Opyl Ltd – H1 FY2020 Results

Opyl launches into global digital health sector with new AI services and technology upside

Highlights:

- *Launched new company brand and service offering in digital health (Dec)*
- *Acceleration of new R&D agenda to bring AI-driven insights and prediction tools to MVP and early revenue stage*
- *H1 FY2020 operating loss further reduced, down by 37% on H1 FY2019*
- *H1 FY2020 revenue down 35.5% - variance due to invoicing/ contract timing and close of US operation (Jan).*
- *Further reduction in operating costs reduced by 38% on H1 FY2019 with a number of one-off compliance, rebrand and close-out costs*
- *88% of all Australian annual retainer contracts re-signed – on par with expectations*
- *Completed successful rights issue and share placement raising $1.2m(Jul)*
- *Two year, revenue share collaboration signed with huumun (Feb)with joint client pitches commenced (Feb).*
- *AI-powered clinical trial prediction tool achieved MVP stage 1 (Feb) and advanced into stage 2 – Opyl's key R&D focus*

Melbourne, Australia, 28 February 2020, Opyl (ASX:OPL) today released its financial results for the six month period ending 31 December 2019.

The company's new data and digital health strategy under the Opyl brand was fully operational from 1 December 2019, with the market launch of new AI-powered deep social media insights offering.

During the half year the leadership group focussed on further reducing the operating loss, down by 37% on H1 FY2019, and channelling all available resources into building out the new AI-powered insight services and accelerating research and development on the clinical trial predictor tool to MVP stage.

The US operation breached a financial sustainability mark late in 2019. Revenue was rapidly declining due to the decreased functionality of the UGC Discovery platform following the severance of the Instagram API (early 2019) and the inability of the early stage 'Widget' project to realise MVP value. In closing the US operation some revenue (<USD$100k) will be sacrificed, but the overall loss in 2019 significantly outweighed the gain or potential.

Subsequent to the period end, Opyl announced a collaborative revenue-share agreement with UK-based huumun aimed at driving scale and revenue growth by accessing a target group of the top 20 biopharma companies. During H1 2020, Opyl worked to identify a suitable scale partner based in either the EU or US with a client base that matched the Opyl key market. Within a week of the agreement announcement in February, the two companies began joint client pitches with one active joint proposal now in market with a major biopharma company.

Michelle Gallaher, CEO of Opyl Limited, said: "Now that the business has been transformed in terms of efficiencies, reduced cash burn and readied for the global health market, we have two direct priorities for the calendar year – 1) drive revenue with new services offering accelerated via the huumun relationship and AI-powered deep social media insights capabilities and 2) advance the clinical trial predictor tool, which has the greatest potential for impact in disrupting the feasibility sector and delivering significant revenue."

Contract wins subsequent to the period end include: a retainer with new client Monash Business School ($50k), renewal of existing retainers with Neuroscience Trials Australia ($50k) and the Australian Regenerative Medicine Institute ($70k).

During Q2 2019 Opyl commenced an application for the R&D tax incentive and began developing applications and ensuring eligibility for a number of government grants. Grant funding is relatively high risk but may be an appropriate avenue to leverage existing cash in developing AI health technologies.

The rapidly expanding interest in digital transformation in health and recognition of the role of AI, data mining and social media in improving clinical trials, market intelligence and patient engagement has created a very favourable environment for Opyl services.

-ENDS-

For media enquiries: Laura Blue +61 416 699 925
For investor enquiries: info@opyl.ai
www.opyl.ai

Opyl is a new generation company working at the intersection of artificial intelligence, social media and clinical trials.

Our focus is on developing digital tools that improve the healthcare experience for patients, deliver deep market insights from social media data and improve the efficiency and value of the clinical research process by employing AI technologies and methodologies.

Follow Opyl on Twitter (@Opylai), LinkedIn, Facebook and Instagram

Opyl Limited
(Formerly known as ShareRoot Limited)
Appendix 4D
Half-year report

1. Company details

Name of entity:	Opyl Limited
ABN:	71 063 144 865
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	35.5%	to	366,733
Loss from ordinary activities after tax attributable to the owners of Opyl Limited	down	37.1%	to	(843,233)
Loss for the half-year attributable to the owners of Opyl Limited	down	37.1%	to	(843,233)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the company after providing for income tax amounted to $843,233 (31 December 2018: $1,341,363).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.38	(0.02)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year report.

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8. Attachments

Details of attachments (if any):

The Half-year report of Opyl Limited for the half-year ended 31 December 2019 is attached.

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9. Signed

Signed ___________________________ Date: 27 February 2020

Damon Rasheed
Director

Opyl Limited

(Formerly known as ShareRoot Limited)

ABN 71 063 144 865

Half-year report - 31 December 2019

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2019.

