Appendix 4D

Half-yearly report

Emyria Limited

ABN 96 625 085 734

1. Company details

Name of entity:	Emyria Limited
ABN:	96 625 085 734
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

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2. Results for announcement to the market

	31 Dec 2022	31 Dec 2021	% change
Revenues from ordinary activities	732,148	1,944,585	(62.3%)
Loss from continuing operations after tax attributable to the owners of Emyria Limited	(3,972,269)	(3,664,434)	(8.4%)
Loss for the half-year attributable to the owners of Emyria Limited	(3,972,269)	(3,666,809)	(8.4%)

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3. Net tangible assets per security

	31 Dec 2022 Cents	31 Dec 2021 Cents
Net tangible (liability)/asset per ordinary security	0.37	3.08

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4. Dividends

No dividends were paid during the current or previous financial years and no dividends have been declared subsequent to the financial year end and up to the date of this report.

5. Dividend reinvestment plans

There are no dividend or distribution reinvestment plans in operation.

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6. Foreign entities

Not applicable.

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7. Gain or loss of control over entities

There were no entities over which control was gained or lost during the half-year ended 31 December 2022.

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8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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9. Attachments

Details of attachments (if any):

The Interim Report of Emyria Limited for the half-year ended 31 December 2022 is attached.

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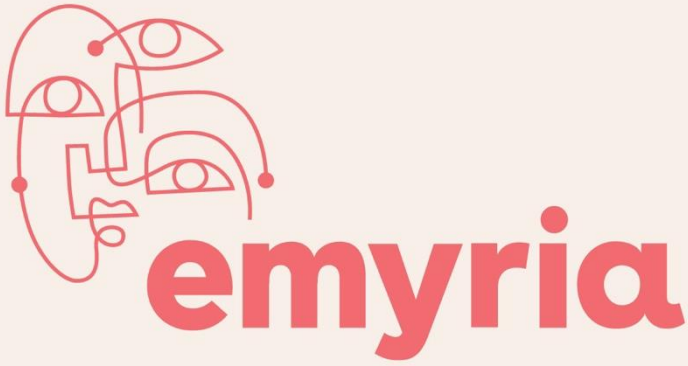
10. Signed



Michael Winlo
Managing Director
Perth
Date: 24 February 2023



HALF YEAR END FINANCIAL REPORT

Emyria Pty Ltd ABN 96 625 085 734

31 December 2022

HALF YEAR-END FINANCIAL REPORT
31 DECEMBER 2022

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CORPORATE DIRECTORY

Directors

Dr Stewart Washer	*Executive Chairman*
Dr Michael Winlo	*Managing Director*
Dr Alistair Vickery	*Executive Director*
Dr Karen Smith	*Executive Director*
Mr Matthew Callahan	*Non-Executive Director*
Professor Sir John Tooke	*Non-Executive Director*

Company Secretary

Simon Robertson

Principal and Registered Office

D2, 661 Newcastle St
Leederville, Western Australia 6007
Telephone: 1300 436 363
Website: emyria.com

Auditor

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

Share Registry

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

Securities Exchange Listing

Emyria Limited shares are listed on the Australian Securities Exchange

ASX Code

EMD - ordinary shares

The Directors of Emyria Limited present their report on Emyria Limited ("Company" or "Emyria") and the entities it controlled ("Consolidated Entity" or "Group") at the end of, or during, the half year ended 31 December 2022.

Directors

The names and details of the Directors in office during the half year ended 31 December 2022 and until the date of this financial report are as follows. The Directors were in office for the entire period unless otherwise stated.

Dr Stewart Washer
Dr Michael Winlo
Dr Alistair Vickery
Dr Karen Smith
Mr Matthew Callahan
Professor Sir John Tooke

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.

REVIEW OF OPERATIONS

Operating Result

The loss from continuing operations for the half year ended 31 December 2022 after providing for income tax amounted to $3,972,269 (2021: $3,664,634). Emyria recognises the Research & Development Tax Refund of $2,089,732 for the prior year upon receipt in accordance with its accounting policy. The amount was received in January 2023.

Key Highlights:

- **Cash position of $2.7m** (30 June 2022: $3.9m), a decrease of $1.2m compared to 30 June 2022 and included a capital raise of $3m
- **Intangible assets of $4.2m** (30 June 2022: $2.9m) represent an increase in investments in core drug development.
- **Operating sales of $0.7m** representing a decrease of 6% on prior half year (31 December 2021: $0.8m) primarily relating to a reduction in revenue for the clinics.
- **Loss after income tax of $4.0m** representing an increase in loss of 8% on prior half year (31 December 2021: $3.7m) and primarily relates to the R&D refund received after the balance sheet date and a reduction in the options-based incentives to $299,335 (31 December 2021: $1,155,401).

