Rules 4.3A

Appendix 4E

Preliminary final report

Name of entity

EMYRIA LIMITED

ABN or equivalent company reference

96 625 085 734

Financial year ended ('current period')

30 June 2021

For announcement to the market

	Current year reported amount $	Change up/(down) from previous year $	Change up/(down) from previous year %
Revenues from customer sales	1,975,909	962,457	94.97%
Other revenues from continuing operations	977,328	484,105	98.15%
Total revenues from continuing operations	2,953,237	1,446,562	96.01%
Loss from ordinary activities after tax attributable to members	(4,906,234)	(331,806)	(6.33)%
Net loss for the period attributable to members	(4,906,234)	(331,806)	(6.33)%

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	Nil	- ¢
Final dividend	Nil	- ¢
Previous corresponding period	Nil	- ¢

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution): N/A

Net Tangible Assets per share	**30 June 2021**	**30 June 2020**
Net tangible asset backing per ordinary security (cents per share)	2.54	2.06

The above results should be read in conjunction with the notes and commentary contained in this report.

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on +accounts to which one of the following applies.
(Tick one)

☑	The +accounts have been audited.	☐	The +accounts have been subject to review.
☐	The +accounts are in the process of being audited or subject to review.	☐	The +accounts have *not* yet been audited or reviewed.

Name of officer authorising lodgement: Simon Robertson
Company Secretary

Date: 31 August 2021

EMYRIA LTD

ABN 96 625 085 734

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

CORPORATE DIRECTORY

Directors
Stewart Washer (Executive Chairman)
Michael Winlo (Managing Director)
Alistair Vickery (Executive Medical Director)
John Tooke (Non-Executive Director)
Matthew Callahan (Non-Executive Director)

Company Secretary
Simon Robertson

Principal and Registered Office
D2 661 Newcastle Street, Leederville WA 6007
PO Box 1442, West Leederville WA 6901

Telephone: 1300 436 363
Website: www.emyria.com.au
Email: info@emyria.com

Share Registry
Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth Western Australia 6000

Auditor
Stantons
Level 2, 1 Walker Avenue
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

CONTENTS

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 2021.

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 Alistair Vickery	Executive Medical Director
Mr Matthew Callahan	Non-Executive Director
Professor Sir John Tooke	Non-Executive Director

Review of operations

The Group continued to provide a high level of care for its patients through Emyria's specialist clinics whilst gathering Real-World-Evidence ("RWE") insights for unregistered treatments such as cannabinoid-based medicines and drug development. To enhance the Group's digital health platform, Emyria has invested in monitoring technology to enable remote data capture from its patients.

Significant changes in state of affairs

August 2020

Emyria signed RWE contract with Canopy Growth in the UK – the world's largest cannabis company. The transaction leverages Emyria's data expertise to monitor the safety, efficacy and pharmaco-economics of medicinal cannabis products.

New parent company name and brand introduced, Emyria Ltd, to support the growth of RWE asset portfolio and developing international partnerships.

Emyria successfully raised $2.2m in a placement to support the growth of its clinical services, R&D and business development activities.

September 2020

Emyria received TGA registration for its Openly App as a medical device – expanding its commitment to providing remote health and wellness services for at-risk and defined community cohorts.

Emyria partnered with Mt Sinai's Precision Recovery team in New York to support remote patient monitoring and care, with an initial focus on people at risk and/or experiencing COVID-19.

Zelira (ASX:ZLD) signed RWE data agreement with Emyria for insomnia drug Zenivol™, work which will take place in Emyria's network of specialist medical clinics.

October 2020

Emyria entered into a global partnership with Sapphire Medical Clinics in the UK, to collaborate in the collection and analysis of quality de-identified clinical evidence for people undertaking medicinal cannabis treatments.

November 2020

Emyria received an R& D tax incentive refund of $954,180.

Emyria secured a deal with Zelira (ASX:ZLD) to collect efficacy and safety data from patients with Autism Spectrum Disorder (ASD) who have been prescribed one or more of its HOPE™ products. The trial is one of the largest medicinal cannabis studies ever undertaken.

Emyria partnered with Mind Medicine Australia to develop a national care program and data registry for psychedelic-assisted therapies, leveraging Emyria's RWE data platform.

Emyria launched its own evidence-based drug development program (EMD-003) focused on mental health – primed for rapid development and registration, due to unparalleled access to large patient populations and expertise in data analysis, clinical trial design and drug registration.

DIRECTORS' REPORT

Significant changes in state of affairs (continued)

December 2020

Emyria launched its second drug development program focused on IBS (EMD-004) as part of its CALM-GUT study being conducted in Victoria, New South Wales and Western Australia.

Emyria successfully raised $1.2m in an oversubscribed placement to accelerate its drug development programs.

January 2021

Emyria announced plans to register EMD-003 in CY2021 to treat symptoms of anxiety, depression and stress – following the TGA's ruling to down-schedule Australian registered low-dose CBD as a Schedule 3 Pharmacist-only medication.

February 2021

Emyria won a digital health monitoring grant worth $880,000 with UWA, to boost digital health infrastructure in WA by monitoring vital signs and mental health of specific cohorts.

Emyria added a second site in Melbourne for its Emerald Clinics network and engaged a regulatory consultancy ahead of EMD-003 registration trials.

Emyria welcomed experienced pharmaceutical expert, Dr Karen Smith, to its Strategic Advisory Board. She has led multiple successful drug registrations and strategic partnerships in biopharma.

March 2021

Emyria added a second site in Perth for its Emerald Clinics network ahead of EMD-003 registration trials.

Emyria and CANN Group (ASX:CAN) partnered to accelerate the registration of a Schedule 3, over-the-counter, cannabidiol (CBD) medicine to treat unmet needs in mental health.

April 2021

Emyria successfully raised $5m in a placement to advance drug registration for EMD-003 and EMD-004, and to expand its pipeline to include a psychedelic-assisted therapy clinical trial in partnership with Mind Medicine Australia.

May 2021

Emyria and Mind Medicine Australia announced plans to launch a psychedelic-assisted therapy program (EMDMA-001) for post-traumatic stress disorder (PTSD). This will include evidence-based MDMA-assisted therapy, supported by Emyria's established clinical and data infrastructure.

TGA approval granted for Emyria's medical grade 'smartphone camera home cardiovascular monitoring application software'. This technology supports Emyria's objectives in drug development, telemedicine and consumer healthcare projects.

June 2021

Widespread analysis of dispensing data showed a significant reduction in opioid use following personalised cannabinoid treatment programs at Emerald Clinics. Data provided by IQVIA (NYSE:IQV) and NostraData, validates the quality of Emyria's evidence-generating data systems and its potential utility for health insurers and other payers.

Emyria filed additional patents supporting its EMD-004 drug development program targeting IBS.

