



25 February 2021

Opyl H1 FY 2021 Results

Opyl on track to accelerate into USD\$64bn clinical trial services market in 2021

Melbourne, Australia – Opyl Limited (ASX:OPL) today released its half year financial results for the six month period ending 31 December 2020.

Highlights

- Opyl delivers maiden profit \$21,658 (from \$843,233 loss Dec 2019)
- 33% increase in client revenue and 100% retainer client re-signed for 2021
- Revenue from day-to-day operations increased by 33%
- Improved cash position during 2nd quarter, net cash balance of \$730,000
- 2 clinical trial efficiency platforms in development
- Clinical trial recruitment platform on track to go live end March 2021
- Delivered second successful data trial (COVID19 clinical trials) validating protocol design and prediction platform
- Strengthened the board, as well as increased sales and services capacity within the business in readiness for clinical trial recruitment services expansion

Opyl has delivered above expectations for the financial half year, readying one of two major clinical trial efficiency platforms in advanced development to go live by the end of Q3 and improving client revenue from existing services by 33% to post a profit, providing for income tax, of \$21,658K for H1 FY2021.

The company has achieved a significant turn-around in financial and operations sustainability over the six-month period, building upon fundamental gains achieved in the past year, and despite COVID19 interruptions.

The company's key offering to the biopharma and medtech sector currently is in undertaking social media insights and analysis providing value for sales and marketing teams in understanding how to influence markets via social media. The social media insights team within Opyl delivered above expectations, realising growth of 109% in client revenue from strong growth in demand for insights projects, assisted by COVID conditions in which interest in social media from the healthcare sector grew dramatically. All of Opyl's biopharma and medtech retainer clients have re-signed with Opyl for 2021, despite losing approximately 35% of retainer clients at the start of the pandemic.

"Opyl is at a very exciting crossroads," said Michelle Gallaher, CEO. "The company is well positioned to accelerate into the USD\$64bn global clinical trial services market in the coming months with a competitive recruitment offering, leveraging our deep in-house expertise in social media advertising and search engine optimisation."

Company Operations

During the period, Opyl strengthened the board with the appointment of Mark Ziirsén and three new strategic hires to expand capacity in sales, insights and social media advertising.

Opyl received various COVID19 support Incentives, such as Job Keeper, until revenue recovered in Q2 and the company was no longer eligible.



Research and Development

Opyl has continued to advance and invest in its two key clinical trial efficiency platforms.

The clinical trial recruitment platform was a key focus in the period, building up to go live at the end of March. The clinical trial recruitment platform (web enabled) will complement the existing precision social media recruitment consulting service Opyl already offers to the market. The forward focus will be on refining functionality of the platform, launching global marketing and securing alliance partners.

A major data trial was delivered in September 2020, successfully predicting the lead COVID19 vaccine and therapy candidates in clinical development, most likely to complete the phases of each clinical trial and ultimately achieve regulatory approval to enter the market. The announcement attracted national and international interest in this tool, creating a strong pre-launch position for the company with a number of sub-sectors of the life sciences market anticipating access to the model and the potential application to portfolios of therapeutic candidates and investments.

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

-ENDS-

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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

Opyl 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 2020
Previous period: For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	32.9% to	487,444
Profit from ordinary activities after tax attributable to the owners of Opyl Limited	up	102.6% to	21,658
Profit for the half-year attributable to the owners of Opyl Limited	up	102.6% to	21,658

Dividends

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

Comments

The profit for the company after providing for income tax amounted to \$21,658 (31 December 2019: loss of \$843,233).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.97</u>	<u>1.79</u>

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.

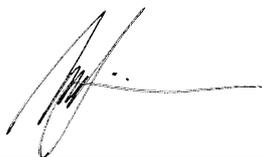
8. Attachments

Details of attachments (if any):

The Half-year report of Opyl Limited for the half-year ended 31 December 2020 is attached.

9. Signed

Signed _____



Date: 24 February 2021

Mark Ziirsen
Non-Executive Director

Opyl Limited

ABN 71 063 144 865

Half-year report - 31 December 2020

Opyl Limited
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2020.

