emyria

CARE DELIVERY

- **Patient Impact** Treated over 10,000 Patients
- **Expanded** Mental Health Footprint
- **Ready** For MDMA-Assisted Therapy

DRUG DEVELOPMENT

- **Grew** Novel MDMA Analogue Library
- **Advanced** Ultra-Pure CBD Capsules
- **Secured** First Commercial Partner

Annual Report 2023

2022 - 2023

WE ARE A clinical-stage biotech accelerating treatment development for unmet neuroscience and mental health needs.

We are...

A clinical-stage biotech accelerating treatment development for unmet medical needs.

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EMYRIA INVESTOR HUB

We invite you to get involved in our Investor Hub where you can interact with our news and updates as well as ask direct questions of the Emyria team.

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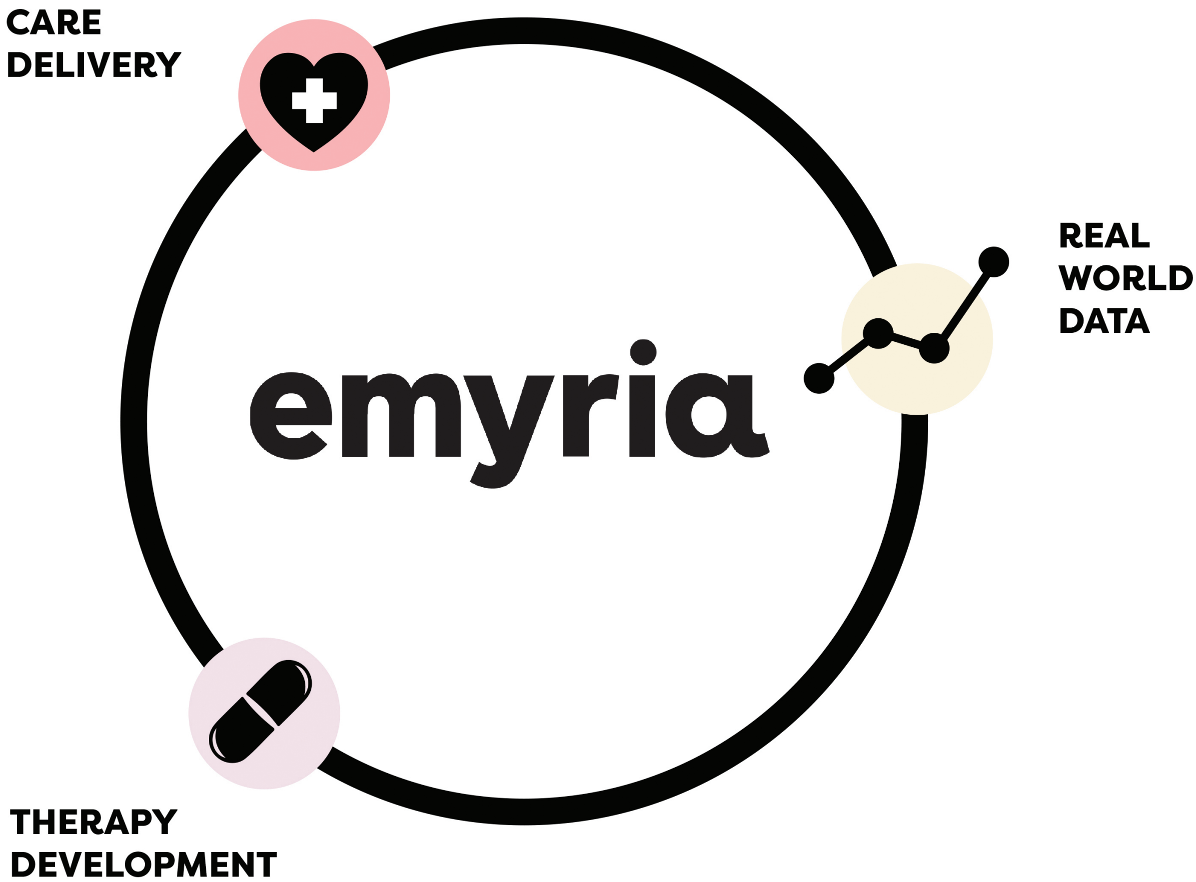

Creating *tomorrow's* therapies from *today's* patient stories

LETTER FROM THE CHAIRMAN

I am proud to present our Annual Report for 2023 and recap our year of accomplishments.

Guided by our foundational 3D model of Care Delivery, Data Collection, and Drug Development, we've made substantial progress in our drug development programs and responded to unique regulatory shifts in Australia by significantly expanding our footprint in mental health.

CARE DELIVERY | Scalable Models & Partnerships

The Therapeutic Goods Administration's rescheduling of MDMA and psilocybin in February 2023 encouraged us to expand our care delivery capabilities. Our acquisition of leading psychological trauma specialists - the Pax Centre - positions us to build a thriving, multidisciplinary clinical service uniquely prepared to provide and evaluate psychedelic-assisted therapies. Dr. Ben Sessa, a global leader in the field, trained our initial team of 20 clinicians, and we are now positioned to lead in both the delivery and development of these promising new treatments.

DATA COLLECTION | Real-World Data & Strategic Research Partnerships

Our wholly-owned clinical service subsidiaries have been instrumental in gathering Real-World Data, thereby informing our drug development strategies and care programs. We also established collaborations and partnerships with several leading institutions, such as the Institute of Respiratory Health and PsychoGenics, to support our MDMA analogue program. Emyria's high-potency Ultra-Pure Cannabinoid assets were also accepted into the NIH HEAL Initiative® and the NINDS Preclinical Screening Platform for Pain (PSPP) program, underscoring our approach's credibility and opening the door for future global collaborations.

DRUG DEVELOPMENT | Clinical Trials & Licensing

This year, we gained Human Research Ethics Committee approval for Phase 3 clinical trials of our Ultra-Pure CBD capsule, EMD-RX5, targeting stress and anxiety. Despite recruitment delays in July, our resolve remains unshaken. Moreover, our exclusive licensing agreement with Aspen Pharmacare Australia in April 2023 could lead to significant revenue streams. We expanded our MDMA-Analogue Library to over 140 compounds on the innovation front, fortifying our pipeline for developing neuropsychiatric disorder treatments.

Financial & Operational Milestones

We also managed to increase our clinical service revenues while reducing our operating costs, which, combined with our successful capital raises, positioned us well to deliver on our ambitious programs.

In closing, I must express how excited we are about the year ahead. Psychedelic-assisted therapy stands as one of the most promising new frontiers in healthcare.

What's needed now is responsible leadership to guide these therapies into mainstream acceptance and clinical practice safely. Emyria is exceptionally well-positioned to fulfil this role—providing integrated and controlled access to these revolutionary treatments while simultaneously collecting robust clinical data that will inform future advancements.

Thank you for your continued trust and investment in Emyria. We are poised for a breakthrough year, and your support is crucial in making this a reality.

Stewart Washer

Dr Stewart Washer
Emyria Chairman

emyria

2022-2023
KEY MILESTONES

Phase 3 Clinical Trials
In August 2022, Emyria received Human Research Ethics Committee approval to commence a pivotal Phase 3 clinical trial for EMD-RX5, an Ultra-Pure CBD capsule seeking registration as an over-the-counter treatment for stress and anxiety. By January 2023, recruitment and dosing had commenced. In July 2023, recruitment slowed while the Group navigates an issue with a single batch of drug product with its Contract Drug Manufacturing Organisation (CDMO).

Licensing and Commercialisation
In April 2023, Emyria signed an exclusive licensing agreement with Aspen Pharmacare Australia, potentially leading to significant revenue streams through a royalty of up to 10% on annual net sales and additional milestone payments.

Expanding MDMA-Analogue Library
Over a few months, Emyria expanded its proprietary library of neurologically active compounds inspired by MDMA to over 140. This sets the stage for a pipeline of promising treatments for neuropsychiatric disorders.

Strategic Partnerships for Research
Partnering with the Institute of Respiratory Health and a leading neuroscience Contract Research Organisation (CRO) PsychoGenics demonstrates a multi-disciplinary approach. PsychoGenics will use its SmartCube™ technology to screen potential compounds for neuropsychiatric indications, thereby de-risking R&D investment.

International Recognition
Emyria was accepted into the NIH HEAL Initiative® National Institute of Neurological Disorders and Stroke (NINDS) Preclinical Screening Platform for Pain (PSPP) program. Being recognised by a leading funder of neurological research in the USA is both a validation of Emyria's scientific credibility and an open door to future collaborative opportunities.

Legal and Regulatory Shifts
In February 2023, the Therapeutic Goods Administration (TGA) rescheduled MDMA and psilocybin, benefiting Emyria's expansion of its MDMA-assisted therapy programs.

Operational Expansions and Partnerships
By March 2023, the company entered a partnership with trauma specialists at the PAX Centre to develop a scalable MDMA-assisted therapy model. This operational scaling is vital for translating research findings into real-world applications.

EMYRIA'S MDMA ANALOGUE LIBRARY

Expands to over 140 *with* THE UNIVERSITY OF WESTERN AUSTRALIA

PSYCHEDELIC-ASSISTED THERAPY

Training with Dr Ben Sessa

Expansion into PTSD and Therapist Training

In June 2023, Emyria received approval for a novel MDMA-assisted therapy trial for PTSD and acquired The Pax Centre (completion expected in Q1 FY24). Dr. Ben Sessa, a leading researcher in the field, trained an initial team of 20 Emyria-affiliated therapists, adding credibility and expertise to the operational team.

Capital for Advanced Therapies

In November 2022, Emyria secured a $3 million placement cornerstoned by Tenmile and Sixty Two Capital. By January 2023, Emyria received a cash refund of over $2 million via the Australian Government's R&D Tax Incentive.

In May 2023, Emyria secured $2.5 million in placement to support the delivery of MDMA and psilocybin-assisted therapies and its pioneering drug discovery program.

PaxCentre

aspen AUSTRALIA

Images: Pg. 6 UWA Researcher Dr Glenn Pullella working on Emyria's Program "New Drug Discovery" in partnership with UWA
Pg. 7 Psychedelic-Assisted Therapy, Therapist Training with Dr Ben Sessa at The Pax Centre

We’ve developed a clear strategy for value creation, with a focus on three key areas

Care Delivery

Data Collection

Drug Development

DIRECTORS' REPORT

The directors present their report for Emyria Limited ("Emyria" or "the Company") and its subsidiaries ("the Group") for the financial year ended 30 June 2023.

Directors

The names of the directors in office at any time during or since the end of the year ended are:

Dr Stewart Washer
Executive Chairman

Dr Michael Winlo
Managing Director

Professor Dr Alistair Vickery
Executive Medical Director

Dr Karen Smith
Executive Director

Mr Matthew Callahan
Non-Executive Director *(resigned 21 August 2023)*

Professor Sir John Tooke
Non-Executive Director

Dr Mohit Kaushal
Non-Executive Director *(appointed 21 August 2023)*

Review of operations

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.

Significant changes in state of affairs

During the reporting period, the Group's principal activity has been the development of biopharmaceuticals, specifically novel MDMA analogues and Ultra-Pure CBD capsules, informed by Real-World Data gathered from patients across its wholly-owned clinical service subsidiaries. The Group has strategically concentrated on advancing the development and commercialisation of these proprietary medicines, while simultaneously launching its MDMA-assisted therapy program to broaden its impact in the mental healthcare sector.

Benefiting from its extensive experience in collecting data while working with newly rescheduled medicines, the Group responded strategically to pivotal regulatory changes allowing MDMA and psilocybin to be prescribed as legal medicines in Australia from July 1, 2023. The Group is poised to become a leader in the evolving field of psychedelic-assisted therapies.

2022 -2023 Key Milestones

See pages 6-7 of the Annual report

Events after reporting date

On 21 August 2023, the Company announced a strategic change in Emyria's Board of Directors. Matthew Callahan, Founder and Non-Executive Director, resigned to focus on other endeavours but has agreed to continue providing legal, IP, and investment advisory support to Emyria.

The Group was pleased to appoint Dr. Mohit Kaushal as a non-Executive Director. Dr. Kaushal has an extensive background in clinical transformation, digital health, and strategic investments. Dr. Kaushal's expertise aligns with Emyria's vision for future growth and innovation in mental health care.

On 4 September 2023, the Company announced that it had secured bids for a placement of $2m (before costs). The Placement comprises the issue of approximately 26,666,667 fully paid ordinary shares at $0.075 each ("Placement Shares") representing a 6.25% discount to the last traded price as at 30 August 2023. In addition, the Placement includes 1 free attaching unquoted option for every 2 shares applied for and issued under the Placement ("Placement Options").

Directors' Report

The Placement Options will be exercisable at $0.12 each and expire 3 years from the date of issue.

On 5 September 2023, the Company announced that 19,217,144 options expired on 28 April 2023.

