emyria

Developing new treatments for major mental health & neurological conditions

ASX Announcement | 31 January 2024

Quarterly Report (December 2023)

Emyria Limited (ASX: EMD) ("Emyria", or the "Company") delivering and developing new treatments for major mental health challenges and select neurological conditions, is pleased to release its quarterly report for the period ending 31st December 2023.

Key Achievements For the December Quarter:

1. Commenced World-First, Community-Based MDMA-Assisted Therapy [1] Program

- Emyria, the only ASX-listed company evaluating psychedelic-assisted therapies, initiated dosing in its MDMA-assisted therapy trial. In a world first for a private community-based clinic, Emyria is evaluating a unique MDMA-assisted therapy model for Post-Traumatic Stress Disorder ('PTSD'), a condition affecting more than 1 million Australians. Two participants completed the dosing phases with a third in enrolment.
- The Company's lead psychiatrist received ethics endorsement for their Authorised Prescriber application (subsequently approved in Jan 2024) allowing Emyria to offer the therapy to carefully evaluated patients under a strict framework set by the TGA.
- Emyria also received Health Canada approval to import its first batch of drug ensuring supply for up to 70 trial participants or patients. All material has since arrived securely.

(See ASX releases 09 October, 19 October 2023 and 30 November 2023)

2. Strengthened Board with the Addition of Greg Hutchinson to Independent Chair

- Greg Hutchinson's experience as CEO of Sonic HealthPlus and Deputy CEO of Sonic Clinical Services underscores significant expertise in scaling frontline health services and research programs. Mr Hutchinson's appointment is expected to support the Company's current focus on delivering and developing commercially viable mental health services with high patient impact.

(See ASX releases 13 November 2023, 21 November 2023)

3. Advanced Proprietary Drug Development Programs

- During the quarter, Emyria extended its development agreement with the University of Western Australia to develop novel and proprietary MDMA analogues with the potential to become treatments for a range of mental health and neurological conditions and;
- Emyria's prescription cannabinoid dose forms progressed through a fully funded preclinical screening program managed by the National Institutes of Health in the USA.

4. Substantial Clinical Service Billings

- Emyria collected clinical billings of $973,000, a strong performance across a quarter that is traditionally a quieter period for clinical services.

(See ASX releases 05 October 2023)

Emyria's Managing Director, Dr. Michael Winlo, reflected: *"Emyria made significant progress this quarter. We successfully initiated a pioneering MDMA-assisted therapy trial for PTSD and made substantial progress in securing Authorised Prescriber approval for our lead psychiatrist. The strategic addition of Greg Hutchinson to our Board directly enhanced our service delivery and research capabilities which directly aligns with our mission to establish scalable, clinically effective, and commercially viable care models while advancing novel mental health and neurological treatment development programs in collaboration with globally recognised research partners."*

CORPORATE

In Q2 FY24, net cash used in operating activities rose to $1.9m, primarily due to one-off personnel termination payments and increased research and patent costs for our MDMA analogue program (up from $1.1m in Q1 FY24).

Received $1.15m in a Rights Issue, and $500,000 in relation to a Q1 FY24 placement that was subject to shareholder approval at the AGM. Utilised Radium facility to drawdown against FY23 R&D tax incentive claim for a further $1m in October.

Subsequent to the quarter, a further $2.5m R&D refund was received in January 2024.

Director and related party payments were $252k comprising wages, fees and superannuation of which $40k was allocated to investing activities (as disclosed in section 6 of the 4C report).

OUTLOOK

The Company is currently evaluating an MDMA-assisted therapy model for PTSD - a major mental health condition affecting approximately 6% of adults every year [2] - with the goal of developing a safe, effective and scalable treatment option for PTSD sufferers who are not meeting their health needs with their current care regime.

Given the complex delivery and development challenges involved in drug-assisted therapies, the Company has spent years establishing a unique combination of clinical delivery infrastructure, personnel and data capture systems. Emyria is therefore, the only ASX-listed company, actively providing direct care for thousands of patients while also generating revenues and robust clinical evidence to support an innovation agenda developing new care models and drug treatments for major mental health and neurological conditions.

Ahead, the Company anticipates increasing enrolment into its MDMA-assisted therapy programs, evaluating additional psychedelic-assisted therapies for major mental health challenges, establishing clinical partnerships and engaging major health payers to help evaluate the cost benefits of Emyria's unique approach.