Directors

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Julian Chick - Chairman and Non-Executive Director
Damon Rasheed - Non-Executive Director
Marat Basyrov - Non-Executive Director

Principal activities

During the period, the principal activities of the company were predominantly the continued development of its digital tools that improve the healthcare experience for patients, deliver deep market insights from social media data and improve the efficiency and value of clinical research process.

The company continues to focus on implementing the key recommendations of the major strategic and technology review delivered in April 2019, recalibrating the business plan and service offering to focus on developing digital and data technologies and services addressing the escalating needs of the global healthcare sector.

Review of operations

Opyl Limited's results for the financial year ending 31 December 2019 resulted in an overall decrease in operating loss of $843,233, down 37% on the corresponding period as the company focused on implementing operational cost controls and efficiencies whilst developing new service offerings and artificial intelligence (AI) powered digital tools for the global digital healthcare market.

Despite a number of one-off costs associated with implementing operational efficiencies, compliance requirements and re-branding, a number of additional operational cost-savings were achieved delivering a further reduction of 38% in total administrative, staff and corporate costs for the period compared to the same period last year.

With a main focus on strategic investment in the development of new digital tools and services with capacity to scale and realise meaningful revenue, operational cost savings, and streamlining to achieve efficiencies, the company had a decline in total revenue by 36% for the half-year as a comparative to 31 December 2018. The variance is due to timing of the recognition of revenues associated with Australian client projects and the decline in revenues from the US operation, due to the Board’s decision to wind down US operations after the strategic review. During the period the team spent considerable effort on client outreach, securing the renewal of 88% of all retainer contracts, adding two new project clients and a new retainer client, and in prospecting new clients into the new AI-powered service offering, which the company believes will result in increased revenue over the next 18 months.

Through its renewed focus on activities and technologies in the digital healthcare market and the drive to achieve scale as efficiently and quickly as possible, the company has entered into an initial two year revenue-share collaboration agreement with huumun, a UK-based agency with a client base that includes many of the top 10 global biopharmaceutical companies, as announced to the market on 11 February 2020. The collaboration with huumun is a strategic move designed to efficiently drive new client acquisition, accelerate the uptake of Opyl's social media deep analysis, clinical trial prediction tool and management services within major pharma and medtech clients, and ultimately grow revenue.
Based in the UK with offices in Spain, USA and Australia, huumun is a sales, marketing and medical communications company that develops and employs smart digital technologies with clients many of whom are global leaders in life sciences. The collaboration between Opyl and huumun allows the two companies to provide an extended, sophisticated end-to-end sales and marketing digital offering across traditional and digital platforms.

Though retaining a US presence is considered important in terms of North American client services delivery, sales and marketing plans in the future, the financial viability of the US operations breached a sustainability threshold during the period that has resulted the termination of all US staff.

Given Ludomade has delivered a considerable loss since acquisition and is not currently generating active revenue, Opyl has not been able to achieve a viable sale of Ludomade. Given the time and effort required to pursue a sale and competing development priorities within Opyl, the leadership group has decided that for the foreseeable future Ludomade will not be active as an ongoing business, but the trading name and assets will be retained by Opyl. All operating costs for Ludomade have been cut or minimised as much as possible whilst remaining compliant.

Opyl Limited completed a rights issue and share placement in July 2019 where $1.2 million was raised before capital raising costs. The money raised is being used predominantly to scale the existing revenue-generating digital client services capabilities and capacity by investing in the development of AI-powered tools, re-brand from ShareRoot to Opyl, roll out marketing campaigns to attract new clients announcing the new service offering and continue the research and development of MediaConsent Clinical. Some costs associated in this capital raising are reflected in the overall half yearly result.

As announced to the market on 19 February 2020, the company has successfully completed the first critical proof-of-concept stage of an algorithm-based software interface which can predict the likelihood of a clinical trial completing each phase and inform clinical trial practitioners on steps to take to improve this likelihood . The Opyl technology represents a significant milestone for the company as it pursues a new strategic direction in digital health and clinical research efficiency, addressing a global market opportunity highlighted in the strategic review and recalibrated business plan. It is expected the Opyl model will be commercialised initially on a consulting services project basis with future development designed to deliver a subscription model, aimed at pharmaceutical, biotechnology, government, hospitals, universities and research institutes, medical device companies, CRO's and investment houses. Opyl is in preliminary discussion with several organisations in this space. St Vincent's Hospital Office of Research in Melbourne have provided valuable advice and development feedback through stage one and have agreed to continue to participate in the continued development of the tool in future stages as per the Media Consent Clinical MOU signed over a year ago.

Opyl Limited anticipates that as the group grows and rolls out the new service offering and commercialise the clinical trial predictor tool it will continue to increase its revenue and decrease its loss, quarter over quarter, as it drives operational efficiencies, expands revenue generating client services, advances new digital and data technology offerings in healthcare and optimise overall company functionality. The company has a significant number of active client proposals and discussions associated with the new services in the market and anticipates that the coming half year will see these start to convert to contracts and therefore increase overall company revenue validating the strategy and services.