On 6 September 2023, the Company announced a non-renounceable entitlement issue of 1 new share for every 7.5 existing shares held at an issue price of $0.075 per new share to raise approximately $3.1m (before costs) together with 1 free attaching option for every 2 new shares applied for and issued.

On 13 September 2023, the Company announced that it completed its acquisition of Mind Body Consulting Pty Ltd trading as the Pax Centre. The strategic acquisition was valued at $1.7m and executed through a combination of shares and cash. 10,236,220 shares were issued with a value of $1.3m. The balance is to be paid in cash.

On 13 September 2023, the Company also announced the issue of 25,000,000 shares, of which 20,000,000 were issued under tranche one of the placement announced on 4 September and 5,000,000 shares at a deemed issue price of $0.075 each to StocksDigital in part consideration for the provision of investor relations services.

There are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Future development, prospects and business strategy

The Group plans to continue its pioneering work in the healthcare landscape by integrating its core competencies in patient treatment, clinical data capture, and drug development. We aim to become industry leaders in delivering and developing promising, proprietary neuropsychiatric treatments.

A key short-term focus will be the integration and value optimisation of our clinical services, particularly following the acquisition of the leading multidisciplinary trauma-informed mental health service, the Pax Centre. This strategic acquisition positions us to significantly advance the provision of wraparound mental health care, particularly psychedelic-assisted therapies, and increase clinical billing revenues.

Concurrently, the Group is laying the groundwork for robust data capture across it's broadened clinical service activities to inform and accelerate future drug and therapy development. The Group will continue to advance its novel MDMA analogues and Ultra-Pure CBD capsules.

Business risks

Access to Capital: Emyria's business model necessitates ongoing investment in clinical trials and other areas of research and development. While we anticipate generating revenue from our clinical services, these earnings may not be sufficient to cover the full scope of business expenses and required investments. As such, Emyria will continue to depend on external financing through equity or debt to sustain the business, including our Phase 3 clinical trials. Any limitations on our ability to secure the necessary funding could adversely impact our operational sustainability and delay our path to profitability.

Clinical trials: Clinical trials inherently come with elements of risk, including the potential for negative, inconclusive, or non-efficacious results. These factors can significantly impact the commercial potential and profitability of our Ultra-Pure CBD capsules (EMD-RX5, EMD-RX7, and EMD-RX9) and proprietary MDMA analogues. The enrolment of patients into trials is susceptible to delays due to various challenges such as the supply chain disruptions, economic downturns, and difficulties in hiring qualified staff. Regulatory approvals, importation, and customs requirements can further delay the progression of clinical trials.

Data obtained from clinical trials can also be interpreted differently by different stakeholders, including regulatory authorities. This could potentially delay, limit, or prevent the receipt of regulatory approvals. Moreover, Phase 3 clinical trial data may not necessarily be indicative of the results obtained upon completion or in future stages. Interpreting masked data is subject to further analysis once unmasked, and negative outcomes at any stage could inhibit further development, limit commercial potential, or impede marketing approval.

Lastly, our Ultra-Pure CBD capsules and MDMA analogues are subject to stringent safety and efficacy assessments. Failure to demonstrate a strong safety profile or sufficient therapeutic efficacy in future clinical studies could hinder their ongoing clinical development and market release. Delays in patient recruitment or challenges in securing clinical locations may also impact the timeline of our clinical programs.

Clinical Data: Emyria holds sensitive clinical data that is susceptible to cybersecurity risks, including potential attacks or breaches from both internal and external parties. These breaches could occur whether access to the data is authorised or unauthorised. Consequently, there's a risk that sensitive information may be publicly exposed or permanently lost. Any such cybersecurity attack or data breach could impact Emyria's compliance with relevant data protection or privacy legislation. Non-compliance with such legislation could lead to penalties, attract negative publicity, and adversely affect the company's brand and reputation.

Research and Development: The future success of Emyria is closely tied to the outcomes of clinical trials for our Ultra-Pure CBD capsules (EMD-RX5, EMD-RX7, and EMD-RX9) as well as our proprietary MDMA analogues, and their eventual approval as safe and effective treatments. These products are currently in various stages of clinical development, and the possibility of commercialisation, which would generate sales and revenue, remains uncertain and potentially years away. Continued progress requires further research and development, including ongoing evaluation of safety and efficacy in clinical trials, followed by regulatory approval prior to marketing authorisation.

Drug development is an inherently high-risk endeavour. Until Emyria can provide further clinical evidence supporting the efficacy of its treatments in improving patient outcomes, the success of these products remains speculative. Risks associated with research and development include, but are not limited to, uncertain outcomes, delays in development, and general scientific uncertainties surrounding the development of novel pharmaceutical products. Materialisation of any of these risks could significantly impede Emyria's progress and adversely affect its future financial performance.

Patient Safety in Clinical Services: Emyria provides comprehensive clinical care to patients with severe mental health issues, including the provision of experimental treatments such as psychedelic-assisted therapy. The vulnerable nature of this patient population elevates the importance of maintaining stringent safety protocols. There is an inherent risk associated with any medical intervention and thorough patient evaluations and informed consent are crucial. Despite these precautions, there can be no assurance that adverse events will not occur. Such events could have legal repercussions, attract negative publicity, and harm Emyria's brand and financial standing.

Ensuring the competence and suitability of clinicians is crucial. All clinicians must be rigorously vetted, trained in the specialised treatments offered, and supervised to maintain the highest standards of care. Failure to adequately vet and train clinicians could result in suboptimal treatment outcomes and potentially, legal ramifications.

Regulatory Approval: Emyria operates in a highly regulated sector concerning the manufacture, distribution, and supply of pharmaceutical products as well as the use of experimental treatments like psychedelic-assisted therapies. Achieving and maintaining the necessary approvals, licences, and registrations from relevant regulatory authorities across various jurisdictions is not guaranteed. There may be instances where agencies like the Therapeutic Goods Administration (TGA) or Food and Drug Administration (FDA) identify deficiencies requiring resolution or request additional studies or approvals beyond what is currently planned. This could result in delays and increased costs for our clinical trials as well as our care programs. Emyria also faces the risk of policy, regulation, and legislative changes in all jurisdictions where it operates. Failure to secure or sustain required approvals or adapt to regulatory changes could adversely impact Emyria's ability to commercialise and manufacture its treatments.

Directors' Report

Commercial Risk: Emyria may explore various corporate opportunities, such as acquisitions, licensing, or partnerships to advance its reach in mental health care delivery and drug development programs. There is no guarantee that any such opportunities can be finalised on commercially acceptable terms. Even if terms for licensing and partnerships are agreed upon, unforeseen factors related to the environment, technology, or market conditions may impede the performance of distributors and collaborators in delivering contracted outcomes. Moreover, the future success of Emyria hinges on market acceptance and client retention. This involves convincing prospective clients and partners of the efficacy of Emyria's products and services.

Information Technology: Emyria is dependent on robust information technology, software, data centres, and communication systems for its operations. The systems are susceptible to various risks, including disruptions, failures, service outages, or data corruption, which could occur due to computer viruses, malware, internal or external misuse, cyber-attacks, or other disruptions like natural disasters and power outages. A disruption to any of these platforms or systems could have a significant adverse impact on Emyria's operations.

Competition: The healthcare, biotechnology and pharmaceutical sectors are highly competitive and subject to rapid technological changes, both in Australia and internationally. Emyria faces competition from existing alternative treatments as well as from companies developing new products and services targeting similar medical conditions. There is no assurance that Emyria will be able to successfully compete in this landscape. Some of these competing companies may possess or develop technologies that are superior to Emyria's, or have substantially greater financial, technical, and human resources. As a result, Emyria's services, expertise, or products could be rendered obsolete, less attractive, or uneconomical due to advances in technology or alternative approaches developed by Emyria's competitors.

Intellectual Property (IP): The acquisition and maintenance of intellectual property rights are crucial for safeguarding the potential value generated from biotechnology research and development. Emyria's success partially hinges on its capacity to secure patents, maintain trade secret protection, and operate without violating the intellectual property rights of third parties. However, the biotechnology sector is often fraught with complex and uncertain legal and factual questions surrounding patent positions. As such, there is no guarantee that Emyria's existing or future patents will provide commercially significant protection or that they will not infringe upon the rights of others. Additionally, patent disputes can arise due to the complex nature of the technologies involved. The issuance of a patent is not an assurance against the competitive technologies that may bypass Emyria's patented technology. Furthermore, Emyria's patent strategies may not offer global coverage, leaving room for generic competition in some markets.

Manufacturing: The scaling up of manufacturing processes to support Phase 3 clinical studies requires ongoing validation and Process Performance Qualification (PPQ). There is a risk that PPQ may reveal technical issues that could affect the project's timeline and feasibility. These difficulties may include failure to produce materials meeting regulatory specifications for human administration or insufficient product yield to support both clinical studies and planned commercialisation. Any unforeseen challenges in the manufacturing process, such as changes in manufacturing methods, disruptions in supply chains, shortages of input materials, or changes in arrangements with third-party manufacturers, could negatively impact Emyria's profitability in the future.

Commercialisation: While Emyria's products such as our Ultra-Pure CBD capsules (EMD-RX5, EMD-RX7, and EMD-RX9) and proprietary MDMA analogues have shown promise in preclinical assays and clinical trials, they have not yet been approved for commercial sale. We anticipate that it may take several years for these products to gain regulatory approval, if they do at all. If and when approval is granted, there will be a significant increase in commercialisation expenses. These costs will be associated with setting up sales channels, marketing initiatives, distribution networks, manufacturing capabilities, and supply chain management. Moreover, the success of these products is not guaranteed and will depend on market acceptance by healthcare professionals, patients, and payors within the medical community.

Reliance on Key Personnel: The success of Emyria is highly dependent on the expertise and commitment of its key personnel. These individuals possess unique skills and knowledge crucial to the development of our intellectual property, the progression of our clinical trials and the provision of mental health care services. As Emyria advances towards drug registration, the company will require additional specialists in clinical development, as well as key financial and administrative staff. Additionally, as Emyria broadens its scope in the provision of emerging mental health care services the company will require sufficiently trained clinicians and support staff. There is no guarantee that Emyria will succeed in attracting and retaining qualified personnel. Failure to do so could significantly hinder our clinical development operations and could have a material adverse impact on our financial performance.

Product Safety and Efficacy: The reputation and commercial success of Emyria hinge on the health, safety, and efficacy of its products, including our Ultra-Pure CBD capsules (EMD-RX5, EMD-RX7, and EMD-RX9) and proprietary MDMA analogues. Serious or unforeseen health, safety, or efficacy concerns could result in reduced market acceptance, reputational damage, product recalls, and potential product liability claims. While Emyria plans to obtain product liability insurance to mitigate such risks, there is no assurance that adequate coverage will be available at a commercially acceptable cost. Any concerns regarding the health, safety, or efficacy of our products are likely to diminish customer demand and adversely affect Emyria's profitability.

Litigation: Emyria operates in a sector where the potential for litigation is high. This includes but is not limited to, claims related to breaches of agreements, intellectual property infringement, and employment issues such as personal injuries and occupational health and safety. The financial ramifications of defending against a lawsuit can be substantial, even if the defence is ultimately successful. An unsuccessful defence could result in significant financial damages and costs levied against Emyria, thereby impacting its financial stability. Legislative changes, for instance in antitrust and intellectual property laws, can further elevate the risks associated with litigation. Additionally, Emyria may find it necessary to initiate legal proceedings to defend its intellectual property rights. The pharmaceutical industry is particularly known for extensive litigation, including class actions initiated by end-users or purchasers of pharmaceutical products. As such, Emyria must be prepared to navigate a complex legal landscape that poses various risks to its operations.

Dividend paid and recommended

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2023 (30 June 2022: nil).

Directors' Report

Information on Directors and Company Secretary

Dr Stewart Washer
Executive Chairman
Appointed 19 February 2018

Stewart has 25 years of CEO and board experience in medical and agri-food biotech companies. He is the director of Botanix Pharmaceuticals Ltd.

He currently serves as the director of Botanix Pharmaceuticals Ltd (ASX: BOT) and Orthocell Ltd's (ASX: OCC) chairman. Stewart is also the Chairman/ Co-Founder of Rumin8, a climate change company focused on methane reduction technology.

Stewart has held several board positions in successful companies, including Chairman of Hatchtech Pty Ltd, which was sold in 2015 for A$279m and was a director of iCeutica, that was sold to a US Pharma. He has also contributed to the industry as a Senator with Murdoch University and a Director of AusBiotech Ltd.

Other current directorships of a public listed company

Orthocell Limited (ASX: OCC)
Appointed as Chairman on 7 April 2014

Botanix Pharmaceuticals Limited (ASX: BOT)
Appointed as Director on 21 February 2019

Former directorships in last three years of a public listed company

Cynata Therapeutics Limited (ASX: CYP) – appointed as Director on 1 August 2013, resigned 1 July 2023

Interest in shares and options

Shares	49,658,932

29,950,599 shares are in the control of Dr Stewart Washer and Dr Patrizia Washer.