Highly credentialed Principal Investigator and Consultant Psychiatrist, Dr Eli Kotler, appointed to lead Emyria's MDMA trial for PTSD in partnership with Mind Medicine Australia.

The Company appointed Joseph Ohayon as the Chief Financial Officer effective 14 June 2021.

DIRECTORS' REPORT

Events after reporting date

In August 2021, Emyria entered into an exclusive agreement with University of Western Australia to develop a drug discovery pipeline of novel psychedelic therapies.

Emyria and Cann Group mutually agreed to terminate the collaboration agreement entered into in March 2021 and Emyria entered into a CBD agreement with Altasciences to deliver a range of novel, synthetic cannabinoid-based medicines for Emyria's Australian and US drug registration program.

The Company appointed an expert neuropharmacologist for its MDMA-analogue development programme and engaged with Calvert Labs for preclinical CBD studies on its novel synthetic cannabinoid platform.

The Company appointed Mary-Ann Rennie as the Corporate Operations Lead effective 19 July 2021. The following KMPs changed their role: Patrizia Washer resigned as Research Manager (effective 30 July 2021) but remains with the Company in an advisory capacity; Adam James resigned as Chief Operating Officer (effective 31 July 2021) but remains on a consulting basis in a Business Development Manager capacity; and Su-Mei Sain resigned as Chief Financial Officer (effective 9 July 2021).

Future development, prospects and business strategy

The Group will focus on developing its business which combines the treatment of patients, the capture of high-quality clinical data to transform the way novel therapies are understood and researched and drug development of its key projects leading towards registration. The Group will also combine its data with other health records and published information to generate actionable evidence for physicians, drug developers, research groups and government departments.

Dividend paid and recommended

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2021 (30 June 2020: nil).

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 director of Botanix Pharmaceuticals Ltd (ASX: BOT), clinical studies on CBD for antimicrobial and topical applications and Founding Chairman and current Director of Cynata Therapeutics Ltd (ASX:CYP) stem cell therapies.

Stewart has held a number of Board positions in the past, including Chairman of Hatchtech Pty Ltd that was sold in 2015 for A$279m and was a director of iCeutica that was sold to a US Pharma. He was also a Senator with Murdoch University and was a Director of AusBiotech Ltd.

Other current directorships of a public listed company

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

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

Zelira Therapeutics Limited (ASX: ZLD) – from 17 November 2016 to 2 December 2019

DIRECTORS' REPORT

Interest in shares and options

Shares: 49,325,599 (29,725,599 shares are in the control of Dr Stewart Washer and Dr Patrizia Washer)

Options: 1,500,000 (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: nil

Options: 7,500,000

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 is 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: 128,000

Options: 4,000,000

DIRECTORS' REPORT

Mr Matthew Callahan – Non -Executive Director (appointed 19 March 2018)

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

As noted above

Interest in shares and options

Shares: 19,600,000

Options: 1,500,000

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 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 Immediate 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

DIRECTORS' REPORT

Company Secretary

Mr Simon Robertson

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.

Principal activities

During the financial year ended 30 June 2021, the Group continued to provide a high level of care for its patients through Emyria's specialist clinics whilst gathering Real-World-Evidence ("RWE") insights in relation to novel therapies such as medicinal cannabinoids and drug development.

Meeting of Directors

During the financial year ended 30 June 2021, the following table outlines the number of meetings held:

		Full meetings of directors		Risk Committee Meetings	
		A	B	A	B
Stewart Washer	Chairman	9	9	*	*
Matthew Callahan	Non-Executive Director	9	9	4	4
Michael Winlo	Managing Director	9	9	*	*
Alistair Vickery	Executive Director	9	9	4	4
Sir John Tooke	Non-Executive Director	9	9	4	4

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
11,250,000	$0.450	13 June 2019	13 June 2023
1,000,000	$0.450	19 June 2019	13 June 2023
3,500,000	$0.450	10 July 2019	13 June 2023
600,000	$0.450	26 September 2019	26 September 2023
1,000,000	$0.450	24 October 2019	13 June 2023
1,000,000	$0.450	11 November 2019	13 June 2023
3,500,000	$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
6,000,000	$0.200	22 December 2020	22 December 2022
4,705,883	$0.200	22 December 2020	22 December 2022
1,500,000	$0.268	20 February 2021	20 February 2024
775,000	$0.256	18 March 2021	18 March 2024
5,000,000	$0.350	28 April 2021	28 April 2023
14,285,715	$0.350	28 April 2021	28 April 2024
63,116,598			

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares of interest.

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

- Stewart Washer – Executive Chairman
- Michael Winlo – Managing Director
- Alistair Vickery – Executive Medical Director
- Matthew Callahan – Non-Executive Director
- Sir John Tooke – Non-Executive Director
- Patrizia Washer – Research Director (resigned effective 30 July 2021)
- Adam James – Chief Operating Officer (resigned effective 31 July 2021)
- Su-Mei Sain – Chief Financial Officer (resigned effective 9 July 2021)

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.

DIRECTORS' REPORT

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

The executive remuneration and reward framework has three components:

(i) base pay;
(ii) 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 2021, 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 2021, there were 4,000,000 options issued to the Managing Director, 2,000,000 options issued to the Executive Medical Director, 2,500,000 options issued to each Non-Executive Directors, 1,500,000 options issued to the Chief Operating Officer and 1,000,000 options issued to the Chief Financial Officer.

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 two financial years.

	2021	2020	2019
Net loss	(4,906,234)	(5,238,040)	(2,682,928)
Share price at year end (cents)	18.50	4.80	N/A*
Loss per share (cents)	(2.24)	(3.04)	(2.06)

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

2. Details of Remuneration

Year ended 30 June 2021

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

2021 CASH REMUNERATION AND ENTITLEMENTS

	Cash remuneration				
	Salary and other fees	**Bonus**	**Post–employment benefits (superannuation)**	**Annual leave entitlement movement**	**Total cash payments and entitlements**
	$	**$**	**$**	**$**	**$**
Directors					
S Washer	200,000	-	-	-	200,000
M Winlo	350,000	-	25,000	1,344	376,344
A Vickery*	368,992	-	6,250	(4,040)	371,202
M Callahan	50,000	-	-	-	50,000
Sir J Tooke**	54,620	-	-	-	54,620
Other Key Management Personnel					
A James	200,000	-	19,000	(13,848)	205,152
S Sain***	147,246	-	13,919	(4,441)	156,724
P Washer	226,897	-	21,038	-	247,935
	1,597,755	**-**	**85,207**	**(20,985)**	**1,661,977**

* A Vickery received exemption on superannuation and received the balance of his superannuation contribution as an additional payment.
**In addition to Sir Tooke's director's fee, he also received a consultancy fee of $4,620 during the year.
*** During the year, S Sain reduced hours and was paid on a pro-rata basis.

