



22 October 2020

## **Opyl Appendix 4C – Quarter (Q1) ending 30 September 2020**

**Melbourne, Australia – Opyl Limited (ASX:OPL)** today released its Appendix 4C quarterly cash flow statement for the three month period ending 30 of September 2020 (Q1 FY2021).

### **Highlights**

- Receipts from customers up 61% from June quarter with project revenue building
- R&D investment increased 88% as work escalates on two Opyl platforms
- Net operating cash outflow \$64,000, up 106% on the June quarter primarily due to the R&D tax refund received in that quarter
- Cash balance at the end of the quarter was \$704,000
- Commenced recruitment for sales, technical specialist and client facing roles
- Delivered successful COVID19 data trial with clinical trial predictor tool
- New Director, Mark Ziirsens welcomed to the Board.

### **Revenue**

Opyl project revenue increased during the quarter significantly above the expected 30% rise as anticipated in the last quarter results. Receipts from customers increased to \$166,000 during the period with the company's total cash receipts for the quarter increasing to \$335,000. The number of clients also increased during the quarter.

“Opyl is now realising higher profit margins and projects with higher price points as our reputation is growing in being able to deliver unique and actionable insights from social media listening”, said Michelle Gallaher, Opyl CEO.

Opyl's specialist clinical trial recruitment services using social media (consulting) picked up this quarter with work recommencing now that clinical trial sites have reopened as COVID19 infections eased in Australia, particularly Victoria.

### **Company Operations**

During the period, Opyl began recruiting for a number of key roles relating to the expansion of global sales and social media across the Company's three main AI healthcare platforms, market insights, clinical predictor and clinical trials recruitment.

During the period Opyl also appointed Mr Mark Ziirsens to the board and Mr Damon Rasheed moved from a Non-Executive role to an Executive Director role as he plays an increased role in the further development and refinement of the Company's AI healthcare platforms.

Opyl's goal of being cash flow neutral-positive this quarter was achieved early in the period and as a result the Company brought forward some of its research and development spend on the Opyl platforms. This contributed to an overall net cash outflow for the period of \$96,000 resulting in the cash balance decreasing from \$800,000 to \$704,000.

Overall costs relating to operating activities remained consistent with the previous quarter.

Through the quarter, Opyl received various COVID19 support Incentives provided by both federal and state Governments amounting to \$169,000. The company continues to evaluate and apply for any grants available it. However, notes that it will no longer be eligible for the Job Keeper payments following the stronger revenue numbers in Q1.



## Research and Development

In parallel with executing an increasing number of new client social media listening projects during the quarter, Opyl's clinical trial prediction/design platform entered stage 3 (of 4 stages).

Stage 3 is largely about improving the specificity of the platform by coding a further 300-400 protocol variables, expanding on the current 150 key variables that form the foundation of the platform. Design variables are elements within the protocol that have an impact on probability of success, such as dosing regimen, dose-response relationships, enrolment target, site selection, accrual rate, relationship to covariates such as age-sex, or pharmacodynamics, to name a few, for example. A team of protocol design subject matter experts have been commissioned to commence this stage in October.

During the quarter, Opyl successfully delivered a major data trial assessing 475 COVID19 vaccines and therapeutics in clinical trials to determine the candidates with the highest probability of success. The national and global interest from this project resulted in Opyl's clinical trial prediction/design platform attracting growing national and international interest from major investment firms and funds, governments, and biopharma.

The Opyl clinical trial prediction platform is now ready to begin generating revenue from consulting projects. In Q2, work will commence on the platform's web interface as the Company launches the platform.

During the period Opyl had related party costs of \$65,000 made up of director fees and payments to Advantage Data and EdwayApps relating to R&D activities for the further development of the Company's clinical trial platforms. These costs involved leveraging the expertise of two of the company's directors, Mr Damon Rasheed and Mr Marat Basyrov through their related companies.

The Board has authorised this announcement for release to the ASX.

**-ENDS-**

For media enquiries: Laura Blue +61 416 699 925

For investor enquiries: [info@opyl.ai](mailto:info@opyl.ai)

[www.opyl.ai](http://www.opyl.ai)

Opyl is a new generation Australian company that provides leading biopharma and health organisations access to emerging AI-assisted technologies and real-world data insights to understand and improve healthcare design, development and delivery.

Opyl works at the intersection of clinical trials, artificial intelligence, and social media.

Our key offering for biopharma, medtech, government and healthcare organisations:

- clinical trial recruitment and retention solutions
- clinical trial predictive analytics
- deep social media insights

Our vision is to improve health and wellness by optimising data assets and digital activation to advance technologies for life.

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

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Opyl Limited

**ABN**

71 063 144 865

**Quarter ended ("current quarter")**

30 September 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	166	166
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(26)	(26)
(d) leased assets		
(e) staff costs	(199)	(199)
(f) administration and corporate costs	(174)	(174)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	169	169
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(64)</b>	<b>(64)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property	(32)	(32)
(f) other non-current assets		

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(32)</b>	<b>(32)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	800	800
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(64)	(64)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(32)	(32)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>704</b>	<b>704</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	704	800
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>704</b>	<b>800</b>

**6. Payments to related parties of the entity and their associates**

- |   | <b>Current quarter<br/>\$A'000</b> |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 (staff costs)           | 33                                 |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 (intellectual property) | 32                                 |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

**7.5 Unused financing facilities available at quarter end**

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

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<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(64)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	704
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	704
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	11

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....22 October 2020.....

Authorised by: .. By the Board of Directors of Opyl Limited.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.