Options	1,666,667

Options held are in the control of Dr Stewart Washer and Dr Patrizia Washer.

Dr Michael Winlo
Managing Director
Appointed 8 November 2019

Michael has a Bachelor of Medicine and Bachelor of Surgery with Honours from the University of Western Australia as well as a Master of Business Administration from Stanford University. Prior to Emyria, Michael was CEO at Linear Clinical Research Ltd (Linear) until October 2019 –a company providing clinical trial services for US- and Asia-based biotech companies. Linear was the first site in Australia and one of only a few in the world to successfully adopt electronic data capture technology. Under Michael's leadership, Linear's revenues grew over 300% in just over three years (to over $23 million per year). Michael retains a Directorship at Linear. Prior to Linear, Michael was Health Lead at Palantir Technologies – a Big Data company based in Silicon Valley California.

Other current directorships of a public listed company

None

Former directorships in last three years of a public listed company

None

Interest in shares and options

Shares	282,222
Options	10,611,111

Professor Alistair Vickery
Executive Medical Director
Appointed 12 November 2018

Alistair is the medical director of Emyria and has a wealth of expertise in clinical practice, health service management, clinical and educational research and board director skills. He is adjunct Clinical Professor of Primary Health Care at the University of Western Australia and Notre Dame University and an active specialist general practitioner. He was the clinical lead of the research group CHASM (The Collaborative for Health Care Analysis and Statistical Modelling) - providing high-level analysis and statistical modelling to inform clinical service planning and service evaluation. Alistair is Board Chair of Black Swan Health, one of the largest NFP primary health care service providers in Western Australia, and a Fellow of the Australasian College of Health Service Management and an AICD graduate.

Other current directorships of a public listed Group
None

Former directorships in last three years of a public listed Group
None

Interest in shares and options

Shares	266,889
Options	4,069,444

Dr Karen Smith
Executive Director
Appointed 29 November 2021

Karen's experience is a highly global one. As a Biotech/Pharmaceutical Executive, Board Director and Clinical/Scientific Advisor in the US, Europe, Canada and Australia, Dr. Smith has overseen more than 50+ clinical trials and more than 20 major regulatory approvals in multiple jurisdictions. Many have led to product launches across diverse therapeutic areas, including neuroscience, rare disease, oncology, cardiology, dermatology, and anti-infectives.

Over the past 20 years, Dr. Smith has held various executive roles, including President, CEO, Global Head of R&D, and Chief Medical Officer. She has built companies from the ground up and is a strong advocate for women in science and diversity in the Boardroom. Earlier in her career, she held senior leadership roles at Allergan, AstraZeneca and Bristol Myers Squibb.

Dr. Smith holds several degrees, including an MD from the University of Warwick (UK), a PhD in Oncology from UCLA (USA)/UWA (Australia), an MBA (Masters in Business) from the University of New England, and an LLM (Masters in Law) from the University of Salford (UK). Dr. Smith has served as a member of the Board of Directors since November 2021.

Other current directorships of a public listed Group
Sangamo Therapeutics (NASDAQ: SGMO)
Talaris Therapeutics (NASDAQ: TALS)

Former directorships in last three years of a public listed Group
Forward Pharma (NASDAQ: CM)
Sucampo Pharma (NASDAQ: SCMP)
Acceleron Pharma (NASDAQ: XLRN)
Antares Pharm (NASDAQ: ATRS)

Interest in shares and options

Shares	633,333
Options	1,541,667

Directors' Report

Information on Directors and Company Secretary

Professor Sir John Tooke

Non-Executive Director

Appointed 10 February 2020

Sir John is Executive Chairman of Academic Health Solutions, a start-up Group offering expert advice to clients internationally on medical research and innovation strategy and health service transformation. He is Senior Independent Director at BUPA Chile and was until 2019 non-executive director of the BUPA main Board and the Chair of the Medical Advisory Council. He has recently been appointed as non-executive director of the Northern Health Science Alliance in the UK. He is the Chair of Collaboration for the Advancement of Sustainable Medical Innovation (CASMI) UCL and Chaired the Oversight Group for the Academy of Medical Sciences project 'How we best use scientific evidence to judge the benefits and harms of medicines'. He also served as an Independent Review Board Member for Google DeepMind Health (UK).

Sir John was past Head of the School of Life and Medical Sciences at University College London (UCL) as Vice Provost (Health) and Academic Director of UCL Partners from 2010 - 2015. He is the Past President of the Academy of Medical Sciences in the UK.

Sir John is a clinician scientist with 30 years' experience as a consultant physician specialising in diabetes, endocrinology, vascular medicine and internal medicine with broad research experience (basic biomedical, experimental medicine, and applied health research including improvement science) recognised through Fellowship of the Academy of Medical Sciences. He held a Board position at the Francis Crick Institute (2011 -2015) and was a Member of the Council for Science & Technology (2011-2015) reporting to the Prime Minister (UK).

Other current directorships of a public listed company

None

Former directorships in last three years of a public listed company

None

Interest in shares and options

Shares	nil
Options	1,500,000

Mr Matthew Callahan

Non -Executive Director

Appointed 19 March 2018, resigned 21 August 2023

Matthew is an experienced life sciences executive based in Philadelphia. He is a founding director of Emyria and has been the founding CEO or Executive Director of a number of pharmaceutical and health tech companies including Botanix Pharmaceuticals Ltd (ASX: BOT), iCeutica Inc, Churchill Pharma Inc. Dimerix Biosciences (ASX: DXB) and Orthocell (ASX: OCC).

He has led the development of four pharmaceutical products that have received FDA approval and he has more than 25 years legal, IP and investment management experience. Mr Callahan has worked as an investment director for two venture capital firms investing in life sciences, technology and other sectors, and was general manager of Australian listed technology and licensing company ipernica (now Nearmap ASX: NEA), where he was responsible for the licensing programs that generated more than $120M in revenue.

Other current directorships of a public listed Group

Botanix Pharmaceuticals Limited (ASX: BOT)
Appointed as a director 1 July 2016, resigned 23 August 2019 and re-appointed as Director on 10 February 2020

Orthocell Limited (ASX: OCC)
Appointed 30 May 2006, resigned 23 August 2019 and re-appointed as Director on 10 February 2020

Former directorships in last three years of a public listed Group

None

Interest in shares and options

Shares	19,655,556
Options	1,527,778

Dr Mohit Kaushal

Non -Executive Director

Appointed 21 August 2023

Dr. Mohit Kaushal is a Senior Advisor at General Atlantic, providing strategic support and advice to the firm's investment teams and portfolio companies in the Healthcare sector, drawing on his extensive career in investing, clinical medicine, academia, and public policy. Mohit served as a member of the White House Health IT task force during the Obama Administration and built and led the first dedicated healthcare team at the Federal Communications Commission. He served on the Food and Drug Administration Safety and Innovation Act Workgroup of the Health IT Policy Committee and the National Committee on Vital and Health Statistics, advising Health and Human Services on data access and use. Mohit is also an ER physician, an Adjunct Professor of Biomedical Data Science at Stanford University and continues to be active within public policy as a Scholar in Residence at the newly created Duke Margolis Center for Health Policy. Earlier in his career, he was a Visiting Scholar at the Brookings Institution

Other current directorships of a public listed Group

None

Former directorships in last three years of a public listed Group

None

Interest in shares and options

Shares	nil
Options	nil
Performance Rights	2,000,000

Ms Susan Park

Company Secretary

Appointed 1 March 2023

Ms Park is a governance professional with over 25 years' experience in the corporate finance industry and extensive experience in Company Secretary and Non-Executive Director roles in ASX, AIM and TSX listed companies. Ms Park holds a Bachelor of Commerce degree from the University of Western Australia majoring in Accounting and Finance, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors. She is also a Fellow of the Institute of Chartered Secretaries and Administrators and Chartered Secretaries Australia. She is currently Company Secretary of several ASX listed companies.

Mr Simon Robertson

Company Secretary

Resigned 1 March 2023

Simon gained a Bachelor of Business from Curtin University in Western Australia and a Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Institute of Chartered Accountants and Chartered Secretaries Australia. Simon currently holds the position of company secretary for a number of publicly listed companies and has experience in corporate finance, accounting and administration, capital raising and ASX compliance and regulatory requirements.

Directors' Report

Meeting of Directors

During the financial year ended 30 June 2023, the following table outlines the number of meetings held:

2023 Total remuneration and entitlements

	Full meetings of directors		Risk Committee Meeting	
	A	B	A	B
Stewart Washer, Chairman	6	6	•	•
Michael Winlo, Managing Director	6	6	•	•
Alistair Vickery, Executive Director	6	6	2	2
Karen Smith Executive Director	6	6	•	•
Matthew Callahan, Non-Executive Director	6	6	2	2
Sir John Tooke, Non-Executive Director	6	6	2	2

A Number of meetings attended

B Number of meetings held during the time the director held office or was a member of the committee during the year

• Not a member of the relevant committee

At the date of this report, the Group has the following options on issue.

Number	Exercise Price	Grant Date	Expiry Date
600,000	$0.450	26 September 2019	26 September 2023
1,950,000	$0.114	24 September 2020	13 November 2024
8,500,000	$0.114	13 November 2020	13 November 2024
500,000	$0.114	22 December 2020	22 December 2023
1,500,000	$0.268	20 February 2021	20 February 2024
605,000	$0.256	18 March 2021	18 March 2024
150,000	$0.330	21 September 2021	21 September 2025
75,000	$0.316	7 October 2021	7 October 2025
300,000	$0.360	1 November 2021	1 November 2025
10,000,000	$0.400	24 November 2021	24 November 2023
6,000,000	$0.550	31 December 2021	31 December 2023
200,000	$0.384	8 June 2022	7 June 2026
625,000	$0.365	17 August 2022	16 August 2026
3,000,000	$0.296	25 October 2022	23 November 2026
2,000,000	$0.296	24 November 2022	23 November 2026
10,333,328	$0.35	22 November 2022	22 November 2025
16,666,666	$0.30	10 May 2023	10 May 2025
63,004,994			

During the year, 34,000 options over unissued shares were exercised and 13,512 shares were issued. In addition, 10,661,451 options were cancelled during the year.

For details of options issued to directors and other key management personnel, please refer to the Remuneration Report.

Directors' Report

Remuneration Report *(audited)*

This Remuneration Report, which has been audited, outlines the Key Management Personnel (as defined in AASB 124 Related Party Disclosures) ("KMP") remuneration arrangements for the Group, in accordance with the requirements of the section 308 (3c) of the Corporations Act 2001 and its Regulations..

The KMP covered in this remuneration report are:

Dr Stewart Washer
Executive Chairman

Dr Michael Winlo
Managing Director

Professor Alistair Vickery
Executive Medical Director

Karen Smith
Executive Director

Mr Matthew Callahan
Non-Executive Director

Professor Sir John Tooke
Non-Executive Director

The principles adopted have been approved by the Board and have been set out in this Remuneration Report. This audited Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based compensation

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under Accounting Standard AASB 124, Related Party Disclosures.

1. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered.

The framework which has been set out in detail under the remuneration structure in this Remuneration Report aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to markets best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;
(ii) aligns shareholders and executive interests;
(iii) performance based and aligned to the successful achievement of strategic and tactical business objectives; and
(iv) transparency.

Executive Directors

Remuneration to Executive Directors reflects the demands which are made on, and the responsibilities of, the Executive Directors. Executive Directors' remuneration is reviewed to ensure it is appropriate and in line with the market. Other than notice periods, there are no other benefits paid to Executive Directors other than superannuation guarantee amounts as required

The executive remuneration and reward framework has four components:

(i) base pay;
(ii) cash bonus;
(iii) share-based payments; and
(iii) other remuneration such as superannuation and long service leave.

The combination of these comprises the Executive Director's total remuneration.

Fixed remuneration, consisting of base salary and superannuation will be reviewed annually by the board, based on individual contribution to corporate performance and the overall relative position of the Group to its market peers.

Non - Executive Directors

Remuneration to Non-Executive Directors reflects the demands which are made on, and the responsibilities of, the Non-Executive Directors. The maximum aggregate for remuneration of Non-Executive Directors is set by shareholders and is currently $500,000.

For the year ended 30 June 2023, exclusive of superannuation guarantee the annual cash remuneration paid to Non-Executive Directors was $50,000 per annum each.

Short-term incentives

The Company's approach in regard to the use of short-term cash incentives will be assessed by the board on an ongoing basis as the Company evolves.