In addition, Emyria's novel MDMA analogue program is advancing with involvement from the US National Institute of Health and Australia's Universities of Western Australia and Sydney. The Company's leading series of new chemical entities is focussed on shorter-acting MDMA-like compounds for drug assisted therapies and new treatments for neurological conditions such as L-DOPA induced dyskinesia ('LID'), a common side effect of Parkinson's disease treatment. A major patent family has been filed.

The Company's prescription cannabinoid drug candidates, EMD-RX7/9, continue to progress through a fully funded preclinical program managed by the National Institute of Health, USA. EMD-RX7/9 continues to show excellent stability out to 12 months and the Company continues to evaluate the potential of its low-dose CBD capsule (EMD-RX5).

emyria.com

Emyria Limited is developing and delivering new treatments for mental health and select neurological conditions through a unique business model combining direct care & drug development:

generates

informs

Emyria Healthcare: Frontline care for patients not finding relief from conventional treatment while evaluating emerging therapies like MDMA-assisted therapy for PTSD [1]

Emyria Data: Robust and ethically-sourced Real-World Data gathered with patients to improve Emyria's proprietary therapy and drug development programs.

Emyria's Pipeline: a library of unique, patentable compounds and dose forms, targeting innovative treatments in neurology and mental health.

EMYRIA'S INTERACTIVE INVESTOR HUB

Investorhub.emyria.com Interact with Emyria's announcements and updates by asking questions and comments, which our team can respond to where possible.

References:

1. The availability of these products is subject to the safety and efficacy of the products being tested through clinical trials. Emyria makes no representations or warranties as to the safety or efficacy of the products or the products' ability (or the ability of its key compounds) to be used in the treatment of indications such as PTSD. There are currently no approved products containing MDMA that the TGA has evaluated for quality, safety and efficacy. Consumers should be aware that MDMA may cause side effects, as set out in the "Risks associated with the use of MDMA" in this announcement.
2. https://www.phoenixaustralia.org/news/ptsd-awareness-day-2022/

This release has been approved by the Board of Emyria.

FOR FURTHER INFORMATION

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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS Any statements in this press release about future expectations, plans and prospects for the Company, the Company's strategy, future operations, and other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions, constitute forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the Company's ability to successfully develop its product candidates and timely complete its planned clinical programs and the Company's ability to obtain marketing approvals for its product candidates. In addition, the forward-looking statements included in this press release represents the Company's views as of the date hereof. The Company anticipates that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date hereof.

Appendix 4C

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

Name of entity	
EMYRIA LIMITED	
ABN	**Quarter ended ("current quarter")**
96 625 085 734	31 December 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	647	1,439
1.2	Payments for		
	(a) research and development	(646)	(1,017)
	(b) product manufacturing and operating costs	(450)	(1,000)
	(c) advertising and marketing	(12)	(28)
	(d) leased assets	(86)	(172)
	(e) staff costs	(872)	(1,242)
	(f) administration and corporate costs	(407)	(868)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	12
1.5	Interest and other costs of finance paid	(34)	(35)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,854)**	**(2,911)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(401)	(401)
	(c) property, plant and equipment	-	(1)
	(d) investments	-	-
	(e) intellectual property	(572)	(1,490)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(973)**	**(1,892)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,657	3,157
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(120)
3.5	Proceeds from borrowings	1,017	1,017
3.6	Repayment of borrowings	(10)	(19)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – net payments from cash backed guarantees	-	-
3.10	**Net cash from / (used in) financing activities**	**2,649**	**4,035**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2.144	2.734
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,854)	(2,911)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(973)	(1,892)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,649	4,035
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,966**	**1,966**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,966	2,144
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,966**	**2,144**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	212
6.2	Aggregate amount of payments to related parties and their associates included in item 2	40

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,929	1,929
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	1,929	1,929

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Emyria secured a loan facility with Radium Capital for $912,721 (April 2023) and $1,016,697 (October 2023) with an interest rate of 15% pa, maturity date of 31 December 2023 and secured against the R&D tax rebate.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,854)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,966
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,966
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.06

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: During the quarter ending 31 December 2023, the Company incurred one-off termination fees totalling approx. $200,000. The Company expects a reduction in net operating cash flows by $229,000 in the March quarter.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, the Company received the R&D tax refund for FY23 in January 2024 totalling $2,527,316. The Company will secure a new loan against the expected R&D tax refund based on activity to December 2023. The company will also consider a further capital raise if, and when, required.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, based on the R&D tax incentive for FY23 and a loan secured against the expected R&D tax refund based on activity to December 2023.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.