

19 December 2024

ASX Announcement

Consulting Agreement Extended to Grow Asia Sales and Partnerships

Firebrick Pharma Limited (ASX:FRE) (Firebrick, Company) is pleased to announce that it has executed a six-month extension to the consulting agreement with Keith Shortall (announcement 9 September 2024) aimed at driving Nasodine sales in Singapore over the next six months and pursuing partnership opportunities elsewhere in Asia.

The extension to the consulting Agreement (**Extended Agreement**) commences 1 January 2025 and expires 30 June 2025 (**Extended Term**), unless further extended by mutual agreement. During the Extended Term and in addition to his consulting fees, Mr Shortall will receive a grant of 1.5 million share options in the Company (**Options**).

The Options have an exercise price of \$0.09 (nine cents) and if vested but not exercised, will lapse 3 years from the date of issue. Using Black-Scholes methodology, the options have been valued at \$36,030. The Options will vest upon achievement of both of the following performance milestones:

- (a) Singapore sales reaching or exceeding the Company's unit sales budget for the six-month period from 1 January 2025 to 30 June 2025; and
- (b) An agreement signed by 30 June 2025 with a partner in another Asian country to launch Nasodine in that country.

The Terms and Conditions of the Options are attached.

This announcement was authorised for release by Dr Peter Molloy, Executive Chairman of Firebrick Pharma.

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About Firebrick (ASX:FRE)

Firebrick Pharma is a pharmaceutical innovator developing and commercialising novel formulations and uses of povidone-iodine (PVP-I). The Company has developed and is now commercialising Nasodine® Nasal Spray (0.5% PVP-I) and has several other products in development. Firebrick recently introduced Nasodine in the United States and Singapore.

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Annexure A - Options Terms and Conditions

The following terms and conditions apply to the Options:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) upon exercise of the Option.
2. **(Issue Price)**: The Options will be issued for nil consideration.
3. **(Exercise Price)**: Subject to the terms and conditions set out below, the amount payable upon exercise of each Option will be \$0.09 (nine cents).
4. **(Expiry Date)**: Each Option will expire at 5:00pm (WST) on the date that is three years from the date of issue of the Options. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Vesting)**: Vesting of the options will be subject to achieving the following performance milestones:
 - (a) Singapore sales reaching or exceeding the Company's unit sales budget for the six-month period from 1 January 2025 to 30 June 2025; and
 - (b) An agreement signed by 30 June 2025 with a partner in another Asian country to launch Nasodine in that country.
7. **(Quotation of the Options)**: Unless the Board determines otherwise, the Options will be unquoted.
8. **(Transferability of the Options)**: The Options are not transferable until after the period of 12 months from issue and only if they have vested.
9. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
10. **(Shares issued on exercise)**: Shares issued on exercise of the Options rank equally with the then Shares of the Company.
11. **(Quotation of Shares on exercise)**: Application will be made by the Company to ASX, on the business day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.
12. **(Timing of issue of Shares)**: Within 10 business days after the later of the following:
 - (a) valid exercise of an Option; and
 - (b) if paragraph 12(d) applies, when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (c) issue the Shares pursuant to the exercise of the Options;
 - (d) if required and subject to paragraph 13, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (e) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.
13. **(Restriction on transfer of Shares):** If the Company is unable to deliver a notice under paragraph 12(d) (to the extent required) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where this clause applies, any Shares issued on exercise of Options will be subject to a holding lock until the earlier of such time as a prospectus is issued by the Company or 12 months from the date of issue of the Shares.
14. **(Dividend and voting rights):** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be the minimum number of business days required by ASX (from time to time) after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
16. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
17. **(Adjustment for entitlements issue):** If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 18 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.
18. **(Adjustments for reorganisation):** In the event that the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Options will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.