Long-term incentives

To align the board and management with shareholder's interests and with market practices of peer companies and to provide a competitive total remuneration package, the Board introduced a long-term incentive ("LTI") plan to motivate and reward Executives and Non-Executive Directors. The LTI is provided as options over ordinary shares of the Group under the rules of the Securities Incentive Plan. During the year ended 30 June 2023 there were 3,000,000 options issued to an Executive Director.

Group performance, shareholder wealth and directors' and executives' remuneration

As an early-stage drug development company, the Board does not consider the operating loss after tax as one of the performance indicators when implementing an incentive-based remuneration policy.

The board considers that identification and securing of new business growth opportunities, the securing of funding arrangements and responsible management of cash resources and the Group's other assets as more appropriate performance indicators to assess the performance of management.

No relationship exists between shareholder wealth, director and executive remuneration and Group performance as it is an early-stage drug development company.

The table below shows the losses and earnings per share of the Group for the current and last four financial years.

	2023	2022	2021	2020	2019
Net loss	(5,131,117)	(7,327,691)	(4,906,234)	(5,238,040)	(2,682,928)
Share price at year end (cents)	12.50	19.00	18.50	4.80	N/A*
Loss per share (cents)	(1.79)	(2.75)	(2.24)	(3.04)	(2.06)

* The Company was admitted to the ASX on 10 February 2020

Directors' report

2. Details of remuneration

Year ended 30 June 2023

The amount of remuneration paid and entitlements owed to KMP is set out below.

2023 Total remuneration and entitlements

	Salary and other fees	Bonus	Post employment benefits (super.[1])	Annual leave entitlement movement	Total cash payments & entitlements	Share based payments	Total	LTI % of rem.[2]
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
S Washer	200,000	-	-	-	200,000	-	200,000	n/a
M Winlo	380,000	-	39,900	1,135	486,118	199,071	486,118	32.1
A Vickery[2]	377,563	-	9,188	(5,332)	461,887	3,974	461,887	1.0
K Smith	221,663	-	-	-	123,490	27,331	324,240	11.0
M Callahan	50,000	-	-	-	50,000	2,981	50,000	5.6
Sir J Tooke	50,000	-	-	-	50,000	1,987	50,000	3.8
	1,279,226	**-**	**49,088**	**(4,197)**	**1,324,117**	**235,344**	**1,559,461**	**15.1**

1 super. = superannuation

2 A Vickery received exemption on superannuation and received the balance of his superannuation contribution as an additional payment.

There were no non-monetary benefits paid to the Directors or KMP for the year ended 30 June 2023 (30 June 2022: Nil).

Other than those disclosed above, there were no other transactions with related parties to the KMP for the year ended 30 June 2023.

Year ended 30 June 2022

The amount of remuneration paid and entitlements owed to KMP is set out below.

2022 Total remuneration and entitlements

	Salary and other fees	Bonus	Post employment benefits (super.[1])	Annual leave entitlement movement	Total cash payments & entitlements	Share based payments	Total	LTI % of rem.[2]
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
S Washer	200,000	-	-	-	200,000	-	200,000	n/a
M Winlo	486,118	80,000	43,749	4,872	486,118	-	486,118	n/a
A Vickery[3]	461,887	80,000	-	3,141	461,887	-	461,887	n/a
K Smith	123,490	-	-	-	123,490	200,750	324,240	61.9
M Callahan	50,000	-	-	-	50,000	-	50,000	n/a
Sir J Tooke	50,000	-	-	-	50,000	-	50,000	n/a
Other Key Management Personnel				-				
A James[4]	98,714		8,359	(15,124)	91,949	-	91,949	n/a
S Sain[5]	8,217		365	-	8,582	-	8,582	n/a
P Washer[6]	7,306	-	731	-	8,037	-	8,037	n/a
	1,273,970	**160,000**	**53,204**	**(7,111)**	**1,480,063**	**200,750**	**1,680,813**	

1 super. = superannuation

2 rem. = remuneration

3 A Vickery received exemption on superannuation and received the balance of his superannuation contribution as an additional payment.

4 A James resigned effective 31 July 2021

5 S Sain resigned effective 9 July 2021

6 P Washer resigned effective 30 July 2021

Directors' report

3. Service agreements

For the year ended 30 June 2023, the following service agreements were in place with the Directors and KMP of Emyria:

On 27 July 2018, a Consultancy Agreement was entered into between the Company and Biologica Ventures Pty Ltd nominating Dr Stewart Washer as Executive Chairman. Under the terms of the Agreement:

- On 2 December 2019, Dr Washer's Agreement was amended to reflect that his annual consultancy fee to be $200,000 per annum commencing 12 February 2020.
- Dr Washer's fees were paid to Biologica Ventures Pty Ltd.
- Under the general termination of consultancy provision, the Company may terminate the Agreement by giving Dr Washer six months' notice or payment in lieu of notice.
- Under the general termination of consultancy provision, Dr Washer may terminate the Agreement by giving the Company three months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 3 May 2019, a Chief Executive Employment Agreement (changed to Managing Director effective 26 November 2019) was entered into between the Company and Managing Director Dr Michael Winlo. Under the terms of the Agreement:

- Dr Winlo was paid a base salary of $350,000 per annum plus statutory superannuation which was increased to $380,000 per annum plus statutory superannuation effective 1 April 2022.
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Dr Winlo three months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Dr Winlo may terminate the Agreement by giving the Company six months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 18 March 2019, a Senior Executive Employment Agreement was entered into between the Company and Medical Director Professor Alistair Vickery. Under the terms of the Agreement:

- Professor Vickery was paid a base salary of $350,000 per annum plus statutory superannuation
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Professor Vickery twenty-four months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Professor Vickery may terminate the Agreement by giving the Company twelve months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 29 November 2021, a Senior Executive Employment Agreement was entered into between the Company and Executive Director, Karen Smith. Under the terms of the Agreement:

- Karen Smith was paid a base salary of US$150,000 per annum.
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Karen Smith one months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Karen Smith may terminate the Agreement by giving the Company one months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment other than entitlements accrued.

On 14 November 2019, an Agreement was entered into between the Company and Mr Matthew Callahan for his on-going appointment as Non-Executive Director. Under the terms of the Agreement:

- Mr Callahan was paid a remuneration package of $50,000 per annum base salary.
- Termination of this Agreement will be upon the date provided by either party. There is no notice period applicable to this Agreement.
- Mr Callahan has a consultancy agreement with the Group that commenced on 4 November 2019 for a period of three years. Under the terms of the consultancy agreement:
- The consultancy services include an hourly rate of USD $300 per hour and it will be subject to review on an annual basis.
- Under the general termination of consultancy provision, the Group may terminate the Agreement by giving Mr Callahan six month's notice or payment in lieu of notice.
- Under the general termination of consultancy provision, Mr Callahan may terminate the Agreement by giving the Group six months' notice or payment in lieu of notice.
- The Group may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Consultant will be paid up to the date of termination.

On 21 August 2023, Mr Callahan resigned as a Non-Executive Director.

On 4 November 2019, an Agreement was entered into between the Company and Professor Sir John Tooke as Non-Executive Director. Under the terms of the Agreement:

- Appointed as Non-Executive Director effective from 12 February 2020.
- Professor Tooke was paid a remuneration package of $50,000 per annum base salary.
- Termination of this Agreement will be upon the date provided by either party. There is no notice period applicable to this Agreement.
- Professor Tooke has a consultancy agreement with the Group that commenced on 1 April 2020 for a period of three years. Under the terms of the Agreement:
- The consultancy services include a rate of GBP2,500 per day.
- Under the general termination of consultancy provision, the Group may terminate the Agreement by giving Professor Tooke one month's notice or payment in lieu of notice.
- Under the general termination of consultancy provision, Professor Tooke may terminate the Agreement by giving the Group one months' notice or payment in lieu of notice.
- The Group may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Consultant will be paid up to the date of termination.

Directors' report

4. Share-based compensation

Option holdings

The numbers of options in the Group held during the year ended 30 June 2023 by each KMP of Emyria, including their related parties, are set out below:

2023	Balance at the start of the year	Granted during the year	Expired during the year	Other changes*	Balance at the end of the year
Directors					
S Washer	1,500,000	-	-	166,667	1,666,667
M Winlo	7,500,000	3,000,000	-	111,111	10,611,111
A Vickery	4,000,000	-	-	69,444	4,069,444
K Smith	1,500,000	-	-	41,667	1,541,667
M Callahan	1,500,000	-	-	27,778	1,527,778
Sir J Tooke	1,500,000	-	-	-	1,500,000
Total	17,500,000	3,000,000	-	416,667	20,916,667

* the directors participated in a placement which was approved by shareholders at a General Meeting held 25 January 2023

As at 30 June 2023, the number of options that have vested and exercisable were 11,000,000 and the number of options yet to vest and un-exercisable were 2,000,000.

The option terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in the year ended or future reporting years are as follows:

Options issued	Grant date	Expiry date	Exercise price $	Fair value per option $	Vested % *
Employee Securities Incentive Plan	24 Sep 2020	13 Nov 2024	0.114	0.037	66%
Employee Securities Incentive Plan	13 Nov 2020	13 Nov 2024	0.114	0.032	66%
Employee Securities Incentive Plan	20 Feb 2021	20 Feb 2024	0.268	0.0820	33%

* The vesting conditions are:

- One third immediately on issue;
- One third one year from date of issue subject to continued employment or service and;
- One third two years from date of issue subject to continued employment or service.

During the year 5,625,000 options were issued to KMPs

Shareholdings

The number of shares in the Group held during the year ended by each KMP of Emyria, including their related parties, are set out below:

2022	Balance at the start of the year	Other changes during the year *	Balance at the end of the year
Directors			
S Washer	49,325,599	333,333	49,658,932
M Winlo	60,000	222,222	282,222
A Vickery	128,000	138,889	266,889
K Smith	550,000	83,333	633,333
M Callahan	19,600,000	55,556	19,655,556
J Tooke	-	-	-
	69,663,599	833,333	70,496,932

* the directors participated in a placement which was approved by shareholders at a General Meeting held 25 January 2023

Use of remuneration consultants

No remuneration consultants were engaged or used for the Group during the year ended 30 June 2023.

Remuneration voting and comments made at the Company's Annual General Meeting

At the AGM held in 2022, the Company received 99.54% "FOR" votes on its Remuneration Report for the 2022 financial year. The Company did not receive any specific feedback at the AGM on its remuneration practices.

Share trading policy

The trading of shares issued to participants under any of the Group's employee equity plans is subject to, and conditional upon, compliance with the Group's security trading policy as per the Group's Corporate Governance Policy. Directors and executives are prohibited from entering into any hedging arrangements over unvested options under the Group's employee securities incentive plan.

This concludes the Remuneration Report, which has been audited.

Directors' report

Indemnifying officers

During the financial year, the Company has paid a premium of $58,420 excluding GST (2022: $65,492) to insure the Directors and secretary of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Auditor

Stantons was appointed as auditors for the Group in office in accordance with section 327 of the Corporations Act 2001.

Audit Services

During the year ended 30 June 2023 $75,000 (2022: $64,9684) was paid or is payable for audit services provided by the auditors. There were no non-audit services performed during the financial year.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 22 of the financial report.

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

Michael Winlo

Dr Michael Winlo
Managing Director

27 September 2023

Financial report

Consolidated Statement of Profit or Loss and Other Comprehensive Income.
For the year ended 30 June 2023

	Notes	Group 2023 $	Group 2022 $
Revenue			
Sales revenue	2(a)	1,592,466	1,822,400
Operating costs		(2,239,975)	(2,347,654)
Gross (loss)		**(647,509)**	**(525,254)**
Other revenue			
Interest and other income		151,870	120,733
Research and Development grant received		2,089,732	1,162,135
Total other revenue	2(a)	**2,241,602**	**1,282,868**
Expenses			
Research and Development expenses		(1,798,503)	(2,208,865)
Employee wages and director fees		(1,850,319)	(2,268,050)
Corporate compliance costs		(784,828)	(526,048)
Finance costs		(128,793)	(72,224)
Share based payments	12	(422,865)	(1,230,892)
Other expenses	2(b)	(1,213,234)	(1,389,223)
Depreciation and amortisation expense	2(c)	(400,601)	(390,003)
Fixed assets write off		(126,067)	-
Total expenses		**(6,725,210)**	**(8,085,305)**
(Loss) before income tax expense		**(5,131,117)**	**(7,327,691)**
Income tax	3	-	-
(Loss) after income tax for the year		**(5,131,117)**	**(7,327,691)**
Other Comprehensive Income for the year:			
Items that may be reclassified subsequently to profit or loss		-	-
Other Comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) for the year		**(5,131,117)**	**(7,327,691)**
Basic and diluted (loss) per share (cents)	16	**(1.79)**	**(2.75)**

The accompanying notes form part of these consolidated financial statements.

