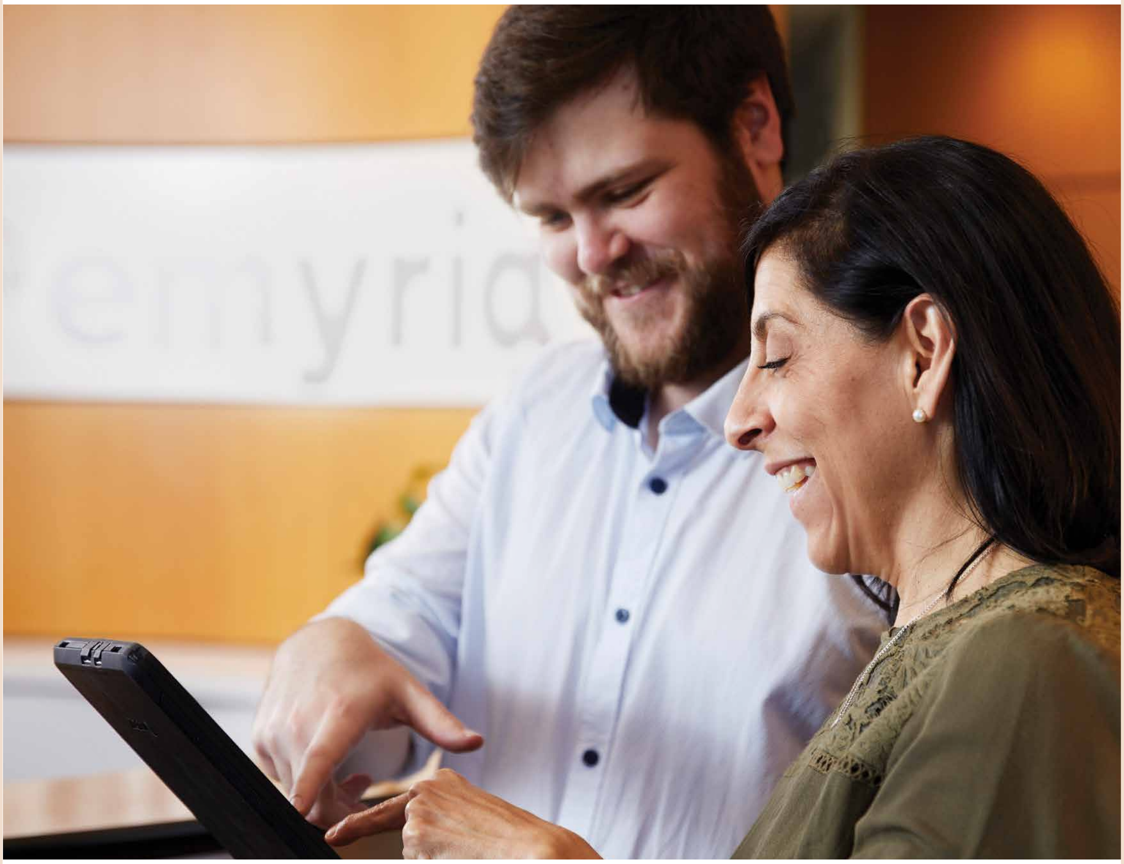
Expanded
MDMA Analogue
Partnership with UWA

Awarded
National Digital
Disrupter Award

Boosted
Real-World Data
with Palantir Foundry

Added
Renowned Biopharma
Executive to Board

Provided
Personalised Care
to 1000's of Patients



2021 - 2022

WE ARE accelerating the development of new treatments for unmet medical needs

Emyria is...

A clinical-stage biotech accelerating the development of new treatments for unmet medical needs.

CONTACT INFORMATION

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General info@emyria.com

ASX:EMD

ABN 96 625 085 734

emyria.com

Contents

Letter From The Chairman

Our mission to create a more efficient system of drug development, powered by Real-World Data created with patients at our clinics, is coming to fruition in remarkable ways.

EMD-RX5 PHASE 1
OTC Capsule shows strong results
Vs. globally registered Epidyolex®

In less than eight months, we have developed a proprietary, Ultra-Pure CBD capsule *(EMD-RX5)* and demonstrated its safety, tolerability and performance compared to the leading registered CBD medication in the world *(Epidyolex®)*.

EMD-RX5 will enter Phase Three clinical trials in FY22/23 before submitting for Australian registration and further global commercialisation plans are underway. We also have a second Ultra-Pure CBD capsule *(EMD-RX7)* progressing down the same path in FY23 and more on the way.

Last year, we initiated a New Drug Development *(NDD)* Program by entering into a partnership with the University of Western Australia.

Our goal is to develop MDMA analogues that can be developed into next-generation psychedelic-assisted therapies for severe mental health disorders and treatments for other neurological disorders.

So far, our NDD program has created and successfully screened over 120 compounds, that are poised for further pre clinical studies.

We expanded our partnership with UWA in May 2022 and are excited about the possibilities it presents in the years to come.

As always, the milestones of the last twelve months have been guided by strategic and sustainable corporate governance.

Step closer to pre clinical studies with our MDMA
analogue program

“ ... setting up FY23 to be the most exciting and momentous year ahead in Emyria’s history as we establish ourselves as a product company...”

Emyria bolstered its board and international reach by adding global bio-pharmaceutical expert Dr Karen Smith to our board, and in the same month, we welcomed Tattarang as a strategic corporate investor who has shown great support for our future vision.

Our trial partners, CMAX and Clinitrials, have helped us guide EMD-RX5 on its path to registration. These partnerships are recognition of Emyria’s growing influence in the biotech industry, as is our growing media presence, which included the ABC, West Australian, Sydney Morning Herald, Australian Financial Review, and many more in the last year.

FY21 represented the building of a foundation - the establishment of a data-forward clinical service that learns from every patient.

In FY22, we added world-class drug development capabilities, setting FY23 up to be the most exciting and momentous year in Emyria’s history.

Particularly as we establish ourselves as a product company with multiple clinical programs, a deep pipeline and one of the most robust Real-World Data assets globally.

Importantly, all this growth is in service of our ultimate goal – to help those with unmet needs.

There are millions of people around the world that suffer from conditions without accessible treatments.

Everything we do – our clinics, our data programs, our drug development and remote monitoring programs – aims to improve those patients’ lives. It’s a goal we share with you, our valued shareholders, and we cannot thank you enough.

Stewart Washer

Dr Stewart Washer
Emyria Chairman

2021

THE YEAR THAT WAS

AUGUST

Signed agreement with the University of Western Australia *(UWA)* to develop a drug discovery pipeline inspired by MDMA.

Executed agreement with Altasciences to develop, Ultra-Pure cannabinoid medicines for FDA and TGA registration.

Engaged Calvert Labs to conduct pre clinical studies for Emyria's Drug Repurposing Programs.

SEPTEMBER

Published Promising in vivo and in vitro results from the first round of screening MDMA analogues. Results to guide next batch of novel chemical entity generation.

Expanded specialist psychiatry advisory team to help advance Emyria's psychedelic-assisted therapy trials and novel MDMA-analogue development.

OCTOBER

Selected to join a cohort of emerging companies participating in Palantir's Foundry Builders Program, which is expected to greatly boost Emyria's data integration and analysis capabilities.

NOVEMBER

Partnered with Tattarang Strategic investment to accelerate drug development programs. The Company issued 20 million shares to Tattarang Ventures Pty Ltd at A$0.25 per share, and 10 million options with an exercise price of $0.40 per option and an expiry date of 24 November 2023.

Received $1,162,000 research and development tax incentive refund.

Appoint global pharma expert to board. Dr Karen Smith, former Chief Medical Officer and Global Head of Research and Development at Jazz Pharmaceuticals.

DECEMBER

Released MDMA analogue screening results showing 82 of 85 compounds passing initial safety screening.

Published Positive animal data for Emyria's first, Ultra-Pure CBD capsule *(EMD-RX5).*

Expanded Real-World Data monitoring technology via partnership with Cydelic.

Began incorporating wearable monitoring into Emyria's observational and clinical trials programs.

2022

JANUARY

Announced plans to commence Phase One human trials for Ultra-Pure CBD capsule, EMD-RX5.

FEBRUARY

Added 17 MDMA analogues to library that had been synthesised based off earlier positive screening.

MARCH

Received ethics approval and start of recruitment for Phase 1 clinical trial evaluating safety and tolerability of EMD-RX5.

Launched EMD-RX7, Emyria's second, proprietary and highly bio available, Ultra-Pure CBD capsule.

APRIL

Commenced Dosing for EMD-RX5 Phase One human clinical trial.

Partnered with Clinitrials to lead a multi-site Phase Three trial required to register EMD-RX5 as an over-the-counter, Schedule 3 medication with the TGA.

Completed Dosing for EMD-RX5 Phase One human clinical trial.

MAY

Announced positive screening of MDMA-analogues. 94% of compounds synthesised and screened demonstrated no interactions with selected 'anti-targets' linked to unwanted side effects.

Published Clinical Phase One Human trial results for capsule medication EMD-RX5 which demonstrated:

- excellent safety and tolerability
- less patient variability,
- a sustained release profile
- excellent bio availability compared to the only registered CBD medicine Epidyolex®.

Expanded MDMA-analogue New Drug Discovery program with the University of Western Australia.

WHAT are EMYRIA'S DRUG DEVELOPMENT PROGRAMS?

Emyria's pace of drug development is *unusually* **quick**.

It demonstrates the effectiveness of the unique harmony between our clinics, our Real-World Data and our drug development programs.

Our focus is to create innovative forms of existing treatments where evidence is lacking, like Ultra-Pure cannabinoids. And to develop new drugs inspired by promising compounds like MDMA.

This isn't just a *short-term* **advantage.**
Our distinct capabilities allow us to provide personalised care for patients and rapidly develop new technologies and treatments with the potential to help address major unmet medical needs.

It's a tremendously exciting prospect.

OUR LATEST DEVELOPMENT PROGRAMS

DRUG DEVELOPMENT

ULTRA - PURE CANNABINOIDS

Powered By Real World Evidence

NOVEL FORMULATION	MEDICAL INDICATION	DOSE OPTIMISATION	SAFETY TRIALS	PIVOTAL TRIALS	APPROVAL
EMD-RX5 OVER THE COUNTER	Psychological Distress				
EMD-RX5 OVER THE COUNTER	Irritable Bowel Syndrome				
EMD-RX7 PRESCRIPTION	Multiple Medical Conditions				
OTHERS IN DEVELOPMENT PRESCRIPTION	Multiple Medical Conditions				

NEW DRUG DISCOVERY

MDMA - LIKE MEDICINE PROGRAMS

Ongoing Library Expansion

PROGRAM	MEDICAL INDICATION	DISCOVERY	PRE - CLINICAL	PHASE 1	PIVOTAL TRIALS	APPROVAL
PROGRAM 01 HIGHER POTENCY MDMA	e.g. Drug-Assisted Psychotherapy					
PROGRAM 02 SELECTED BRAIN TARGETS	e.g. Parkinson's					
PROGRAM 03 SELECTED NON-BRAIN TARGETS	e.g. Fibrotic Disease					

INNOVATION

TECHNOLOGY	DESCRIPTION	CONCEPT	DESIGN	SUBMISSION	APPROVAL	LAUNCH
OPENLY REMOTE HEALTH TRACKER	Vital Signs Tracked Via Smartphone Camera					

DRUG DEVELOPMENT

COMMENCING HUMAN TRIALS

EMD-RX5
Phase One
Clinical Trial

Emyria's Phase One clinical trial tested our first Ultra-Pure CBD capsule, EMD-RX5, against Epidyolex® oil to see how it measured up in terms of safety, bio availability and drug delivery profile.

We picked Epidyolex® because it is the only CBD medicine in the world that's achieved registration in Europe, the USA and Australia *(via EMA, FDA and TGA).*

Backed by years of development and hundreds of millions of dollars, Epidyolex® has changed the lives of thousands of patients.

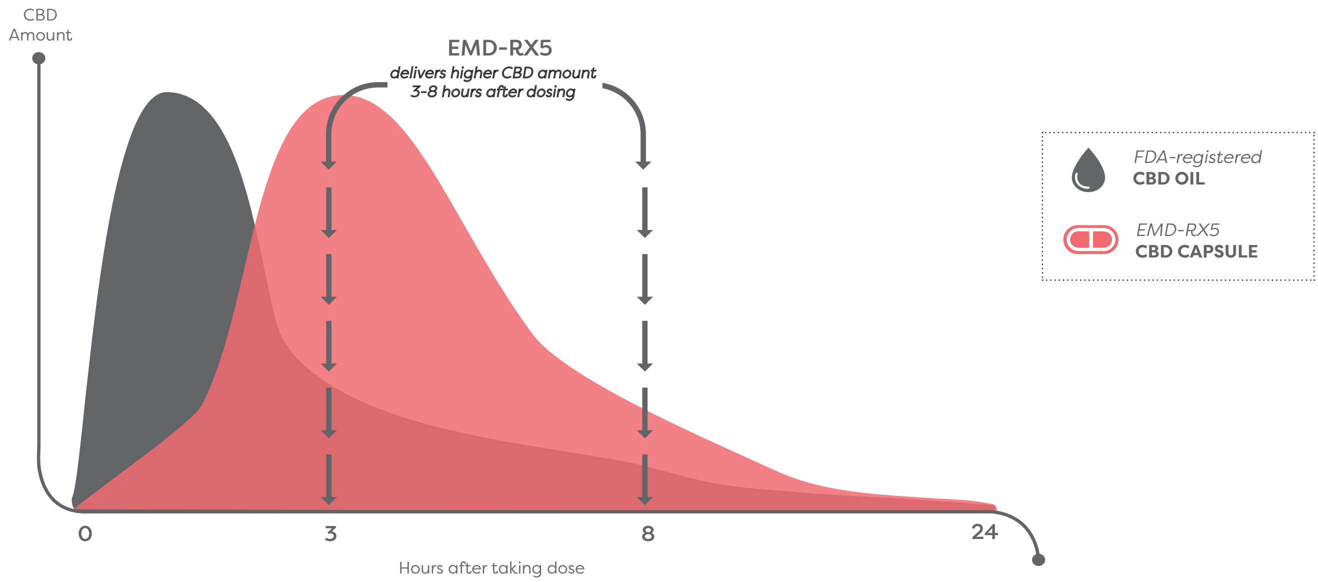
An achievement recognised in 2021 with a US $7.2 billion acquisition by Jazz Pharmaceuticals.

It's the standard we want EMD-RX5 to meet, and it's why the Phase One trial results were so exciting.

Testing our capsule against the only FDA-registered CBD oil ensures that Emyria's drug development program is well set to obtain multiple global registrations. And be the first of its kind in capsule form.

EMD-RX5 passed its first test with flying colours.

EMD-RX5 & EPIDYOLEX®
AVERAGE CANNABIDIOL *(CBD)*
DOSING PROFILE *at 150mg dose*



The results demonstrated excellent safety and tolerability, statistically equivalent bio availability to Epidyolex®, higher drug levels 3-8 hours after dosing and less variability in dose between patients, which should enable doctors and patients to use it with confidence.

And as a capsule, it will be more convenient for patients and doctors alike, with improvements in dosing profile, consistency and measurement.

Now, it's on to Phase Three, with the ultimate goal of global registration as an over-the-counter medication.