Review of Operations *(continued)*

Accelerating biopharmaceutical development with Real-World Data

Emyria applies in-house drug development expertise, and proprietary Real-World Evidence gathered from its clinical service, to accelerate the development and registration of two broad biopharmaceutical drug classes:

- Ultra-Pure cannabidiol-based medical treatments (CBMTs) and;
- MDMA ('ecstasy') analogues

EMYRIA'S ULTRA-PURE CANNABINOID PROGRAMS

Emyria's CBMT development program leverages the Group's **proprietary Real-World Evidence (RWE)** to identify specific dose responses, for specific indications, in specific patient populations.

Emyria's RWE is gathered with thousands of patients receiving care via Emyria's national clinical subsidiary, **Emerald Clinics**. Each patient is receiving CBMT for a variety of unmet medical needs.

EMD-RX5: Emyria's first Ultra-Pure Capsule CBD Medication.
in Phase 3 trials for an over-the-counter registration with the TGA

EMD-RX5 is a novel, capsule formulation of Ultra-Pure, synthetic (non-plant derived) cannabidiol and entered Phase 3 clinical trials at the end of 2022 to support its registration as an "over-the-counter" treatment for mild stress and anxiety in patients with chronic pain.

In Australia, most unregistered CBD medicines are botanicals that can contain small quantities of many other cannabinoids, including the psychoactive compound THC – but Ultra-Pure CBD contains no detectable THC.

By using Ultra-Pure CBD, EMD-RX5 has a purity profile that could support additional registrations in new indications and new geographies where strict purity is required, like the FDA.

Further, Ultra-Pure CBD is more sustainable and environmentally friendly to manufacture compared to plant-derived alternatives.

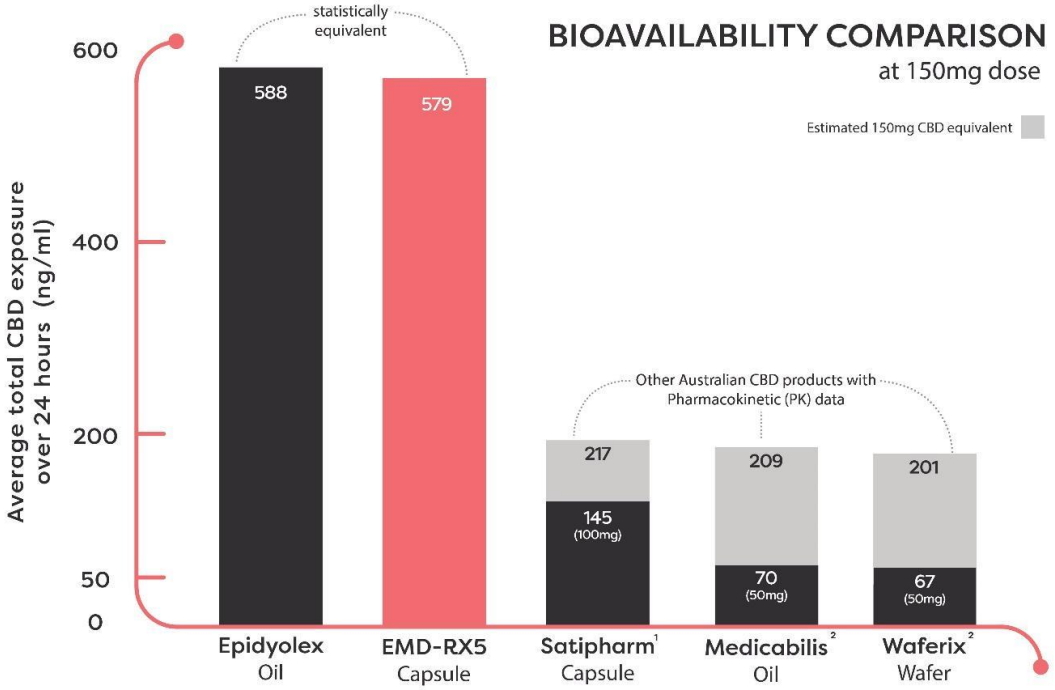
Accelerated Progress to a Phase 3 Clinical Trial

In May 2022, EMD-RX5 demonstrated excellent safety and efficacy results in Phase 1 Clinical Trials.

The pharmacokinetic (PK) crossover study with Epidyolex®, the only TGA and FDA-registered CBD medicine, showed that EMD-RX5 delivered:

- ○ excellent safety and tolerability with no gastrointestinal upset or adverse events of concern at a test dose of 150mg
- ○ equivalent bioavailability and less variability
- ○ higher CBD exposures 3 to 8 hours after dosing, indicating EMD-RX5 provides more predictable drug exposure over time; suited for non-acute indications and supporting a preferred once - twice daily dosing regime

Review of Operations *(continued)*



Following the Phase 1 Clinical Trial, Emyria:

- Received ethics approval for a Phase 3 Clinical Trial (August 2022)
- Expanded clinical trial sites for the P3 Clinical Trial (September 2022)
- And began recruitment for the trial, for which dosing commenced in early 2023

Target indication: psychological distress

Emyria's first target indication for EMD-RX5 is the symptoms of psychological distress, which was selected after analysing more than 500 patients receiving > 6 months treatment with low-dose CBMT.