Year Ended 30 June 2020

2020 CASH REMUNERATION AND ENTITLEMENTS

	Cash remuneration				
	Salary and other fees	**Bonus**	**Post–employment benefits (superannuation)**	**Annual leave entitlement movement**	**Total cash payments and entitlements**
	$	**$**	**$**	**$**	**$**
Directors					
S Washer	259,944	-	-	-	259,944
M Winlo*	361,693	50,000	25,000	26,624	463,317
A Vickery*	354,786	100,000	16,625	24,231	495,642
M Callahan	50,000	-	-	-	50,000
Sir J Tooke***	124,248	-	-	-	124,248
Other Key Management Personnel					
A James	197,256	-	18,842	12,307	228,405
S Sain**	118,904	-	11,357	8,723	138,984
P Washer****	267,217	-	25,000	-	292,217
	1,734,048	**150,000**	**96,824**	**71,885**	**2,052,757**

*During the financial year ended 30 June 2020 and in accordance with their executive agreements, Dr Winlo and Professor Vickery received a cash bonus in relation to the successful listing of the Company on 12 February 2020.
** Mrs Sain was appointed Chief Financial Officer on 30 September 2019
***In addition to Professor Tooke's director's fee, he also received a consultancy fee of $105,082 during the year.
**** Dr P Washer was Research Director until 28 October 2019

DIRECTORS' REPORT

Year ended 30 June 2021

2021 TOTAL REMUNERATION

	Total cash remuneration and entitlements	Options expensed	Total	LTI % of remuneration
	$	$	$	
Directors				
S Washer	200,000	-	200,000	0%
M Winlo	376,344	94,200	470,544	20.0%
A Vickery	371,202	41,844	413,046	10.1%
M Callahan	50,000	31,058	81,058	38.3%
Sir J Tooke	54,620	20,705	75,325	27.5%
Other Key Management Personnel				
A James	205,152	40,469	245,621	16.5%
S Sain	156,724	41,115	197,839	20.8%
P Washer	247,935	325	248,260	0.1%
	1,661,977	**269,716**	**1,931,693**	

Year Ended 30 June 2020

2020 TOTAL REMUNERATION

	Total cash remuneration and entitlements	Options expensed	Total	LTI % of remuneration
	$	$	$	
Directors				
S Washer	259,944	-	259,944	0%
M Winlo	463,317	42,624	505,941	8.4%
A Vickery	495,642	528	496,170	0.1%
M Callahan	50,000	-	50,000	0%
Sir J Tooke	124,248	-	124,248	0%
Other Key Management Personnel				
A James	228,405	396	228,801	0.2%
S Sain	138,984	27,073	166,057	16.3%
P Washer	292,217	396	292,613	0.1%
	2,052,757	**71,017**	**2,123,774**	

There were no non-monetary benefits paid to the Directors or KMP for the year ended 30 June 2021.

Other than those disclosed above, there were no transactions with related parties to the KMP for the year ended 30 June 2021.

3. Service Agreements

For the year ended 30 June 2021, 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.
- 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 1 July 2018, a Consultancy Agreement was entered into between the Company and Research Director Dr Patrizia Washer. Dr Washer resigned as a director 28 October 2019 and remained as Research Manager on a consulting basis. Under the terms of the Agreement:

- Dr Washer was paid a consultancy fee of a minimum of $3,000 per week for 2 days week inclusive of statutory superannuation.
- Under the general termination of consultancy provision, the Company could terminate the Agreement by giving Dr Washer one month's notice or payment in lieu of notice.
- Under the general termination of consultancy provision, Dr Washer could terminate the Agreement by giving the Company one months' notice or payment in lieu of notice.
- The Group could 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.
- Dr Washer resigned as a consultant effective 30 July 2021 and remains as a consultant in an advisory capacity.

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 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 GBP $2,500 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.

On 1 July 2018, the Company entered into an Executive Services Agreement (amended 22 November 2019) with Mr Adam James. Under the terms of the Agreement:

- Mr James was appointed in the capacity of Chief Operating Officer and paid a remuneration package of $200,000 per annum base salary plus statutory superannuation.
- The Group or Mr James could terminate the contract at any time by giving the other party six months' notice or payment in lieu of notice.
- The Group could terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, Mr James is not entitled to any payment.
- If there are monies owed by Mr James to the Group, the Group is entitled to offset this against Mr James' termination payment.
- Mr James resigned as COO (effective 31 July 2021) and is retained as Business Development Manager on a consulting basis.

On 30 September 2019, the Company entered into an employment contract (amended 3 February 2020) with Mrs Su-Mei Sain. Under the terms of the Agreement:

- Mrs Sain was appointed in the capacity of Chief Financial Officer and paid a remuneration package of $190,000 per annum base salary plus statutory superannuation.
- The Group or Mrs Sain could terminate the contract at any time by giving the other party three months' notice or payment in lieu of notice.
- The Group could terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, Mrs Sain is not entitled to any payment.
- Mrs Sain resigned from the Group effective 9 July 2021.

4. Share-Based Compensation

Option holdings

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

2021	Balance at the start of the year	Granted during the year	Expired during the year	Other changes	Balance at the year ended
Director					
S Washer	-	-	-	-	-
M Winlo	3,500,000	4,000,000	-	-	7,500,000
A Vickery	2,000,000	2,000,000	-	-	4,000,000
M Callahan	-	1,500,000	-	-	1,500,000
Sir J Tooke	500,000	1,000,000	-	-	1,500,000
	6,000,000	**8,500,000**	**-**	**-**	**14,500,000**
Other Key Management Personnel					
A James	1,500,000	1,500,000	-	-	3,000,000
S Sain	1,000,000	1,000,000	-	-	2,000,000
P Washer	1,500,000	-	-	-	1,500,000
TOTAL	**10,000,000**	**11,000,000**	**-**	**-**	**21,000,000**

As at 30 June 2021, the number of options that have vested and exercisable were 12,166,667 and the number of options yet to vest and un-exercisable were 8,833,333.

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	13 Jun 2019	13 Jun 2023	0.45	0.00756	100%
Employee Securities Incentive Plan	10 Jul 2019	13 Jun 2023	0.45	0.0105	100%
Employee Securities Incentive Plan	11 Nov 2019	13 Jun 2023	0.45	0.0497	94%
Employee Securities Incentive Plan	24 Sep 2020	13 Nov 2024	0.114	0.037	33%
Employee Securities Incentive Plan	13 Nov 2020	13 Nov 2024	0.114	0.032	33%

DIRECTORS' REPORT

* 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.