WHY is EMYRIA'S ULTRA-PURE CBD KEY TO SUSTAINABLE CANNABIS-BASED TREATMENTS?

CBD is promising as a medical treatment globally for conditions such as chronic pain, psychological distress, gut health conditions and autism.

And while the interest in CBD as a therapeutic treatment increases, the reliability and environmental impact of growing and manufacturing plant CBD show negative factors.

That's where Ultra-Pure CBD comes in. Ultra-Pure CBD is made in a lab rather than developed from plants grown outdoors or in greenhouses. That process ensures pharmaceutical-grade purity and is much less demanding on the environment than traditional ways of growing cannabis plants.

Long-term, it also means producing these medicines is more sustainable.

Plant-grown CBD requires ***44 times as much CO2 emissions*** *and* ***333 times more water*** to produce[1].

The bio synthesis process of Ultra-Pure CBD is a more sustainable approach, using renewable sources to produce medicines *(as well as many other products)* rather than fossil fuels.

It involves techniques such as microbial fermentation, molecular biology and genetic engineering.

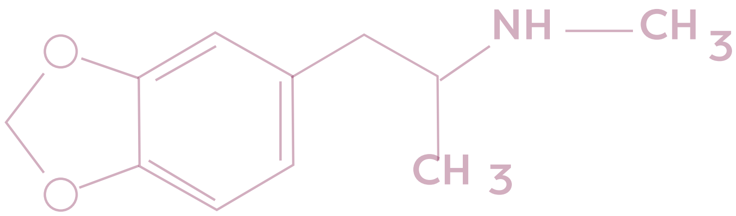
While developing rapidly, this technology is still new – and how it is harnessed is ***quite remarkable***.

	BOTANICAL CBD	ULTRA-PURE CBD
BIOLOGICAL ACTION	Ultra-Pure CBD has **equivalent** physiological effects to botanical CBD [2]	
REGULATORY CONSIDERATIONS	Most CBD oils **do not** meet FDA requirement for CBD purity *(with exception of Epidyolex®)*	FDA Drug Master File for API acceptance from major regulators
PURITY	**Small quantities** of THC and impurities	No detectable THC and impurities
INTELLECTUAL PROPERTY	Most generic oils have limited IP	100% Emyria-owned
COST	Plant growth & extraction expensive	**Lower cost** over long-term
ENVIRONMENTAL IMPACT	Up to **45 X** CO2 emissions Up to **333 X** water consumption [1]	**Lower energy** requirements

Ultra-Pure CBD not only has enormous potential for medical treatments - where it can provide the gold standard in predictable and reliable purity, but Ultra-Pure CBD can also dramatically reduce the cost to the environment.

By ensuring we manufacture these treatments in the most environmentally friendly way possible, we also help preserve our precious environment and the plants with medicinal benefits to share.

[1] cellular-goods.com/learn/articles/science/white-paper-production-of-cannabinoids-using-biotechnology [2] Maguire R, F, Wilkinson D, J, England T, J, O'Sullivan S, E: The Pharmacological Effects of Plant-Derived versus Synthetic Cannabidiol in Human Cell Lines. Med Cannabis Cannabinoids 2021. doi: 10.1159/000517120.



EXTENDING THE POTENTIAL OF MDMA

with THE UNIVERSITY OF WESTERN AUSTRALIA

Emyria and its partner, the University of Western Australia *(UWA)*, agreed to substantially expand their collaboration to develop novel medicines inspired by MDMA *(MDMA analogues)* with the potential to become treatments for unmet medical needs.

The Program, "New Drug Discovery" *(NDD)*, starting with MDMA analogues, is a key pillar of Emyria's drug development strategy.

To date, the NDD Program has successfully screened 125 analogues. Several show potential as next-generation psychedelic-assisted therapeutics or new treatments for neurological and non-neurological conditions.

The most promising analogues are now being prepared for pre clinical testing to further evaluate their therapeutic potential.

"Emyria's clinical development expertise, funding and international networks have taken our ***MDMA analogue research to the next level****.*

We have already identified hits for ***new disease indications*** *as a result of the screening program this collaboration has enabled.*

We are excited at the prospect of ***translating these findings*** *to the clinic, where they can* ***improve quality of life for patients with unmet needs."***

- UWA Professor Matt Piggott

INNOVATION

Each patient's story is unique and holds ***the potential to help*** other patients like them.

BOOSTING EMYRIA'S REAL WORLD EVIDENCE (RWE)

Each patient's story is unique and holds the potential to help other patients like them. It leads Emyria to continue investing in building world-class data gathering and analysis capabilities.

The robust and ethically-sourced data we gather with our patients guide our personalised care programs and our growing drug development strategy.

The unique Real-World Data asset we are building involves remote monitoring and analysis.

REMOTE MONITORING is the collection of clinically meaningful data by remote means *(i.e. telephone call or video chat)* to monitor the patient's condition and identify if intervention is necessary. But to be truly effective, a successful system must be more than just a symptom tracker *(and there are many of those on the market).*

By incorporating physiological measurements into the remotely monitored data, we can greatly increase the clinical data received by doctors and the quality of patient care, which in turn benefits the health care system more broadly.

To extend our remote monitoring capabilities, Emyria has developed a smartphone-powered remote monitoring app - Openly - with our global partners. It is now registered as a Class IIA Medical Device.

We are also working with Cydelic to enable continuous biometric monitoring.

Emyria is among a few companies selected by global data analytics company Palantir to join its Foundry *(PF)* for Builders program.

With PF, Emyria has access to advanced, highly secure data integration and analysis capabilities usually reserved for Fortune 200 companies.

PF also allows Emyria to bring multiple data streams together and rapidly discover new clinical insights to guide care delivery and drug development.

Openly is a Registered & Approved Class IIA Medical Device *(TGA) and* Recognised among the Best **2022** innovations in Australia

DIGITAL DISRUPTORS AWARDS

HOW does EMYRIA'S REAL-WORLD DATA IMPROVE TREATMENT DEVELOPMENT?

Real time Insights

The history of pharmaceutical development is littered with examples of treatments that showed promise under short clinical trials but revealed themselves to have longer term side effects.

By monitoring patients over a more extended period as part of a new standard of care, Real-World Data *(RWD)* is more likely to capture those problems before a medicine is widely available.

Everyday People

All participants, whether patients or trial staff, must follow a strict protocol in clinical trials.

This may mean the trial is doing things that are not common or reflective of how medicine is typically practiced and can affect the general visability of trial results.

By gathering *RWD* with patients at the front line of care, we can help ensure that any benefits we are seeing from the new treatments we are developing are more likely to translate.

Accelerating Approval

Major regulators worldwide, like the FDA *(USA)*, have specifically created incentives for drug developers to incorporate RWD into their drug development programs. 78% of new drug approvals to the FDA now incorporate RWD [1].

We believe Emyria's unique RWD will help us bring new registered treatments to patients sooner.

78% of new drug approvals to the FDA now incorporate RWD [1].

WHAT do we MEASURE?

- **Millions of data points from validated clinical measures**
  - Other Medication use
  - Patient and Clinician reported outcomes
- **Over 30,000 appointments from thousands of patients**
- **Safety is a priority.**
  We've captured over 10,000 adverse events
- **The affects of over 60 different treatments**
  - Diverse patient responses
  - Ages 2-100

WHAT do we LEARN?

- **Which patients and clinical conditions respond most favourably to which treatment program.**
- **What dose or treatment combination is most effective for which patient population.**
- **What is the long-term safety profile for these new treatments.**
- **What are the new or emerging adverse events we need to monitor for.**
- **What are the unmet clinical needs that need better treatments.**
- **And more!**

OUR **DATASET** includes over **1 million** RESPONSES *(by both patients & clinicians)*

THIS **DATA ALLOWS** us to see who is **RESPONDING** to treatment

[1] Aeiton, (2021) https://resources.aetion.com/the-role-of-real-world-evidence-in-fda-approvals-ebook-2021-update

Daniel’s mum Liz describes the impact of the medication as ***‘life-changing’.***

CBD - BRINGING HOPE TO FAMILIES LIVING WITH AUTISM

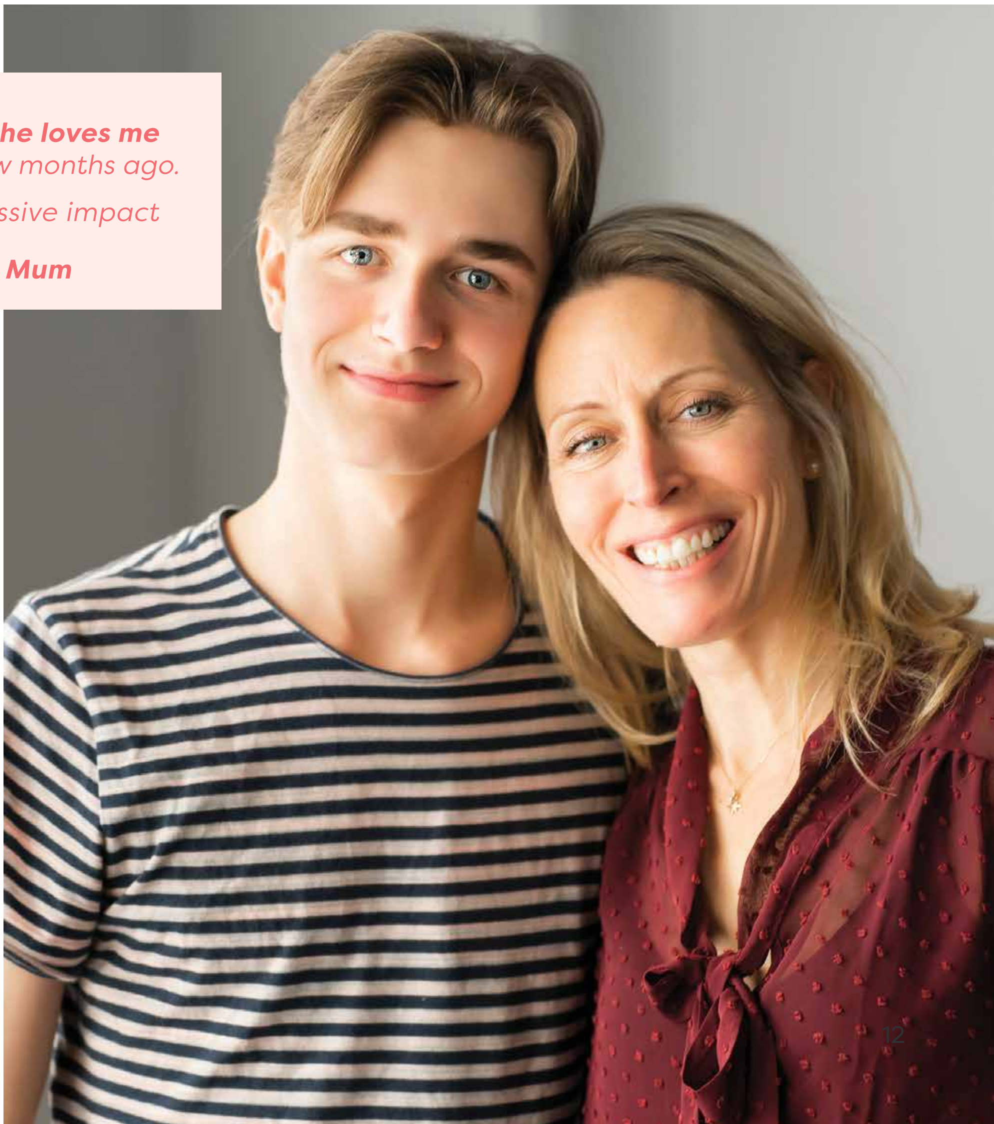
Just before his second birthday, Daniel* was diagnosed with a severe case of Autism Spectrum Disorder (ASD).

Fast forward into adolescence, he’s 188 cm and 119 kilos, unable to shower, feed or dress. He experiences hot sweats frequently and has difficulty sleeping. Medication has been a challenging, frustrating process of trial and error that’s taken an emotional, physical and financial toll on his whole family.

“Even when medications worked, they only seemed to work for a little while,” says Daniel’s mum, Liz.*

Recently, Liz discovered a study investigating tolerance responses involving two low-dose medicinal cannabis products with different THC: CBD ratios in people with ASD.

Daniel qualified for the study and is now getting the balance of his medication right.



*“For the first time in his life, Daniel says **he loves me regularly.** That wasn’t possible just a few months ago.*

***It has changed our lives** and had a massive impact in such a short time.”*

- Liz, Daniel’s Mum

Liz describes the impact of the medication as ‘life-changing’. She noticed a ‘softening’ in her son’s character and a feeling of renewed safety in his presence.

> *“For the first time in 16 years, I’ve been able to comfortably sit with my child and build a connection with him.”*

Today, Daniel safely engages with peers at his school for short periods. For the first time, he’s developing friendships and participating in activities such as passing balls, blowing bubbles and dancing.

The positive effect has been incredibly touching for his parents and the school.

*Names changed to protect privacy

Directors' Report

Directors' Report

The directors present their report for Emyria Limited ("Emyria" or "the Company") and its subsidiaries ("the Group") for the financial year ended 30 June 2022.

Directors

The names of the directors in office at any time during or since the end of the year ended are:

Dr Stewart Washer Executive Chairman	
Dr Michael Winlo Managing Director	
Professor Alistair Vickery Executive Medical Director	
Dr Karen Smith Executive Director *(appointed 29 November 2021)*	
Mr Matthew Callahan Non-Executive Director	
Professor Sir John Tooke Non-Executive Director	

Review of operations

The Group made substantial progress on its proprietary drug development program. Emyria's first Ultra-Pure cannabinoid, EMD-RX5, successfully completed Phase 1 clinical trials. Emyria's specialist clinics continue to provide high-quality personalised care whilst gathering Real-World-Evidence ("RWE") insights.

Emyria continued to invest in the Group's digital health platforms to enable improved remote data capture from its patients and enhanced data analysis and visualisation capabilities.

See page 5 Part One 2022 Annual Report); 'The Year That Was' for Review of Operations.

Principal activities

The principal continuing activity of the Group is developing biopharmaceuticals guided by Real-World Data collected with patients across its wholly-owned clinical service subsidiaries.

Events after reporting date

The Company secured a loan facility with Radium Capital secured against the R&D Tax Incentive refund with an interest rate of 14% pa and a maturity date of 31 December 2022. The Company drew down on the facility in August 2022 for the full amount.

In August 2022, the Company received ethics approval to commence a pivotal Phase 3 clinical trial of its first Ultra-Pure CBD candidate, EMD-RX5.

In August 2022, the Company issued 575,000 unlisted options under the Company's employee incentive scheme.

There are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Future development, prospects and business strategy

The Group will focus on a product development and registration strategy by creating and testing proprietary formulations of Ultra-Pure cannabinoids and discovering new chemical entities inspired by MDMA.

In addition, Emyria continues to deliver care to patients, capture high-quality clinical data (Real-World Data) to transform the way novel therapies are understood and researched via its clinical service subsidiary, Emerald Clinics. The Group will also combine its data with other health records and published information to generate actionable evidence for physicians, drug developers, research groups and government departments.

Dividend paid and recommended

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2022 (30 June 2021: nil).