Psychological distress refers to non-specific symptoms of anxiety, depression and stress which affects ~15% of adults but with an increasing global prevalence. Psychological distress is more prevalent in patients with chronic disease and can affect sleep quality and bowel habits.

Current treatments may include monitoring, psychotherapy or prescription medications but, despite its high and growing prevalence, there is currently no registered over-the-counter (OTC) treatment for psychological distress.

A registered, safe and effective OTC treatment for psychological distress could address a large, unmet patient need.

Review of Operations *(continued)*

Advancing Ultra-Pure CBD medicines
Emyria is also advancing a highly bioavailable formulation of Ultra-Pure CBD (EMD-RX7) for prescription-strength doses of CBD.

Emyria will focus its EMD-RX7 cannabinoid program on US-FDA registration pathways.

Emyria accepted into selective US National Institutes of Health Program

Emyria has been accepted into the NIH HEAL Initiative® National Institute of Neurological Disorders and Stroke (NINDS) Preclinical Screening Platform for Pain (PSPP) program.

NINDS is part of the U.S. National Institutes of Health (NIH), and the leading funder of neurological research in the USA.

PSPP is a fully-funded, tiered preclinical screening program that will evaluate Emyria's proprietary, prescription-strength formulations of Ultra-Pure cannabinoids for suitability as treatments for pain.

MDMA ('ECSTASY') NOVEL ANALOGUE GENERATION AND DRUG DISCOVERY PIPELINE

Emyria has exclusive access to a world-class library of over 140 MDMA analogues (and growing). The library was developed over 10 years by Dr Matt Piggott at the University of Western Australia (UWA).

Each MDMA analogue molecule is structurally similar to -3,4 Methylenedioxy-methamphetamine (MDMA; ecstasy) but systematically adjusted to have unique biochemical properties. Emyria's MDMA-inspired drug discovery program is focused on revealing novel small molecules that have the potential to become registered treatments:

- Novel chemical entities, therefore strong patent protection
- Small molecules with a high propensity to cross the blood-brain barrier (therefore, potentially suitable as:
    - Next-generation psychedelic-assisted therapies
    - Treatments for neurological disorders
- Stable salts at room temperature with long shelf-life suggesting good stability and portability

As a holder of an exclusive option, Emyria leads the strategic screening and patent strategy program for each compound.

An initial set of **5** priority compounds was sent to PsychoGenics in October 2022 to commence advanced clinical screening.

MDMA-assisted therapy

Emyria had been continuing to explore avenues for MDMA-assisted therapy care models that could also generate Real-World Evidence.

Review of Operations *(continued)*

TGA Rescheduling Decision re: MDMA and PTSD *(Post reporting period)*

Despite an increasing interest in the use of **MDMA to assist psychotherapy**, researching MDMA and related compounds has previously been very difficult due to the legal status of MDMA (prohibited substance). **In February of 2023, the TGA made the decision to reschedule MDMA to a Schedule 8 'controlled substance'.** This significant regulatory change opens up a pathway to registration and reimbursement for MDMA and its analogues.

The decision enables UWA to advance its work on MDMA analogues with fewer restrictions and removes some of the constraints around conducting clinical trials of MDMA in Australia. Emyria continues to explore opportunities to develop additional novel psychedelic therapies which may complement its existing portfolio.

Growing clinical engagement across Australia

Emerald Clinics' doctors continue to provide in-depth, long-term, individualised care for unresolved patient conditions. Our model ensures each patient receives attentive, personalised care and also assists us to complete our comprehensive set of validated clinical assessments which contribute to our Emyria Data asset. Patient demand for our clinical services continued to grow.

In December, after a landlord request for early lease termination, Emyria was compensated to leave our Sydney premises. Emyria will be supporting its Sydney-based patients via telehealth appointments while we consider alternative options in New South Wales.

Corporate

In October, Emyria completed a $3 million well-supported Placement completed to existing and new strategic investors:

- Follow-on $500k investment from Tattarang's Tenmile Ventures
- $1.0m cornerstone investment received from Lead Manager, Sixty Two Capital
- Emyria Directors have subscribed to participate $150k, subject to shareholder approval

Review and 2023 Outlook

Ultra-Pure CBD program - Phase 3 clinical trial progress and portfolio expansion

Emyria is advancing its Phase 3 clinical trial that will support registration of its proprietary, Ultra-Pure CBD pharmaceutical - EMD-RX5.

In parallel, Emyria is developing other, proprietary, prescription-strength Ultra-Pure cannabinoid formulations to address new indications as guided by Emyria's Real-World Evidence (RWE).