Financial report

Consolidated Statement of Financial Position.
As at 30 June 2023

	Notes	Group 2023 $	Group 2022 $
ASSETS			
Current assets			
Cash and cash equivalents	4	2,733,526	3,879,469
Trade and other receivables	5	85,482	87,487
Prepayments		33,260	148,246
Total current assets		**2,852,268**	**4,115,202**
Non-current assets			
Restricted cash		144,582	161,302
Right-of-use assets	6	371,905	737,419
Plant and equipment	7	124,060	339,007
Intangible assets	8	6,671,143	2,894,905
Total non-current assets		**7,311,690**	**4,132,633**
Total assets		**10,163,958**	**8,247,835**
LIABILTIES			
Current liabilities			
Trade and other payables	9	1,829,194	988,889
Borrowings	10	912,721	-
Provisions	11	189,021	197,386
Lease liabilities	9	218,284	268,887
Total current liabilities		**3,149,220**	**1,455,162**
Non-current liabilities			
Provisions	11	81,000	107,000
Lease liabilities	9	140,123	363,816
Total non-current liabilities		**221,123**	**470,816**
Total liabilities		**3,370,343**	**1,925,978**
Net assets		**6,793,615**	**6,321,857**
EQUITY			
Contributed equity	12	29,803,915	24,637,314
Reserves	14	2,407,841	1,971,567
Accumulated losses		(25,418,141)	(20,287,024)
Total equity		**6,793,615**	**6,321,857**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity.
For the year ended 30 June 2023

Group	Contributed equity $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2022	24,637,314	1,971,567	(20,287,024)	6,321,857
(Loss) after income tax for the year	-	-	(5,131,117)	(5,131,117)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss	**-**	**-**	**(5,131,117)**	**(5,131,117)**
Proceeds from issued capital	5,500,000	-	-	5,500,000
Exercise of options	1,027			1,027
Transaction costs from issued capital	(334,426)	-	-	(334,426)
Issue of options	-	436,274	-	436,274
Balance at 30 June 2023	**29,803,915**	**2,407,841**	**(25,418,141)**	**6,793,615**

	Contributed equity $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2021	19,310,804	826,746	(12,959,333)	7,178,217
(Loss) after income tax for the year	-	-	(7,327,691)	(7,327,691)
Other comprehensive income for the year, net of tax	-	-	-	-
Total Comprehensive loss	**-**	**-**	**(7,327,691)**	**(7,327,691)**
Proceeds from issued capital	5,326,510	-	-	5,326,510
Transaction costs from issued capital	-	-	-	-
Issue of options	-	1,144,821	-	1,144,821
Balance at 30 June 2022	**24,637,314**	**1,971,567**	**(20,287,024)**	**6,321,857**

The accompanying notes form part of these consolidated financial statements.

Financial report

Consolidated Statement of Cash Flows.
For the year ended 30 June 2023

	Notes	Group 2023 $	Group 2022 $
Cash flows from operating activities			
Receipts from customers		1,816,265	1,933,911
Interest received		24,491	12,559
Payments to suppliers and employees		(7,617,823)	(8,484,173)
Interest and other finance costs paid		(84,225)	(52,254)
R&D refund received		2,089,732	1,162,135
Net cash (used in) operating activities	15	**(3,771,560)**	**(5,427,822)**
Cash flows from investing activities			
Payments for plant and equipment		(16,751)	(52,848)
Payments for intangible assets		(3,216,895)	(1,976,338)
Net cash (used in) investing activities		**(3,233,646)**	**(2,029,185)**
Cash flows from financing activities			
Proceeds from issue of shares		5,500,000	5,039,689
Transaction costs paid from the issue of shares		(320,000)	-
Proceeds from borrowings		1,719,927	-
Repayment of borrowings		(800,000)	-
Repayment of lease liabilities	9	(257,384)	(232,701)
Net payments cash backed guarantees (restricted cash)		16,720	562
Net cash provided by financing activities		**5,859,263**	**4,807,550**
Net (decrease) / increase in cash and cash equivalents		(1,145,943)	(2,649,457)
Cash and cash equivalents at the beginning of the year		3,879,469	6,528,926
Cash and cash equivalents at the end of the year	4	**2,733,526**	**3,879,469**

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Emyria Limited ("Emyria" or "the Company") is a Company incorporated in Australia whose shares are publicly traded on th Australian Securities Exchange ("ASX").

The consolidated financial statements of the Group as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity" and individually as a "Group entity").

The separate financial statements of the parent entity, Emyria Limited, have not been presented with this financial report. Summary parent information has been included in note 18.

Note 1: statement of significant accounting policies

1.1 Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

The consolidated financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The financial statements are presented in Australian Dollars ("AUD").

(i) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(ii) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.1 (vi).

(iii) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(iv) Going Concern

As of 30 June 2023, the Group had net working capital (deficit) of $(296,952) (2022: net surplus $2,660,040) and cash balance of $2,733,526 (2022: $3,879,469). The Group did not have any capital commitments of as of 30 June 2023.

The Directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements taking into consideration the placement completed in September 2023. In response to the uncertainty arising from this, the Directors 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.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 1: (continued)

Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions and shareholder support, in particular:

- 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 secured a loan facility with Radium Capital for $919,158 in May 2023 secured against expected R&D Tax Incentive claim. At the date of this report, the Company has drawn down the full amount of the facility.

The Directors are satisfied they will be able to raise additional funds as required and thus it is appropriate to prepare the 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. In the event that the Group is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and therefore proceed with realising its assets and discharging its liabilities in the normal course of business at the amounts stated in the financial report.

The consolidated 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.

(v) New and amended standards adopted by the Group

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

(vi) Use of estimates and judgement

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 13.

Provision for impairment of receivables

Included in trade and other receivables at the end of the reporting period is an amount of $nil (2022: $nil)

that is outstanding for more than 30 days. While there is inherent uncertainty, the directors understand that the full amount of debt is likely to be received and therefore no provision for impairment has been made.

Provision for impairment of property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis so as to write down the net cost or fair value of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The estimated useful life of the property, plant and equipment as at reporting date is 5 years.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a Discount Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Capitalisation of internally developed project development

Distinguishing the research and development phases of a new project development and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired

Determining the lease term of contract with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has a lease contract that includes an extension option.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 1: (continued)

(vii) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Emyria at the end of the reporting year. A controlled entity is any entity over which Emyria has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in note 22 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

(viii) New and Amended Accounting Policies Not Yet Adopted by the Group/Company

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024.
The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The impact of the initial application is not yet known.

AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabili-ties arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrange-ment. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

AASB 2021-7b & c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2021-7b makes various editorial corrections to AASB 17 Insurance Contracts which applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

AASB 2021-7c defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

The Group plans on adopting the amendments for the reporting periods ending 30 June 2024 and 30 June 2026. The impact of initial application is not yet known.

AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

AASB 2022-7 makes editorial corrections to the following standards: AASB 7, AASB 116, AASB 124, AASB 128, AASB 134 and AASB as well as to AASB Practice Statement 2. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard.

The Group plans on adopting the amendments for the reporting period ending 30 June 2024.

The amendment is not expected to have a material impact on the financial statements once adopted.

Note 1.2: Significant Accounting Policies

(i) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in the Australian dollar ($), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchanges rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets are recognised in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 1.2: (continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(ii) Revenue from contracts with customers

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The five-step process outlined in AASB 15 are as follows:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes.

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(a) Sales of service (revenue from patients and research projects and data deals)

Revenue from rendering of service is recognised upon the delivery of service to the customers.

(b) Research and development tax incentive

Refund amounts receivable under the Federal Government's Research and Development Tax Incentives are recognised as other income in the period it is received.

(c) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(d) Government grants

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sections.

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs and grants relating to assets are regarded as a reduction in asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised net of expenses

(iii) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks and highly liquid investments with original maturities of three months or less.

(iv) Trade and other payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Group during the reporting year, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(v) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to when the asset is realised or the liability is settled, based on tax rates of (and tax laws) that have been enacted or substantially enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the consolidated statement of comprehensive income.

(vi) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 1.2: (continued)

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing:

- The profit/(loss) attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares

By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(vii) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(viii) Financial instruments

Classification and measurement

Under AASB 9, the Group initially measures a financial asset as its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Financial assets are then subsequently measured at fair value through profit or loss ("FVTPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

Subsequent measurement

The Group's financial assets at amortised cost includes trade and other receivables.

Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and lease liabilities.

SUBSEQUENT MEASUREMENT

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(ix) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset

Right-of-use assets are generally depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis.

The depreciation rates used for each class of asset are:

• fixtures and fittings	20 - 40%
• leasehold improvements	20%
• computer equipment and software	20 - 40%
• Right-of-use assets	20%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(x) Intangible assets

(a) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group is recognised if, and only if, all of the following have been demonstrated: where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

The Group amortises software with a limited useful life using the straight-line method between 2-5 years.

(b) Research and development costs

Research costs are expenses as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility to complete the intangible asset so that the asset will be available for use or sale,
- its intention to complete and its ability and intention to use or sell the asset,
- how the asset will generate future economic benefits,
- the availability of resources to complete the development of the asset, and
- the ability to measure reliably expenditure during development.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 1.2: (continued)

Directly attributable costs that are capitalised include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested annually for impairment.

(c) Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives when available for use. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

(xi) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision resulting from the passage of time is recognised in finance costs.

(xii) Employee benefits

(a) Equity settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(b) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(c) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(d) Share-based payments

Share-based compensation benefits are provided to directors, employees and consultants via the option terms and conditions set out by the Group.

The fair value of options granted under the option terms and conditions set out by the Group is recognised as a share-based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Group transfers the appropriate number of shares to the director, employee or consultant. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

(e) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(xiii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statements of financial position are stated inclusive of the amount of GST receivable or payable. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. The net

amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statements of financial position.

(xiv) ROU assets and lease liabilities

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

The Group recognises a right-of-use asset at the commencement date of the lease. The right-of-use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Subsequent to initial measurement, right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 2: Revenue and expenses

	Group 2023 $	Group 2022 $
(a) Revenue		
Revenue from patients	1,487,106	1,352,592
Revenue from research projects and data deals	105,360	469,808
	1,592,466	**1,822,400**
Other revenue		
Interest and other income	30,333	12,713
Gain on modification of lease (note 6)	121,537	108,020
Research and Development grant received	2,089,732	1,162,135
Total Other revenue	**2,241,602**	**1,282,868**
(b) Other expenses		
Travel and conference expenses	(193,862)	(106,116)
Administration costs	(367,617)	(580,495)
IT consultancy fees	(284,303)	(193,181)
Consultancy fees	(283,605)	(318,205)
Other	(83,847)	(191,226)
	(1,213,234)	**(1,389,223)**
(c) Depreciation and amortisation expense		
- Depreciation expense on right-of-use assets (note 6)	(214,462)	(196,108)
- Depreciation expense on plant and equipment (note 7)	(105,631)	(113,387)
- Amortisation expense on intangible assets (note 8)	(80,508)	(80,508)
	(400,601)	**(390,003)**

Note 3: Income tax

	Group 2023 $	Group 2022 $
(a) Income tax		
Current tax		
Current income tax expense	-	-
Deferred tax		
Relating to the origination and reversal of previously unrecognised temporary deferred tax differences	**(636,171)**	(1,693,758)
Net deferred tax assets not brought to account	**636,171**	357,465
	-	-
(b) Reconciliation of tax expense to net loss before tax		
Loss before income tax	**(5,131,117)**	(7,327,691)
Tax at the statutory rate of 26.0% (2020: 27.5%)	(1,282,779)	(1,831,923)
Tax effect of:		
Non-deductible expenses	228,384	412,723
Effect of tax losses and timing differences not recognised as deferred tax assets	1,578,638	1,709,242
Foreign tax rate differential	(1,810)	492
Other non-assessable income	(522,433)	(290,534)
Income tax expense	-	-
(c) Amounts recognised in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in statement of profit or loss and other comprehensive income but directly debited or credited to equity		
Current tax	-	-
Net deferred tax	80,000	-
	80,000	-
Unrecognised deferred tax asset		
Prior year tax losses not recognised	4,460,493	3,766,013
Current year tax losses	153,887	153,400
Capital raising costs and transaction costs in equity	165,822	194,084
Plant and equipment	89,602	158,176
Right-of-use asset lease liability	70,304	35,769
Other temporary differences	76,916	87,068
Off-set deferred tax liabilities	(212,744)	(306,402)
Net deferred tax assets unrecognised	**4,804,280**	**4,088,108**

Notes to the consolidated financial statements

For the year ended 30 June 2023

Deferred tax assets have not been brought to account at 30 June 2023 because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable.

These benefits will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(ii) the Group complies with the conditions for the deductibility imposed by law including the continuity of ownership and/or business tests; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

Note 4: Cash and cash equivalents

	Group 2023 $	Group 2022 $
Cash at bank	2,733,526	3,879,469
Cash and cash equivalents	**2,733,526**	**3,879,469**

Notes to the statement of cash flows:

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and at bank and term deposits that has original maturity of less than 3 months.

