emyria

Delivering & developing new treatments for mental health & neurological conditions

ASX Announcement | 30 Oct 2024

Quarterly Highlights Report (September 2024)

Emyria Limited (ASX: EMD) ("Emyria", or the "Company") focused on delivering and developing innovative treatments for mental health and select neurological conditions, is pleased to report activity highlights during the quarter ending 30th September 2024.

Financial & Strategic Accomplishments:

- **Improved Operating Cash Flow Efficiency and Cost Management:**
  - Operating cash outflows decreased 25% in Q1 FY25, driven by strategic initiatives like the August closure of loss-making Emerald Clinics. Additional cost containment strategies supported by growing demand for Emyria's specialised care services are expected to deliver further cashflow benefits.
- **Major Grant Award to Advance Drug Development Pipeline:**
  - Emyria and UWA awarded a $499,411 grant from the Future Health Research and Innovation Seed Fund to support ongoing development of novel, MDMA-inspired treatments.
- **Expected R&D Refund:**
  - Next month, the Company expects to receive an R&D Tax Incentive cash refund of approximately $640,000 ($1,461,770 less Radium Loan repayment) based on estimates from its tax advisors.

(See ASX release 01 July 2024)

Advanced Treatment & Clinical Service Accomplishments:

- **Growth in Clinical Visits:**
  - Q1FY25 saw a 41% increase in clinical visits to Emyria's Empax Centre compared to the prior quarter, driven by increasing patient and referrer interest in Emyria's specialised programs.
- **Positive Interim Analysis for MDMA-Assisted Therapy (MDMA-AT) Program:**
  - Interim analysis of Emyria's MDMA-AT program for PTSD revealed substantial improvement in symptom and quality of life measures, offering compelling evidence to engage third-party payers.
- **Private Hospital Partnership for Medication-Assisted Therapy:**
  - Provides Emyria with access to flexible treatment spaces at a major mental health hospital to support the delivery of medication-assisted therapy as demand grows.

(See ASX releases 02 September 2024)

Subsequent to the Quarter:

- **Ethics Endorsement for Emyria's Psilocybin Program:**
  - Emyria received ethics endorsement for its psilocybin program targeting treatment-resistant depression. This endorsement ratifies Emyria's ability to offer ethical services for patients through TGA-approved prescribers. Emyria's psilocybin program expands treatment options and demonstrates Emyria's commitment to providing new treatment options for patients unresponsive to standard treatments.

- **Selection of Empax Centre for Psilocybin Trial:** [1]
  - NY-based, Psyence Biomed has selected Emyria's Empax Centre as a key site for an upcoming psilocybin trial focused on adjustment disorder in patients with a cancer diagnosis. This trial, designed to generate new knowledge in a challenging field, broadens Emyria's portfolio of sponsored (paid for) clinical trials and highlights the expertise of Emyria's clinicians and the capabilities of its advanced facilities to deliver cutting-edge medication-assisted therapies.

(See ASX releases 28 October 2024)

CLINICAL SERVICES GROWTH

During the quarter, Empax Centre has seen continued growth in service activity driven by increasing patient and referrer demand. *(See **Figure 1**)*

Empax Centre Visit Trends Last Three Quarters

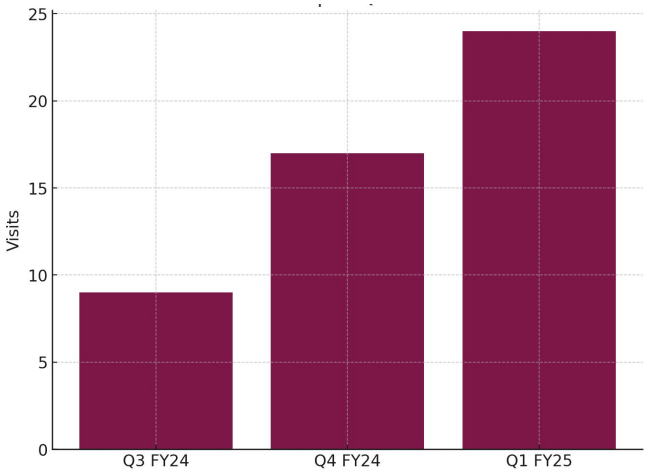

Figure 1: Increasing visits at Empax Centre over last three (3) quarters.