Emyria will continue to evaluate FDA pathways for both its current programs and additional indications using the Company's proprietary RWE for insights.

Review of Operations *(continued)*

MDMA analogue screening advancement and library expansion

In parallel, the company continues to pursue an extensive novel compound expansion, screening and animal model testing program of its MDMA analogue library with partners the University of Western Australia. The goal of this program is to identify families of compounds with potential to become treatments for major mental health illnesses and neurological disorders. US pre-clinical studies have commenced and 140 compounds have been sent for safety screening, with 125 successfully screened.

Psychedelic-assisted therapy evidence generation

Emyria is scoping how to extend its evidence-generating care model into the field of psychedelic-assisted therapies to help develop scalable and evidence-based psychedelic-assisted therapy programs targeting major mental health illnesses.

As of February 2023, this program was being accelerated in the wake of the TGA's decision to reschedule MDMA for the treatment of PTSD.

Dividends

No dividends were paid or proposed to be paid to members during the half year ended 31 December 2022 (31 December 2021: nil).

Significant Changes in the State of Affairs

Ultra-pure cannabinoid biopharmaceutical development

On 16 August, Emyria received ethics approval to conduct a Phase 3 Clinical Trial of EMD-RX5.

On 19 August, Emyria expanded the clinical sites for its EMD-RX5 Phase 3 Clinical Trial.

In December, recruitment for the Phase 3 clinical trial commenced.

Novel MDMA analogue development

On 18 July, Emyria expanded its drug candidate library of MDMA-inspired compounds, by 19 new compounds, bringing the total to over 125.

On 4 August, Emyria engaged the Institute of Respiratory Health to conduct preclinical studies of Emyria's MDMA-inspired compounds for 'anti-fibrosis' effects.

On 18 August, Emyria received positive results for all 19 new compounds sent for safety screening in July.

On 19 September, Emyria engaged PsychoGenics, a leader in AI-enabled drug discovery to help advance our MDMA-Inspired New Drug Discovery program.

On 18 October, Emyria and UWA sent a fourth batch of 14 compounds for safety screening by Eurofins.

Corporate

On 7 October, accepted into the NIH HEAL Initiative® National Institute of Neurological Disorders and Stroke (NINDS) Preclinical Screening Platform for Pain (PSPP) program.

On 31 October, Emyria completed a $3 million well-supported Placement completed to existing and new strategic investors.

Review of Operations *(continued)*

After Balance Date Events

On 11 January 2023, the Company received the Research & Development tax refund for $2,089,732.

Apart for the above, there has been no matter or circumstance that has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operation

The Group will focus on advancing its business interests which comprise:

- developing and registering ultra-pure cannabinoid-based biopharmaceuticals for patients with unmet needs as guided by Emyria's proprietary Real-World Evidence (RWE);
- screening and expanding a proprietary library of MDMA analogues as potential next-generation psychedelic-assisted therapies and treatments for neurological disorders;
- seeking registration for leading drug development programs in major global jurisdictions like the US (FDA) and Australia (TGA);
- capturing ethically sourced, high-quality clinical data with patients to transform the way novel therapies are understood and researched; and
- continuing to deliver clinical services for patients across Australia.

The Group will also combine its proprietary data with other health records and published information to generate actionable evidence for physicians, drug developers, research groups and government departments.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of *the Corporations Act 2001* is set out on page 27 of the interim financial report.