Note 5: Trade and other receivables

Current	Group 2023 $	Group 2022 $
Trade Debtors (1)	30,835	28,423
GST paid	54,647	59,064
	85,482	**87,487**

The Group measures its trade and other receivables at amortised cost.

(1) The ageing of the Group's Trade Debtors as at 30 June 2023 and 30 June 2022 are as follows:

30 June 2023

Debtor type	<30 days past due $	30-90 days past due $	90+ days past due $	Total $
Patient fees	11,035			11,035
Other trade debtors	19,800	-	-	19,800
Gross carrying amount	**30,835**			**30,835**
Expected loss rate	0%	0%		0%
Less allowing provision	-	-	-	-
Net carrying amount	**30,835**			**30,835**

30 June 2022

Debtor type	<30 days past due $	30-90 days past due $	90+ days past due $	Total $
Patient fees	13,752	-	-	13,752
Data collaboration revenue	14,671	-	-	14,671
Gross carrying amount	**28,423**	**-**	**-**	**28,423**
Expected loss rate	0%	0%	0%	0%
Less allowing provision	-	-	-	-
Net carrying amount	28,423	-	-	28,423

The Group applies the simplified approach in providing for expected credit losses (ECL) prescribed by AASB 9. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past defaults experience and analysis of the debtors' current financial position. There has been no change in the estimation process used during the current reporting period.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 6: Right-of-use assets

The Group's lease portfolio includes office and clinic leases.
The average term of these leases, excluding options, is 1-4 years.

	Group 2023 $	Group 2022 $
(a) Carrying value		
Value of leases	966,483	1,296,048
Accumulated depreciation	(594,578)	(558,629)
	371,905	**737,419**
Reconciliation		
Net carrying amount at beginning of the year	737,419	880,589
Add: leases entered into during the financial year	-	160,958
Less: lease modified*	(151,052)	(108,020)
Depreciation expense during the financial year	(214,462)	(196,108)
Net carrying amount as at end of the year	**371,905**	**737,419**

* During the year, the Group, at the request of the landlord, terminated the lease of its Sydney. The Group received $200,000 as settlement upon termination.

Gain on modification of lease		
Reduction in carrying value of the ROU asset as at 30 June 2023	(151,052)	(147,440)
Less: Lease liability	46,589	255,460
Less: Make good provision	26,000	-
Less: Settlement on termination	200,000	-
Other income – gain on modification of lease	121,537	108,020

(b) AASB 16 related amounts recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Interest expense	(29,677)	(42,247)
Depreciation	(214,462)	(196,108)
Other income – gain on modification of lease	(121,537)	(108,020)

(c) Total financial year end cash outflows for leases		
Repayment of lease liabilities	(257,384)	(232,701)

(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 7: Plant and equipment

	Group 2023 $	Group 2022 $
Leasehold Improvements		
At cost	412,173	672,382
Accumulated Depreciation	(325,586)	(390,694)
	86,587	**281,689**
Computer, office furniture and equipment		
At cost	132,354	134,506
Accumulated depreciation	(94,881)	(77,188)
	37,473	**57,318**
Total		
At cost	544,527	806,888
Accumulated depreciation	(420,467)	(467,882)
	124,060	**339,007**
Reconciliation		
Leasehold improvements		
Carrying amount at beginning of the year	281,689	365,564
Additions	-	11,134
Leasehold improvements written off	(117,201)	-
Depreciation	(77,901)	(95,009)
Carrying amount at the end of the year	**86,587**	**281,689**
Computer, office furniture and equipment		
Carrying amount at beginning of the year	57,318	33,982
Additions	16,751	41,714
Plant and equipment written off	(8,866)	-
Depreciation	(27,730)	(18,378)
Carrying amount at the end of the year	**37,473**	**57,318**
Total		
Carrying amount at beginning of the year	339,007	399,546
Additions	16,751	52,848
Leasehold improvements and plant and equipment written off	(126,067)	-
Depreciation	(105,631)	(113,387)
Carrying amount at the end of the year	**124,060**	**339,007**

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 8: Intangible assets

30 June 2023 Intangible assets	Group 2023 $	Group 2022 $
At cost	6,901,301	3,044,555
Accumulated amortisation	(230,158)	(149,651)
	6,671,143	**2,894,905**

30 June 2023	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	-	3,856,746	-	3,856,746
Amortisation	(37,973)	(42,535)	-	(80,508)
Balance at 30 June 2022	**44,778**	**6,569,123**	**57,242**	**6,671,143**

30 June 2022	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	-	2,237,933	-	2,237,933
Amortisation	(37,974)	(42,534)	-	(80,508)
Balance at 30 June 2021	**82,751**	**2,754,912**	**57,242**	**2,894,905**

There is no amortisation cost allocated to operating cost.

The Group started capitalising development costs relating to Openly and EMD-003 projects during the financial year ended 30 June 2021.

The Board assesses each project at balance date:

i. Openly: The Company received TGA approval for its clinical management support web-based application software in September 2020. Costs associated with further development of this device have been capitalised. The costs are currently being amortised.

ii. EMD-RX5: Relates to the use of cannabidiol for the treatment of psychological distress. During the year, Emyria commenced a phase III study for the use of cannabidiol for the treatment of psychological distress.

Note 9: Financial liabilties carried at amortised costs

Current	Group 2023 $	Group 2022 $
Trade payables	1,122,769	619,142
Accrued expenses and other payables	706,425	369,747
Total trade and other payables (1)	**1,829,194**	**988,889**
Lease liabilities (2)	218,284	268,887
	2,047,478	**1,257,776**
Non-Current		
Lease liabilities (2)	140,123	363,816
	140,123	**363,816**

(1) Trade and other payables are measured at amortised cost. None of the outstanding balance are past due at reporting date.

(2) The carrying value and reconciliation of the Group's lease liabilities are as follows:

Carrying value

	Premises 2023 $	Premises 2022 $
Current liabilities	218,284	268,887
Non-current liabilities	140,123	363,816
Carrying value as at 30 June	**358,407**	**632,703**
Reconciliation		
Opening balance	632,703	949,699
Add: leases entered into during the financial year	-	128,918
Less: Principal repayments	(257,384)	(232,701)
Less: Lease modification	(46,589)	(255,460)
Add: Unwinding of interest expense on lease liability	29,677	42,247
Carrying value as at 30 June	**358,407**	**632,703**

(1) In December 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 $46,589 has been written off.

(2) One of the clinic leases ended on 1 August 2023 and the Company did not use its option to extend the lease and recognised the modification in the prior year for $255,460. This lease was initially accounted for 6 years and as at 30 June 2022, it was agreed by the partied that the lease ended by 1 August 2023.

At initial recognition, the lease liabilities were measured at the present value of minimum lease payment using the Group's incremental borrowing rate of 6%. The incremental borrowing rate was based on the unsecured interest rate that will apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 10: Borrowings

	Group 2023 $	Group 2022 $
Current		
Borrowings	912,721	-
	912,721	**-**

Note 11: Provisions

	Group 2023 $	Group 2022 $
Current		
Employee benefits (1)	173,299	197,386
FBT liability	15,722	-
	189,021	**197,386**
Non-Current		
Make good provision (2)	81,000	107,000
	81,000	**107,000**

(1) The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current as the Group expects all employees to take the full amount of accrued leave or require payment within the next 12 months.

(2) Relates to the estimated cost of making good the premises in relation to the leases entered into by the Group in prior years.

Note 12: contributed equity

	2023 Number	2023 $	2022 Number	2022 $
(a) Issued and paid up capital				
Fully paid ordinary shares	**308,349,313**	**29,803,915**	**275,002,469**	**24,637,314**
(b) Movements in fully paid shares on issue				
Opening Balance	**275,002,469**	**24,637,314**	**254,091,857**	**19,310,804**
Movement for the year				
Shares issued at $0.25 per share (1)	-	-	20,000,000	5,000,000
Shares issued to a Director (2)	-	-	550,000	200,750
Shares issued on exercise of options (3)	-	-	360,612	125,760
Shares issued at $0.18 per share (4)	15,833,333	2,850,000	-	-
Shares issued on exercise of options (5)	13,512	1,027	-	-
Shares issued at $0.18 per share (4)	833,333	150,000	-	-
Shares issued at $0.15 per share	16,666,666	2,500,000	-	-
Capital raising costs (6)	-	(334,426)	-	-
Closing Balance	**308,349,313**	**29,803,915**	**275,002,469**	**24,637,314**

Note 1: On 22 November, Emyria completed a $5 million strategic investment from Tattarang. Under the Placement, a total of 20 million shares were issued to Tattarang at A$0.25 per share. As part of the Placement, Tattarang was issued 10 million unlisted options (Options). The Options have an exercise price of A$0.40 per Option and an expiry date of 2 years from the date of issue. The Options were issued for no additional consideration.

Note 2: During the year, shares were issued to Dr Karen Smith for nil consideration under the employee's securities incentive plan and are not subject to shareholder approval.

Note 3: This includes the issue of 213,609 shares on exercise of options by staff which were subject to a cashless exercise facility. The adjustment for the cashless facility was $86,071 and the total cash received on exercise of total options was $39,689.

Note 4: 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 and 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 5: This includes the issue of 13,512 shares on exercise of 34,000 unlisted 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 6: This includes the fair value of 2,000,000 options issued to lead manager in relation to placement completed in November 2023 which amounted to $14,426.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

For information relating to the Company's options, refer to Note 13.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 13: Share based payments

The following share-based payments arrangements were in existence during the current reporting year:

Options

Options series	Number	Grant date	Expiry date	Exercise Price $	Fair value at grant date $
(1) Issued on 26 September 2019	600,000	26/09/2019	26/09/2023	0.450	0.0188
(2) Issued on 13 November 2020	2,018,000	24/09/2020	13/11/2024	0.114	0.0374
(3) Issued on 13 November 2020	8,500,000	13/11/2020	13/11/2024	0.114	0.0320
(4) Issued on 22 December 2020	500,000	22/12/2020	22/12/2023	0.114	0.0317
(5) Issued on 20 February 2021	1,500,000	20/02/2021	22/2/2024	0.268	0.0820
(6) Issued on 18 March 2021	605,000	18/03/2021	18/3/2024	0.256	0.0620
(7) Issued on 21 September 2021	150,000	21/09/2021	21/09/2024	0.330	0.1090
(8) Issued on 7 October 2021	75,000	07/10/2021	07/10/2025	0.316	0.1218
(9) Issued on 1 November 2021	300,000	01/11/2021	01/11/2025	0.360	0.1465
(10) Issued on 31 December 2021	6,000,000	31/12/2021	31/12/2023	0.550	0.1559
(11) Issued on 8 June 2022	200,000	8/6/2022	7/6/2026	0.384	0.1260
(12) Issued on 17 Aug 2022	575,000	17/08/2022	16/08/2026	0.365	0.142
(13) Issued at 22 Nov 2022	2,000,000	22/11/2022	22/11/2025	0.350	0.092
(14) Issued at 24 Nov 2022	50,000	24/11/2022	16/08/2026	0.365	0.079
(15) Issued at 24 Nov 2022	3,000,000	24/11/2022	23/11/2026	0.296	0.114
(16) Issued at 24 Nov 2022	2,000,000	24/11/2022	23/11/2026	0.296	0.092
Total	**28,073,000**				

(1) The 600,000 options in series 1 where one third vested immediately on date of issue, one third vests after 12 months from date of issue and one third vests after 18 months from date of issue, were issued to a third party under the terms outlined in a licence agreement with the Company.

(2) The 2,018,000 options in series 2 where one third vested 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. During the year, 34,000 options were exercised and 34,000 options lapsed.

(3) The 8,500,000 options in series 3 where one third vested 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 Directors under the option terms and conditions issued by the Company.

(4) The 500,000 options in series 4 where one third vested 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 a consultant under the option terms and conditions issued by the Company.

Note 13: Share based payments (continued)

(5) The 1,500,000 options in series 5 is for advisory services where one third vested immediately on date of issue and the remainder over two years from date of issue, were issued to the financial adviser under the option terms and conditions issued by the Company.

(6) The 605,000 options in series 6 where one third vested 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 an employee under the option terms and conditions issued by the Company.

(7) The 150,000 options in series 7 where one third vested 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 an employee under the option terms and conditions issued by the Company.

(8) The 75,000 options in series 8 where one third vested 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 an employee under the option terms and conditions issued by the Company.

(9) The 300,000 options in series 9 where one third vested 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 an employee under the option terms and conditions issued by the Company.

(10) The 6,000,000 options in series 10 vested immediately were issued to consultants as consideration for corporate advisory services.

(11) The 200,000 options in series 11 where one third vested 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.

(12) The 575,000 options in series 12 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.