The options issued to the during the financial year ended 30 June 2021 were valued using a Black-Scholes model and were priced as follows:

	Series 8	Series 9
Grant date share price	0.083	0.076
Exercise price	0.114	0.114
Expected volatility	70%	70%
Option life	4 years	4 years
Dividend yield	0.00%	0.00%
Interest rate	0.3%	0.3%

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:

2021	**Balance at the start of the year**	**Other changes during the year**	**Balance for the year ended**
Directors			
S Washer*	48,550,499	775,090	**49,325,589**
M Winlo	-	-	**-**
A Vickery	-	128,000	**128,000**
M Callahan	19,600,000	-	**19,600,000**
J Tooke	-	-	**-**
Other Key Management Personnel			
A James	1,960,000	-	**1,960,000**
S Sain	20,000	-	**20,000**
P Washer*	-	-	**-**
	70,130,499	903,090	**71,033,589**

*Dr Stewart Washer and Dr Patrizia Washer both control of 28,950,499 Emyria shares.

There were no shares granted to KMP's during the reporting year as remuneration.

Use of remuneration consultants

No remuneration consultants were engaged or used for the Group during the year ended 30 June 2021.

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

At the AGM held in 2020, the Company received 100% "FOR" votes on its Remuneration Report for the 2020 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 $73,944 excluding GST (2020: $37,186) 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 International 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 2021 $51,074 (FY2020: $36,679) was paid or is payable for audit services provided by the auditors. There were no non-audit services performed during the financial year.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 53 of the financial report.

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

Dr Michael Winlo
Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Group 2021 $	Group 2020 $
Revenue			
Sales revenue	2(a)	1,975,909	1,013,452
Operating costs		(2,264,272)	(1,938,477)
Gross loss		**(288,363)**	**(925,025)**
Other revenue			
Interest and other income		23,148	25,046
Research and Development grant received		954,180	468,177
Total Other revenue	2(a)	**977,328**	**493,223**
Expenses			
Research and Development expenses		(2,618,968)	(1,505,165)
Employee wages and director fees		(951,397)	(1,478,501)
Corporate compliance costs		(416,753)	(624,200)
Finance costs		(66,851)	(59,544)
Share based payments	12	(429,558)	(79,328)
Other expenses	2(b)	(660,923)	(635,442)
Depreciation and amortisation expense	2(c)	(344,875)	(383,481)
Fixed assets write off	7	(105,874)	-
Intangible assets written off	8	-	(40,577)
Total expenses		**(5,595,199)**	**(4,806,238)**
Loss before income tax expense		**(4,906,234)**	**(5,238,040)**
Income tax	3	-	-
Loss after income tax for the year		**(4,906,234)**	**(5,238,040)**
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		**(4,906,234)**	**(5,238,040)**
Basic and diluted loss per share (cents)	15	**(2.24)**	**(3.04)**

The accompanying notes form part of these financial statements

EMYRIA LIMITED
ABN 96 625 085 734

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	Group 2021 $	Group 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	4	6,528,926	3,686,333
Trade and other receivables	5	273,404	121,615
Prepayments		81,600	31,433
Total current assets		**6,883,930**	**3,839,381**
Non-current assets			
Restricted cash		161,864	156,558
Right-of-use assets	6	880,589	323,390
Plant and equipment	7	399,546	598,305
Intangible assets	8	733,630	147,310
Total Non-current assets		**2,175,629**	**1,225,563**
Total Assets		**9,059,559**	**5,064,944**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	678,523	461,124
Borrowings	9	-	247,154
Provisions	10	156,120	142,088
Lease liabilities	9	197,630	152,689
Total Current Liabilities		**1,032,273**	**1,003,055**
Non-Current Liabilities			
Provisions	10	97,000	68,000
Lease liabilities	9	752,069	210,972
Total Non-Current Liabilities		**849,069**	**278,972**
Total Liabilities		**1,881,342**	**1,282,027**
Net Assets		**7,178,217**	**3,782,917**
EQUITY			
Contributed equity	11	19,310,804	11,751,953
Reserves	13	826,746	84,063
Accumulated losses		(12,959,333)	(8,053,099)
Total Equity		**7,178,217**	**3,782,917**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

GROUP	Contributed Equity $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2020	11,751,953	84,063	(8,053,099)	3,782,917
(Loss) after income tax for the year	-	-	(4,906,234)	(4,906,234)
Other comprehensive income for the year, net of tax	-	-	-	-
Total Comprehensive loss	-	-	(4,906,234)	(4,906,234)
Proceeds from issued capital	8,400,000	-	-	8,400,000
Transaction costs from issued capital	(841,149)	-	-	(841,149)
Issue of options	-	742,683	-	742,683
Balance at 30 June 2021	**19,310,804**	**826,746**	**(12,959,333)**	**7,178,217**

	Contributed Equity $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2019	2,872,738	374,069	(2,747,268)	499,539
(Loss) after income tax for the year	-	-	(5,238,040)	(5,238,040)
Other comprehensive income for the year, net of tax	-	-	-	-
Total Comprehensive loss	-	-	(5,238,040)	(5,238,040)
Adjustment on initial application of AASB 16	-	-	(67,791)	(67,791)
Proceeds from issued capital	6,500,000	-	-	6,500,000
Transaction costs from issued capital	(742,740)	-	-	(742,740)
Conversion of Convertible Notes to shares	3,300,000	(369,334)	-	2,930,666
Transaction cost from conversion of Convertible Note	(178,045)	-	-	(178,045)
Issue of options	-	79,328	-	79,328
Balance at 30 June 2020	**11,751,953**	**84,063**	**(8,053,099)**	**3,782,917**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Group 2021 $	Group 2020 $
Cash flows from operating activities			
Receipts from customers		2,007,188	1,021,047
Interest received		22,979	21,436
Payments to suppliers and employees		(6,887,133)	(5,937,031)
Interest and other finance costs paid		(34,533)	(26,100)
R&D refund received		954,180	468,177
Net cash (used in) operating activities	14	**(3,937,319)**	**(4,452,471)**
Cash flows from investing activities			
Payments for plant and equipment		(8,052)	(201,806)
Payments for intangible assets	8	(653,334)	-
Net cash (used in) investing activities		**(661,386)**	**(201,806)**
Cash flows from financing activities			
Proceeds from issue of shares		8,400,000	6,500,000
Transaction costs paid from the issue of shares		(527,504)	(742,740)
Proceeds from borrowings	9	-	240,221
Repayment of borrowings	9	(240,221)	-
Repayment of lease liabilities	9	(185,671)	(215,385)
Net payments cash backed guarantees (restricted cash)		(5,306)	(50,300)
Net cash provided by financing activities		**7,441,298**	**5,731,796**
Net increase in cash and cash equivalents		2,842,593	1,077,519
Cash and cash equivalents at the beginning of the year		3,686,333	2,608,814
Cash and cash equivalents at the end of the year	4	**6,528,926**	**3,686,333**

The accompanying notes form part of these financial statements

Emyria Limited ("Emyria" or "the Company") is a Company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The consolidated financial statements of the Group as at and for the year ended 30 June 2021 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 17.

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

For the year ended 30 June 2021, COVID-19 has impacted the Group, mainly in relation to any implications on the current period financial performance and cash flows (particularly operating cash flows).