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 - Executive Director
Marat Basyrov - Non-Executive Director
Mark Ziirsen - Non-Executive Director

The above named directors held office during and since the end of the half-year except for:

Mark Ziirsen - Appointed 21 September 2020

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 the clinical research process.

The company continues to implement the business plan, focused upon developing and commercialising novel digital and data technologies that seek to improve operational efficiencies in the global clinical trials sector as well as scaling the maturing health social media insights and marketing communications advisory aspect of the business.

Review of operations

The profit for the company after providing for income tax amounted to \$21,658 (31 December 2019: loss of \$843,233).

Opyl Limited delivered above management's expectations for the financial half-year ended 31 December 2020. R&D investment increased as expected for the half-year, as work advanced on its clinical trial prediction/protocol design platform and the clinical trial recruitment platform.

Operational Progress

Opyl delivered a significant turn-around in operations, resulting in an operating profit for the half-year of \$21,658, from an operating loss of (\$843,233) from the corresponding half-year period. The turnaround in operating profit of \$864,891 has primarily been driven by:

- Increase in demand for social media insights projects and advisory services, particularly through the company's strategic alliance with humun;
- Material reductions in costs pursuant to the shutdown of US operations operated through ShareRoot Inc and Ludomade; and
- Qualification for R&D tax refund, grants and subsidies as well as government COVID assistance.

Revenue from day-to-day operations increased by 32.91% to \$487,444 compared to the same period last year, largely due to new clients and projects generated as a direct result of our strategic alliance with humun, a leading digital transformation business helping life science and pharma companies transform. The alliance is a key pillar of Opyl's scale strategy, whereby Opyl provides its complementary suite of social media insight and advisory services to humun's existing global client base. Likewise, humun is able to access and leverage Opyl's client base. The alliance is governed by a two-year non-exclusive profit-sharing arrangement.

As anticipated, following an initial set-up period, the alliance commenced delivering value during the half-year period and revenue from alliance related activities are 20% higher than management estimated. The strategic approach of the alliance has been to focus on one key humun client, Bristol Myers Squibb, to develop a use-case and demonstrate the potential to cross-sell and upsell services with a large client business. Following this success the focus has now shifted to driving marketing activities to win new client insights projects, as well as continuing to extend new projects within the existing client base. The annual review and goal setting for the alliance is due in February 2021 with a full evaluation of the agreement and opportunity to renew due in December 2021.

Opyl Limited
Directors' report
31 December 2020

Opyl's clinical trial recruitment services using social media (project consulting) were disrupted during the half-year due to COVID lockdowns. The project has recommenced now that clinical trial sites have reopened as COVID-19 infections eased in Australia. The current service involves deep social media listening, development of a social media recruitment strategy and creating and managing advertising accompanied by a digital triage to identify and recruit appropriate patients into trials. Opyl has been offering this service to a small number of existing clients for over a year, and now intends to expand this precision service offering as the clinical trial recruitment platform comes online late in Q3 (Quarter 3) and builds traction in Q4.

Opyl continues to invest in its clinical trial recruitment platform and service offering and its novel clinical trial prediction/protocol design platform. The (web enabled) clinical trial recruitment platform will complement the existing consulting service Opyl already offers to the market, as described above. The point of difference in Opyl's trial recruitment offering is its expertise in using social media and predictive analytics combined, to deliver a targeted, efficient, and measurable precision service. Clinical trial recruitment will be a strategic focus for Opyl over the next six-twelve months moving the platform into a beta launch, continuing to refine and expand features, and focussing on securing strategic alliances, contracts, and revenue.

During the period, Opyl successfully delivered a major data trial assessing 475 COVID-19 vaccines and therapeutics in clinical trials to determine the candidates with the highest probability of success in completing all trial phases and achieving regulatory approval. The national and global interest from this project resulted in Opyl's clinical trial prediction/design platform attracting national and international interest from major investment firms and funds, governments, and biopharma. The data trial was a critical experiment to refine the functionality of the tool, and also demonstrate the accuracy of the model has been demonstrated.

During the period, Opyl began recruiting for a number of key roles to support 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. In Q2, the company recruited a Commercial Lead driving alliances and sales, an Analytics & Insights Manager and a Social Media Technical Specialist. These hires bring important new capabilities that broaden our ability to penetrate the market and support our client engagements.