Directors' Report

Information on Directors and Company Secretary

Dr Stewart Washer

Executive Chairman

Stewart was appointed on 19 February 2018. He has 25 years of CEO and board experience in medical and agri-food biotech companies. He is director of Botanix Pharmaceuticals Ltd (ASX: BOT), a company undertaking clinical studies on CBD for antimicrobial and topical applications and Founding Chairman and current Director of Cynata Therapeutics Ltd (ASX: CYP) stem cell therapies.

Stewart has held several Board positions in the past, including Chairman of Hatchtech Pty Ltd, which was sold in 2015 for A$279m and was a director of iCeutica, which was sold to a US Pharma. He was also a Senator with Murdoch University and was a Director of AusBiotech Ltd.

Other current directorships of a public listed company

Cynata Therapeutics Limited (ASX: CYP)
Appointed as Director on 1 August 2013

Orthocell Limited (ASX: OCC)
Appointed as Chairman on 7 April 2014

Botanix Pharmaceuticals Limited (ASX: BOT)
Appointed as Director on 21 February 2019

Former directorships in last three years of a public listed company

Zelira Therapeutics Limited (ASX: ZLD)
17 November 2016 to 2 December 2019

Interest in shares and options

Shares	49,325,599

29,725,599 shares are in the control of Dr Stewart Washer and Dr Patrizia Washer.

Options	1,500,000

Options held are in the control of Dr Stewart Washer and Dr Patrizia Washer.

Dr Michael Winlo

Managing Director

Appointed on 8 November 2019, Michael has a Bachelor of Medicine and Bachelor of Surgery with Honours from the University of Western Australia, as well as a Master of Business Administration from Stanford University.

Before Emyria, Michael was CEO at Linear Clinical Research Ltd (Linear) until October 2019 –a company providing clinical trial services for US- and Asia-based biotech companies. Linear was the first site in Australia and one of only a few in the world to successfully adopt electronic data capture technology. Under Michael's leadership, Linear's revenues grew over 300% in just over three years (to over $23 million per year). Michael retains a Directorship at Linear. Before Linear, Michael was Health Lead at Palantir Technologies – a Big Data company based in Silicon Valley, California.

Other current directorships of a public listed company

None

Former directorships in last three years of a public listed company

None

Interest in shares and options

Shares	60,000
Options	7,500,000

Directors' Report

Information on Directors and Company Secretary

Professor Alistair Vickery

Executive Medical Director

Appointed on 12 November 2018, Alistair is the Medical Director of Emyria and has a wealth of expertise in clinical practice, health service management, clinical and educational research and board director skills. He is an adjunct Clinical Professor of Primary Health Care at the University of Western Australia and Notre Dame University and an active specialist general practitioner. He was the clinical lead of the CHASM research group (The Collaborative for Health Care Analysis and Statistical Modelling), providing high-level analysis and statistical modelling to inform clinical service planning and evaluation. Alistair is Board Chair of Black Swan Health, one of the largest NFP primary health care service providers in Western Australia, a Fellow of the Australasian College of Health Service Management and an AICD graduate.

Other current directorships of a public listed Group

None

Former directorships in last three years of a public listed Group

None

Interest in shares and options

Shares	128,000
Options	4,000,000

Dr Karen Smith

Executive Director

Appointed on 29 November 2021, Dr Smith's experience is highly global. As a Biotech/ Pharmaceutical Executive, Board Director and Clinical/ Scientific Advisor in the US, Europe, Canada and Australia, Dr Smith has overseen more than 50+ clinical trials and more than 20 major regulatory approvals in multiple jurisdictions. Many have led to product launches across diverse therapeutic areas, including neuroscience, a rare disease, oncology, cardiology, dermatology, and anti-infectives.

Over the past 20 years, Dr Smith has held various executive roles, including President, CEO, Global Head of R&D, and Chief Medical Officer. She has built companies from the ground up and is a strong advocate for women in science and diversity in the Boardroom. Earlier in her career, she held senior leadership roles at Allergan, AstraZeneca and Bristol Myers Squibb.

Dr Smith holds several degrees, including an MD from the University of Warwick (UK), a PhD in Oncology from UCLA (USA)/UWA (Australia), an MBA (Masters in Business) from the University of New England, and an LLM (Masters in Law) from the University of Salford (UK). Dr Smith has been a member of the Board of Directors since November 2021.

Other current directorships of a public listed Group

Sangamo Therapeutics (NASDAQ: SGMO)
Talaris Therapeutics (NASDAQ: TALS)

Former directorships in last three years of a public listed Group

Forward Pharma (NASDAQ: CM)
Sucampo Pharma (NASDAQ: SCMP)
Acceleron Pharma (NASDAQ: XLRN)
Antares Pharm (NASDAQ: ATRS)

Interest in shares and options

Shares	550,000
Options	1,500,000

Directors' Report

Information on Directors and Company Secretary

Professor Sir John Tooke

Non-Executive Director

Appointed on 10 February 2020, Sir John is Executive Chairman of Academic Health Solutions, a start-up Group offering international expert advice to clients on medical research, innovation strategy, and health service transformation. He is Senior Independent Director at BUPA Chile and was, until 2019, non-executive director of the BUPA main Board and the Chair of the Medical Advisory Council. He was recently appointed as a non-executive director of the Northern Health Science Alliance in the UK. He is the Chair of Collaboration for the Advancement of Sustainable Medical Innovation (CASMI) UCL and Chaired the Oversight Group for the Academy of Medical Sciences project, "How we best use scientific evidence to judge the benefits and harms of medicines". He also served as an Independent Review Board Member for Google DeepMind Health (UK).

Sir John was past Head of the School of Life and Medical Sciences at University College London (UCL) as Vice Provost (Health) and Academic Director of UCL Partners from 2010 - 2015. He was also the former President of the Academy of Medical Sciences in the UK.

Sir John is a clinician scientist with 30 years of experience as a consultant physician specialising in diabetes, endocrinology, vascular medicine and internal medicine with broad research experience (basic biomedical, experimental medicine, and applied health research, including improvement science) recognised through Fellowship of the Academy of Medical Sciences. He held a Board position at the Francis Crick Institute (2011 -2015) and was a Member of the Council for Science & Technology (2011-2015), reporting to the Prime Minister (UK).

Other current directorships of a public listed company

None

Former directorships in last three years of a public listed company

None

Interest in shares and options

Shares	nil
Options	1,500,000

Mr Matthew Callahan

Non -Executive Director

Appointed on 19 March 2018, Matthew is an experienced life sciences executive based in Philadelphia. He is a founding director of Emyria and has been the founding CEO or Executive Director of several pharmaceutical and health tech companies, including Botanix Pharmaceuticals Ltd (ASX: BOT), iCeutica Inc, Churchill Pharma Inc., Dimerix Biosciences (ASX: DXB) and Orthocell (ASX: OCC).

He has led the development of four pharmaceutical products that have received FDA approval, and he has more than 25 years of legal, IP and investment management experience. Matthew has also worked as an Investment Director for two venture capital firms investing in life sciences, technology and other sectors and was general manager of Australian listed technology and licensing company Ipernica (now Nearmap ASX: NEA), where he was responsible for the licensing programs that generated more than $120 million in revenue.

Other current directorships of a public listed Group

Botanix Pharmaceuticals Limited (ASX: BOT)
Appointed as a director 1 July 2016, resigned 23 August 2019 and re-appointed as Director on 10 February 2020

Orthocell Limited (ASX: OCC)
Appointed 30 May 2006, resigned 23 August 2019 and re-appointed as Director on 10 February 2020

Former directorships in last three years of a public listed Group

As noted above

Interest in shares and options

Shares	19,600,000
Options	1,500,000

Directors' Report

Information on Directors and Company Secretary

Mr Simon Robertson

Company Secretary

Simon gained a Bachelor of Business from Curtin University in Western Australia and a Master of Applied Finance from Macquarie University in New South Wales.

He is a member of the Institute of Chartered Accountants and Chartered Secretaries Australia. Simon currently holds the position of company secretary for a number of publicly listed companies and has experience in corporate finance, accounting and administration, capital raising and ASX compliance and regulatory requirements.

Directors' Report

Meeting of Directors

During the financial year ended 30 June 2022, the following table outlines the number of meetings held:

	Full meetings of directors		Risk Committee Meetings	
	A	**B**	**A**	**B**
Stewart Washer, Chairman	9	9	•	•
Michael Winlo, Managing Director	9	9	•	•
Alistair Vickery, Executive Director	9	9	3	3
Karen Smith, Executive Director	4	4	•	•
Matthew Callahan, Non-Executive Director	8	9	3	3
Sir John Tooke, Non-Executive Director	9	9	3	3

A Number of meetings attended

B Number of meetings held during the time the director held office or was a member of the committee during the year

• Not a member of the relevant committee

Directors' Report

At the date of this report, the Group has the following options on issue.

Number	Exercise Price	Grant Date	Expiry Date
11,250,000	$0.450	13 June 2019	13 June 2023
1,000,000	$0.450	19 June 2019	13 June 2023
3,500,000	$0.450	10 July 2019	13 June 2023
600,000	$0.450	26 September 2019	26 September 2023
1,000,000	$0.450	24 October 2019	13 June 2023
666,667	$0.450	11 November 2019	13 June 2023
2,018,000	$0.114	24 September 2020	13 November 2024
8,500,000	$0.114	13 November 2020	13 November 2024
500,000	$0.114	22 December 2020	22 December 2023
6,000,000	$0.200	22 December 2020	22 December 2022
4,627,451	$0.200	22 December 2020	22 December 2022
1,500,000	$0.268	20 February 2021	20 February 2024
605,000	$0.256	18 March 2021	18 March 2024
5,000,000	$0.350	28 April 2021	28 April 2024
14,217,144	$0.350	28 April 2021	28 April 2024
150,000	$0.330	21 September 2021	21 September 2025
75,000	$0316	7 October 2021	7 October 2025
300,000	$0.360	1 November 2021	1 November 2025
10,000,000	$0.400	24 November 2021	24 November 2023
6,000,000	$0.550	31 December 2021	31 December 2023
200,000	$0.384	8 June 2022	7 June 2026
575,000	$0.365	17 August 2022	16 August 2026
78,284,262			

During the year, 532,336 options over unissued shares were exercised and 360,612 shares were issued. In addition, 1,600,000 options were cancelled during the year.

For details of options issued to directors and other key management personnel, please refer to the Remuneration Report.

Directors' Report

Remuneration Report *(audited)*

This Remuneration Report, which has been audited, outlines the Key Management Personnel (as defined in AASB 124 Related Party Disclosures) ("KMP") remuneration arrangements for the Group, in accordance with the requirements of the section 308 (3c) of the Corporations Act 2001 and its Regulations.

The KMP covered in this remuneration report are:

Dr Stewart Washer
Executive Chairman

Dr Michael Winlo
Managing Director

Professor Alistair Vickery
Executive Medical Director

Karen Smith
Executive Director (appointed 29 November 2021)

Mr Matthew Callahan
Non-Executive Director

Professor Sir John Tooke
Non-Executive Director

Patrizia Washer
Research Manager (resigned effective 30 July 2021)

Adam James
Chief Operating Officer (resigned effective 31 July 2021)

Su-Mei Sain
Chief Financial Officer (resigned effective 9 July 2021)

The principles adopted have been approved by the Board and have been set out in this Remuneration Report. This audited Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based compensation

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under Accounting Standard AASB 124, Related Party Disclosures.

1. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered.

The framework which has been set out in detail under the remuneration structure in this Remuneration Report aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to markets best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;

(ii) aligns shareholders and executive interests;

(iii) performance based and aligned to the successful achievement of strategic and tactical business objectives; and

(iv) transparency.

Executive Directors

Remuneration to Executive Directors reflects the demands which are made on, and the responsibilities of, the Executive Directors. Executive Directors' remuneration is reviewed to ensure it is appropriate and in line with the market. Other than notice periods, there are no other benefits paid to Executive Directors other than superannuation guarantee amounts as required.

The executive remuneration and reward framework has four components:

(i) base pay;

(ii) cash bonus;

(iii) share-based payments; and

(iii) other remuneration such as superannuation and long service leave.

The combination of these comprises the Executive Director's total remuneration.

Fixed remuneration, consisting of base salary and superannuation will be reviewed annually by the board, based on individual contribution to corporate performance and the overall relative position of the Group to its market peers.

Directors' Report

Non - Executive Directors

Remuneration to Non-Executive Directors reflects the demands which are made on, and the responsibilities of, the Non-Executive Directors.

The maximum aggregate for remuneration of Non-Executive Directors is set by shareholders and is currently $500,000. For the year ended 30 June 2022, exclusive of superannuation guarantee the annual cash remuneration paid to Non-Executive Directors was $50,000 per annum each.

Short-term incentives

The Company's approach in regard to the use of short-term cash incentives will be assessed by the board on an ongoing basis as the Company evolves.

Long-term incentives

To align the board and management with shareholders' interests and with market practices of peer companies and to provide a competitive total remuneration package, the Board introduced a long-term incentive ("LTI") plan to motivate and reward Executives and Non-Executive Directors.

The LTI is provided as options over ordinary shares of the Group under the rules of the Securities Incentive Plan. During the year ended 30 June 2022, there were no options issued to KMP's,

Group performance, shareholder wealth and directors' and executives' remuneration

As an early-stage drug development company, the Board does not consider the operating loss after tax as one of the performance indicators when implementing an incentive-based remuneration policy.

The board considers that identification and securing of new business growth opportunities, the securing of funding arrangements and responsible management of cash resources and the Group's other assets as more appropriate performance indicators to assess the performance of management.

No relationship exists between shareholder wealth, director and executive remuneration and Group performance as it is an early-stage drug development company.

The table below shows the losses and earnings per share of the Group for the current and last three financial years.

	2022	2021	2020	2019
Net loss	(7,327,691)	(4,906,234)	(5,238,040)	(2,682,928)
Share price at year end (cents)	19.00	18.50	4.80	N/A*
Loss per share (cents)	(2.75)	(2.24)	(3.04)	(2.06)

* The Company was admitted to the ASX on 10 February 2020

Directors' Report

2. Details of remuneration

Year ended 30 June 2022

The amount of remuneration paid and entitlements owed to KMP is set out below.

2022 Total remuneration and entitlements

	Salary and other fees	Bonus	Post employment benefits (super.[1])	Annual leave entitlement movement	Total cash payments & entitlements	Share based payments	Total	LTI % of rem.[2]
Directors	$	$	$	$	$	$	$	$
S Washer	200,000	-	-	-	200,000	-	200,000	n/a
M Winlo	357,497	80,000	43,749	4,872	486,118	-	486,118	n/a
A Vickery[3]	378,746	80,000	-	3,141	461,887	-	461,887	n/a
K Smith	123,490	-	-	-	123,490	200,750	324,240	61.9%
M Callahan	50,000	-	-	-	50,000	-	50,000	n/a
Sir J Tooke	50,000	-	-	-	50,000	-	50,000	n/a
Other Key Management Personnel								
A James[4]	98,714	-	8,359	(15,124)	91,949	-	91,949	n/a
S Sain[5]	8,217	-	365	-	8,582	-	8,582	n/a
P Washer[6]	7,306	-	731	-	8,037	-	8,037	n/a
	1,273,970	**160,000**	**53,204**	**(7,111)**	**1,480,063**	**200,750**	**1,680,813**	

1 super. = superannuation

2 rem. = remuneration

3 A Vickery received exemption on superannuation and received the balance of his superannuation contribution as an additional payment.