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

Michael Winlo

Michael Winlo
Managing Director
Perth
24 February 2023

emyria

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

		31 December 2022	31 December 2021
		$	$
Revenue			
Sales		732,148	782,450
Operating costs		(1,201,010)	(1,200,348)
Gross profit		**(468,862)**	**(417,898)**
Other Revenue			
Interest and other income		129,023	87,758
Research and development grant received		-	1,162,135
Total other revenue		**129,023**	**1,249,893**
Expenses			
Research and development expenses		(945,781)	(942,376)
Employee wages and director fees		(948,796)	(1,203,718)
Corporate compliance costs		(384,029)	(233,552)
Other expenses		(759,869)	(699,137)
Finance costs		(75,411)	(43,323)
Share based payments	9	(299,335)	(1,155,401)
Depreciation and amortisation expense		(219,209)	(219,122)
Total Expenses		**(3,632,430)**	**(4,496,629)**
(Loss) before income tax		**(3,972,269)**	**(3,664,634)**
Income tax expense		-	-
(Loss) for the period		**(3,972,269)**	**(3,664,634)**
Other comprehensive loss for the half year			
Items that may be classified to profit or loss			
Exchange differences on translation of foreign operations		-	(2,175)
Total Comprehensive (loss) for the period attributable to the members of Emyria Limited		**(3,972,269)**	**(3,666,809)**
(Loss) per share for the period attributable to the Members of Emyria Limited			
		Cents	**Cents**
Basic loss per share	14	(1.43)	(1.42)
Diluted loss per share	14	(1.43)	(1.42)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	Notes	31 December 2022 $	30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents		2,722,891	3,879,469
Trade and other receivables	2	24,846	87,487
Other current assets		32,140	148,246
TOTAL CURRENT ASSETS		**2,779,877**	**4,115,202**
NON-CURRENT ASSETS			
Restricted cash		161,302	161,302
Right-of-use assets	3	470,554	737,419
Property, plant and equipment	4	287,476	339,007
Intangible assets	5	4,253,409	2,894,905
TOTAL NON-CURRENT ASSETS		**5,172,741**	**4,132,633**
TOTAL ASSETS		**7,952,618**	**8,247,836**
CURRENT LIABILITIES			
Trade and other payables		1,020,773	988,889
Provisions		213,594	197,386
Borrowings		847,768	-
Lease liabilities	6	208,825	268,887
TOTAL CURRENT LIABILITIES		**2,290,960**	**1,455,162**
NON-CURRENT LIABILITIES			
Make good provision		81,000	107,000
Lease liabilities	6	251,735	363,816
TOTAL NON-CURRENT LIABILTIES		**332,735**	**470,816**
TOTAL LIABILITIES		**2,623,695**	**1,925,978**
NET ASSETS		**5,328,923**	**6,321,857**
EQUITY			
Share capital	7	27,303,905	24,637,314
Reserves	8	2,284,311	1,971,567
Accumulated losses		(24,259,293)	(20,287,024)
TOTAL EQUITY		**5,328,923**	**6,321,857**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Attributable to equity holders of the Group	Notes	Contributed equity	Reserves	Accumulated losses	Total
Balance at 1 July 2022		**24,637,314**	**1,971,567**	**(20,287,024)**	**6,321,857**
(Loss) after income tax for the half year		-	-	(3,972,269)	**(3,972,269)**
Other comprehensive income		-	-	-	**-**
Total comprehensive loss for the period				(3,972,269)	**(3,972,269)**
Proceeds from issued capital		2,851,027	-	-	**2,851,027**
Transaction costs from issued capital		(184,436)	14,436	-	**(170,000)**
Issue of share-based payments	8	-	298,308	-	**298,308**
Balance at 31 December 2022		**27,303,905**	**2,284,311**	**(24,259,293)**	**5,328,923**

Attributable to equity holders of the Group	Contributed equity	Reserves	Accumulated losses	Total
Balance at 1 July 2021	**19,310,804**	**826,746**	**(12,959,333)**	**7,178,217**
(Loss) after income tax for the half year	-	-	(3,664,634)	**(3,664,634)**
Other comprehensive income	-	-	(2,175)	**(2,175)**
Total comprehensive loss for the period	-	-	(3,666,809)	**(3,666,809)**
Proceeds from issued capital	5,318,666	-	-	**5,318,666**
Issue of share-based payments	8 -	1,069,331	-	**1,069,331**
Balance at 31 December 2021	**24,629,470**	**1,896,077**	**(16,626,142)**	**9,899,405**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 $	31 December 2021 $
Cash flows from operating activities			
Receipts from customers		936,534	848,360
Cash paid to suppliers and employees		(4,102,783)	(4,149,622)
Interest received		6,736	8,943
Interest and other finance costs paid		(17,123)	(28,830)
R&D tax incentive refund received		-	1,162,135
Net cash (used in) operating activities		**(3,176,636)**	**(2,159,014)**
Cash flows from investing activities			
Payments for property, plant and equipment	4	(11,455)	(28,949)
Payments for intangible assets		(1,304,794)	(553,190)
Net cash (used in) investing activities		**(1,316,249)**	**(582,139)**
Cash flows from financing activities			
Proceeds from issue of shares and exercise of options	7	2,850,000	5,031,833
Transaction costs paid from the issue of shares		(170,000)	-
Proceeds from Borrowings		800,000	-
Repayment of lease liabilities		(142,678)	(131,409)
Net receipts for cash backed guarantees		-	562
Net cash provided by financing activities		**3,337,322**	**4,900,986**
Net increase in cash and cash equivalents		(1,155,563)	2,159,833
Effects of exchange rate changes on cash and cash equivalents		(1,015)	571
Cash and cash equivalents at 1 July		3,879,469	6,528,926
Cash and cash equivalents at 31 December		**2,722,891**	**8,689,330**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Emyria Limited is a listed public Company limited by shares and incorporated in Australia. The nature of operations and principal activities of the Company and its controlled entities are described in the Directors' Report.

Statement of Compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position, financing and investing activities of the Group as the full financial report. Accordingly, this half-year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made during the following half-year.

For the purpose of preparing the interim financial statements, the half year has been treated as a discrete reporting period.