As of 30 June 2021, the Group had net working capital surplus of $5,851,657 (2020: $2,836,326) and cash balance of $6,528,926 (2020: $3,686,333). The Group did not have any capital commitments of as of 30 June 2021.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of Preparation (continued)

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 estimation of the continued business impacts of COVID-19. 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. 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 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. Despite COVID-19 affecting socio-economic factors in Australia and worldwide, the Group's clinic operations and collection of insights had not been drastically impacted. 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 entity

New and Amended Standards Adopted by the Group

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

Initial adoption of AASB 2020-04: *COVID-19-Related Rent Concessions*

AASB 2020-4: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions* amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business*

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: *Business Combinations*, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

Initial adoption of AASB 2018-7: *Amendments to Australian Accounting Standards – Definition of Material*

This amendment principally amends *AASB 101* and *AASB 108* by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(vi) New and amended standards adopted by the entity

Initial adoption of AASB 2019-3: *Amendments to Australian Accounting Standards – Interest Rate Benchmark*

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

Initial adoption of AASB 2019-1: *Amendments to Australian Accounting Standards – References to the Conceptual Framework*

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(vii) Use of estimates and judgements

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 12.

Provision for impairment of receivables

Included in trade and other receivables at the end of the reporting period is an amount of $12,523 (2020: $40,455) 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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(vii) Use of estimates and judgements (continued)

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).

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain and staffing. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(viii) 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.

(ix) New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Foreign currency translation (continued)

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Revenue from Contracts with Customers (continued)

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.

(i) *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.

(ii) *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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

<u>Financial Liabilities</u>

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, borrowings 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(viii) Financial Instruments (continued)

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.

Compound instruments

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss and other comprehensive income upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ix) Property, plant and equipment (continued)

(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	22.5% - 40%
• leasehold improvements	20%
• computer equipment and software	22.5% - 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Intangible Assets (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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xii) Employee Benefits

(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 liability

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xiv) ROU Assets and Lease liability (continued)

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

NOTE 2: REVENUE AND EXPENSES

	Group 2021 $	Group 2020 $
(a) Revenue		
Revenue from patients	**1,207,543**	**745,720**
Revenue from research projects and data deals	**768,366**	**267,732**
	1,975,909	**1,013,452**
Other revenue		
Interest and other income	23,148	25,046
Research and Development grant received	954,180	468,177
Total Other revenue	**977,328**	**493,223**
(b) Other expenses		
Travel and conference expenses	(36,869)	(294,541)
Administration costs	(149,921)	(63,727)
IT consultancy fees	(68,080)	(107,528)
Consultancy fees	(406,053)	(169,646)
	(660,923)	635,442
(c) Depreciation and amortisation expense		
- Depreciation expense on right-of-use assets (note 6)	(176,923)	(217,914)
- Depreciation expense on plant and equipment (note 7)	(100,938)	(163,438)
- Amortisation expense on intangible assets (note 8)	(67,014)	(2,129)
	(344,875)	(383,481)

NOTE 3: INCOME TAX

	Group 2021 $	Group 2020 $
(a) Income tax		
Current tax		
Current income tax expense	-	-
Deferred tax		
Relating to the origination and reversal of previously unrecognised temporary deferred tax differences	**(357,465)**	**(805,144)**
Net deferred tax assets not brought to account	**357,465**	**805,144**
	-	-
(b) Reconciliation of tax expense to net loss before tax		
Loss before income tax	**(4,906,234)**	**(5,238,040)**
Tax at the statutory rate of 26.0% (2020: 27.5%)	(1,275,621)	(1,440,461)
Tax effect of:		
Non-deductible expenses	114,279	24,323
Effect of tax losses and timing differences not recognised as deferred tax assets	760,944	1,130,967
Research and development costs	648,485	413,920
Other non-assessable income	(248.087)	(128,749)
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	132,005	253,216
	132,005	**253,216**
Unrecognised deferred tax asset		
Prior year tax losses not recognised	1,904,878	846,518
Current year tax losses	170,947	849,336
Capital raising costs and transaction costs in equity	217,015	172,087
Plant and equipment	93,338	65,940
Right-of-use asset lease liability	237,425	100,007
Other temporary differences	48,869	47,660
Off-set deferred tax liabilities	(278,123)	(176,670)
Net deferred tax assets unrecognised	**2,394,349**	**1,904,878**

Deferred tax assets have not been brought to account at 30 June 2021 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 2021 $	Group 2020 $
Cash at bank	6,528,926	3,686,333
Cash and cash equivalents	**6,528,926**	**3,686,333**

Notes to the statement of cash flows:
For the purposes of the 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

	Group 2021 $	Group 2020 $
Current:		
Trade Debtors (1)	139,575	93,750
GST paid	133,269	24,256
Other	560	3,609
	273,404	**121,615**

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

(1) The ageing of the Group's Trade Debtors as at 30 June 2021 and 30 June 2020 are as follows:

30 June 2021

Debtor type	<30 days past due $	30-90 days past due $	90+ days past due $	Total $
Patient fees	12,271	5,120	2,994	20,385
Project advisory fees	60,065	-	-	60,065
Data collaboration revenue	54,716	4,409	-	59,125
Gross carrying amount	**127,052**	**9,529**	**2,994**	**139,575**
Expected loss rate	0%	0%	0%	0%
Less allowing provision	-	-	-	-
Net carrying amount	**127,052**	**9,529**	**2,994**	**139,575**

30 June 2020

Debtor type	<30 days past due $	30-90 days past due $	90+ days past due $	Total $
Patient fees	9,861	2,428	2,604	14,893
Project advisory fees	11.041	18.333	-	29,374
Data collaboration revenue	32,393	17,090	-	49,483
Gross carrying amount	**53,295**	**37,851**	**2,604**	**93,750**
Expected loss rate	0%	0%	0%	0%
Less allowing provision	-	-	-	-
Net carrying amount	**53,295**	**37,851**	**2,604**	**93,750**

The Group applies the simplified approach in providing for expected credit losses 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 2021

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.