(13) The 2,000,000 options in series 13 which vested immediately on date of issue were issued as part settlement of corporate advisory fees under a mandate dated 28 October 2022.

(14) The 50,000 options in series 14 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.

(15) The 3,000,000 options in series 15 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.

(16) The 2,000,000 options in series 16 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 weighted average contractual life for options outstanding at the end of the year was 2.34 years (2022: 1.33 years).
The share based payments expense was $422,865 for the year ended 30 June 2023 (30 June 2022: $1,230,892).
The amount of share based payments recognised to capital raising costs was $14,426 (30 June 2022: Nil).

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 13: Share based payments (continued)

Options were priced using a Black-Scholes option pricing model using the inputs below:

Options series	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6
Grant date share price	$0.10	0.083	0.076	0.084	0.210	0.175
Exercise price	$0.45	$0.114	$0.114	$0.114	$0.268	$0.256
Expected volatility	70%	70%	70%	70%	70%	70%
Option life	4 years	4 years	4 years	3 years	3 years	3 years
Dividend yield	0%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest rate	0.97%	0.3%	0.3%	0.2%	0.1%	0.1%

Options series	Series 7	Series 8	Series 9	Series 10	Series 11	Series 12
Grant date share price	0.215	0.210	0.285	0.370	0.25	0.255
Exercise price	$0.330	$0.316	$0.360	$0.550	$0.384	$0.365
Expected volatility	93%	94%	93%	99%	93%	85%
Option life	3 years	4 years	4 years	4 years	4 years	4 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0%	0%
Interest rate	0.17%	0.35%	0.98%	0.54%	0.98%	3.10%

Options series	Series 13	Series 14	Series 15	Series 16
Grant date share price	0.185	0.185	0.185	0.185
Exercise price	$0.350	$0.365	$0.296	$0.296
Expected volatility	80%	79%	86%	79%
Option life	3 years	4 years	4 years	4 years
Dividend yield	0.00%	0%	0%	0.00%
Interest rate	3.10%	3.10%	3.10%	3.10%

Note 13: Share based payments (continued)

The following reconciles the outstanding share options granted in the year ended 30 June 2023:

	2023 Number of options	2023 Weighted avg exercise price	2022 Number of options	2022 Weighted avg exercise price
Balance at the beginning of the year	77,709,262	0.34	63,116,598	0.30
Granted during the year[1]	32,624,994	0.32	16,725,000	0.45
Exercised during the year[2]	**(34,000)**	**0.11**	(532,336)	0.20
Lapsed/expired/cancelled during the year	(10,661,451)	0.38	(1,600,000)	0.18
Balance at the end of the year	**99,638,805**	**0.34**	**77,709,262**	**0.30**
Un-exercisable at the end of the year	3,991,667	0.31	4,813,667	0.16
Exercisable at end of the year	59,013,327	0.34	72,895,595	0.36

1. Options granted during the year includes 26,999,994 free-attaching options as at 30 June 2023 (30 June 2022: 10,000,000 -free attaching options).
2. During the year, 34,000 options were exercised and 34,000 options lapsed.

No amounts are unpaid on any of the shares. No person entitled to exercise an option had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

Note 14: Reserves

	Group 2023 $	Group 2022 $
Share based payments reserve	2,407,841	1,971,567
	2,407,841	**1,971,567**

The share based payments reserve relates to share options granted by the Company to its employees, consultants and Directors under the option terms and conditions issued by the Company. Further information about share based payments are set out in note 12.

	Group 2023 $	Group 2022 $
Movement of share based payments reserve		
Opening balance	1,971,567	826,746
Share based payments: expense (note 12)	422,865	1,230,892
Cashless exercise adjustment	(1,027)	(86,071)
Share based payments: capital raising costs	14,426	-
	2,407,841	**1,971,567**

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 15: Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities

	Group 2023 $	Group 2022 $
Loss for the year	**(5,131,117)**	**(7,327,691)**
Share based payments expense	422,865	1,230,892
Share-based payments (Director's remuneration)	-	200,750
Depreciation and amortisation	400,601	390,003
Fixed assets write-off	126,067	-
Other income – gain on lease modification	(121,537)	(108,020)
Changes in assets and liabilities:		
Decrease in trade and other receivables prepayments	2,005	79,719
Decrease in prepayments	114,986	-
Increase in trade and other payables	423,205	55,259
Increase in provisions	(8,635)	51,266
Net cash flows (used in) operating activities	**(3,771,560)**	**(5,427,822)**

Non-cash financing and investing activities

The Group did not engage in any non-cash investing activities during the year (2022: nil).

The Company issued 2,000,000 unlisted options to its lead manager in lieu of its services for the capital raising. The fair value of the options of $14,426 was recognised as capital raising costs.

Changes in liabilities arising from financing activities

Refer to Note 9 (3) for details.

Note 16: Loss per share

(a) Reconciliation of loss used in calculating Loss Per Share	Group 2023 $	Group 2022 $
Loss attributable to the ordinary equity holders used in calculating basic loss per share	**(5,131,117)**	**(7,327,691)**
(b) Weighted average number of shares used as the Denominator	**2022 Number $**	**2021 Number $**
Ordinary shares used as the denominator in calculating basic loss per share	**287,258,990**	**266,636,696**
(c) Loss per share	**Group 2022 cents**	**Group 2021 cents**
Basic loss per share (cents per share)	**(2.75)**	**(2.24)**
Diluted loss per share (cents per share)	**(2.75)**	**(2.24)**

There is no dilution of shares due to options as the potential ordinary shares are not dilutive, therefore not included in the calculation of diluted loss per share.

Note 17: Related party transaction

Key Management Personnel Compensation

The aggregated compensation paid to Directors and Key Management Personnel of the Group is as follows:

	Group 2023 $	Group 2022 $
Short term employee benefits	1,279,226	1,273,970
Bonus payments	-	160,000
Post-employment benefits	49,088	53,204
Non-monetary benefits (annual leave)	(4,197)	(7,111)
Share based payment	235,344	200,750
	1,559,461	**1,680,813**

There have been no other transactions For the year ended 30 June 2023 to related parties (30 June 2022: Nil).

Note 18: Parent entity disclosures

Financial position

	Group 2023 $	Group 2022 $
Assets		
Current assets	2,691,165	3,938,861
Non-current assets	7,015,815	3,300,489
Total assets	**9,706,980**	**7,239,350**
Liabilities		
Current liabilities	2,669,108	805,885
Non-current liabilities	304,584	570,405
Total liabilities	**2,973,692**	**1,376,290**
Net assets	**6,733,288**	**5,863,060**
Equity		
Issued capital	29,803,915	24,637,313
Reserves	2,407,841	1,971,567
Accumulated losses	(25,478,468)	(20,745,820)
Total equity	**6,733,288**	**5,863,060**
Financial performance		
Loss for the year	(4,732,648)	(7,406,579)
Other comprehensive income	-	-
Total comprehensive income	**(4,732,648)**	**(7,406,579)**

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 19: Commitments and contingencies

At reporting date, the Company had agreed to provide an additional $112,500 to the University of Western Australia to expand the MDMA analogue program.

There are no other commitments or contingent liabilities outstanding for the Group or the Company other than outline above.

Note 20: 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 30 June 2023, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

Note 21: Financial risk management

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The Group's activities expose it to a variety of financial risks: market risk (ie. interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

The Group's Risk Committee ("the Committee") performs the duties of risk management in identifying and evaluating sources of financial and other risks. The Committee provides written principles for overall risk management which balance the potential adverse effects of financial risks on Group's financial performance and position with the "upside" potential made possible by exposure to these risks and by considering the costs and expected benefits of the various methods available to manage them.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Australian Dollar current and non-current debt obligations with floating interest rates. The Group is also exposed to interest rate risk on its cash and short term deposits.

Note 21: Financial risk management (continued)

2023

	Floating Interest rate $	Fixed interest rate maturing in 1 year or less $	Fixed interest rate maturing greater than 1 year $	Non-interest bearing $	Total $	Weighted average effective interest rate %
Financial assets						
Cash and cash equivalents	2,434,215	-	-	299,311	2,733,526	1.6
Trade and other receivables	-	-	-	85,482	85,482	-
Restricted cash	-	-	144,582	-	144,582	1.0
	2,434,215	**-**	**144,582**	**384,793**	**2,963,590**	
Financial liabilities						
Trade and other payables	-	-	-	1,829,194	1,829,194	-
Lease liabilities	-	218,284	140,123	-	358,407	6.0
	-	**218,284**	**140,123**	**1,829,194**	**2,187,601**	

2022

	Floating Interest rate $	Fixed interest rate maturing in 1 year or less $	Fixed interest rate maturing greater than 1 year $	Non-interest bearing $	Total $	Weighted average effective interest rate %
Financial assets						
Cash and cash equivalents	3,776,846		-	99,817	3,879,469	1.00
Trade and other receivables	-	-	-	87,487	87,487	-
Restricted cash	-	-	161,302		161,302	1.00
	3,776,846	**-**	**161,302**	**187,304**	**4,128,259**	
Financial liabilities						
Trade and other payables	-	-	-	988,889	988,889	-
Lease liabilities	-	268,887	363,816	-	632,703	6.00
	-	**268,887**	**363,816**	**988,889**	**1,621,592**	

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 21: Financial risk management (continued)

Sensitivity Analysis – Interest Rate Risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at the reporting date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in interest rates.

Change in loss	30 June 2023 $	30 June 2022 $
Increase by 1%	27,208	37,768
Decrease by 1%	(27,208)	(37,768)

Credit risk

The Group has no significant concentrations of credit risks.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above of this note.

As at 30 June 2023, all cash and cash equivalents were held with National Australia Bank with an A (Standard and Poor's) credit rating. In relation to trade receivables, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The credit risk on other receivables is limited as it is comprised of GST recoverable from the Australian Taxation Office. The credit risk on liquid funds is limited because the counter party is a bank with high credit rating.

Liquidity risk

Prudent liquidity risk management involves the maintenance of sufficient cash, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows.

Contractual maturities of financial liabilities

As at the reporting date the Group had total financial liabilities of $2,187,601 (2022: $1,621,593) which comprised of trade and other payables and borrowings with a maturity of less than 6 months and lease liabilities maturing within the next four years.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the potential return to shareholders. The capital structure of the Company consists of equity attributable to equity holders, comprising issued capital and reserves as disclosed in notes 11 and 13.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities at approximate carrying values.

Note 22: Fair value measurement

Fair value hierarchy

The Group's assets and liabilities measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group does not have assets and liabilities measured or disclosed at fair value as at 30 June 2023 and 2022.

Estimates of fair value take into account factors and market conditions evident at balance date. Uncertainty and changes in global market conditions in the future may impact fair values in the future.

Transfers between level 1, 2 and 3

There were no movements between different fair value measurement levels during the financial year (2022: none)

Note 23: Subsidaries

Name of entity	Country of incorporation	Class of Shares	2023	2022
Emyria Clinical Network Pty Ltd	Australia	Ordinary	100%	100%
Emyria Clinical Research Pty Ltd[1]	Australia	Ordinary	100%	100%
Emyria Data Management Pty Ltd[1]	Australia	Ordinary	100%	100%
Emyria IP Holdings Pty Ltd[1]	Australia	Ordinary	100%	100%
Openly Care Inc.	United States	Ordinary	100%	100%
Emyria UK Ltd [1, 3]	United Kingdom	Ordinary	100%	100%

(1) These entities have been dormant during the financial year.

(2) Openly Care was struck off on 30 May 2023

(3) Emyria UK Ltd was struck off 28 August 2023

Notes to the consolidated financial statements

For the year ended 30 June 2023

Note 24: Events after reporting date

Placement comprises the issue of approximately 26,666,667 fully paid ordinary shares at $0.075 each ("Placement Shares") representing a 6.25% discount to the last traded price as at 30 August 2023. In addition, the Placement includes 1 free attaching unquoted option for every 2 shares applied for and issued under the Placement ("Placement Options"). The Placement Options will be exercisable at $0.12 each and expire 3 years from the date of issue.

On 5 September 2023, the Company announced that 19,217,144 options expired on 28 April 2023.

On 6 September 2023, the Company announced a non-renounceable entitlement issue of 1 new share for every 7.5 existing shares held at an issue price of $0.075 per new share to raise approximately $3.1m (before costs) together with 1 free attaching option for every 2 new shares applied for and issued.

On 13 September 2023, the Company announced that it completed its acquisition of Mind Body Consulting Pty Ltd trading as the Pax Centre. The strategic acquisition was valued at $1.7m and executed through a combination of shares and cash. 10,236,220 shares were issued with a value of $1.3m. The balance is to be paid in cash.

On 13 September 2023, the Company also announced the issue of 25,000,000 shares, of which 20,000,000 were issued under tranche one of the placement announced on 4 September and 5,000,000 shares at a deemed issue price of $0.075 each to StocksDigital in part consideration for the provision of investor relations services.

