



Biotech Daily

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Daily news on ASX-listed biotechnology companies

Dr Boreham's Crucible: Emyria

By TIM BOREHAM

ASX code: EMD

Share price: 3.9 cents

Shares on issue: 806,686,029

Market cap: \$31.5 million

Chief executive officer: Greg Hutchinson

Board: Greg Hutchinson (executive chair), Dr Michael Winlo (executive director), Dr Karen Smith, Dr Mohit Kaushal, Prof Sir John Tooke (retires at the November 12 AGM)

Financials (year to June 30, 2026): operating revenue \$4.05 million (up 191%), loss of \$6.11 million (\$3.14 million deficit previously), cash of \$7.29 million (up 104%)

Identifiable major shareholders: Greg Hutchinson 5.29%, Dr S and P Washer and associates 5.425%, Craig Lawrence Darby 2.96%, Mercator Shipwrights Pty Ltd (Mercator family) 2.44%

When does a small ASX-listed biotech know that it's making a splash on the world stage? When it is invited to participate in a public US Food and Drug Administration exposition on a health topic of burning interest.

Thus, Emyria executive chair Greg Hutchinson last month made the pilgrimage to the FDA's Maryland spiritual headquarters, to front the agency's public hearing on "considerations for potential future therapeutic use of psychedelic drugs".

The hearing brought together regulators, Federal healthcare representatives, drug developers, healthcare providers and others “to consider practical issues associated with the potential future therapeutic use of psychedelic medicines”.

While it’s a minnow, Emyria was able to offer valuable insights given its unique position in the evolving sector. Courtesy of Australia’s regulations, Emyria is apparently the world’s biggest legal provider of commercial psychedelic-assisted therapies.

Mr Hutchinson says the FDA hearing validated Emyria’s real-world experience in treating patients within a regulated healthcare system.

“As psychedelic medicines move toward broader adoption, the challenge is no longer just about drug development,” he says.

“It is about building the systems to deliver treatment safely, consistently and at scale.”

Yes – the Kingswood

Emyria this month opened its fourth clinic under its Empax brand, at Matilda Private Hospital in the Western Sydney suburb of Kingswood.

This adds to the company’s foundation Perth clinic and facilities in Brisbane and on Victoria’s Mornington Peninsula.

Mr Hutchinson says the local Therapeutic Goods Administration “surprised almost everyone” when three years ago it allowed the use of psychedelic drug treatments in strictly controlled circumstances.

The agency ‘down-scheduled’ 3-4-methylene-dioxy-meth-amphetamine (MDMA, ‘molly’ or ‘ecstasy’) and psilocybin (‘magic mushrooms’) from a Schedule 9 prohibited substance, to a Schedule 8 (strictly) controlled drug.

This liberalization is confined to researching psilocybin for treatment-resistant depression (TRD) and MDMA for post-traumatic stress disorder (PTSD).

The reform opened the TGA’s authorized prescriber pathway, allowing qualified psychiatrists to prescribe the substances under strictly controlled conditions.

The authorized prescriber route is similar to the one available for medical cannabis, but with more arduous hurdles.

Ahead of the TGA changes effective from July 1 2023, Emyria acquired a trauma-focused multi-disciplinary psychiatry therapy clinic in Perth.

“This meant the psychiatrists working in the facility had the necessary level of supervision required,” Hutchinson says. “We then set about creating a dedicated treatment facility to be able to treat patients with PTSD and treatment-resistant depression”.

Emyria by any other name

Emyria evolved from Emerald Clinics, which ran medical cannabis facilities.

Backed by well-known biotech figure Dr Stewart Washer, Emerald listed on February 12, 2020, having raised \$6 million at 20 cents apiece.

Noting a “chronic oversupply” of cannabis, Emyria turned to a “scalable, evidence-based” clinical model for MDMA, in exclusive partnership with Mind Medicine Australia.

The company opened its first (Perth) clinic in November 2023.

Emyria since has won Medibank Private health insurance cover. It also has an agreement with Avive Health to establish Empax clinics in all current and future Avive hospital sites.

Emyria hired Mr Hutchinson in late 2023 for his experience in acquiring, building, managing and divesting clinics across multiple medical disciplines. For 15 years he headed Sonic Health Plus, the pathology group’s clinic chain.

Meanwhile, at the company’s upcoming November 12 AGM shareholders will vote on changing the company’s moniker to Empax Group.

Strict controls

We must stress the local psychedelics regime is not intended as a wild west ‘free for all’. Clinical protocols must be approved by an ethics committee and the dosing must occur under direct supervision in an approved, controlled hospital or day clinic.

Providers are banned from advertising or promoting that they prescribe or supply psychedelic-assisted therapies.

And the treatments are not intended as first line therapies.

“The definition of treatment-resistant is that you’ve tried and failed on two different therapies or drugs,” Mr Hutchinson says. “We don’t see patients that early. We tend to see them much later in their journey, but I think over time we will see them earlier.”

How the treatment process works

The drugs must be delivered alongside 90 hours of therapy.

“Patients can be referred from a [general practitioner] but more likely by an external psychiatrist or therapist,” Mr Hutchinson says.

The patients are screened with a nurse or therapist and then with the psychiatrist authorized prescriber.

“The screening process takes six to 12 weeks,” Mr Hutchinson says. “In that period, they need to be tapered off anti-depressants to avoid any unwanted interactions.”

Mr Hutchinson believes 80 percent of patients might be appropriate for the program.

The first dosing entails an eight-hour session, with two therapists always required to be present.

After eight hours, the patient is released into the care of a support person. They can’t drive for 48 hours.

The next day, the patient has another consultation to talk through the experience.

The patients then undergo two more “integration sessions” over the next fortnight.