(a) Carrying value

	Group 2021 $	Group 2020 $
Value of leases	1,329,414	735,372
Accumulated depreciation	(448,825)	(411,982)
	880,589	323,390

Reconciliation

	Group 2021 $	Group 2020 $
Net carrying amount at beginning of the year	323,390	541,304
Add: leases entered into during the financial year	734,122	-
Depreciation expense during the financial year	(176,923)	(217,914)
Net carrying amount as at end of the year	**880,589**	**323,390**

(b) Total financial year end cash outflows for leases

	Group 2021 $	Group 2020 $
Repayment of lease liabilities	(185,671)	(215,385)

(c) 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 2021 $	Group 2020 $
Leasehold Improvements		
At cost	661,249	653,196
Accumulated Depreciation	(295,685)	(203,421)
	365,564	**449,775**
Computer, office furniture and equipment		
At cost	92,792	198,666
Accumulated depreciation	(58,810)	(50,136)
	33,982	**148,530**
Total		
At cost	754,041	851,862
Accumulated depreciation	(354,495)	(253,557)
	399,546	**598,305**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2021

NOTE 7: PLANT AND EQUIPMENT (continued)

	Group 2021 $	Group 2020 $
Reconciliation		
Leasehold improvements		
Carrying amount at beginning of the year	449,775	651,692
Additions	8,053	-
Reclassification	-	(74,365)
Depreciation	(92,264)	(127,552)
Carrying amount at the end of the year	**365,564**	**449,775**
Computer, office furniture and equipment		
Carrying amount at beginning of the year	148,530	54,793
Additions	-	52,367
Plant and equipment written off	(105,874)	–
Reclassified from leasehold improvements	-	77,256
Depreciation	(8,674)	(35,886)
Carrying amount at the end of the year	**33,982**	**148,530**
Total		
Carrying amount at beginning of the year	598,305	706,485
Additions	8,053	52,367
Reclassification from software	-	2,891
Plant and equipment write off	(105,874)	-
Depreciation	(100,938)	(163,438)
Carrying amount at the end of the year	**399,546**	**598,305**

NOTE 8: INTANGIBLE ASSETS

As at 30 June 2021	Group 2021 $	Group 2020 $
Intangible assets		
At cost	802,773	149,439
Accumulated Amortisation	(69,143)	(2,129)
	733,630	**147,310**

	Software $	Development costs $	Patents & trademarks $	Total $
Balance at 1 July 2020	147,310	-	-	147,310
Additions	40,429	-	-	40,429
Additions from internal development	-	559,513	53,392	612,905
Amortisation	(67,014)	-	-	(67,014)
Balance at 30 June 2021	**120,725**	**559,513**	**53,392**	**733,630**

During the year, the Group capitalised development costs relating to Openly and EMD-003 projects.

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.
ii. EMD-003: relates to the use of cannabidiol for the treatment of psychological distress. During the year, Emyria filed a preliminary patent for the use of cannabidiol for the treatment of psychological distress.

NOTE 8: INTANGIBLE ASSETS (continued)

As at 30 June 2020

	Software $	Development costs $	Patents & trademarks $	Total $
Balance at 1 July 2019	43,468	-	-	43,468
Additions	149,439	-	-	149,439
Write off	(40,577)	-	-	(40,577)
Reclassification to plant and equipment	(2,891)	-	-	(2,891)
Amortisation	(2,129)	-	-	(2,129)
Balance at 30 June 2020	**147,310**	**-**	**-**	**147,310**

There is no amortisation cost allocated to operating cost.

NOTE 9: FINANCIAL LIABILITIES CARRIED AT AMORTISED COSTS

	Group 2021 $	Group 2020 $
Current:		
Trade payables	245,520	149,049
Accrued expenses and other payables	433,003	312,075
Total trade and other payables (1)	**678,523**	**461,124**
Borrowing at amortised cost (2)	-	247,154
Lease liabilities (3)	197,630	152,689
	876,153	**860,967**
Non-Current:		
Lease liabilities (3)	752,069	210,972
	752,069	**210,972**

(1) Trade and other payables are measured at amortised cost. None of the outstanding balance are past due at reporting date.
(2) During the year ended 30 June 2020, the Group had secured a credit facility from Radium Capital and drew down on this facility in accordance with Radium Capital processes. The facility was secured against the R&D refund. The interest rate was 15% per annum and was repaid 30 November 2020.
(3) The carrying value and reconciliation of the Group's lease liabilities are as follows:

Carrying value	Premises 2021 $	Premises 2020 $
Current liabilities	197,630	152,689
Non-current liabilities	752,069	210,972
Carrying value as at 30 June	**949,699**	**363,661**

Reconciliation		
Opening balance	363,661	541,096
Add: leases entered into during the financial year	725,283	-
Less: Principal repayments	(185,671)	(215,385)
Add: Unwinding of interest expense on lease liability	46,426	37,950
Carrying value as at 30 June	**949,699**	**363,661**

NOTE 9: FINANCIAL LIABILITIES CARRIED AT AMORTISED COSTS (continued)

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.

NOTE 10: PROVISIONS

	Group 2021 $	Group 2020 $
Current		
Employee benefits (1)	156,120	142,088
	156,120	**142,088**
Non-Current		
Make good provision (2)	97,000	68,000
	97,000	**68,000**

(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 11: CONTRIBUTED EQUITY

(a) Issued and Paid Up Capital

	2021 Number	2021 $	2020 Number	2020 $
Fully paid ordinary shares	**254,091,857**	**19,310,804**	**183,902,778**	**11,751,953**
(b) Movements in fully paid shares on issue				
Opening Balance	**183,902,778**	**11,751,953**	130,500,000	2,872,738
Movement for the year				
Shares issued at $0.18 per share			2,777,778	500,000
Shares issued at $0.20 per share			30,000,000	6,000,000
Convertible Notes issued at $0.16 per share			20,625,000	3,300,000
Shares issued at $0.08 per share	27,500,000	2,200,000	-	-
Shares issued at $0.085 per share	14,117,650	1,200,000		
Shares issued at $0.175 per share	28,571,429	5,000,000	-	-
Capital raising costs		(841,149)		(920,785)
Closing Balance*	**254,091,857**	**19,310,804**	**183,902,778**	**11,751,953**

*Of the total shares on issue as at 30 June 2021, 100,097,478 shares were in escrow from 24 months from the date of quotation being 12 February 2020.

NOTE 11: CONTRIBUTED EQUITY (CONTINUED)

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 12

NOTE 12: 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 7 June 2019	1,500,000	13/06/2019	13/06/2023	0.450	0.0008
(2) Issued on 7 June 2019	9,750,000	13/06/2019	13/06/2023	0.450	0.0008
(3) Issued on 19 June 2019	1,000,000	19/06/2019	13/06/2023	0.450	0.0008
(4) Issued on 10 July 2019	3,500,000	10/07/2019	13/06/2023	0.450	0.0185
(5) Issued on 26 September 2019	600,000	26/09/2019	26/09/2023	0.450	0.0188
(6) Issued on 7 June 2019	1,000,000	24/10/2019	13/06/2023	0.450	0.0008
(7) Issued on 11 November 2019	1,000,000	11/11/2019	13/06/2023	0.450	0.0496
(8) Issued on 13 November 2020	3,500,000	24/09/2020	13/11/2024	0.114	0.0374
(9) Issued on 13 November 2020	8,500,000	13/11/2020	13/11/2024	0.114	0.0320
(10) Issued on 22 December 2020	500,000	22/12/2020	22/12/2023	0.114	0.0317
(11) Issued on 22 December 2020	6,000,000	22/12/2020	22/12/2022	0.200	0.0136
(12) Issued on 20 February 2021	1,500,000	20/02/2021	20/2/2024	0.268	0.0820
(13) Issued on 18 March 2021	775,000	18/03/2021	18/3/2024	0.256	0.0620
(14) Issued on 28 April 2021	5,000,000	28/04/2021	28/4/2023	0.350	0.0463
Total	**44,125,000**				

(1) The 1,500,000 options in series 1 which vested immediately were issued to consultants under the option terms and conditions issued by the Company.