4 A James resigned effective 31 July 2021

5 S Sain resigned effective 9 July 2021

6 P Washer resigned effective 30 July 2021

Directors' Report

Year ended 30 June 2021

The amount of remuneration paid and entitlements owed to KMP is set out below.

2021 Total remuneration and entitlements

	Salary and other fees	Bonus	Post employment benefits (super.[1])	Annual leave entitlement movement	Total cash payments & entitlements	Share based payments	Total	LTI % of rem.[2]
Directors	$	$	$	$	$	$	$	$
S Washer	200,000	-	-	-	200,000	-	200,000	n/a
M Winlo	350,000	-	25,000	1,344	376,344	94,200	486,118	20.0%
A Vickery[3]	368,992	-	6,250	(4,040)	371,202	41,844	461,887	10.1%
M Callahan	50,000	-	-	-	50,000	31,058	50,000	38.3%
Sir J Tooke[4]	54,620	-	-	-	54,620	20,705	50,000	27.5%
Other Key Management Personnel								
A James[5]	200,000	-	19,000	(13,848)	205,152	40,469	245,621	16.5%
S Sain[6]	147,246	-	13,919	(4,441)	156,724	41,115	197,839	20.8%
P Washer[7]	226,897	-	21,038		247,935	325	248,260	0.1%
	1,597,755	**-**	**85,207**	**(20,985)**	**1,661,977**	**269,716**	**1,931,693**	

1 super. = superannuation

2 rem. = remuneration

3 A Vickery received exemption on superannuation and received the balance of his superannuation contribution as an additional payment.

4 In addition to Sir Tooke's director's fee, he also received a consultancy fee of $4,620 during the year

5 A James resigned effective 31 July 2021

6 S Sain resigned effective 9 July 2021.

7 P Washer resigned effective 30 July 2021

There were no non-monetary benefits paid to the Directors or KMP for the year ended 30 June 2022 (30 June 2021: Nil). Other than those disclosed above, there were no other transactions with related parties to the KMP for the year ended 30 June 2022.

Directors' Report

3. Service agreements

For the year ended 30 June 2022, the following service agreements were in place with the Directors and KMP of Emyria:

On 27 July 2018, a Consultancy Agreement was entered into between the Company and Biologica Ventures Pty Ltd nominating Dr Stewart Washer as Executive Chairman. Under the terms of the Agreement:

- On 2 December 2019, Dr Washer's Agreement was amended to reflect that his annual consultancy fee to be $200,000 per annum commencing 12 February 2020.
- Dr Washer's fees were paid to Biologica Ventures Pty Ltd.
- Under the general termination of consultancy provision, the Company may terminate the Agreement by giving Dr Washer six months' notice or payment in lieu of notice.
- Under the general termination of consultancy provision, Dr Washer may terminate the Agreement by giving the Company three months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 3 May 2019, a Chief Executive Employment Agreement (changed to Managing Director effective 26 November 2019) was entered into between the Company and Managing Director Dr Michael Winlo. Under the terms of the Agreement:

- Dr Winlo was paid a base salary of $350,000 per annum plus statutory superannuation which was increased to $380,000 per annum plus statutory superannuation effective 1 April 2022.
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Dr Winlo three months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Dr Winlo may terminate the Agreement by giving the Company six months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 18 March 2019, a Senior Executive Employment Agreement was entered into between the Company and Medical Director Professor Alistair Vickery. Under the terms of the Agreement:

- Professor Vickery was paid a base salary of $350,000 per annum plus statutory superannuation
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Professor Vickery twenty-four months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Professor Vickery may terminate the Agreement by giving the Company twelve months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 29 November 2021, a Senior Executive Employment Agreement was entered into between the Company and Executive Director, Karen Smith. Under the terms of the Agreement:

- Karen Smith was paid a base salary of US$150,000 per annum
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Karen Smith one months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Karen Smith may terminate the Agreement by giving the Company one months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment other than entitlements accrued.

Directors' Report

On 14 November 2019, an Agreement was entered into between the Company and Mr Matthew Callahan for his on-going appointment as Non-Executive Director. Under the terms of the Agreement:

- Mr Callahan was paid a remuneration package of $50,000 per annum base salary.
- Termination of this Agreement will be upon the date provided by either party. There is no notice period applicable to this Agreement.
- Mr Callahan has a consultancy agreement with the Group that commenced on 4 November 2019 for a period of three years. Under the terms of the consultancy agreement:
- The consultancy services include an hourly rate of USD $300 per hour and it will be subject to review on an annual basis.
- Under the general termination of consultancy provision, the Group may terminate the Agreement by giving Mr Callahan six month's notice or payment in lieu of notice.
- Under the general termination of consultancy provision, Mr Callahan may terminate the Agreement by giving the Group six months' notice or payment in lieu of notice.
- The Group may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Consultant will be paid up to the date of termination.

On 4 November 2019, an Agreement was entered into between the Company and Professor Sir John Tooke as Non-Executive Director. Under the terms of the Agreement:

- Appointed as Non-Executive Director effective from 12 February 2020.
- Professor Tooke was paid a remuneration package of $50,000 per annum base salary.
- Termination of this Agreement will be upon the date provided by either party. There is no notice period applicable to this Agreement.
- Professor Tooke has a consultancy agreement with the Group that commenced on 1 April 2020 for a period of three years. Under the terms of the Agreement:
- The consultancy services include a rate of GBP2,500 per day.
- Under the general termination of consultancy provision, the Group may terminate the Agreement by giving Professor Tooke one month's notice or payment in lieu of notice.
- Under the general termination of consultancy provision, Professor Tooke may terminate the Agreement by giving the Group one months' notice or payment in lieu of notice.
- The Group may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Consultant will be paid up to the date of termination.

Directors' Report

4. Share-based compensation

Option holdings

The numbers of options in the Group held during the year ended 30 June 2022 by each KMP of Emyria, including their related parties, are set out below:

2022	Balance at the start of the year	Granted during the year	Expired during the year	Other changes [1]	Balance at the end of the year
Directors					
S Washer	-	-	-	1,500,000	1,500,000
M Winlo	7,500,000	-	-	-	7,500,000
A Vickery	4,000,000	-	-	-	4,000,000
K Smith[2]	1,500,000	-	-	-	1,500,000
M Callahan	1,500,000	-	-	-	1,500,000
Sir J Tooke	1,500,000	-	-	-	1,500,000
	16,000,000	-	-	1,500,000	17,500,000
Other Key Management Personnel					
A James[3]	3,000,000	-	(600,000)	(2,400,000)	-
S Sain[4]	2,000,000	-	(1,000,000)	(1,000,000)	-
P Washer[5]	1,500,000	-	-	(1,500,000)	-
Total	22,500,000	-	(1,600,000)	(3,400,000)	17,500,000

[1] Other changes relate to elimination of option-holding of KMP that resigned from the Company during the year and recognition of options held by related party *(P Washer)*

[2] Karen Smith was granted options in February 2021 in her capacity as a Chair of Emyria's Strategic Advisory Board

[3] A James resigned effective 31 July 2021

[4] S Sain resigned effective 9 July 2021

[5] P Washer resigned effective 30 July 2021

Directors' Report

As at 30 June 2022, the number of options that have vested and exercisable were 11,666,667 and the number of options yet to vest and un-exercisable were 5,833,333.
The option terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in the year ended or future reporting years are as follows:

Options issued	Grant date	Expiry date	Exercise price $	Fair value per option $	Vested % *
Employee Securities Incentive Plan	13 Jun 2019	13 Jun 2023	0.45	0.00756	100%
Employee Securities Incentive Plan	10 Jul 2019	13 Jun 2023	0.45	0.0105	100%
Employee Securities Incentive Plan	24 Sep 2020	13 Nov 2024	0.114	0.037	66%
Employee Securities Incentive Plan	13 Nov 2020	13 Nov 2024	0.114	0.032	66%
Employee Securities Incentive Plan	20 Feb 2021	20 Feb 2024	0.268	0.0820	33%

* The vesting conditions are:

- One third immediately on issue;
- One third one year from date of issue subject to continued employment or service and;
- One third two years from date of issue subject to continued employment or service.

There were no options issued during the financial year ended 30 June 2022 to KMPs.

Directors' Report

Shareholdings

The number of shares in the Group held during the year ended by each KMP of Emyria, including their related parties, are set out below:

2022	Balance at the start of the year	Other changes during the year	Balance at the end of the year
Directors			
S Washer[1]	49,325,589	-	49,325,589
M Winlo	-	-	-
A Vickery	128,000	-	128,000
K Smith[2]	-	550,000	550,000
M Callahan	19,600,000	-	19,600,000
J Tooke	-	-	-
Other Key Management Personnel			
A James[3]	1,960,000	(1,960,000)	-
S Sain[4]	20,000	(20,000)	-
P Washer[5]	-	-	-
	71,033,58	(1,430,000)	69,603,58

1 Other changes relate to eliminations of shareholding of KMP that resigned from the Company during the year.

2 Shares were granted to Karen Smith on commencement of her role as a director of the Company as per her employment agreement. These terms included 550,000 shares issued on commencement of her role; 550,000 shares to be issued subject to shareholder approval after 12 months of continuous service; and 550,000 shares to be issued subject to shareholder approval after 24 months of continuous service.

3 A James resigned effective 31 July 2021

4 S Sain resigned effective 9 July 2021

5 P Washer resigned effective 30 July 2021

Directors' Report

Use of remuneration consultants

No remuneration consultants were engaged or used for the Group during the year ended 30 June 2022.

Remuneration voting and comments made at the Company's Annual General Meeting

At the AGM held in 2021, the Company received 98.7% "FOR" votes on its Remuneration Report for the 2021 financial year. The Company did not receive any specific feedback at the AGM on its remuneration practices.

Share trading policy

The trading of shares issued to participants under any of the Group's employee equity plans is subject to, and conditional upon, compliance with the Group's security trading policy as per the Group's Corporate Governance Policy.

Directors and executives are prohibited from entering into any hedging arrangements over unvested options under the Group's employee securities incentive plan.

This concludes the Remuneration Report, which has been audited.

Indemnifying officers

During the financial year, the Company has paid a premium of $65,492 excluding GST (2021: $73,944) to insure the Directors and secretary of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Auditor

Stantons was appointed as auditors for the Group in office in accordance with section 327 of the Corporations Act 2001.

Audit Services

During the year ended 30 June 2022 $64,698 (2021: $51,074) was paid or is payable for audit services provided by the auditors. There were no non-audit services performed during the financial year.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 68 of the financial report.

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

Dr Michael Winlo
Managing Director

29 August 2022

Financial Report

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income.
For the year ended 30 June 2022

	Notes	Group 2022 $	Group 2021 $
Revenue			
Sales revenue	2(a)	1,822,400	1,975,909
Operating costs		(2,347,654)	(2,276,011)
Gross loss		**(525,254)**	**(300,102)**
Other revenue			
Interest and other income		120,733	23,148
Research and Development grant received		1,162,135	954,180
Total other revenue	2(a)	**1,282,868**	**977,328**
Expenses			
Research and Development expenses		(2208,865)	(1,505,165)
Employee wages and director fees		(2,268,050)	(1,478,501)
Corporate compliance costs		(526,048)	(624,200)
Finance costs		(72,224)	(59,544)
Share based payments	12	(1,230,892)	(79,328)
Other expenses	2(b)	(1,389,223)	(635,442)
Depreciation and amortisation expense	2(c)	(390,003)	(383,481)
Fixed assets write off		-	-
Total expenses		**(8,085,305)**	**(5,583,460)**
Loss before income tax expense		**(7,327,691)**	**(4,906,234)**
Income tax	3		-
Loss after income tax for the year		**(7,327,691)**	**(4,906,234)**
Other Comprehensive Income for the year:			
Items that may be reclassified subsequently to profit or loss		-	-
Other Comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		**(7,327,691)**	**(4,906,234)**
Basic and diluted loss per share (cents)	15	**(2.75)**	**(2.24)**

The accompanying notes form part of these financial statements.

Financial Report

Consolidated Statement of Financial Position.
As at 30 June 2022

	Notes	Group 2021 $	Group 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	4	3,879,469	6,528,926
Trade and other receivables	5	87,487	273,404
Prepayments		148,246	81,600
Total current assets		**4,115,202**	**6,883,930**
Non-current assets			
Restricted cash		161,302	161,864
Right-of-use assets	6	737,419	880,589
Plant and equipment	7	339,007	399,546
Intangible assets	8	2,894,905	733,630
Total non-current assets		**4,132,633**	**2,175,629**
Total assets		**8,247,836**	**9,059,559**
LIABILTIES			
Current liabilities			
Trade and other payables	9	988,889	678,523
Provisions	10	197,386	156,120
Lease liabilities	9	268,887	197,630
Total current liabilities		**1,455,162**	**1,032,273**
Non-current liabilities			
Provisions	10	107,000	97,000
Lease liabilities	9	363,816	752,069
Total non-current liabilities		**470,816**	**849,069**
Total liabilities		**1,925,978**	**1,881,342**
Net assets		**6,321,857**	**7,178,217**
EQUITY			
Contributed equity	11	24,637,314	19,310,804
Reserves	13	1,971,567	826,746
Accumulated losses		(20,287,024)	(12,959,333)
Total equity		**6,321,857**	**7,178,217**

The accompanying notes form part of these financial statements.

Financial Report

Consolidated Statement of Changes in Equity.
For the year ended 30 June 2022

Group	Contributed equity $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2021	19,310,804	826,746	(12,959,333)	7,178,217
(Loss) after income tax for the year	-	-	(7,327,691)	(7,327,691)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss	**-**	**-**	**(7,327,691)**	**(7,327,691)**
Proceeds from issued capital	5,326,510	-	-	5,326,510
Transaction costs from issued capital	-	-	-	-
Issue of options	-	1,144,821	-	1,144,821
Balance at 30 June 2022	**24,637,314**	**1,971,567**	**(20,287,024)**	**6,321,857**

	Contributed equity $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2020	11,751,953	84,063	(8,053,099)	3,782,917
(Loss) after income tax for the year	-	-	(4,906,234)	(4,906,234)
Other comprehensive income for the year, net of tax	-	-	-	-
Total Comprehensive loss	**-**	**-**	**(4,906,234)**	**(4,906,234)**
Proceeds from issued capital	8,400,000	-	-	8,400,000
Transaction costs from issued capital	(841,149)	-	-	(841,149)
Issue of options	-	742,683	-	742,683
Balance at 30 June 2021	**19,310,804**	**826,746**	**(12,959,333)**	**7,178,217**

The accompanying notes form part of these financial statements.

Financial Report

Consolidated Statement of Cash Flows. For the year ended 30 June 2022

	Notes	Group 2021 $	Group 2020 $
Cash flows from operating activities			
Receipts from customers		1,933,911	2,007,188
Interest received		12,559	22,979
Payments to suppliers and employees		(8,484,173)	(6,887,133)
Interest and other finance costs paid		(52,254)	(34,533)
R&D refund received		1,162,135	954,180
Net cash (used in) operating activities	14	**(5,427,822)**	**(3,937,319)**
Cash flows from investing activities			
Payments for plant and equipment		(52,848)	(8,052)
Payments for intangible assets		(1,976,338)	(653,334)
Net cash (used in) investing activities		**(2,029,185)**	**(661,386)**
Cash flows from financing activities			
Proceeds from issue of shares		5,039,689	8,400,000
Transaction costs paid from the issue of shares		-	(527,504)
Repayment of borrowings		-	(240,221)
Repayment of lease liabilities	9	(232,701)	(185,671)
Net payments cash backed guarantees (restricted cash)		562	(5,306)
Net cash provided by financing activities		**4,807,550**	**7,441,298**
Net (decrease) / increase in cash and cash equivalents		(2,649,457)	2,842,593
Cash and cash equivalents at the beginning of the year		6,528,926	3,686,333
Cash and cash equivalents at the end of the year	4	**3,879,469**	**6,528,926**

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Emyria Limited ("Emyria" or "the Company") is a Company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX").