The consolidated half-year financial report was approved by the Board of Directors on 24 February 2023.

Basis of preparation

The consolidated general-purpose financial statements have been prepared on the basis of historical cost modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2022.

Going concern

As of 31 December 2022, the Group had net working capital surplus of $488,918 (31 Dec 2021: $7,855,385) and cash balance of $2,722,891 (31 Dec 2021: $8,689,330). The company received the R&D Tax Incentive in January 2023 for $2,089,732 in relation to the 2022 financial year.

The Group did not have any capital commitments of as of 31 December 2022 with the exception of the commitments outlined in note 12.

The Directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements and 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. Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions and shareholder support, in particular:

Going concern (continued)

- Receipt of the R&D Tax Incentive in January 2023 for $2,089,732
- 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 are satisfied they will be able to raise additional funds as required and thus it is appropriate to prepare the consolidated financial statements on a going concern basis. 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.

The 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.

Impact of standards issued but not yet applied by the entity

There were no new standards issued since 30 June 2022 that have been applied by the Group. The 30 June 2022 annual report disclosed that the Group anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2022.

Use of estimates and judgements

The preparation of the half year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense.

The judgements, estimates and assumptions applied in the half year financial report, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2022.

NOTE 2. TRADE AND OTHER RECEIVABLES

Current	31 December 2022 $	30 June 2022 $
Trade receivables	24,846	28,423
GST receivables, net	-	59,064
	24,846	**87,487**

Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value. The Group measures its trade and other receivables at amortised cost. None of these are past due or impaired.

The Group applies the simplified approach in providing for expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience and analysis of the debtors' current financial position. There has been no change in the estimation process used during the current financial period.

NOTE 3. RIGHT-OF-USE ("ROU") ASSETS

The Group's lease portfolio includes clinic leases which carries an average term of 4 years.

(a) Carrying value

	31 December 2022 $	30 June 2022 $
Balance at beginning of period	1,296,048	1,296,048
Accumulated depreciation	(495,928)	(558,629)
Lease modification (cost)	(329,566)	-
Balance at end of period	**470,554**	**737,419**

Reconciliation

	$	$
Net carrying amount as at beginning of period	737,419	880,589
Add: leases entered into during the period	-	160,958
Less: lease modified*	(151,051)	(108,020)
Depreciation expense during the half-year period	(115,814)	(196,108)
Net carrying amount end of period	**470,554**	**737,419**

***** The Group, at the request of the landlord, terminated the lease of its Sydney clinic (refer to Note 6). The Group received $200,000 as settlement upon termination.

NOTE 3. RIGHT-OF-USE ("ROU") ASSETS (CONTINUED)

	31 December 2022 $	30 June 2022 $
Carrying value of the ROU asset as at 31 December 2021	151,051	-
Less Lease liability (note 6)	(46,588)	-
Less Make good provision	(26,000)	-
Less: Settlement on termination	(200,000)	-
Other income – gain on modification of lease	**121,537**	**-**

(b) AASB 16 related amounts recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income

	31 December 2022 $	31 December 2021 $
Interest expense for the half-year ended 31 December	(17,123)	(28,830)
Gain on modification of lease	121,537	78,837
Depreciation	(115,814)	(124,101)

(c) Total half-yearly cash outflows for leases

	31 December 2022 $	31 December 2021 $
Repayment of lease liabilities	(142,678)	(131,409)

(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.

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

	31 December 2022 $	30 June 2022 $
Leasehold Improvements		
At cost	672,382	672,383
Accumulated Depreciation	(438,733)	(390,694)
	233,649	**281,689**
Computer, office furniture and equipment		
At cost	145,961	134,506
Accumulated depreciation	(92,134)	(77,188)
	53,827	**57,318**
Total		
At cost	818,343	806,889
Accumulated depreciation	(530,867)	(467,882)
	287,476	**339,007**

	31 December 2022 $	30 June 2022 $
Reconciliation		
Leasehold Improvements		
Carrying amount at beginning of the period	281,689	365,564
Additions	-	11,134
Depreciation	(48,040)	(95,009)
Carrying amount at the period	**233,649**	**281,689**
Computer, office furniture and equipment		
Carrying amount at beginning of the period	57,318	33,982
Additions	11,454	41,714
Depreciation	(14,945)	(18,378)
Carrying amount at the end of the period	**53,827**	**57,318**
Total		
Carrying amount at beginning of the period	339,007	399,546
Additions	11,454	52,848
Depreciation	(62,985)	(113,387)
Carrying amount at the end of the period	**287,476**	**339,007**

NOTE 5. INTANGIBLE ASSETS

	31 December 2022 $	30 June 2022 $
At Cost	4,443,469	3,044,556
Accumulated Depreciation	(190,060)	(149,651)
	4,253,409	**2,894,905**

NOTE 5. INTANGIBLE ASSETS (CONTINUED)