(2) The 9,750,000 options in series 2 which one third vested immediately on date of issue, one third vested after one year of employment and one third vests after two years of employment, were issued under the option terms and conditions issued by the Company.

(3) The 1,000,000 options in series 3 which vested immediately were issued to consultants under the option terms and conditions issued by the Company.

(4) The 3,500,000 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 Director under the option terms and conditions issued by the Company.

(5) The 600,000 options in series 5 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.

NOTE 12: SHARE BASED PAYMENTS (CONTINUED)

(6) The 1,000,000 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 a consultant under the option terms and conditions issued by the Company.
(7) The 1,000,000 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 3,500,000 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 employees under the option terms and conditions issued by the Company.
(9) The 8,500,000 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 Directors under the option terms and conditions issued by the Company.
(10) The 500,000 options in series 10 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.
(11) The 6,000,000 options in series 11 vested immediately were issued as part consideration to the lead manager in relation to a placement
(12) The 1,500,000 options in series 12 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.
(13) The 775,000 options in series 13 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.
(14) The 5,000,000 options in series 14 vested immediately were as part consideration to the lead manager for the placement on 28 April 2021.

The weighted average contractual life for options outstanding at the end of the year was 3.22 years. The share based payments expense was $429,558 for the year ended 30 June 2021 (30 June 2020: $79,328).

The amount of share based payments recognised to capital raising costs was $313,125.

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

	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7
Grant date share price	$0.023	$0.023	$0.023	$0.10	$0.10	$0.023	$0.18
Exercise price	$0.45	$0.45	$0.45	$0.45	$0.45	$0.45	$0.45
Expected volatility	70.00%	70.00%	70.00%	70%	70%	70%	70%
Option life	4 years	4 years	4 years	4 years	4 years	4 years	4 years
Dividend yield	0.00%	0.00%	0.00%	0%	0%	0%	0%
Interest rate	1.08%	1.08%	1.08%	0.97%	0.70%	1.08%	0.70%

	Series 8	Series 9	Series 10	Series 11	Series 12	Series 13	Series 14
Grant date share price	0.083	0.076	0.084	0.087	0.210	0.175	0.205
Exercise price	0.114	0.114	0.114	0.200	0.268	0.256	0.350
Expected volatility	70%	70%	70%	70%	70%	70%	70%
Option life	4 years	4 years	3 years	2 years	3 years	3 years	2 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest rate	0.3%	0.3%	0.2%	0.09%	0.1%	0.1%	0.1%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2021

NOTE 12: SHARE BASED PAYMENTS (CONTINUED)

The following reconciles the outstanding share options granted in the year ended 30 June 2021:

	2021 No. of Options	2021 Weighted average exercise price $	2020 No. of Options	2020 Weighted average exercise price $
Balance at the beginning of the year	18,350,000	0.45	12,250,000	0.45
Granted during the year*	44,766,598	0.24	6,100,000	0.45
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at the end of the year	**63,116,598**	**0.30**	**18,350,000**	**0.45**
Un-exercisable at the end of the year	19,216,667	0.22	9,816,667	0.45
Exercisable at end of the year	43,899,931	0.34	8,533,333	0.45

* includes 4,705,883 and 14,285,715 attaching options issued during the year.

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 13: RESERVES

	Group 2021 $	Group 2020 $
Convertible notes reserve (1)	-	-
Share based payments reserve (2)	826,746	84,063
	826,746	**84,063**

(1) The Convertible note reserve was reversed on conversion of the convertible notes to shares in the prior year
(2) 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.

Movement of share based payments reserve		
Opening balance	84,063	4,735
Share based payments: expense (note 12)	429,558	79,328
Share based payments: capital raising costs	313,125	-
	826,746	**84,063**

NOTE 14: RECONCILIATION OF THE LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO THE NET CASH FLOWS USED IN OPERATING ACTIVITIES:

	Group 2021 $	Group 2020 $
Loss for the year	**(4,906,234)**	**(5,238,040)**
Share based payments expense	429,558	79,328
Depreciation and amortisation	344,875	383,481
Plant and equipment write-off	105,874	-
Intangible asset write-off	-	40,578
Changes in assets and liabilities:		
(Increase) in trade and other receivables and prepayments	(201,956)	(61,732)
Increase in trade and other payables	247,533	243,485
Increase in provisions	43,031	100,429
Net cash flows (used in) operating activities	**(3,937,319)**	**(4,452,471)**

Non-cash financing and investing activities
The Group did not engage in any non-cash investing activities during the year (2020: nil).

Changes in liabilities arising from financing activities
Refer to Note 9 (3) for details.

NOTE 15: LOSS PER SHARE

	Group 2021 $	Group 2020 $
(a) Reconciliation of loss used in calculating Loss Per Share		
Loss attributable to the ordinary equity holders used in calculating basic loss per share	**(4,906,234)**	**(5,238,040)**

	2021 Number	2020 Number
(b) Weighted average number of shares used as the Denominator		
Ordinary shares used as the denominator in calculating basic loss per share	**218,562,846**	**172,504,781**

	Group 2021 Cents	Group 2020 Cents
(c) Loss per share		
Basic loss per share (cents per share)	**(2.24)**	**(3.04)**
Diluted loss per share (cents per share)	**(2.24)**	**(3.04)**

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.

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for the year ended 30 June 2021

NOTE 16: RELATED PARTY TRANSACTION

Key Management Personnel Compensation

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

	Group 2021 $	Group 2020 $
Short term employee benefits	1,597,755	1,884,048
Post-employment benefits	85,207	96,824
Non-monetary benefits (annual leave)	(20,985)	71,885
Share based payment	269,716	71,017
	1,931,693	**2,123,774**

There have been no other transactions for the year ended 30 June 2021 to related parties.

NOTE 17: PARENT ENTITY DISCLOSURES

Financial position

	2021 $	2020 $
Assets		
Current assets	6,663,264	3,269,139
Non-current assets	1,059,412	1,463,187
Total assets	**7,722,676**	**4,732,326**
Liabilities		
Current liabilities	731,915	783,818
Non-current liabilities	192,452	13,000
Total liabilities	**924,367**	**796,818**
Net assets	**6,798,309**	**3,935,508**
Equity		
Issued capital	19,310,804	11,751,953
Reserves	826,746	84,063
Accumulated losses	(13,339,241)	(7,900,508)
Total equity	**6,798,309**	**3,935,508**

Financial performance

Loss for the year	(5,438,733)	(5,085,449)
Other comprehensive income	-	-
Total comprehensive income	**(5,438,733)**	**(5,085,449)**

NOTE 18: COMMITMENTS AND CONTINGENCIES

At reporting date, there are no commitments or contingent liabilities outstanding for the Group or the Company.