The consolidated financial statements of the Group as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity" and individually as a "Group entity").

The separate financial statements of the parent entity, Emyria Limited, have not been presented with this financial report. Summary parent information has been included in note 18.

Note 1: statement of significant accounting policies

1.1 Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

The consolidated financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below.

They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The financial statements are presented in Australian Dollars ("AUD").

(i) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(ii) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.1(vi).

(iii) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(iv) Going Concern

As of 30 June 2022, the Group had net working capital surplus of $2,657,468 (2021: $5,851,657) and cash balance of $3,879,469 (2021: $6,528,926).
The Group had agreed to provide an additional $450,000 to the University of Western Australia to expand the MDMA analogue program.

Besides the above, the Group did not have any further capital commitments as of 30 June 2022.

The Directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19.

In response to the uncertainty arising from this, the Directors have considered severe but plausible downside forecast scenarios.

These forecasts indicate that, taking account of reasonably possible downsides, the Group is expected to continue to operate, with headroom and within available cash levels.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions and shareholder support, in particular:

- Details of the results of the key scenario modelling on the entity's ability to meet its obligations over the forecast period.
- Mitigating actions undertaken or planned by directors and group to manage and respond to cash flow uncertainties or potential risks of shortfall in financing and the implementation status and uncertainties that arise from them.

The Directors secured a loan facility with Radium Capital for $800,000 in July 2022 secured against expected R&D Tax Incentive claim. At the date of this report, the Company has drawn down the full amount of the facility.

The Directors are satisfied they will be able to raise additional funds as required and thus it is appropriate to prepare the financial statements on a going concern basis. Despite COVID-19 affecting socio-economic factors in Australia and worldwide, the Group's clinic operations and collection of insights had not been drastically impacted.

The Directors are confident that the operations of the Group will continue to grow with the assistance of raising additional funds.

If necessary, the Group can delay research and development expenditures and Directors can also institute cost saving measures to further reduce corporate and administrative costs or explore other opportunities to sell data and/or its clinics.

In the event that the Group is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and therefore proceed with realising its assets and discharging its liabilities in the normal course of business at the amounts stated in the financial report.

The consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

(v) New and amended standards adopted by the Group

AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021

The Group has applied AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021 this reporting period.

The amendment amends AASB 16 to extend by one year, the application of the practical expedient added to AASB 16 by AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and instead, to account for those rent concessions as if they were not lease modifications. The amendment has not had a material impact on the Group's financial statements.

AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2

The Group has applied AASB 2020-8 which amends various standards to help listed entities to provide financial statement users with useful information about the effects of the interest rate benchmark reform on those entities' financial statements. As a result of these amendments, an entity:

- will not have to derecognise or adjust the carrying amount of financial statements for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
- will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates. The amendment has not had a material impact on the Group's financials

Notes to the consolidated financial statements

For the year ended 30 June 2022

(vi) Use of estimates and judgement

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 12.

Provision for impairment of receivables

Included in trade and other receivables at the end of the reporting period is an amount of $nil (2021: $12,523) that is outstanding for more than 30 days. While there is inherent uncertainty, the directors understand that the full amount of debt is likely to be received and therefore no provision for impairment has been made.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a Discount Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Capitalisation of internally developed project development

Distinguishing the research and development phases of a new project development and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Determining the lease term of contract with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has a lease contract that includes an extension option.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Notes to the consolidated financial statements

For the year ended 30 June 2022

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 products and services offered, customers, supply chain and staffing.

Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(vii) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Emyria at the end of the reporting year. A controlled entity is any entity over which Emyria has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in note 23 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

(viii) New and Amended Accounting Policies Not Yet Adopted by the Group/Company

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The impact of the initial application is not yet known.

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

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

Note 2: Significant accounting policies

(i) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in the Australian dollar ($), which is the Group's functional and presentation currency.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchanges rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets are recognised in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(ii) Revenue from contracts with customers

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The five-step process outlined in AASB 15 are as follows:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome.

If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(a) Sales of service (revenue from patients and research projects and data deals)

Revenue from rendering of service is recognised upon the delivery of service to the customers.

(b) Research and development tax incentive

Refund amounts receivable under the Federal Government's Research and Development Tax Incentives are recognised as other income in the period it is received.

(c) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(d) Government grants

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sections.

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs and grants relating to assets are regarded as a reduction in asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised net of expenses.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks and highly liquid investments with original maturities of three months or less.

(iv) Trade and other payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Group during the reporting year, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the consolidated financial statements

For the year ended 30 June 2022

(v) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to when the asset is realised or the liability is settled, based on tax rates of (and tax laws) that have been enacted or substantially enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the consolidated statement of comprehensive income.

(vi) Issued capital

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

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing:

- The profit/(loss) attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares

By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(vii) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(viii) Financial instruments

Classification and measurement

Under AASB 9, the Group initially measures a financial asset as its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Financial assets are then subsequently measured at fair value through profit or loss ("FVTPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

Subsequent measurement

The Group's financial assets at amortised cost includes trade and other receivables.

Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Notes to the consolidated financial statements

For the year ended 30 June 2022

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and lease liabilities.

SUBSEQUENT MEASUREMENT

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

COMPOUND INSTRUMENTS

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital.

Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss and other comprehensive income upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

(ix) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Right-of-use assets are generally depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis.

The depreciation rates used for each class of asset are:

• fixtures and fittings	22.5 - 40%
• leasehold improvements	20%
• computer equipment and software	22.5 - 40%
• Right-of-use assets	20%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(x) Intangible assets

(a) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group is recognised if, and only if, all of the following have been demonstrated: where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

The Group amortises software with a limited useful life using the straight-line method between 2-5 years.

(b) Research and development costs

Research costs are expenses as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility to complete the intangible asset so that the asset will be available for use or sale,
- its intention to complete and its ability and intention to use or sell the asset,
- how the asset will generate future economic benefits,
- the availability of resources to complete the development of the asset, and
- the ability to measure reliably expenditure during development.

Directly attributable costs that are capitalised include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Amortisation is recorded in cost of sales. During the period of development, the asset is tested annually for impairment.

(c) Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives when available for use. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

(xi) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(xii) Employee benefits

(a) Equity settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions.

The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(b) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(c) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(d) Share-based payments

Share-based compensation benefits are provided to directors, employees and consultants via the option terms and conditions set out by the Group.

The fair value of options granted under the option terms and conditions set out by the Group is recognised as a share-based payments expense with a corresponding increase in equity.

Notes to the consolidated financial statements

For the year ended 30 June 2022

The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Group transfers the appropriate number of shares to the director, employee or consultant. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

(e) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(xiii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense

Receivables and payables in the statements of financial position are stated inclusive of the amount of GST receivable or payable.
Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statements of financial position.

(xiv) ROU assets and lease liabilities

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee.

However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

The Group recognises a right-of-use asset at the commencement date of the lease. The right-of-use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Subsequent to initial measurement, right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 2: Revenue and expenses

	Group 2022 $	Group 2021 $
(a) Revenue		
Revenue from patients	1,352,592	1,207,543
Revenue from research projects and data deals	469,808	768,366
	1,822,400	**1,975,909**
Other revenue		
Interest and other income	12,713	23,148
Gain on modification of lease (note 6)	108,020	-
Research and Development grant received	1,162,135	954,180
Total Other revenue	**1,282,868**	**977,328**
(b) Other expenses		
Travel and conference expenses	(106,116)	(36,869)
Administration costs	(580,495)	(149,921)
IT consultancy fees	(193,181)	(68,080)
Consultancy fees	(318,205)	(406,053)
Other	(191,226)	(415,164)
	(1,389,223)	**(1,076,087)**
(c) Depreciation and amortisation expense		
- Depreciation expense on right-of-use assets (note 6)	(196,108)	(176,923)
- Depreciation expense on plant and equipment (note 7)	(113,387)	(100,938)
- Amortisation expense on intangible assets (note 8)	(80,508)	(67,014)
	(390,003)	**(344,875)**

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 3: Income tax

	Group 2022 $	Group 2021 $
(a) Income tax		
Current tax		
Current income tax expense	-	-
Deferred tax		
Relating to the origination and reversal of previously unrecognised temporary deferred tax differences	**(1,693,758)**	**(357,465)**
Net deferred tax assets not brought to account	**1,693,758**	**357,465**
	-	-
(b) Reconciliation of tax expense to net loss before tax		
Loss before income tax	(7,327,691)	(4,906,234)
Tax at the statutory rate of 25% (2021: 26%)	(1,832,923)	(1,275,621)
Tax effect of:		
Non-deductible expenses	412,723	114,279
Effect of tax losses and timing differences not recognised as deferred tax assets	1,709,242	760,944
Research and development costs	-	648,485
Foreign tax rate differential	492	-
Other non-assessable income	(290,534)	(248,087)
Income tax expense	-	-
(c) Amounts recognised in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in statement of profit or loss and other comprehensive income but directly debited or credited to equity		
Current tax	-	-
Net deferred tax	-	132,005
	-	132,005
Unrecognised deferred tax asset		
Prior year tax losses not recognised	3,766,013	2,075,825
Current year tax losses	153,400	217,015
Capital raising costs and transaction costs in equity	194,084	93,338
Plant and equipment	158,176	237,425
Right-of-use asset lease liability	35,769	-
Other temporary differences	87,068	48,869
Off-set deferred tax liabilities	(306,402)	(278,123)
Net deferred tax assets unrecognised	**4,088,108**	**2,394,349**

Notes to the consolidated financial statements

For the year ended 30 June 2022

Deferred tax assets have not been brought to account at 30 June 2022 because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable.

These benefits will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(ii) the Group complies with the conditions for the deductibility imposed by law including the continuity of ownership and/or business tests; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

Note 4: Cash and cash equivalents

	Group 2022 $	Group 2021 $
Cash at bank	3,879,469	6,528,926
Cash and cash equivalents	**3,879,469**	**6,528,926**

Notes to the statement of cash flows:

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and at bank and term deposits that has original maturity of less than 3 months.

Note 5: trade and other receivables

Current	Group 2022 $	Group 2022 $
Trade Debtors (1)	28,423	139,575
GST paid	59,064	133,269
Other	-	560
	87,487	**273,404**

The Group measures its trade and other receivables at amortised cost.

(1) The ageing of the Group's Trade Debtors as at 30 June 2022 and 30 June 2021 are as follows:

Notes to the consolidated financial statements

For the year ended 30 June 2022

30 June 2022

Debtor type	<30 days past due $	30-90 days past due $	90+ days past due $	Total $
Patient fees	13,752	-	-	13,752
Project advisory fees	-	-	-	-
Data collaboration revenue	14,671	-	-	14,671
Gross carrying amount	**28,423**	**-**	**-**	**28,423**
Expected loss rate	0%	0%	0%	0%
Less allowing provision	-	-	-	-
Net carrying amount	28,423	-	-	28,423

30 June 2021

Debtor type	<30 days past due $	30-90 days past due $	90+ days past due $	Total $
Patient fees	12,271	5,120	2,994	20,385
Project advisory fees	60,065	-	-	60,065
Data collaboration revenue	54,716	4,409	-	59,125
Gross carrying amount	**127,052**	**9,529**	**2,994**	**139,575**
Expected loss rate	0%	0%	0%	0%
Less allowing provision	-	-	-	-
Net carrying amount	**127,052**	**9,529**	**2,994**	**139,575**

The Group applies the simplified approach in providing for expected credit losses (ECL) prescribed by AASB 9.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past defaults experience and analysis of the debtors' current financial position.

There has been no change in the estimation process used during the current reporting period.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 6: Right-of-use assets

The Group's lease portfolio includes office and clinic leases.
The average term of these leases, excluding options, is 1-4 years.

	Group 2022 $	Group 2021 $
(a) Carrying value		
Value of leases	1,296,048	1,329,414
Accumulated depreciation	(558,629)	(448,825)
	737,419	**880,589**
Reconciliation		
Net carrying amount at beginning of the year	880,589	323,390
Add: leases entered into during the financial year	160,958	734,122
Less: lease modified*	(108,020)	-
Depreciation expense during the financial year	(196,108)	(176,923)
Net carrying amount as at end of the year	**737,419**	**880,589**

*One of the clinic leases will end on 1 August 2023 and the Company is unlikely to use its option to extend the lease. This lease was initially accounted for 6 years and as at 30 June 2022, it was agreed by the partied that the lease will end by 1 August 2023.

Gain on modification of lease		
Reduction in carrying value of the ROU asset as at 30 June 2022	(147,440)	-
Add: reduction in lease liability	255,460	-
Other income – gain on modification of lease	108,020	-
(b) AASB 16 related amounts recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Interest expense	(42,247)	(41,568)
Depreciation	(196,108)	(176,923)
Other income – gain on modification of lease	108,020	-
(c) Total financial year end cash outflows for leases		
Repayment of lease liabilities	(232,701)	(185,671)
(d) Options to extend or terminate		
The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.		

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 7: Plant and equipment

	Group 2022 $	Group 2021 $
Leasehold Improvements		
At cost	672,383	661,249
Accumulated Depreciation	(390,694)	(295,685)
	281,689	**365,564**
Computer, office furniture and equipment		
At cost	134,506	92,792
Accumulated depreciation	(77,188)	(58,810)
	57,318	**33,982**
Total		
At cost	806,889	754,041
Accumulated depreciation	(467,882)	(354,495)
	339,007	**399,546**
Reconciliation		
Leasehold improvements		
Carrying amount at beginning of the year	365,564	449,775
Additions	11,134	8,053
Depreciation	(95,009)	(92,264)
Carrying amount at the end of the year	**281,689**	**365,564**
Computer, office furniture and equipment		
Carrying amount at beginning of the year	33,982	148,530
Additions	41,714	-
Plant and equipment written off	-	(105,874)
Depreciation	(18,378)	(8,674)
Carrying amount at the end of the year	**57,318**	**33,982**
Total		
Carrying amount at beginning of the year	399,546	598,305
Additions	52,848	8,053
Plant and equipment write off	-	(105,874)
Depreciation	(113,387)	(100,938)
Carrying amount at the end of the year	**339,007**	**399,546**

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 8: Intangible assets

30 June 2022	Group 2022 $	Group 2021 $
At cost	3,044,556	802,773
Accumulated amortisation	(149,651)	(69,143)
	2,894,905	**733,630**

30 June 2022	Software	Development costs	Patents & trademarks	Total
Balance at 1 July 2021	**120,725**	**559,513**	**53,392**	**733,630**
Additions	-	-	3,850	3,850
Additions from internal development	-	2,237,933	-	2,237,933
Amortisation	(37,974)	(42,534)	-	(80,508)
Balance at 30 June 2022	**82,751**	**2,754,912**	**57,242**	**2,894,905**

30 June 2021	Software	Development costs	Patents & trademarks	Total
Balance at 1 July 2020	147,310	-	-	147,310
Additions	40,429	-	-	40,429
Additions from internal development	-	559,513	53,392	612,905
Amortisation	(67,014)	-	-	(67,014)
Balance at 30 June 2021	**120,725**	**559,513**	**53,392**	**733,630**

There is no amortisation cost allocated to operating cost.