POSITIVE CLINICAL OUTCOMES [2]

Emyria has also seen clinically and statistically significant improvements in standard measures of PTSD symptoms (PCL-5) and quality of life (ReQoL) in its patients, highlighting the program's potential to address significant unmet needs in PTSD care, offering compelling evidence to engage third-party payers. (*See **Figures 2** and **3**)*

Mean PCL-5 Scores:
Baseline vs Post-Treatment

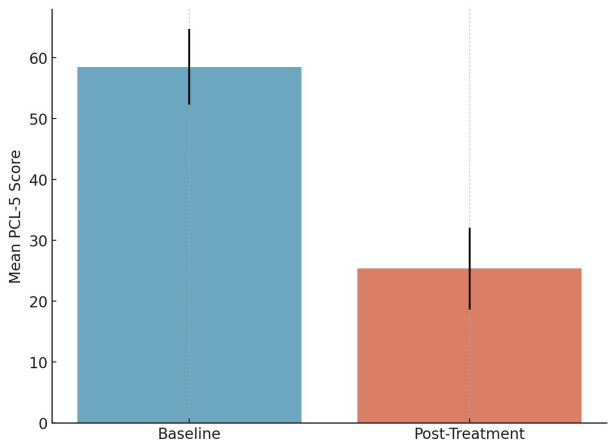

Figure 2: Mean Percentage Improvement in PCL-5 Scores, showing statistically significant 33.1-point reduction (95% CI: 20.96–45.29, $p < 0.01$) in PTSD symptoms from baseline to post-treatment in MDMA-assisted therapy (MDMA-AT) for PTSD, with all patients achieving clinically significant improvement (≥12-point decrease in PCL-5).

Mean ReQoL Scores:
Baseline vs Post-Treatment

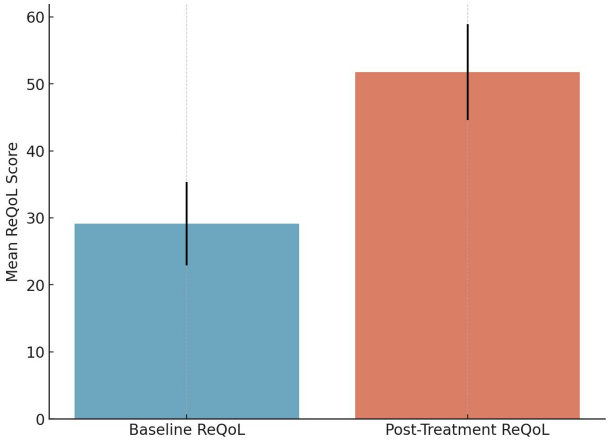

Figure 3: Mean Percentage Improvement in ReQoL Scores, showing a statistically significant 22.6-point improvement in quality of life (95% CI: -34.89 to -10.36, $p < 0.01$) from baseline to post-treatment in patients undergoing MDMA-AT for PTSD, highlighting broad enhancements in well-being and functioning.

CORPORATE

Net cash used in operating activities was $1.2 million for Q1 FY25, a 25% reduction from the prior quarter, supported by the closure of loss-making Emerald Clinics at the end of August. Additional cost reductions are expected this quarter as final closure-related costs are settled, complemented by gains from increased interest in our clinical services and the launch of new care programs and third-party sponsored clinical trials.

The Company anticipates an R&D Tax Incentive refund of $1,461,770 based on tax advisor estimates, with approximately $640,000 expected in net cash after full repayment of an outstanding Loan.

Director and related party payments totalled $138,000, covering wages, fees, and superannuation.

OUTLOOK

Emyria continues to prioritise payer engagement and clinical service expansion to increase patient access to its innovative mental health treatments. To advance this goal, Emyria is actively working with several private health insurers on "hospital substitution" pilot program submissions to the federal government. If successful, these pilot programs will lay the groundwork for expanding Emyria's services to new sites. The Company is also liaising with other large government payers.

Additionally, Emyria plans to launch new medication-assisted therapy programs targeting areas of high unmet need and will continue gathering high-quality, real-world data to drive continuous program improvements. This data supports Emyria's commitment to exceptional patient outcomes and positions the Company as a trusted partner in advancing mental health treatments.

Finally, Emyria's drug discovery program, in partnership with the University of Western Australia, remains a key focus. The Company is formalising a commercial licence agreement with UWA which will enable the Company to unlock the commercial potential of its MDMA-inspired drug development program, helping reinforce Emyria's position as a leader in mental health innovation.