NOTE 19: 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 2021, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

NOTE 20: 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.

2021	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	6,528,736		-	190	6,528,926	1.00
Trade and other receivables	-	-	-	273,404	273,404	-
Restricted cash	-	-	144,647	17,217	161,864	1.00
	6,528,736	**-**	**144,647**	**290,811**	**6,964,194**	
Financial liabilities						
Trade and other payables	-	-	-	678,523	678,523	-
Borrowings	-	-	-	-	-	-
Lease liabilities	-	197,630	752,069	-	949,699	6.00
Convertible Notes	-	-	-	-	-	-
	-	**197,630**	**752,069**	**678,523**	**1,628,222**	

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

2020	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	1,686,069	2,000,000	-	264	3,686,333	0.57
Trade and other receivables	-	-	-	121,615	121,615	-
Restricted cash	-	-	150,558	6,000	156,558	1.00
	1,686,069	**2,000,000**	**150,558**	**127,879**	**3,964,506**	
Financial liabilities						
Trade and other payables	-	-	-	461,124	461,124	-
Borrowings	-	247,154	-	-	247,154	15.00
Lease liabilities	-	152,689	210,972	-	363,661	6.00
	-	**399,843**	**210,972**	**461,124**	**1,071,939**	

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.

	30 June 2021 $	30 June 2020 $
Change in loss:		
Increase by 1%	65,287	34,792
Decrease by 1%	(65,287)	(34,792)

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 2021, 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.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Contractual maturities of financial liabilities

As at the reporting date the Group had total financial liabilities of $1,628,222 (2020: $1,071,939) 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 21: 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 2021 and 2020.

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 (2020: none).

NOTE 22: SUBSIDIARIES

Name of entity	Country of incorporation	Class of Shares	2021	2020
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)	United Kingdom	Ordinary	100%	-

*This entity was incorporated on 17 September 2020

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2021

NOTE 23: EVENTS AFTER REPORTING DATE

There are no 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 24: REMUNERATION OF AUDITORS

Auditor fees incurred during the financial year are as follows:

	Group 2021 $	Group 2020 $
Audit services – Stantons	51,074	36,679
	51,074	**36,679**

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and notes set out on pages 19 to 50, 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 2021 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 2021.

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

Dr Michael Winlo
Managing Director
Dated 31 August 2021

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

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

31 August 2021

Board of Directors
Emyria Limited
D2, 661 Newcastle Street
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 2021, 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 Authorized Audit Company)

Samir Tirodkar
Director

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

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

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 ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

We have determined the matters described below to be Key Audit Matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition The Group's revenue amounted to $1,975,909 (refer to Note 2(a) to the financial statements during the financial year ended 30 June 2021. Note 2 to the financial statements describes the accounting policies applicable to the revenue from contracts with customers, nothing that the revenue from the different revenue classification is recognised in the period when the service is rendered. There is an inherent risk around the accuracy of revenue recorded given the nature of the Group's activities. Accounting for revenue recognition was a key audit matter due to the due to the significance of revenue in understanding the financial results for users of the consolidated financial statements and the judgment required in applying the requirements of AASB 15 mainly in the identification of the performance obligations under its contracts with customers.	Inter alia, our audit procedures included the following: i. Assessed whether the Group's accounting policies were in accordance with the requirements of AASB 15 Revenue from Contracts with Customers. ii. Reviewed and analysed significant sales contracts to verify correct accounting treatment. iii. Tested on a sample basis, revenue transactions by agreeing revenue recognised during the year to the signed customer contract and other relevant supporting documents and verified that the revenue is recognised when the performance obligation has been satisfied. iv. Evaluated the adequacy of the disclosures in respect of revenue recognition with the criteria prescribed by the applicable standard.
Measurement of share-based payments During the financial year, the Group recognised share-based payment expense of $429,558 in the consolidated statement of profit or loss and other comprehensive income and $313,215 as capital raising cost (refer to Note 12 to the financial statements). The Group awarded share-based payments in the form of share options. The awards vest subject to the achievement of certain vesting conditions. The Group used the Black-Scholes model in valuing the share-based awards, based on the vesting conditions attached to each tranche. 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. Reviewed the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements. ii. Assessed 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. Assessed the fair value of the calculation through re-performance using the Black Scholes model. iv. Assessed the allocation of the share-based payment expense over the relevant vesting period. v. Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.

Key audit matters	How our audit addressed the key audit matters
Capitalised development costs During the financial year, the Group capitalised development cost which amounted to $559,513 (refer to Note 8 to the financial statements. Capitalisation of development costs was a key audit matter due to: a. judgement involved in applying the requirements of AASB 138 *Intangible Assets* which includes judgment about the future performance and viability of the project; and b. 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 procedures included the following: i. Evaluated the nature of the development expenses incurred that are capitalised as intangible assets. ii. Assessed the reasonableness of the capitalisation based on our knowledge of the business and industry. iii. Evaluated 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 2021. v. Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.
Going concern basis of accounting The Group has incurred loss a net loss after tax of $4,906,234 and in net operating cash outflows of $3,937,319 for the financial year ended 30 June 2021. These conditions may cast significant doubt on the ability of the Group to continue as a going concern, however, the directors have made the assessment that no material uncertainty exists in relation to the Group's ability to continue as a going concern as a result of the mitigating factors referred to in Note 1(iv) to the financial statements. Accordingly, the directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. The mitigating factors are reliant on the Groups ability to generate sufficient cash surpluses from its operations. This was a key audit matter due to the subjectivity and judgment required by management in preparing the cash flow forecast for the period to 12 months from the date of signing of the financial report, on which the Group's ability to continue as a going concern has been based.	Inter alia, our audit procedures included the following: i. Assessed management's ability to prepare accurate forecasts by comparing prior year forecasts to actual results. ii. Assessed the reasonableness of the significant assumptions used in the cash flow forecast. iii. Tested the mathematical accuracy of the cash flow forecast and agreeing the opening cash position to the audited balances. iv. Performed analysis in relation to key assumptions including sales revenue growth, cash outflow from operations and incorporating the impact of events that have occurred subsequent to the balance sheet date but prior to the date of signing of financial statements.

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Key audit matters	How our audit addressed the key audit matters
	v. Assessed the adequacy of the disclosures in the accordance with the applicable accounting standards.

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 2021, but does not include the financial report and our auditor's report thereon.

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.

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 in pages 10 to 18 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Emyria Limited for the year ended 30 June 2021 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
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Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
31 August 2021