Cost-benefit analysis convinces Medibank

The treatment costs about \$30,000 for a full round of PTSD therapy and \$20,000 for treatment-resistant depression (TRD).

That sounds a lot, but bear in mind more severe patients may have been hospitalized multiple times annually. This could cost the health system many times more.

Initially, Empax patients bore the full cost of the treatment.

“Because of their mental health issues many of them hadn’t worked for a prolonged period,” Mr Hutchinson says. “Some had to dip into their sofa and others had family help.”

Emyria’s commercial breakthrough moment came in June last year when Medibank Private agreed to fund the procedures - with no gap payment.

Of course, the health insurer is not a charity and saw the health economics stack up.

The fund recognized that “people just get on this merry-go-round, and they never get off” Mr Hutchinson says. Meanwhile, other major private health insurers have taken a ‘wait-and-see approach’, although some have granted individual ad-hoc approvals.

‘Hospital-as-a-hotel’ model

Empax has treated around 130 patients, mainly Medicare funded.

“Our strategy has been to build out as many clinics as we possibly can as fast as we can,” Mr Hutchinson says.

Emyria bases its clinics around existing hospital infrastructure for two key reasons.

Medibank will only reimburse in a hospital context, while the “hotel like” model is capital-light. A new clinic costs around \$250,000 to set up.

“We’re effectively renting beds in hospital; most of the cost is recruiting and training of therapists and clinicians,” Mr Hutchinson says. “It gives us a really fast and effective way of rolling out clinics across the country at scale. The psychiatrists, the therapists and the patients are there already”.

Meanwhile, the hospitals benefit from more admissions.

Room for more in the clinic

Earlier this year, the TGA updated its recommendations about who can – and should be – present during psychedelic-assisted therapy sessions.

The attendees must include a clinical psychologist or doctor. But participation expands to other suitable qualified parties such as mental health nurses and occupational therapists.

Crucially, the participants are vetted by the authorized prescriber, but this psychiatrist does not have to always be in the room.

“As such they can oversee multiple patients simultaneously,” Mr Hutchinson says.

Typically, an Empax clinic does four sessions a day, so that requires eight therapists overseen by one psychiatrist.

Mr Hutchinson says Emyria’s capacity is limited by the availability of clinical psychologists (the psychiatrists are part-time contractors).

“They’re the most expensive and the most difficult [professionals] to come by,” he says.

“That’s been our biggest bottleneck in terms of getting patients through the system.”

Expanded indications?

Mr Hutchinson says psychedelic-assisted therapy could be most relevant for mental health related workers' compensation scenarios, especially for PTSD and TRD.

He notes that 14,000 New South Wales police officers are off work for mental health reasons.

“With the first responders, you can understand that,” he says. “But doctors and teachers also are subject to some pretty nasty things these days.”

In the US, more veterans have died from suicide than have died from combat since World War Two: 120,000 over the last two decades, according to the White House.

Mr Hutchinson believes Emyria could sustain 20 to 30 clinics Empax nationally, for just PTSD and TRD. But he notes that trials are taking place for other indications including addictions (smoking cessation) and anxiety.

“If the indications expand, I can see us running 50 to 70 clinics,” he says.

Beyond hospitals, Mr Hutchinson envisages veterans-only or eating disorders and drug and alcohol abuse clinics.

Finances and performance

Emyria generated \$4.05 million from its treatment activities in the year to June 30 2026, up 190.6 percent.

The company also pocketed a \$191,000 Federal Research and Development Tax Incentive, having expended \$531,000 on research and development during the period (down 13 percent). The company lost a net \$6.11 million, compared to a \$3.14 million deficit a year earlier.

At June 30, Emyria had \$7.29 million of cash in the bank, having raised \$8 million, last November, in an institutional placement at six cents per share, a nine percent discount.

Emyria doesn't disclose its gross margin, but Mr Hutchinson says a clinic needs to administer 15-20 dosings a month to break even.

The company said its Perth clinic, its most mature, achieved 31 dosings in June and has been profitable on a standalone basis for some time. The clinic is capable of 80 dosings per month.

“It takes us about nine to 12 months to get a clinic up to profitability typically,” Mr Hutchinson says.

Over the last 12 months, Emyria shares have tripped between their all-time low of 3.6 cents in mid-March this year and 7.4 cents in mid-November last year. The shares peaked at 45.7 cents in late November 2021.

Dr Washer and his associates remain Emyria's biggest shareholder, with an 8.25 percent stake.

Dr Boreham's diagnosis:

While the jury is out on the efficacy of mind-altering drugs, the interest in the sector has been, well, mind blowing.

In April, the President Donald Trump administration introduced reforms to facilitate psychedelic drug development.

Aimed especially at treating veterans, these include \$US50 million for state-federal mental illness programs and streamlined FDA procedures.

Mr Hutchinson says Mr Trump's executive order was "massive" in terms of fast-tracking psychedelics research, especially for PTSD.

While polities talk, money talks louder.

The world's biggest drug company, Eli Lilly, proposes to buy Atai Beckley for up to \$US3.8 billion as it pursues psychedelic-based treatments for TRD and social anxiety disorder.

This was hard on the heels of Abbvie's up to US\$1.2 billion for Gilgamesh Pharmaceuticals.

While no regulator has approved a psychedelic therapy, the sector awaits a potential breakthrough: the FDA is mulling Compass Pathways' fast-tracked marketing application for its psilocybin-based TRD candidate.

Approval or not, the demand big picture remains intact.

"Mental health is overtaking heart disease and cancer now as the biggest cause of disability in the world," Mr Hutchinson says.

Disclosure: Dr Boreham is not a qualified medical practitioner and does not possess a doctorate of any sort. Rather than magic mushrooms, he expects his trip of a lifetime to entail Rome, London, Paris and New York