

23 April 2024

ASX Announcement

March 2024 Quarterly Activity Report

Firebrick Pharma Limited (ASX:FRE) (**Company** or **Firebrick**) is pleased to provide its business activity update for the quarter ending 31 March 2024, along with its Appendix 4C quarterly cashflow report.

REVIEW OF QUARTERLY OPERATIONS

Nasodine as a Nasal Antiseptic/Disinfectant

As previously announced on 15 November 2023 and noted in the Company's half-year report released on 28 February 2024, Firebrick believes that there is an important early opportunity for Nasodine to be made available as a nasal antiseptic/disinfectant for elimination of microbial pathogens in the nasal passages.

Subsequent to the end of the March quarter, the Company announced that it launched Nasodine Nasal Spray in the United States (see ASX announcement 17 April 2024) and the product is now available to purchase from the Company's US website (nasodine.com), with online promotion commencing across the US.

Initially, Nasodine will be marketed online only, although in the future it is also expected to be available in US pharmacies. The Company has several other products in development and expects some of these to become available in the future for the US market.

Nasodine Phase 2 COVID-19 Trial Results Published

On 2 April 2024, the Company announced that its Phase 2 COVID-19 trial had been published in the high impact journal, *Laryngoscope*. The paper is available online at: <https://onlinelibrary.wiley.com/doi/full/10.1002/lary.31430>.

This study is important because it demonstrated a significant reduction in viral load and 100% clearance of the virus from the respiratory tract. The Company believes these findings are supportive of its plans to make Nasodine available as a nasal antiseptic/disinfectant.

Nasodine COVID-19 Patent

On 4 March 2024, the Company announced that it had received notice of allowance of a second US patent relating to COVID-19. The patent covers the use of intranasal povidone-iodine (PVP-I) preparations containing 0.10-1.25% PVP-I, as a method of decreasing the release of infective SARS-CoV-2 from the nose. The Company believes the patent valuably extends Nasodine's protection to include reduction in shedding of infectious virus, which has important implications for reducing the risk of transmission.

Financial Overview

At 31 March 2024, Firebrick held cash and cash equivalents of \$721,000, compared with \$1.305 million at the end of the December quarter. Net cash outflows from operations for the quarter were \$592,000 compared to cash inflows in the December quarter of \$448,000 following receipt of \$1.816 million in R&D tax incentives in that quarter.

Research & development costs were \$115,000 for the quarter, down by \$542,000 when compared to the December quarter. Administration and corporate costs were down by \$289,000 to \$111,000 for the March quarter. The Company had production costs of \$83,000 for the quarter in preparation for commencing sales of Nasodine in international markets (see ASX announcement of 17 April 2024).

As per item 6 of the attached Appendix 4C cashflow report for the quarter, payments to related parties and their associates of \$218k comprised of Executive Chairman and Executive Director/COO remuneration and Non-Executive Director Fees, being the same as the December quarter.

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

- ENDS -

About Firebrick (ASX:FRE)

Firebrick Pharma is a pharmaceutical innovator focused on developing and commercialising novel formulations and uses of povidone-iodine. The Company has successfully developed a povidone-iodine nasal spray (Nasodine[®]) and filed international trademarks and multiple patents on the product. The Company has also completed six clinical trials for the nasal spray, which have affirmed the product's safety and generally supported its efficacy as an antimicrobial nasal spray with utility in a range of clinical settings. Firebrick is now commercialising Nasodine in international markets.

Media enquiries:

Heidi Cuthbert

+61 411 272 366

heidi.cuthbert@multiplier.com.au

Investor enquiries:

Investors@firebrickpharma.com

Appendix 4C

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

Name of entity

FIREBRICK PHARMA LIMITED

ABN

64 157 765 896

Quarter ended ("current quarter")

31 MARCH 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(115)	(1,511)
(b) product manufacturing and operating costs	(83)	(83)
(c) advertising and marketing	(30)	(79)
(d) leased assets (including premises)	(16)	(62)
(e) staff costs	(240)	(744)
(f) administration and corporate costs	(111)	(1,004)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives – 2023 R&D Tax Incentive	-	1,816
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(592)	(1,652)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets	-	-
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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	8	20
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(2)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	8	18

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,305	2,355
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(592)	(1,652)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8	18
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	721	721

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	721	1,305
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	721	1,305

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	218
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
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.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>N/A</p> </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(592)
8.2 Cash and cash equivalents at quarter end (item 4.6)	721
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	721
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.2
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>No. The Company anticipates an increase in revenue from the sale of Nasodine internationally (see ASX announcement 17 April 2024). In addition, research and development costs should be lower as the Company continues to preserve cash for its international plans, whilst further production costs (\$83,000 during the March quarter) will only be incurred as needed in order to keep up with sales demand.</p>	
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?	
<p>No, the Company has not taken any steps to raise further capital but based on its successful raising of \$1 million in a placement conducted in May 2023, the entity remains confident on raising further funds as and when the need arises.</p>	
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?	
<p>Yes. The entity does expect to be able to continue its operations and to meet its business objectives on the basis of the factors presented in 8.6.1 and 8.6.2.</p>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 23 April 2024

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

Notes

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