	Software	Development costs	Patents & trademarks	Total
Balance at 1 July 2022	82,751	2,754,912	57,242	2,894,905
Additions	-	-	-	-
Additions from internal development		1,398,914	-	1,398,914
Amortisation	(19,143)	(21,267)	-	(40,410)
Balance at 31 December 2022	**63,608**	**4,132,559**	**57,242**	**4,253,409**

	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	78,492	653,590	-	732,082
Amortisation	(40,410)	-	-	(40,410)
Balance at 31 December 2021	**158,807**	**1,213,103**	**57,242**	**1,429,152**

NOTE 6. LEASE LIABILITIES

The carrying value and amortisation of the Group's lease liabilities are as follows:

	31 December 2022 $	30 June 2022 $
Current portion	208,825	268,887
Non-current portion	251,735	363,816
	460,560	**632,703**

Reconciliation

Premises	**$**	**$**
Balance at beginning of period	632,703	949,699
Add: leases entered into during the period	-	128,918
Less: Principal repayments	(142,678)	(232,701)
Less: leases modified (note i)	(46,588)	(255,460)
Add: unwinding interest expense on lease liability	17,123	42,247
Balance at end of period/year	**460,560**	**632,703**

Note i: In November 2022, the Company signed a deed of termination at the request of the landlord for one of its clinic leases. The lease was initially accounted for 5 years and in November 2022, it was agreed that the lease will end by 1 March 2023. The carrying value of the lease liability of $46,588 has been written off.

NOTE 7. SHARE CAPITAL

	31 December 2022 No of	31 December 2022	30 June 2022 No of Shares	30 June 2022
Ordinary shares fully paid	**290,849,314**	**27,303,905**	**275,002,469**	**24,637,314**
Ordinary shares fully paid				
Balance at beginning of period/year	275,002,469	24,637,314	254,091,857	11,751,953
Shares issued at $0.25 per share	-	-	20,000,000	5,000,000
Shares issued on exercise of options	-	-	360,612	125,760
Shares issued to a Director	-	-	550,000	200,750
Shares issued at $0.18 per share (1)	15,833,333	2,850,000	-	-
Shares issued on exercise of options (2)	13,512	1,027	-	-
Capital transaction costs (3)	-	(184,436)	-	-
Balance at period/year	**290,849,314**	**27,303,905**	**275,002,469**	**24,637,314**

Note 1: On 31 October, Emyria completed a placement to raise $3,000,000, of which the directors subscribed for $150,000 which was subject to shareholder approval which was received in January 2023. Emyria issued 15,833,333 shares at $0.18 per share. In addition, Emyria issued 7,916,661 unlisted attaching options (Options) on the basis of 1 new Option for 2 new shares. The Options have an exercise price of $0.35 and an expiry date of 22 November 2025.

Note 2: This includes the issue of 13,512 shares on exercise of options by staff which were subject to a cashless exercise facility. The adjustment for the cashless facility was $1,027. No cash was received on exercise of the options.

Note 3: This includes value of 2,000,000 options issued to lead manager in relation to placement completed in November 2023.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 8. RESERVES

	31 December 2022 $	30 June 2022 $
Share based payments reserve		
Balance at beginning of period / year	1,971,567	826,746
Share based payments	311,717	1,230,892
Cashless exercise adjustment	1,027	(86,071)
Balance at end of period / year	**2,284,311**	**1,971,567**

NOTE 9. SHARE BASED PAYMENTS

The following share-based payments arrangements were issued during the reporting period:

Options

Options Series	Number	Grant Date	Expiry Date	Exercise Price $	Fair value at Grant Date $
(20) Issued on 17 Aug 2022	575,000	17/08/2022	16/08/2026	0.365	0.142
(21) Issued at 22 Nov 2022	2,000,000	22/11/2022	22/11/2025	0.350	0.092
(22) Issued at 24 Nov 2022	50,000	24/11/2022	16/08/2026	0.365	0.079
(23) Issued at 24 Nov 2022	3,000,000	24/11/2022	23/11/2026	0.296	0.114
(24) Issued at 24 Nov 2022	2,000,000	24/11/2022	23/11/2026	0.296	0.092

(20) The 575,000 options in series 20 where one third vests 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.

(21) The 2,000,000 options in series 21 which vested immediately on date of issue were issued as part settlement of corporate advisory fees under a mandate dated 28 October 2022.

(22) The 50,000 options in series 22 where one third vests 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.

(23) The 3,000,000 options in series 23 where one third vests 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 the managing director under the option terms and conditions issued by the Company and was subject to shareholder approval which was received in January 2023.