Significant changes in the state of affairs
As highlighted above, the company rebranded to Opyl Limited.

There were no significant changes in the state if affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year
As noted above, the company has entered into a collaboration agreement with huumun which is expected to provide greater revenue and client acquisition opportunities. This, coupled with achieving the MVP concept stage of development of a machine learning/artificial intelligence algorithm predicting likely completion of clinical trials, provides the company with an excellent platform from which to grow.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this director's report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

27 February 2020

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF OPYL LIMITED AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2019 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

— no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N.S. Benbow
Director

Melbourne, 27 February 2020

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Contents

General information

The financial statements cover Opyl Limited as an individual entity. The financial statements are presented in Australian dollars, which is Opyl Limited's functional and presentation currency.

Opyl Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

105, Wellington Street
St Kilda, Victoria, Australia, 3182

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2020.

Opyl Limited
(Formerly known as ShareRoot Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	31 December 2019 $	31 December 2018 $
Sales from rendering services		366,733	568,252
Other income		7,430	3,047
Expenses			
Employee benefits expense		(591,367)	(851,011)
Depreciation and amortisation expense		(132)	(3,268)
Impairment		-	(161,623)
Finance costs		(4,017)	(615)
Occupancy		(27,752)	(17,337)
Administration		(516,825)	(535,187)
Consultancy contractor costs		(77,303)	(343,621)
Loss before income tax expense		(843,233)	(1,341,363)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Opyl Limited		(843,233)	(1,341,363)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(8,419)	4,022
Other comprehensive income / (loss) for the half-year, net of tax		(8,419)	4,022
Total comprehensive loss for the half-year attributable to the owners of Opyl Limited		(851,652)	(1,337,341)
		Cents	**Cents**
Basic earnings per share		(12.53)	(0.10)
Diluted earnings per share		(12.53)	(0.10)

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

Opyl Limited
(Formerly known as ShareRoot Limited)
Statement of financial position
As at 31 December 2019

	Note	31 December 2019 $	30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents		463,636	99,140
Trade and other receivables		66,073	177,999
Prepayments and other deposits		62,963	53,015
Total current assets		592,672	330,154
Non-current assets			
Property, plant and equipment		4,698	-
Total non-current assets		4,698	-
Total assets		597,370	330,154
Liabilities			
Current liabilities			
Trade and other payables		450,494	480,408
Borrowings		-	203,989
Deferred revenue		35,558	48,562
Total current liabilities		486,052	732,959
Total liabilities		486,052	732,959
Net assets/(liabilities)		111,318	(402,805)
Equity			
Issued capital	3	16,157,314	14,826,597
Reserves		1,103,570	1,076,931
Accumulated losses		(17,149,566)	(16,306,333)
Total equity/(deficiency)		111,318	(402,805)

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

Opyl Limited
(Formerly known as ShareRoot Limited)
Statement of changes in equity
For the half-year ended 31 December 2019

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	13,673,475	921,837	(13,201,195)	1,394,117
Loss after income tax expense for the half-year	-	-	(1,341,363)	(1,341,363)
Other comprehensive income for the half-year, net of tax	-	4,022	-	4,022
Total comprehensive income / (loss) for the half-year	-	4,022	(1,341,363)	(1,337,341)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	1,200,499	-	-	1,200,499
Share-based payments	-	63,373	-	63,373
Balance at 31 December 2018	14,873,974	989,232	(14,542,558)	1,320,648

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019	14,826,597	1,076,931	(16,306,333)	(402,805)
Loss after income tax expense for the half-year	-	-	(843,233)	(843,233)
Other comprehensive loss for the half-year, net of tax	-	(8,419)	-	(8,419)
Total comprehensive loss for the half-year	-	(8,419)	(843,233)	(851,652)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 3)	1,330,717	-	-	1,330,717
Share based payments	-	35,058	-	35,058
Balance at 31 December 2019	16,157,314	1,103,570	(17,149,566)	111,318

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

Opyl Limited
(Formerly known as ShareRoot Limited)
Statement of cash flows
For the half-year ended 31 December 2019

	Note	31 December 2019 $	31 December 2018 $
Cash flows from operating activities			
Receipts from customers		447,636	479,450
Payments to suppliers and employees		(1,201,129)	(1,743,359)
Interest received		4,509	584
Net cash used in operating activities		(748,984)	(1,263,325)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(687,853)
Payments for property, plant and equipment		(4,830)	(1,207)
Net cash used in investing activities		(4,830)	(689,060)
Cash flows from financing activities			
Proceeds from issue of shares	3	1,290,612	1,221,773
Share issue transaction costs		(59,895)	(21,274)
Repayment of borrowings		(103,988)	-
Net cash from financing activities		1,126,729	1,200,499
Net increase/(decrease) in cash and cash equivalents		372,915	(751,886)
Cash and cash equivalents at the beginning of the financial half-year		99,140	1,546,284
Effects of exchange rate changes on cash and cash equivalents		(8,419)	15,773
Cash and cash equivalents at the end of the financial half-year		463,636	810,171