For the half-year, Opyl has recorded a positive movement in operating cashflow of \$24,040. In Q2 Opyl achieved a company first positive cash flow of \$25,520 resulting in a net cash balance of \$729,996 at the end of the period.

Opyl's overall income increased by 153.64% to \$949,037, compared to the same period last year. Opyl's financial positive position was strengthened due to receiving a tax refund in relation to R&D tax incentive of \$249,001 in Q2. Other income increased predominantly due to the impact of the COVID-19 financial aid stimulus provided through the Jobkeeper and other Government subsidies, noting Opyl ceased to be eligible for the Job Keeper payments in Q1 as sales increased.

The half-year results demonstrated Opyl is heading in the right direction with significant increase in new client enquiries combined with cost base management. Though initially detrimental to Opyl revenues, the COVID-19 environment has been helpful for the business as many clients have increased their interest in accessing novel data and digital solutions to maintain sales, marketing, market research and clinical trial recruitment strategies.

Board and leadership changes

Mr Mark Ziirsen was appointed as a Non-Executive Director on 21 September 2020. At the same time, 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. There were no other changes to the board or leadership team during the period.

At the company's Annual General Meeting (AGM) held on Monday 30 November 2020, shareholders approved that 300,000 unlisted options (Incentive Options) be issued to each of Dr Julian Chick, Mr Damon Rasheed, Mr Marat Basyrov and Mr Mark Ziirsen, each being Directors of the Company (Incentive Option Issues). The unlisted options were issued 7 November 2020.

Opyl Limited
Directors' report
31 December 2020

A summary of the material terms of the Incentive Options are as follows:

Term	Description
Exercise price	100,000 at \$0.30 per option 100,000 at \$0.50 per option 100,000 at \$0.75 per option
Expiry date	5 years from the date of issue

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

On 22 February 2021, Opyl announced it had established an unmarketable shareholding sale facility for shareholders who held less than an marketable parcel of shares in the Company. Opyl currently has a significant number of shareholders with less than 10 shares. The Company is providing the Facility to enable Opyl to substantially reduce the administrative costs of managing small shareholdings. It will also enable Eligible Shareholders, who may otherwise find it difficult or expensive to dispose of their shares through normal means, to dispose of their small holdings in a cost-effective manner.

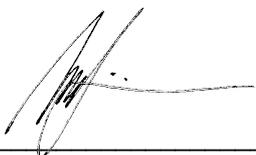
No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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



24 February 2021

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 2020 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

N.S. Benbow
Director

Melbourne, 24th February 2021

ACCOUNTANTS & ADVISORS

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Opyl Limited
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31 December 2020

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General information

The financial statements cover Opyl Limited as a consolidated 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 24 February 2021.

Opyl Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Revenue from contracts with customers	3	487,444	366,733
Other income	4	461,593	7,430
Expenses			
Employee benefits expense		(412,902)	(591,367)
Depreciation and amortisation expense		(1,543)	(132)
Finance costs		(1,353)	(4,017)
Occupancy		(14,400)	(27,752)
Administration		(482,177)	(516,825)
Consultancy contractor costs		(15,004)	(77,303)
Profit/(loss) before income tax expense		21,658	(843,233)
Income tax expense		-	-
Profit/(loss) after income tax expense for the half-year attributable to the owners of Opyl Limited		21,658	(843,233)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		-	(8,419)
Other comprehensive loss for the half-year, net of tax		-	(8,419)
Total comprehensive income / (loss) for the half-year attributable to the owners of Opyl Limited		<u>21,658</u>	<u>(851,652)</u>
		Cents	Cents
Basic earnings per share		0.06	(12.53)
Diluted earnings per share		0.05	(12.53)