(24) The 2,000,000 options in series 24 where one third vests 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 Options granted during the half year ended 31 December 2022, were priced using a Black-Scholes option pricing model using the inputs below:

NOTE 9. SHARE BASED PAYMENTS (continued)

	Series 20	Series 21	Series 22	Series 23	Series 24
Grant date share price	$0.255	$0.185	$0.185	$0.185	$0.185
Exercise price	$0.365	0.350	$0.365	$0.296	0.296
Expected volatility	85%	80%	79%	86%	79%
Option life	4 years	3 years	3.7 years	4 years	4 years
Dividend yield	0%	0%	0%	0%	0%
Interest rate	3.10%	3.10%	3.10%	3.10%	3.10%

The total share-based payments expense required for the half-year ended 31 December 2022 was:

	31 December 2022 $	31 December 2021 $
Directors	172,079	-
Employees	126,076	220,098
Consultants and third parties	1,180	935,303
	299,335	**1,155,401**

NOTE 10. RELATED PARTY TRANSACTIONS

During the half year ended 31 December 2022, options were issued to the following Director:

	Issue Date	Number of Options	Consideration $
Director			
Michael Winlo	24/11/2022	3,000,000	nil
		3,000,000	**nil**

Other than as disclosed above and elsewhere in the financial report, there were no other related party transactions for the half year ended 31 December 2022.

NOTE 11. EVENTS OCCURRING AFTER THE REPORTING DATE

On 11 January 2023, the Company received the Research & Development tax refund for $2,089,732.

Apart for the above, there has been no matter or circumstance that has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

NOTE 12. COMMITMENTS AND CONTINGENCIES

At reporting date, the following commitments and contingencies were outstanding for the Group:

In May 2022, Emyria extended the exclusive research and option agreement with the University of Western Australia (original agreement signed August 2021) to develop a drug discovery pipeline of novel psychedelic therapies. The total amount per the amendment to the agreement was for up to $450,000 and the amount invoiced during the period was $225,000.

During the period, Emyria approved quotes and entered into agreements with third parties in relation to the phase III clinical trials for EMD-RX5, totalling $1,494,332 of which $513,392 had been invoiced prior to 31 December 2022.

There were no other commitments or contingent liabilities outstanding for the Group or the Company.

NOTE 13. 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 31 December 2022, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

NOTE 14. LOSS PER SHARE

	31 December 2022 $	31 December 2021 $
(a) Reconciliation of loss used in calculating Loss Per Share		
Basic loss per share		
Loss attributable to the ordinary equity holders used in calculating basic loss per share	**(3,972,269)**	**(3,664,634)**
(b) Weighted average number of shares used as the Denominator	**Number**	**Number**
Ordinary shares used as the denominator in calculating basic loss per share	278,360,210	258,243,142

	31 December 2022 Cents	31 December 2021 Cents
(c) Loss per share		
Basic loss per share	(1.43)	(1.42)
Diluted loss per share	(1.43)	(1.42)

There are no potential ordinary shares that are dilutive, therefore not included in the calculation of diluted loss per share.

NOTE 15. CONTROLLED ENTITIES

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	Australia	Ordinary	100%	100%
Emyria Data Management Pty Ltd	Australia	Ordinary	100%	100%
Emyria IP Holdings Pty Ltd	Australia	Ordinary	100%	100%
Openly Care Inc.	United States	Ordinary	100%	100%
Emyria UK Limited	United Kingdom	Ordinary	100%	100%

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The interim consolidated financial statements and condensed notes for the half-year ended 31 December 2022 as set out on pages 11 to 25 are in accordance with the Corporations Act 2001 and other professional reporting requirements including:

   (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

   (b) complying with Accounting Standard AASB 134: Interim Financial Reporting; and

   (c) complying with International Financial Reporting Standards as disclosed in Note 1.

2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Michael Winlo
Director
Perth
24 February 2023

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Australia

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24 February 2023

Board of Directors
Emyria Limited
D2, 661 Newcastle St
Leederville, Western Australia 6007

Dear Sirs

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 review of the financial statements of Emyria Limited for the half-year ended 31 December 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 review; and

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

Yours faithfully

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

Samir Tirodkar
Director

Stantons

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
EMYRIA LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Emyria Limited, which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Emyria Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Emyria Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 24 February 2023.

Material Uncertainty in Relation to Going Concern

As referred to in Note 1 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.

Responsibility of the Directors for the Financial Report

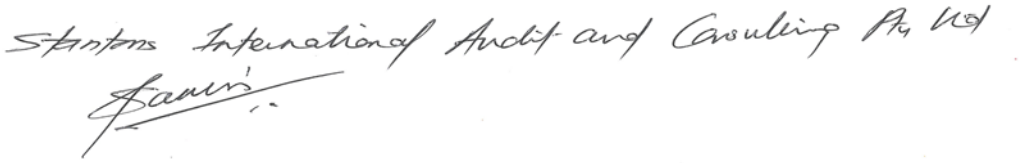
The directors of Emyria Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



Samir Tirodkar
Director

West Perth, Western Australia
24 February 2023