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity:

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the balance sheet. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The change in accounting standard does not affect the company as all accommodation agreements are less than 12 months.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity has incurred net loss after tax of $843,233 (2018: $1,341,363) and net cash outflows from operations of $748,984 (2018: $1,263,744) for the half-year ended 31 December 2019.

These conditions give rise to a material uncertainty that casts significant doubt upon the consolidated entity's ability to continue as a going concern.

Opyl Limited completed a rights issue and share placement subsequent to the year-end in July 2019 where $1.2 million was raised before capital raising costs. The money raised is used predominantly to scale the existing revenue-generating digital client services capabilities and capacity; complete and launch new technology projects and roll out marketing campaigns and continue the development of MediaConsent Clinical.

As previously advised, the Board and Management decided to focus on the digital health market and introduce new data and digital technologies to expand the service offerings. As a consequence of this, it was also decided to reduce spending in other parts of the business, most notably with the closure of its US operations, Ludomade.

Note 1. Significant accounting policies (continued)

The directors have prepared a revised cash flow forecast which takes into account:

- commercialisation of its new A1-powered digital insights platform (Opyl) which has already shown potential as well as other Opyl Limited technologies;
- further reduction in expenditure for non-core parts of the business and rationalisation and streamlining of the company structure; and
- the change in operational focus and significant reduction in costs.

This forecast indicates that the consolidated entity can continue as a going concern for at least the next 12 months.

Furthermore, the directors are reviewing the Group's ability as a technology innovation company to apply for various government grants and incentives, which have not yet been factored into the cash flow forecast but will provide cash inflows to reduce the impact of expenditure should they be successfully granted.

Should the commercialisation of new products and platforms take longer than forecast the directors may be required to raise further capital through either equity or debt. The company has a history of being able to raise capital and debt when required and the directors are confident that should the need arise they will be able to raise sufficient funds to meet their liabilities as they fall due.

Should the consolidated entity be unable to implement the above strategies or source alternative funding, it may be necessary to realise some or all assets and discharge liabilities at amounts different to those stated in the financial statements No adjustments have been made to the recoverability and classification of asset and the amount and classification of liabilities that might be necessary should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2. Operating segments

Identification of reportable operating segments
The company has been consolidated into a single operating segment being Opyl's global business solving the issues faced by consumers and companies in data and privacy in digital marketing by providing client services and account management layer behind the company’s technology properties.

Major customers

The consolidated entity does not have any single customer which contributes more than 10% of the consolidated entity's revenue.

Geographical information

	Sales to external customers	
	31 December 2019	**31 December 2018**
	$	**$**
Australia	308,870	310,248
USA	57,862	258,004
	366,732	568,252

Note 3. Equity - issued capital

	31 December 2019 Shares	30 June 2019 Shares	31 December 2019 $	30 June 2019 $
Ordinary shares - fully paid	29,592,002	1,569,454,374	16,157,314	14,826,597

Details	Date	Shares	$
Balance	1 July 2019	1,569,454,374	14,826,597
Rights issue	19 July 2019	509,611,125	509,612
Rights issue (shortfall shares)	24 July 2019	770,000,000	770,000
Conversion of debt to equity	3 October 2019	100,000,000	100,000
Placement	15 October 2019	10,000,000	10,000
Consolidation	29 November 2019	(2,929,473,497)	-
Share issue costs		-	(58,895)
Balance	31 December 2019	29,592,002	16,157,314

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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.

Note 4. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 5. Events after the reporting period

The company has entered into a collaboration agreement with huumun which is expected to provide greater revenue and client acquisition opportunities as announced to the market on 11 February 2020.

This, coupled with achieving the MVP concept stage of development of a machine learning/artificial intelligence algorithm predicting likely completion of clinical trials, provides the company with an excellent platform from which to grow as announced to the market on 19 February 2020.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Accounting Standards AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and

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

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

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27 February 2020

William Buck

Opyl Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Opyl Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the half-year financial report, which indicates that the company incurred a net loss of $851,652 and net cash outflows from operations of $748,984 during the half year ended 31 December 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial report of Opyl Limited (formerly named ShareRoot Limited) for the year ended 30 June 2019 was audited by another auditor, who expressed an unmodified opinion to that report.

Responsibilities of the Directors for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

— giving a true and fair view of thecompany's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and

— complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Opyl Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director

Melbourne, 27 February 2020