The Group started capitalising development costs relating to Openly and EMD-003 projects during the financial year ended 30 June 2021.

The Board assesses each project at balance date:

i. Openly: The Company received TGA approval for its clinical management support web-based application software in September 2020. Costs associated with further development of this device have been capitalised.

ii. EMD-RX5 (previously known as EMD-003): relates to the use of cannabidiol for the treatment of psychological distress. During the year, Emyria completed a phase I study for the use of cannabidiol for the treatment of psychological distress.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 9: Financial liabilties carried at amortised costs

Current	Group 2022 $	Group 2021 $
Trade payables	619,142	149,049
Accrued expenses and other payables	369,747	312,075
Total trade and other payables (1)	**988,889**	**461,124**
Lease liabilities (2)	268,887	152,689
	1,257,776	**860,967**
Non-Current		
Lease liabilities (2)	363,816	752,069
	363,816	**752,069**

(1) Trade and other payables are measured at amortised cost. None of the outstanding balance are past due at reporting date.

(2) During the year ended 30 June 2020, the Group had secured a credit facility from Radium Capital and drew down on this facility in accordance with Radium Capital processes. The facility was secured against the R&D refund. The interest rate was 15% per annum and was repaid 30 November 2020.

(3) The carrying value and reconciliation of the Group's lease liabilities are as follows:

Carrying value

	Premises 2022 $	Premises 2021 $
Current liabilities	268,887	197,630
Non-current liabilities	363,816	752,069
Carrying value as at 30 June	**632,703**	**949,699**
Reconciliation		
Opening balance	949,699	363,661
Add: leases entered into during the financial year	128,918	725,283
Less: Principal repayments	(232,701)	(185,671)
Less: Lease modification	(255,460)	-
Add: Unwinding of interest expense on lease liability	42,247	46,426
Carrying value as at 30 June	**632,703**	**949,699**

At initial recognition, the lease liabilities were measured at the present value of minimum lease payment using the Group's incremental borrowing rate of 6%. The incremental borrowing rate was based on the unsecured interest rate that will apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 10: Provisions

	Group 2022 $	Group 2021 $
Current		
Employee benefits (1)	197,386	156,120
	197,386	**156,120**
Non-Current		
Make good provision (2)	107,000	97,000
	107,000	**97,000**

(1) The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current as the Group expects all employees to take the full amount of accrued leave or require payment within the next 12 months.

(2) Relates to the estimated cost of making good the premises in relation to the leases entered into by the Group in prior years.

Note 11: Contributed equity

	2022 Number	2022 $	2021 Number	2021 $
(a) Issued and paid up capital				
Fully paid ordinary shares	**275,002,469**	**24,637,314**	**254,091,857**	**19,310,804**
(b) Movements in fully paid shares on issue				
Opening Balance	**254,091,857**	**11,751,953**	**130,500,000**	**2,872,738**
Movement for the year				
Shares issued at $0.08 per share	-	-	27,500,000	2,200,000
Shares issued at $0.085 per share	-	-	14,117,650	1,200,000
Shares issued at $0.175 per share	-	-	28,571,429	5,000,000
Shares issued at $0.25 per share (1)	20,000,000	5,000,000	-	-
Shares issued to a Director (2)	550,000	200,750	-	-
Shares issued on exercise of options (3)	360,612	125,760	-	-
Capital raising costs	-	-	-	(841,149)
Closing Balance	**275,002,469**	**24,637,314**	**254,091,857**	**19,310,804**

Note 1: On 22 November, Emyria completed a $5 million strategic investment from Tattarang. Under the Placement, a total of 20 million shares were issued to Tattarang at A$0.25 per share. As part of the Placement, Tattarang was issued 10 million unlisted options (Options). The Options have an exercise price of A$0.40 per Option and an expiry date of 2 years from the date of issue. The Options were issued for no additional consideration.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 2: During the year, shares were issued to Dr Karen Smith for nil consideration under the employee's securities incentive plan and are not subject to shareholder approval.

Note 3: This includes the issue of 213,609 shares on exercise of options by staff which were subject to a cashless exercise facility. The adjustment for the cashless facility was $86,071 and the total cash received on exercise of total options was $39,689.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

For information relating to the Company's options, refer to Note 12.

Note 12: Share based payments

The following share-based payments arrangements were in existence during the current reporting year:

Options

Options series	Number	Grant date	Expiry date	Exercise Price $	Fair value at grant date $
(1) Issued on 7 June 2019	1,500,000	13/06/2019	13/06/2023	0.450	0.0008
(2) Issued on 7 June 2019	9,750,000	13/06/2019	13/06/2023	0.450	0.0008
(3) Issued on 19 June 2019	1,000,000	19/06/2019	13/06/2023	0.450	0.0008
(4) Issued on 10 July 2019	3,500,000	10/07/2019	13/06/2023	0.450	0.0185
(5) Issued on 26 September 2019	600,000	26/09/2019	26/09/2023	0.450	0.0188
(6) Issued on 7 June 2019	1,000,000	24/10/2019	13/06/2023	0.450	0.0008
(7) Issued on 11 November 2019	666,667	11/11/2019	13/06/2023	0.450	0.0496
(8) Issued on 13 November 2020	2,018,000	24/09/2020	13/11/2024	0.114	0.0374
(9) Issued on 13 November 2020	8,500,000	13/11/2020	13/11/2024	0.114	0.0320
(10) Issued on 22 December 2020	500,000	22/12/2020	22/12/2023	0.114	0.0317
(11) Issued on 22 December 2020	6,000,000	22/12/2020	22/12/2022	0.200	0.0136
(12) Issued on 20 February 2021	1,500,000	20/02/2021	20/2/2024	0.268	0.0820
(13) Issued on 18 March 2021	605,000	18/03/2021	18/3/2024	0.256	0.0620
(14) Issued on 28 April 2021	5,000,000	28/04/2021	28/4/2023	0.350	0.0463
(15) Issued on 21 September 2021	150,000	21/09/2021	21/09/2024	0.330	0.1090
(16) Issued on 7 October 2021	75,000	07/10/2021	07/10/2025	0.316	0.1218
(17) Issued on 1 November 2021	300,000	01/11/2021	01/11/2025	0.360	0.1465
(18) Issued on 31 December 2021	6,000,000	31/12/2021	31/12/2023	0.550	0.1559
(19) Issued on 8 June 2022	200,000	8/6/2022	8/6/2026	0.384	0.1260
Total	**48,864,667**				

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 12: Share based payments (continued)

(1) The 1,500,000 options in series 1 which vested immediately were issued to consultants under the option terms and conditions issued by the Company.

(2) The 9,750,000 options in series 2 which one third vested immediately on date of issue, one third vested after one year of employment and one third vests after two years of employment, were issued under the option terms and conditions issued by the Company.

(3) The 1,000,000 options in series 3 which vested immediately were issued to consultants under the option terms and conditions issued by the Company.

(4) The 3,500,000 options in series 4 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to a Director under the option terms and conditions issued by the Company.

(5) The 600,000 options in series 5 where one third vested immediately on date of issue, one third vests after 12 months from date of issue and one third vests after 18 months from date of issue, were issued to a third party under the terms outlined in a licence agreement with the Company.

(6) The 1,000,000 options in series 6 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to a consultant under the option terms and conditions issued by the Company.

(7) The 666,667 options in series 7 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to an employee under the option terms and conditions issued by the Company. During the year, 333,333 options were cancelled.

(8) The 2,018,000 options in series 8 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to employees under the option terms and conditions issued by the Company. During the year, 215,333 options were exercised and 1,266,667 options were cancelled.

(9) The 8,500,000 options in series 9 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to Directors under the option terms and conditions issued by the Company.

(10) The 500,000 options in series 10 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to a consultant under the option terms and conditions issued by the Company.

(11) The 6,000,000 options in series 11 vested immediately were issued as part consideration to the lead manager in relation to a placement.

(12) The 1,500,000 options in series 12 is for advisory services where one third vested immediately on date of issue and the remainder over two years from date of issue, were issued to the financial adviser under the option terms and conditions issued by the Company.

(13) The 605,000 options in series 13 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to an employee under the option terms and conditions issued by the Company. During the year, 170,000 options were exercised.

(14) The 5,000,000 options in series 14 vested immediately were as part consideration to the lead manager for the placement on 28 April 2021.

(15) The 150,000 options in series 15 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to an employee under the option terms and conditions issued by the Company.

(16) The 75,000 options in series 16 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to an employee under the option terms and conditions issued by the Company.

Notes to the consolidated financial statements

For the year ended 30 June 2022

(17) The 300,000 options in series 17 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to an employee under the option terms and conditions issued by the Company.

(18) The 6,000,000 options in series 18 vested immediately were issued to consultants as consideration for corporate advisory services.

(19) The 200,000 options in series 19 where one third vested immediately on date of issue, one third vests after one year of service and one third vests after two years of service from date of issue, were issued to employees under the option terms and conditions issued by the Company.

The weighted average contractual life for options outstanding at the end of the year was 1.33 years.
The share based payments expense was $1,230,892 for the year ended 30 June 2022 (30 June 2021: $429,558).
The amount of share based payments recognised to capital raising costs was Nil (30 June 2021: $313,125).

Options were priced using a Black-Scholes option pricing model using the inputs below:

Options series	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7
Grant date share price	$0.023	$0.023	$0.023	$0.10	$0.10	$0.023	$0.18
Exercise price	$0.45	$0.45	$0.45	$0.45	$0.45	$0.45	$0.45
Expected volatility	70%	70%	70%	70%	70%	70%	70%
Option life	4 years	4 years	4 years	4 years	4 years	4 years	4 years
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Interest rate	1.08%	1.08%	1.08%	0.97%	0.70%	1.08%	0.70%

Options series	Series 8	Series 9	Series 10	Series 11	Series 12	Series 13	Series 14
Grant date share price	0.083	0.076	0.084	0.087	0.210	0.175	0.205
Exercise price	0.114	0.114	0.114	0.200	0.268	0.256	0.350
Expected volatility	70%	70%	70%	70%	70%	70%	70%
Option life	4 years	4 years	3 years	2 years	3 years	3 years	2 years
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Interest rate	0.3%	0.3%	0.2%	0.09%	0.1%	0.1%	0.1%

Options series	Series 15	Series 16	Series 17	Series 18	Series 19
Grant date share price	0.215	0.210	0.285	0.370	0.250
Exercise price	0.330	0.316	0.360	0.550	0.384
Expected volatility	93%	94%	93%	99%	93%
Option life	3 years	4 years	4 years	2 years	4 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Interest rate	0.17%	0.35%	0.98%	0.54%	0.98%

Notes to the consolidated financial statements

For the year ended 30 June 2022

The following reconciles the outstanding share options granted in the year ended 30 June 2022:

	2022 Number of options	2022 Weighted avg exercise price	2021 Number of options	2021 Weighted avg exercise price
Balance at the beginning of the year	63,116,598	0.30	18,350,000	0.45
Granted during the year[1]	16,725,000	0.45	44,766,598	0.24
Exercised during the year[2]	**(532,336)**	**0.20**	-	-
Expired during the year	(1,600,000)	0.18	-	-
Balance at the end of the year	**77,709,262**	**0.34**	**63,116,598**	**0.30**
Un-exercisable at the end of the year	4,813,667	0.16	19,216,667	0.22
Exercisable at end of the year	72,895,595	0.36	43,899,931	0.34

1 Options granted during the year includes 10,000,000 free-attaching options as at 30 June 2022 (30 June 2021: 18,844,595 free-attaching options).

2 During the year, 68,571 options and 78,432 options from the free-attaching options issued in the prior year were exercised.

No amounts are unpaid on any of the shares. No person entitled to exercise an option had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

Note 13: Reserves

	Group 2022 $	Group 2021 $
Share based payments reserve	1,971,567	826,746
	1,971,567	**826,746**

The share based payments reserve relates to share options granted by the Company to its employees, consultants and Directors under the option terms and conditions issued by the Company. Further information about share based payments are set out in note 12.

	Group 2022 $	Group 2021 $
Movement of share based payments reserve		
Opening balance	826,746	84,063
Share based payments: expense (note 12)	1,230,892	429,558
Cashless exercise adjustment	(86,071)	-
Share based payments: capital raising costs	-	313,125
	1,971,567	**826,746**

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 14: Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities

	Group 2022 $	Group 2021 $
Loss for the year	**(7,327,691)**	**(4,906,234)**
Share based payments expense	1,230,892	429,558
Share-based payments (Director's remuneration)	200,750	-
Depreciation and amortisation	390,003	344,875
Plant and equipment write-off	-	105,874
Other income – gain on lease modification	(108,020)	-
Changes in assets and liabilities:		
Decrease/(Increase) in trade and other receivables prepayments	79,719	(201,956)
Increase in trade and other payables	55,259	247,533
Increase in provisions	51,266	43,031
Net cash flows (used in) operating activities	**(5,427,822)**	**(3,937,319)**

Non-cash financing and investing activities

The Group did not engage in any non-cash investing activities during the year (2021: nil).

Changes in liabilities arising from financing activities

Refer to Note 9 (3) for details.

Note 15: Loss per share

(a) Reconciliation of loss used in calculating Loss Per Share	Group 2022 $	Group 2021 $
Loss attributable to the ordinary equity holders used in calculating basic loss per share	**(7,327,691)**	**(4,906,234)**
(b) Weighted average number of shares used as the Denominator	**2022 Number $**	**2021 Number $**
Ordinary shares used as the denominator in calculating basic loss per share	**266,636,696**	**218,562,846**
(c) Loss per share	**2022 cents**	**2021 cents**
Basic loss per share (cents per share)	**(2.75)**	**(2.24)**
Diluted loss per share (cents per share)	**(2.75)**	**(2.24)**

There is no dilution of shares due to options as the potential ordinary shares are not dilutive, therefore not included in the calculation of diluted loss per share.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 16: Restatement of results for 30 June 2022

Where necessary, comparatives have been reclassified and re-positioned for consistency with current financial year disclosures.

The following items have been re-classified within the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

	As Previously Stated	Reclassification	As Restated
Operating cost	(2,264,272)	(11,739)	(2,276,011)
Research and development expenses	(2,618,968)	1,578,502	(1,040,466)
Employee wages and director fees	(951,397)	(1,147,409)	(2,098,806)
Other expenses	(660,923)	(419,354)	(1,080,277)

Note 17: Related party transaction

Key Management Personnel Compensation

The aggregated compensation paid to Directors and Key Management Personnel of the Group is as follows:

	Group 2022 $	Group 2021 $
Short term employee benefits	1,273,970	1,597,755
Bonus payments	160,000	-
Post-employment benefits	53,204	85,207
Non-monetary benefits (annual leave)	(7,111)	(20,985)
Share based payment	200,750	269,716
	1,680,813	**1,931,693**

There have been no other transactions for the year ended 30 June 2022 to related parties (30 June 2021: Nil).