Emyria's Managing Director, Dr. Michael Winlo, *"Q1 FY25 was pivotal as we reduced operating cash outflows by 25%, supported by the strategic closure of a loss-making clinical service and allowing us to focus resources on high-demand areas, such as Empax Centre which saw a 41% increase in visits this quarter. Further benefits are expected to flow through in future quarters as we scale.*

"Positive interim results from our MDMA-AT program is supporting payer discussions and our partnership with a major mental health hospital expands our capacity to deliver our therapies and meet demand. We also advanced our partnership with UWA with a major grant to support MDMA-inspired drug discovery and are anticipating a $1.4 million R&D Tax Incentive refund in November, positioning us for broader impact in mental health care."

References:

1. https://psychedelicinvest.com/psyence-biomed-announces-recruitment-of-second-clinical-trial-site-for-ongoing-phase-iib-clinical-trial-of-nature-derived-psilocybin-for-adjustment-disorder-in-palliative-care/
2. See ASX release 02 September 2024

This release has been approved by the Board of Emyria.

FOR FURTHER INFORMATION

Managing Director
Michael Winlo
+61 (0) 8 6559 2800
mwinlo@emyria.com

Media Contact
Haley Chartres
+61 (0) 423 139 163
haley@hck.digital

Corporate Advisor
Sufian Ahmed
+61 (0) 412 316 162
info@62capital.com.au

emyria.com

Emyria Limited develops and delivers new treatments for mental health and select neurological conditions through through an integrated model of direct clinical services and drug development:

generates

informs

Emyria Healthcare: Evidence-based treatment for patients not finding relief from conventional care while also helping evaluate emerging new therapies like MDMA-assisted therapy for PTSD

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

Emyria's Pipeline: New psychedelic-assisted therapies and drug treatments for mental health and select neurological diseases.

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.

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.

Risks associated with the use of Psilocybin and MDMA

All medicines carry risks and specialist prescribers, such as registered psychiatrists, are best placed to assess the suitability of a new medication against a patient's individual circumstances and medical history before proceeding. Adverse effects of psilocybin can include temporary increase in blood pressure and a raised heart rate. Adverse effects of MDMA include high blood pressure, increased pulse rate, faintness, and panic attacks, and in some rare cases it can cause loss of consciousness or trigger seizures. Other side effects include involuntary jaw clenching, decreased appetite, restless legs, nausea, headache, sweating and muscle/joint stiffness. These effects of psilocybin and MDMA are unlikely at low doses in the treatment regimens used in psychedelic-assisted psychotherapy while appropriately managed in a controlled environment with direct medical supervision.

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	30 September 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	424	424
1.2	Payments for		
	(a) research and development (note 6)	(264)	(264)
	(b) product manufacturing and operating costs	(293)	(293)
	(c) advertising and marketing	(61)	(61)
	(d) leased assets	(30)	(30)
	(e) staff costs	(586)	(586)
	(f) administration and corporate costs	(429)	(429)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (R&D tax refund)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,238)**	**(1,238)**

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

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	1	1
	(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	Withdraw of term deposits	33	33
2.6	**Net cash from / (used in) investing activities**	**33**	**33**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	320	320
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	-	-
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 – repayment of lease liabilities	(35)	(35)
3.10	**Net cash from / (used in) financing activities**	**285**	**285**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,566	1,566
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,238)	(1,238)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	33	33

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	285	285
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**646**	**646**

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	646	1,566
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)**	**646**	**1,566**

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	138
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** *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	786	786
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.

In April 2024, the company finalised a loan facility with Radium Capital secured against its eligible R&D expenditure for the current year. The loan is for $786,500, interest rate at 15% per annum and with a maturity date of 31 December 2024.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,238)
8.2	Cash and cash equivalents at quarter end (item 4.6)	646
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	646
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.5

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:

The Company expects to see improved operating cash flows as the closure of the loss-making Emerald Clinics in late August is beginning to yield savings in staffing and infrastructure costs—realised for only two of the three months this quarter. These cost savings will be complemented by increasing service revenue from the Empax Centre's growing activity levels and anticipated revenue from upcoming clinical trials, positioning the entity for improved cash flow performance in future quarters.

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:

The Company anticipates an R&D Tax Incentive refund of $1,461,770, based on estimates from its tax advisors, with approximately $640,000 expected in net cash after the Radium Loan is repaid.

If required, the Directors are committed to securing funding on the most favourable terms, factoring in expected service revenues. The Company also benefits from a strong history of successful capital raises, backed by its long-term broker, who is ready to assist with financing if required and the Company has full placement capacity under Listing Rules 7.1 and 7.1A, providing flexibility to pursue strategic funding options as needed.

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 expected growth in clinical services revenues, the anticipated R&D refund and the Company's track-record and readiness to raise funds via further Placements, if and when required.

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: 30 October 2024

Authorised by: By the Board