There are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 25: Remuneration of auditors

Auditor fees incurred during the financial year are as follows:

	Group 2023 $	**Group 2022 $**
Audit services – Stantons	75,000	64,968
	75,000	**64,968**

Directors' Declaration

In the Directors' opinion:

a) the consolidated financial statements and notes set out on pages 27 to 62, and are in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and

ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 For the year ended 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.

Michael Winlo

Dr Michael Winlo
Managing Director

Dated 27 September 2023

Auditors' Declaration

Stantons

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West Perth WA 6872
Australia

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Australia

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Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

27 September 2023

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

Dear Directors

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 audit of the financial statements of Emyria Limited for the year ended 30 June 2023, 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 audit; and

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

Yours sincerely

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

Samir Tirodkar
Director

Auditor's Report

Stantons

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Emyria Limited ("the Company"), and its subsidiaries (collectively, the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 (the Code) that are relevant to our audit of the 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, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(iv) to the consolidated financial statements, which indicate that the Group incurred a net working capital deficit of $296,952. As at 30 June 2023, the Group had cash and cash equivalents of $2,733,526. As stated in Note 1(iv), these events or conditions, along with other matters, as set forth in Note 1(iv), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Auditor’s Report

Stantons

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matters were addressed in the audit
Capitalised development costs	
During the financial year, the Group capitalised development costs which amounted to $6,671,143 (refer to Note 8). Capitalisation of development costs was a key audit matter due to: i. judgment involved in applying the requirements of AASB 138 *Intangible Assets* which includes judgment about the future performance and viability of the project; and ii. the size and nature of the amount the judgment involved in identifying costs that meet the criteria for capitalisation under the requirements of the accounting standards.	Inter alia, our audit procedures included the following: i. Evaluating the nature of the development expenses incurred that are capitalised as intangible assets; ii. Assessing the reasonableness of the capitalisation based on our knowledge of the business and industry; iii. Evaluating the appropriateness of expenses capitalised, on a sample basis, by agreeing material costs incurred to external invoices and other relevant supporting documents; iv. Assessing whether any impairment of the capitalised development costs was necessary as at 30 June 2023; and v. Assessing the adequacy of the disclosures in accordance with the applicable accounting standards.
Measurement of share-based payments	
During the financial year, the Group recognised a share-based payment expense of $422,865 in the consolidated statement of profit or loss (refer to Note 13). The Group awarded share-based payments in the form of share options. The awards vest subject to the achievement of certain vesting conditions. Measurement of share-based payments was a key audit matter due to the complex and judgmental estimates used in determining the fair value of the share-based payments.	Inter alia, our procedures included the following: i. Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; ii. Assessing the assumptions used in the Group’s valuation of share options being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life), and grant date. iii. Assessing the allocation of the share-based payment expense over the relevant vesting period; and iv. Assessing the appropriateness of the disclosures in Note 13 to the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2023 but does not include the financial report and our auditor’s report thereon.

Stantons

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Report

Stantons

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 18 to 25 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Emyria Limited for the year ended 30 June 2023 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
27 September 2023

ASX additional information

Twenty largest shareholders as at 12 September 2023

Position	Holder Name	Holding (units)	% total units
1	Dr Stewart James Washer & Dr Patrizia Derna Washer <The Washer Family A/C>	29,950,599	9.71%
2	HSBC custody nominees (Australia) limited	24,157,615	7.83%
3	Mr Craig Lawrence Darby <Craig Lawrence Darby A/C>	21,109,790	6.85%
4	Mal Washer Nominees Pty Ltd <Mal Washer Nominees Pty Ltd>	19,600,000	6.36%
4	Mercator Shipwrights Pty Ltd <Mecator A/C>	19,600,000	6.36%
5	Mr Sufian Ahmad <Sixty Two Capital A/C>	15,831,766	5.13%
6	Mr Pak Lim Kong	6,766,667	2.19%
7	Kobala Investments Pty Ltd <Fernando Edward Family A/C>	5,731,960	2.08%
8	Mr Stephen Peter Somerville	4,900,000	1.59%
9	Lakewest Pty Ltd <Raymond Desmond Family A/C>	2,190,000	0.71%
10	Mr Bilal Ahmad	3,500,000	1.14%
11	Citicorp Nominees Pty Limited	2,872,392	0.93%
12	Mr Hakan Sahin &Mr Gursel Daniskan <Strategic Super A/C>	2,190,000	0.71%
13	Mr Steve John Benrnard Grimley	2,166,304	0.70%
14	Woodlands Opportunity Fund Pty Ltd	2,031,221	0.66%
15	D Schecter Medicine Professional Corporation	1,960,000	0.64%
15	Adam James <Araucaria A/C>	1,960,000	0.64%
16	Miss Sihong Zeng	1,821,376	0.59%
17	Canopy Growth Corporation	1,562,500	0.51%
18	Mr Ahmed Noman	1,560,847	0.51%
19	Mr Fadi Diab	1,552,941	0.50%
20	Mr Dean Brett Blankfield	1,540,177	0.50%
Total		176,775,864	57.33%

ASX additional information

Distribution of shareholders as at 12 September 2023

Holding Ranges	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	47	12,386	0.00%
Above 1,000 up to and including 5,000	1,182	3,451,494	1.12%
Above 5,000 up to and including 10,000	675	5,400,577	1.75%
Above 10,000 up to and including 100,000	1,208	41,688,713	13.52%
above 100,000	276	257,796,143	83.61%
Totals	**3,388**	**308,349,313**	**100.00%**

The number of shareholders holding less than a marketable parcel is 1,395.

Substantial shareholders in the Company as at 12 September 2023 and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below.

Name of Substantial Shareholder	Total Number of Voting Shares	% of Total Number of Voting Shares	Date of Notice
Dr Stewart James Washer & Dr Patrizia Derna Washer	49,325,599	16.96%	30 Jan 2023
Tattarang Ventures Pty Ltd and associated entities	20,000,000	7.83%	24 Nov 2021
Craig Lawrence Darby	22,709,790	8.28%	25 Nov 2021
Mal Washer Nominees Pty Ltd	19,600,000	7.15%	25 Nov 2021
Mercator Shipwrights Pty Ltd <Mecator Trust>	19,600,000	7.15%	25 Nov 2021
Sufian Ahmad	16,593,437	5.38%	6 Sep 2023

Voting rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options and performance rights have no voting rights. Voting rights will be attached to the issued fully paid ordinary shares when options and/or performance rights have been exercised/vested.

On-market buy-back

There is no current on-market buy-back

Unlisted Options as at 12 September 2023

Number of Options	Expiry Date	Exercise Price $	Number of holders and % issued: 10,001 - 100,000	%	> 100,000	%	Holders (> 20%) of class not issued under employee incentive scheme: Holder and Number	%
600,000	**26 Sept 2023**	$0.450	-	-	1	100%	Australian Medical Research Pty Ltd 600,000	100%
10,450,000	**13 Nov 2024**	$0.114	2	25%	6	75%		
500,000	**22 Dec 2023**	$0.114	-	-	1	100%	Bruce Robinson 500,000	100%
1,500,000	**22 Feb 2024**	$0.268	-	-	1	100%	Karen Lesley Smith 1,500,000	100%
605,000	**18 Mar 2024**	$0.256	2	33%	4	67%		
150,000	**21 Sept 2025**	$0.330	-	-	1	100%		
75,000	**7 Oct 2025**	$0.316	1	100%	-	-		
300,000	**1 Nov 2025**	$0.360	-	-	1	100%		
10,000,000	**24 Nov 2025**	$0.400	-	-	1	100%	Tattarang Ventures Pty Ltd 10,000,000	100%
6,000,000	**31 Dec 2023**	$0.550	-	-	1	100%	Sufian Ahmad 6,000,000	100%
200,000	**7 Jun 2026**	$0.384	-	-	2	100%		
625,000	**16 Aug 2026**	$0.365	9	90%	1	10%		
10,333,328	**22 Nov 2025**	$0.350	16	52%	15	48%	Sufian Ahmad 4,777,778	46%
5,000,000	**23 Nov 2026**	$0.296	-	-	3	100%		
16,666,666	**10 May 2025**	$0.300	8	13%	55	87%		

Performance Rights as at 12 September 2023

Number of Performance Rights	Expiry Date	Exercise Price $	Number of holders and % issued: 10,001 - 100,000	%	> 100,000	%	Holders (> 20%) of class not issued under employee incentive scheme: Holder and Number	%
2,00,000	**17 Aug 2027**	Nil	-	-	1	100%		

Corporate Governance

The Board of Emyria Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders.

The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at emyria.com/corporate-governance.

Corporate Directory

Directors

Stewart Washer *(Executive Chairman)*

Michael Winlo *(Managing Director)*

Alistair Vickery *(Executive Medical Director)*

Karen Smith (Executive Director)

John Tooke *(Non-Executive Director)*

Dr Mohit Kaushal *(Non-Executive Director)*

Company Secretary

Susan Park

Principal and registered office

D2 661 Newcastle Street, Leederville WA 6007
PO Box 1442, West Leederville WA 6901

Telephone: 08 6559 2800
Website: emyria.com.au
Email: info@emyria.com

Share registry

Automic Pty Ltd

Level 5, 191 St Georges Terrace
Perth Western Australia 6000

Auditor

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

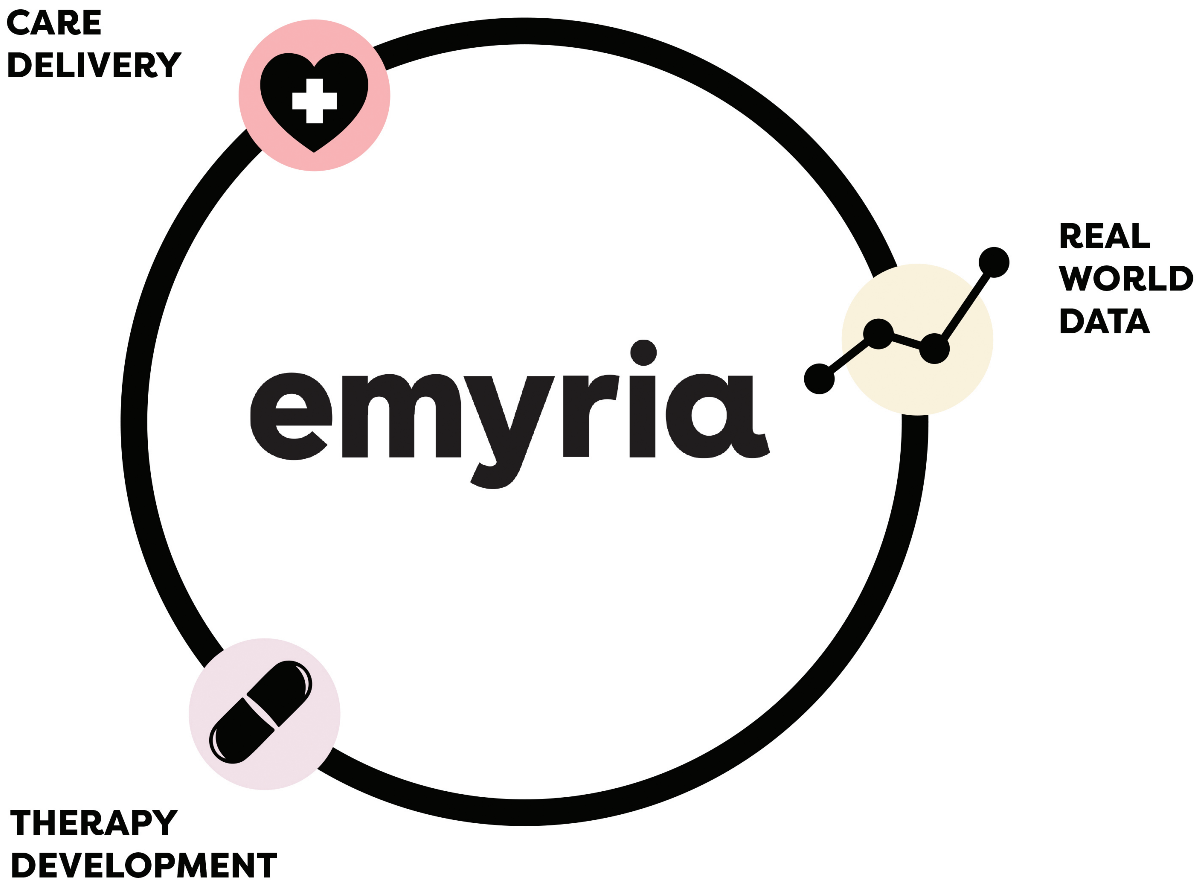
Bankers

National Australia Bank

Level 14, 100 St Georges Terrace
Perth Western Australia 6000

Domestic stock exchange

Australian Securities Exchange (ASX)
Code: EMD



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