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 18: Parent entity disclosures

Financial position

	Group 2022 $	Group 2021 $
Assets		
Current assets	3,938,861	6,663,264
Non-current assets	3,300,489	1,059,412
Total assets	**7,239,350**	**7,722,676**
Liabilities		
Current liabilities	805,885	731,915
Non-current liabilities	570,405	192,452
Total liabilities	**1,376,290**	**924,367**
Net assets	**5,863,060**	**6,798,309**
Equity		
Issued capital	24,637,313	19,310,804
Reserves	1,971,567	826,746
Accumulated losses	(20,745,820)	(13,339,241)
Total equity	**5,863,060**	**6,798,309**
Financial performance		
Loss for the year	(7,406,579)	(5,438,733)
Other comprehensive income	-	-
Total comprehensive income	**(7,406,579)**	**(5,438,733)**

Note 19: Commitments and contingencies

At reporting date, the Company had agreed to provide an additional $450,000 to the University of Western Australia to expand the MDMA analogue program.
There are no other commitments or contingent liabilities outstanding for the Group or the Company other than outline above.

Note 20: Segment information

AASB 8 ‘Operating Segments’ requires a “management approach” under which segment information is presented on the same basis as that useful for internal reporting purposes by the chief operating decision maker (“CODM”).

For management purposes, the Group is organised into one main operating segment, being the research and development where the Group is a health care technology and clinical research company focused on generating high quality real-world evidence (RWE) data. The chief operating decision makers of the Group are the Executive Directors and Officers.

All the Group’s activities are interconnected and all significant operating decisions are based on analysis of the Group as one segment. The financial results of the segment are the equivalent of the financial statements as a whole. At 30 June 2022, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 21: Financial risk management

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The Group's activities expose it to a variety of financial risks: market risk (ie. interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

The Group's Risk Committee ("the Committee) performs the duties of risk management in identifying and evaluating sources of financial and other risks. The Committee provides written principles for overall risk management which balance the potential adverse effects of financial risks on Group's financial performance and position with the "upside" potential made possible by exposure to these risks and by considering the costs and expected benefits of the various methods available to manage them.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Australian Dollar current and non-current debt obligations with floating interest rates. The Group is also exposed to interest rate risk on its cash and short term deposits.

2022

	Floating Interest rate $	Fixed interest rate maturing in 1 year or less $	Fixed interest rate maturing greater than 1 year $	Non-interest bearing $	Total $	Weighted average effective interest rate $
Financial assets						
Cash and cash equivalents	3,776,846	-	-	99,817	3,879,469	1.00
Trade and other receivables	-	-	-	87,487	87,487	-
Restricted cash	-	-	161,302	-	161,302	1.00
	3,776,846	**-**	**161,302**	**187,304**	**4,128,259**	
Financial liabilities						
Trade and other payables	-	-	-	988,889	988,889	-
Lease liabilities	-	268,887	363,816	-	632,703	6.00
	-	**268,887**	**363,816**	**988,889**	**1,621,592**	

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 21: Financial risk management (continued)

2021

	Floating Interest rate $	Fixed interest rate maturing in 1 year or less $	Fixed interest rate maturing greater than 1 year $	Non-interest bearing $	Total $	Weighted average effective interest rate $
Financial assets						
Cash and cash equivalents	6,528,736	-	-	190	6,528,926	1.00
Trade and other receivables	-	-	-	273,404	273,404	-
Restricted cash	-	-	144,647	17,217	161,864	1.00
	6,528,736	**-**	**144,647**	**290,811**	**6,964,194**	
Financial liabilities						
Trade and other payables	-	-	-	678,523	678,523	-
Lease liabilities	-	197,630	752,069	-	949,699	6.00
	-	**197,630**	**752,069**	**678,523**	**1,628,222**	

Sensitivity Analysis – Interest Rate Risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at the reporting date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in interest rates.

Change in loss	30 June 2022 $	30 June 2021 $
Increase by 1%	37,768	65,287
Decrease by 1%	37,768	65,287

Credit risk

The Group has no significant concentrations of credit risks.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above of this note.

As at 30 June 2022, all cash and cash equivalents were held with National Australia Bank with an A (Standard and Poor's) credit rating. In relation to trade receivables, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The credit risk on other receivables is limited as it is comprised of GST recoverable from the Australian Taxation Office. The credit risk on liquid funds is limited because the counter party is a bank with high credit rating.

Notes to the consolidated financial statements

For the year ended 30 June 2022

Liquidity risk

Prudent liquidity risk management involves the maintenance of sufficient cash, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows.

Contractual maturities of financial liabilities

As at the reporting date the Group had total financial liabilities of $1,621,592 (2021: $1,628,222) which comprised of trade and other payables and borrowings with a maturity of less than 6 months and lease liabilities maturing within the next four years.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the potential return to shareholders. The capital structure of the Company consists of equity attributable to equity holders, comprising issued capital and reserves as disclosed in notes 11 and 13.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities at approximate carrying values.

Note 22: Fair value measurement

Fair value hierarchy

The Group's assets and liabilities measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group does not have assets and liabilities measured or disclosed at fair value as at 30 June 2022 and 2021.

Estimates of fair value take into account factors and market conditions evident at balance date. Uncertainty and changes in global market conditions in the future may impact fair values in the future.

Transfers between level 1, 2 and 3

There were no movements between different fair value measurement levels during the financial year (2021: none)

Notes to the consolidated financial statements

For the year ended 30 June 2022

Note 23: Subsidaries

Name of entity	Country of incorporation	Class of Shares	2022	2021
Emyria Clinical Network Pty Ltd	Australia	Ordinary	100%	100%
Emyria Clinical Research Pty Ltd[1]	Australia	Ordinary	100%	100%
Emyria Data Management Pty Ltd[1]	Australia	Ordinary	100%	100%
Emyria IP Holdings Pty Ltd[1]	Australia	Ordinary	100%	100%
Openly Care Inc.	United States	Ordinary	100%	100%
Emyria UK Ltd* [1]	United Kingdom	Ordinary	100%	100%

* This entity was incorporated on 17 September 2020

[1] These entities have been dormant during the financial year.

Note 24: Events after reporting date

The Company secured a loan facility with Radium Capital secured against the R&D Tax Incentive refund with an interest rate of 14% pa and a maturity date of 31 December 2022. The Company drew down on the facility in August 2022 for the full amount.

In August 2022, the Company received ethics approval to commence a pivotal Phase 3 clinical trial of its first Ultra-Pure CBD candidate, EMD-RX5.
In August 2022, the Company issued 575,000 unlisted options under the Company's employee incentive scheme.

There are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 25: Remuneration of auditors

Auditor fees incurred during the financial year are as follows:

	Group 2022 $	Group 2021 $
Audit services – Stantons	64,968	51,074
	64,968	**51,074**

Director's Declaration

In the Directors' opinion:

a) the consolidated financial statements and notes set out on pages 32 to 66, and are in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and

   ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;

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

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2022.

This declaration is made in accordance with a resolution of the Directors.

Michael Winlo

Dr Michael Winlo
Managing Director

Dated 29 August 2022

Auditor's Declaration

Stantons

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29 August 2022

Board of Directors
Emyria Limited
661 Newcastle St
Leederville WA 6007

Dear Directors

RE: EMYRIA LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Emyria Limited.

As Audit Director for the audit of the financial statements of Emyria Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

Liability limited by a scheme approved under Professional Standards Legislation

Russell Bedford
taking you further

Stantons Is a member of the Russell Bedford International network of firms

Auditor's Opinion

Stantons

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
EMYRIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Emyria Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty in Relation to Going Concern

As referred to in Note 1(iv) of the consolidated financial statements, the consolidated financial statements have been prepared on a going concern basis.

The ability of the Group to continue as a going concern and meet its planned commitments is dependent upon the Group being successful in raising funds through the issuance of capital. If the Group is unable to obtain sufficient funding for its ongoing operating and capital requirements, the Group may not be able to meet its liabilities as and when they fall due, and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Our opinion is not modified in respect of this matter.

Auditor's Opinion

Stantons

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matters were addressed in the audit
Capitalised development costs	
During the financial year, the Group capitalised development costs which amounted to $2,894,905 (refer to Note 8 to the financial statements). Capitalisation of development costs was a key audit matter due to: i. judgment involved in applying the requirements of AASB 138 *Intangible Assets* which includes judgment about the future performance and viability of the project; and ii. the size and nature of the amount the judgment involved in identifying costs that meet the criteria for capitalisation under the requirements of the accounting standards.	Inter alia, our audit procedures included the following: i. Evaluated the nature of the development expenses incurred that are capitalised as intangible assets. ii. Assessed the reasonableness of the capitalisation based on our knowledge of the business and industry. iii. Evaluated the appropriateness of expenses capitalised, on a sample basis, by agreeing material costs incurred to external invoices and other relevant supporting documents. iv. Assessing whether any impairment of the capitalised development costs was necessary as at 30 June 2022. v. Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.
Revenue recognition	
The Group's revenue amounted to $1,822,400 (refer to Note 2(a) to the consolidated financial statements during the financial year ended 30 June 2022. Note 2 to the consolidated financial statements describes the accounting policies applicable to the revenue from contracts with customers, noting that the revenue from the different revenue classifications is recognised in the period when the service is rendered. There is an inherent risk around the accuracy of revenue recorded given the nature of the Group's activities. Accounting for revenue recognition was a key audit matter due to the significance of revenue in understanding the financial results for users of the consolidated financial statements and the judgment required in applying the requirements of AASB 15 mainly in the identification of the performance obligations under its contracts with customers.	Inter alia, our audit procedures included the following: i. Assessed whether the Group's accounting policies were in accordance with the requirements of AASB 15 Revenue from Contracts with Customers. ii. Reviewed and analysed significant sales contracts to verify correct accounting treatment. iii. Tested on a sample basis, revenue transactions by agreeing revenue recognised during the year to the signed customer contract and other relevant supporting documents and verified that the revenue is recognised when the performance obligation has been satisfied. iv. Evaluated the adequacy of the disclosures in respect of revenue recognition with the criteria prescribed by the applicable standard.

Auditor's Opinion

Stantons

Key Audit Matters	How the matters were addressed in the audit
Measurement of share-based payments	
During the financial year, the Group recognised share-based payment expense of $1,230,892 in the consolidated statement of profit or loss (refer to Note 12 to the financial statements). The Group awarded share-based payments in the form of share options. The awards vest subject to the achievement of certain vesting conditions. The Group used the Black-Scholes model in valuing the share-based awards, based on the vesting conditions attached to each tranche. Measurement of share-based payments was a key audit matter due to the complex and judgmental estimates used in determining the fair value of the share-based payments.	Inter alia, our procedures included the following: i. Reviewed the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements. ii. Assessed the assumptions used in the Group's valuation of share options being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and grant date. iii. Assessed the fair value of the calculation through re-performance using the Black Scholes model. iv. Assessed the allocation of the share-based payment expense over the relevant vesting period. v. Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Opinion

Stantons

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Auditor's Opinion

Stantons

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Emyria Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
29 August 2022

Corporate Governance Statement

Corporate Governance Statement

The Board of Directors of Emyria Limited. ("Company") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement sets out the main corporate governance practices in place throughout the financial year in accordance with 4th edition of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

This Statement was approved by the Board of Directors and is current as at 29 August 2022.

Principle 1: Lay solid foundations for management and oversight

ASX Recommendation 1.1: A listed entity should have and disclose a board charter setting out:

The Board has adopted a formal charter that details the respective Board and management functions and responsibilities. A copy of this Board charter is available in the corporate governance section of the Company's website at www.emyria.com.

ASX Recommendation 1.2: A listed entity should:

(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company considers the character, industry and relevant experience, education and skill set, as well as interests and associations of candidates for appointment to the Board or as a senior executive and conducts appropriate checks to verify the suitability of the candidate, as part of the appointment process.

Information in relation to Directors seeking reappointment is set out in the Directors' report and is included in the Notice of Annual General Meeting.

ASX Recommendation 1.3: A listed entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment.

The Company has in place written agreements with each Director and senior executives.

ASX Recommendation 1.4: The Company Secretary of a listed company should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Board Charter provides for the Company Secretary to be accountable directly to the Board through the Chair.

ASX Recommendation 1.5: A listed entity should:

(a) have and disclose a diversity policy;

(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and

(c) disclose in relation to each reporting period:

(1) the measurable objectives set for that period to achieve gender diversity;

(2) the entity's progress towards achieving those objectives; and

(3) either:

(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or

(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.3.

The Company has adopted a Diversity Policy which is available in the corporate governance section of the Company's website at www.emyria.com

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not practical. The Board will consider setting measurable objectives as the Company increases in size and complexity.

As at 30 June 2022 the Company has one female Board member (2021: nil) and has 3 female senior managers (2021: 3). Of the balance of the Company's employees 71% are female (2021: 75%).
69% (2021: 68%) of the Company's employees in total, including Directors, are female.

Corporate Governance Statement

ASX Recommendation 1.6: A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Board has adopted a self-evaluation process to measure its own performance and the performance during each financial year. The Chairperson is also responsible for conducting an annual review of overall board performance during a regular meeting of the board. A performance review was undertaken during the reporting period.

ASX Recommendation 1.7: A listed entity should:

(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The performance of executive Directors including the Managing Director is considered as part of the Board review process.

The performance of other executives was reviewed and monitored by the Managing Director on an ongoing basis throughout the year.

The Board reviews the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel at each formal board meeting.

A performance review was undertaken during the reporting period.

Principle 2: Structure the board to add value

ASX Recommendation 2.1: The Board of a listed entity should:

(a) have a nomination committee which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director, and disclose:

(1) the charter of the committee;

(2) the members of the committee; and

(3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Nomination Committee. The full Board considers Board composition and identifies and assesses candidates to fill any casual vacancy which may arise from time to time.

The Board considers that at this stage no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.

ASX Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

On a collective basis the Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board.

The matrix reflects the Board's objective to have an appropriate mix of specific industry and professional experience including skills such as medical expertise, drug development, RWE capture, leadership, governance, strategy, finance, risk management, Government and international business operations.

A profile of each Director setting out their skills, experience and period of office is set out in the Directors' Report of the latest Annual Report.

Corporate Governance Statement

ASX Recommendation 2.3: A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position or relationship of the type described in Box 2.3 (Factors relevant to assessing the independence of a director) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

The Board currently consists of Executive Directors Dr Stewart Washer, Dr Michael Winlo, Dr Alistair Vickery and Dr Karen Smith and Non-Executive Directors Mr Matthew Callahan and Sir John Tooke. Mr Callahan is not considered an independent Director due to an associated entity being a substantial shareholder in the Company. Sir John Tooke is considered an independent Director. As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures, including further independent Directors will be reviewed.

Dr Stewart Washer and Mr Mathew Callahan were appointed directors on 19 March 2018. Dr Alistair Vickery was appointed on 18 March 2019. Dr Michael Winlo was appointed on 7 November 2019, Sir John Tooke was appointed on 10 February 2020 and Dr Karen Smith was appointed on 29 November 2021.

ASX Recommendation 2.4: The majority of the Board of a listed entity should be independent Directors.

Due to the size and scale of the Company's current activities, the Board does not consist of a majority of independent directors.

The Board considers the composition of the Board, is appropriate given the size and current operations of the Company. To further facilitate independent decision-making, the Board has agreed procedures for Directors to have access in appropriate circumstances to independent professional advice. As the Company grows, the Board will consider the appointment of additional independent directors

ASX Recommendation 2.5: The Chair of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.

The Board has formed the view that, given the size and nature of the business of the Company, and the knowledge and experience Dr Stewart Washer brings to the Company, that Dr Washer is the most appropriate person to hold the position of Chairman of the Company even though he is not independent by reason of being an Executive Director. The Chairman is not the same person as the CEO of the entity, with Dr Michael Winlo performing this role.

ASX recommendation 2.6: A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Upon appointment to the Board new Directors will be provided with Company policies and will be provided an opportunity to discuss the Company's operations with senior management and the Board.

The Company encourages its Directors to participate in professional development opportunities to maintain the skills and knowledge needed to perform their role as directors effectively.

Principle 3: Act ethically and responsibly

ASX Recommendation 3.1: A listed entity should articulate and disclose its values.

The Board has approved a statement of values and charges the Directors with the responsibility of inculcating those values across the Company.

A copy of the Company's statement of values is available on the Company's website at www.emyria.com

ASX Recommendation 3.2: A listed entity should:

(a) have and disclose a code of conduct for its directors, senior executives and employees; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that code.

Corporate Governance Statement

The Company has established a Code of Conduct that sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standards of behavior expected from its Directors and employees. The Code of Conduct sets out policies in relation to various corporate and personal behavior including safety, discrimination, respecting the law, anti-corruption, interpersonal conduct and conflict of interest.

The Code contains a procedure tor reporting material breaches of the code.

A copy of the Company's code of conduct is available in the corporate governance section of the Company's website at www.emyria.com.

ASX Recommendation 3.3: A listed entity should:

(a) have and disclose a whistleblower policy; and

(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Board has adopted a Whistleblower Protection Policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistle blowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

The policy contains a procedure tor reporting material breaches of the policy. A copy of the Company's Whistleblower Protection Policy is available on the Company's website at www.emyria.com.

ASX Recommendation 3.4: A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Board has adopted an Anti-Bribery and Anti-Corruption Policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

The policy contains a procedure tor reporting material breaches of the policy. A copy of the Company's Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.emyria.com.

Principle 4: Safeguard integrity in financial reporting

ASX Recommendation 4.1: The Board of a listed entity should:

(a) have an audit committee which:

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(2) is chaired by an independent director, who is not the chair of the board, and disclose:

(1) the charter of the committee;

(2) the relevant qualifications and experience of the members of the committee; and

(3) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity requiring the formation of a separate Audit Committee.

The full Board carries out the duties that would ordinarily be assigned to the Audit Committee.

ASX Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO (or equivalent) a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting

Corporate Governance Statement

standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board has received the assurance required by ASX Recommendation 4.2 in respect of the financial statements for the half year ended 31 December 2021 and the full year ended 30 June 2022.

The Board has formed the view that, given the size and nature of the business of the Company, such a process is not required in relation to the Company's quarterly cash flow reports.

ASX Recommendation 4.3: A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

When preparing periodic corporate reports for release to the market including the quarterly activity and cash flow reports, these reports are prepared and reviewed by the Managing Director before being presented to the Board for review. Such reports are not be released to market without the review process by the Managing Director and the Board.

Principle 5: Make timely and balanced disclosure

ASX Recommendation 5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1

The Company has established a Continuous Disclosure Policy which is designed to guide compliance with ASX Listing Rule disclosure requirements, and to ensure that all Directors, senior executives and employees of the Company understand their responsibilities under the policy.

In accordance with the Company's continuous disclosure policy, all information provided to ASX for release to the market is posted to its website at www.emyria.com.after ASX confirms an announcement has been made.

Information in relation to the Company's continuous disclosure requirements is set out in the Company's corporate governance policy available at www.emyria.com.

ASX Recommendation 5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Board has appointed the Company Secretary as the person responsible for communicating with ASX and overseeing and coordinating the timely disclosure of information to ASX. When the confirmation of a release is received from the ASX the Company Secretary promptly forwards a copy to the Board.

ASX Recommendation 5.3: A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Board has appointed the Company Secretary as the person responsible for communicating with ASX and overseeing and coordinating the timely disclosure of information to ASX. The Company Secretary releases any new and substantive presentation to the ASX Market Announcements Platform ahead of the presentation, a copy of which is available on the Company's website at www.emyria.com when released.

Principle 6: Respect the rights of shareholders

ASX Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company's website at www.emyria.com contains information about the Company's operations, Directors and management and the Company's corporate governance practices, policies and charters. All ASX announcements made to the market, including annual, half year and quarterly reports are posted on the website as soon as they have been released by the ASX. The full text of all notices of meetings and explanatory material, the Company's Annual Report and copies of all investor presentations are posted on the Company's website.

ASX Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Company has adopted a Shareholder Communication Policy, which encourages shareholder participation and engagement with the Company. This policy has nominated the Chair, Managing Director and Company Secretary for having the primary responsibility for communicating with shareholders.

Corporate Governance Statement

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements may be viewed and downloaded from its website, www.emyria.com, or the ASX website, www.asx.com.au under the ASX code "EMD".

Contact with the Company can be made via an email address provided on the website and investors can subscribe to the Company's electronic mailing list.

ASX Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Shareholder Communication Policy encourages shareholder participation at shareholders' meetings. Shareholders are provided with all notices of meeting prior to meetings. The Company's auditor is also made available for questions at the annual general meeting. Shareholders are also always given the opportunity to ask questions of the Directors and management, either during or after shareholders' meetings.

The full text of all notices of meetings and explanatory material are posted on the Company's website at www.emyria.com.

ASX Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company will conduct a poll at meetings of security holders to decide each resolution.

ASX Recommendation 6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.

Contact with the Company can be made via an email address provided on the website and investors can subscribe to the Company's electronic mailing list.

The Company's share register provides a facility whereby investors can provide email addresses to receive correspondence from the Company electronically and investors can contact the share register via telephone, facsimile or email.

Principle 7: Recognise and manage risk

ASX Recommendation 7.1: The Board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- **(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
- **(2) is chaired by an independent director, who is not the chair of the board, and disclose:**
  - **(1) the charter of the committee;**
  - **(2) the relevant qualifications and experience of the members of the committee; and**
  - **(3) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

A Risk Committee has been established by the Board. Members of the Risk Committee are Sir John Tooke (Chair) MR Matthew Callahan and Dr Alistair Vickery.

The qualifications and experience of the members of the Risk Committee, and the number of times the committee met during the financial year are disclosed in the Directors' Report contained in the Annual Report.

As a consequence of the size and composition of the Company's Board the Risk Committee does not have a majority of independent Directors, however the Board considers the composition of the Risk Committee to be appropriate for the current size and activities of the Company.

Corporate Governance Statement

ASX Recommendation 7.2: The Board or a committee of the Board, of a listed entity should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place. The Board conducted such a review during the reporting period.

The Company is committed to the identification; monitoring and management of risks associated with its business activities and has established policies in relation to the implementation of practical and effective control systems. The Company has established a Risk Management Framework and Policy.

A review of the Company's Risk Management Framework and Policy was carried out by the Risk Committee and the Board during the reporting period to satisfy itself that it continues to be sound and applicable to the Company's activities.

ASX Recommendation 7.3: A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.

The Board, in conjunction with the Risk Committee, oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements and monitors the quality of the accounting function.

ASX Recommendation 7.4: A listed entity should disclose whether it has any material exposure to environmental and social risks and if it does, how it manages or intends to manage those risks.

The Company identifies and manages material exposure to environmental and social risks in a manner consistent with its Risk Management Framework and Policy.

Environmental: The Company is subject to, and responsible for, ensuring compliance with various regulations, licenses, approvals and standards so that its activities do not cause unauthorised environmental harm. Through its ongoing management of environmental activities, the Company has been able to operate in an environmentally sustainable and responsible manner.

Social: The Company recognises that a failure to manage stakeholder expectations may lead to disruption to the Company's operations. The Company's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

Principle 8: Remunerate fairly and responsibily

ASX Recommendation 8.1: The Board of a listed entity should:

(a) have a remuneration committee which:

- **(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
- **(2) is chaired by an independent director, and disclose:**
  - **(1) the charter of the committee;**
  - **(2) the members of the committee; and**
  - **(3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Corporate Governance Statement

The Board as a whole performs the function of a Remuneration Committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity requiring the formation of a separate Remuneration Committee.

The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.

ASX Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives.

The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

A Non-Executive Director may be paid fees or other amounts in accordance with any consultancy agreement in which they have an interest or as the Directors determine from time to time where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director or any consultancy agreement in place.

In addition, subject to any necessary Shareholder approval Directors may receive non-cash performance incentives such as options or performance rights. Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

ASX Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

The Company's Trading Policy prohibits the use of derivatives in relation to unvested equity instruments, including performance share rights, and vested company securities that are subject to disposal restrictions (such as a "Holding Lock".

Derivatives may be used in relation to vested positions which are not subject to disposal restrictions subject to compliance with the law and the other provisions of the Trading Policy.

ASX Additional Information

Twenty largest shareholders at 28 August 2022

Position	Holder Name	Holding (units)	% total units
1	Dr Stewart James Washer & Dr Patrizia Derna Washer (The Washer Family A/c)	28,400,000	10.33%
2	Tattarang Ventures Pty Ltd	20,000,000	7.27%
3=	Mal Washer Nominees Pty Ltd (Mal Washer Family No1 A/c)	19,600,000	7.13%
3=	Mr Craig Lawrence Darby (Craig Lawrence Darby A/c)	19,600,000	7.13%
3=	Mercator Shipwrights Pty Ltd (Mecator A/c)	19,600,000	7.13%
6	Mr Sufian Ahmad (Sixty Two Capital A/c)	10,276,210	3.74%
7	Kobala Investments Pty Ltd (Fernando Edward Family A/c)	8,725,000	3.17%
8	Lakewest Pty Ltd (Raymond Desmond Family A/c)	5,731,960	2.08%
9	Rimoyne Pty Ltd	5,171,313	1.88%
10	Miss Sihong Zeng	5,043,762	1.83%
11	Mr Stephen Peter Somerville	4,900,000	1.78%
12	Mr Bilal Ahmad	3,450,000	1.25%
13	Mr Pak Lim Kong	3,416,667	1.24%
14	Mr Pak Lim Kong	2,150,000	0.78%
15	Woodlands Opportunity Fund Pty Ltd	2,031,221	0.74%
16	Mr Craig Lawrence Darby	2,000,000	0.73%
17	D Schecter Medicine Professional Corporation	1,960,000	0.71%
18	Adam James (Araucaria A/c)	1,960,000	0.71%
19	Mr Boyun Liu	1,722,497	0.63%
20	Mr Tony Athas & Mrs Angela Athas (Athas Family Super Fund A/c)	1,575,000	0.57%
Total		**167,313,630**	**60.84%**

Distribution of shareholders at 28 August 2022

Holding Ranges	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	48	13,260	0.00%
Above 1,000 up to and including 5,000	1000	2,775,253	1.01%
Above 5,000 up to and including 10,000	534	4,334,440	1.58%
Above 10,000 up to and including 100,000	992	32,566,349	11.84%
above 100,000	213	235,313,167	85.57%
Totals	**2,787**	**275,002,469**	**100.00%**

The number of shareholders holding less than a marketable parcel is 324.

ASX Additional Information

Substantial shareholders at 28 August 2022	
Stewart James Washer & Patrizia Derna Washer	49,325,599
Tattarang Ventures Pty Ltd	19,600,000
Mal Washer Nominees Pty Ltd	22,709,790
Mercator Shipwrights Pty Ltd	19,600,000
Craig Lawrence Darby	19,600,000

Class of shares and voting rights

At meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney; and on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

On-market buy-back

There is no current on-market buy-back

Unlisted Options at 28 August 2022 - Part 1

Number of Holders and Holding Ranges										
Exercisable at		**$0.450**		**$0.450**		**$0.114**		**$0.200**		**$0.114**
Expiring on		**13 June 2023**		**26 Sept 2023**		**13 Nov 2024**		**22 Dec 2022**		**22 Dec 2023**
No of holders and % issued:										
10,001 - 100,000	-	-	-	0%	2	1%	12	9%	-	0%
> 100,000	14	100%	1	100%	8	99%	10	91%	1	100%
Totals	14	100%	1	100%	10	100%	22	100%	1	100%
Holders (> 20%) of class not issued under employee incentive scheme										
Australian Medical Research Pty Ltd				600,000						
Sixty Two Capital Pty Ltd								5,500,000		
Bruce Robinson										500,000
Karen Lesley Smith										
Mr Mufian Ahmad <Sixty Two Capital A/c>										
Tattarang Ventures Pty Ltd										

ASX Additional Information

Unlisted Options at 28 August 2022 - Part 2

Number of Holders and Holding Ranges										
Exercisable at	**$0.268**		**$0.256**		**$0.350**		**$0.330**		**$0.316**	
Expiring on	**22 Feb 2024**		**18 Mar 2024**		**28 Apr 2023**		**21 Sept 2025**		**7 Oct 2025**	
No of holders and % issued:										
10,001 - 100,000	-	0%	5	67%	5	67%	-	0%	1	100%
> 100,000	1	100%	1	33%	1	33%	1	100%	-	1%
Totals	1	100%	6	100%	6	100%	1	100%	1	100%
Holders (> 20%) of class not issued under employee incentive scheme										
Australian Medical Research Pty Ltd										
Sixty Two Capital Pty Ltd										
Bruce Robinson										
Karen Lesley Smith	1,500,000									
Mr Mufian Ahmad <Sixty Two Capital A/c>					7,171,429					
Tattarang Ventures Pty Ltd										

Unlisted Options at 28 August 2022 - Part 3

Number of Holders and Holding Ranges										
Exercisable at	**$0.360**		**$0.400**		**$0.550**		**$0.384**		**$0.365**	
Expiring on	**1 Nov 2025**		**24 Nov 2023**		**31 Dec 2023**		**7 Jun 2026**		**16 Aug 2026**	
No of holders and % issued:										
10,001 - 100,000	-	0%	-	0%	-	0%	2	100%	9	100%
> 100,000	1	100%	1	100%	1	100%	1	0%	0	0%
Totals	1	100%	1	100%	1	100%	2	100%	9	100%
Holders (> 20%) of class not issued under employee incentive scheme										
Australian Medical Research Pty Ltd										
Sixty Two Capital Pty Ltd					6,000,000					
Bruce Robinson										
Karen Lesley Smith										
Mr Mufian Ahmad <Sixty Two Capital A/c>										
Tattarang Ventures Pty Ltd			10,000,000							

Corporate Directory

Directors

Dr Stewart Washer *(Executive Chairman)*

Dr Michael Winlo *(Managing Director)*

Professor Alistair Vickery *(Executive Director)*

Dr Karen Smith *(Executive Director)*

Sir John Tooke *(Non-Executive Director)*

Mr Matthew Callahan *(Non-Executive Director)*

Company Secretary

Simon Robertson

Principal and Registered office

D2 661 Newcastle Street, Leederville WA 6007
PO Box 1442, West Leederville WA 6901

Telephone: 08 6559 2800
Website: emyria.com.au
Email: info@emyria.com

Share registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth Western Australia 6000

Auditor

Stantons
Level 2, 40 Kings Park Road
West Perth Western Australia 6005

Bankers

National Australia Bank
Level 14, 100 St Georges Terrace
Perth Western Australia 6000

Domestic stock exchange

Australian Securities Exchange (ASX)
Code: EMD

emyria

CONTACT INFORMATION

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