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

Opyl Limited
Consolidated statement of financial position
As at 31 December 2020

	31 December	30 June 2020
Note	2020	2020
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	729,996	800,088
Trade and other receivables	290,628	60,990
Prepayments and other deposits	18,652	8,098
Total current assets	<u>1,039,276</u>	<u>869,176</u>
Non-current assets		
Property, plant and equipment	15,653	8,539
Capitalised software development	143,529	58,054
Total non-current assets	<u>159,182</u>	<u>66,593</u>
Total assets	<u>1,198,458</u>	<u>935,769</u>
Liabilities		
Current liabilities		
Trade and other payables	262,165	188,506
Employee benefits	64,177	28,087
Total current liabilities	<u>326,342</u>	<u>216,593</u>
Total liabilities	<u>326,342</u>	<u>216,593</u>
Net assets	<u>872,116</u>	<u>719,176</u>
Equity		
Issued capital	5 16,837,024	16,837,024
Reserves	281,344	885,062
Accumulated losses	<u>(16,246,252)</u>	<u>(17,002,910)</u>
Total equity	<u>872,116</u>	<u>719,176</u>

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

Opyl Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2020

	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)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	1,330,717	-	-	1,330,717
Vesting of share-based payments	-	35,058	-	35,058
Balance at 31 December 2019	<u>16,157,314</u>	<u>1,103,570</u>	<u>(17,149,566)</u>	<u>111,318</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	16,837,024	885,062	(17,002,910)	719,176
Profit after income tax expense for the half-year	-	-	21,658	21,658
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	21,658	21,658
Lapsed options transferred to accumulated losses	-	(735,000)	735,000	-
Vesting of share-based payments	-	131,282	-	131,282
Balance at 31 December 2020	<u>16,837,024</u>	<u>281,344</u>	<u>(16,246,252)</u>	<u>872,116</u>

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

Opyl Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities		
Receipts from customers	283,004	447,636
Government subsidies and incentives	455,320	-
Payments to suppliers and employees	(693,328)	(1,201,129)
Interest received	44	4,509
	<u>45,040</u>	<u>(748,984)</u>
Income taxes paid	(21,000)	-
	<u>24,040</u>	<u>(748,984)</u>
Net cash from/(used in) operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(8,657)	(4,830)
Payments for software	(85,475)	-
	<u>(94,132)</u>	<u>(4,830)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	5	1,290,612
Share issue transaction costs	-	(59,895)
Repayment of borrowings	-	(103,988)
	<u>-</u>	<u>1,126,729</u>
Net cash from financing activities		
Net increase/(decrease) in cash and cash equivalents	(70,092)	372,915
Cash and cash equivalents at the beginning of the financial half-year	800,088	99,140
Effects of exchange rate changes on cash and cash equivalents	-	(8,419)
	<u>729,996</u>	<u>463,636</u>
Cash and cash equivalents at the end of the financial half-year		

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

Opyl Limited
Notes to the consolidated financial statements
31 December 2020

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 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 2020 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.

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 profit after tax of \$21,658 and net cash inflows from operations of \$24,040 for the half-year ended 31 December 2020. Cash balance at 31 December 2020 was \$729,996 while there was no borrowings as at 31 December 2020.

Included in the operational income for the half-year period are government subsidies received and these will not be recurring. The company would have been in a net loss position without receipt of government subsidies.

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

The directors have prepared a 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.

Opyl Limited
Notes to the consolidated financial statements
31 December 2020

Note 2. Operating segments

Identification of reportable operating segments

Since exiting the US market, the business performances have 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. Performances had previously been monitored on an individual entity basis.

Major customers

Included in revenues arising from sales to external customers are revenues of approximately \$189,657 (38.91%) which arose from sales to the Group's largest customer, Pharmiweb. The second largest customer, Cooper Vision, also contributed approximately \$52,900 (10.85%). No other single customers contributed 10 per cent or more to the Group's revenue in either 2020 or 2019.

Operating segment information

	ShareRoot			ShareRoot			Other	Total
	Opyl Services	Inc	Ludomade	Opyl Limited	Ops	segments		
	\$	\$	\$	\$	\$	\$		\$
31 December 2020								
Revenue								
Sales to external customers	487,444	-	-	-	-	-	-	487,444
Other revenue	149,161	-	-	312,432	-	-	-	461,593
Total revenue	<u>636,605</u>	<u>-</u>	<u>-</u>	<u>312,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>949,037</u>
EBITDA	313,308	-	-	(288,798)	-	-	-	24,510
Depreciation and amortisation	(1,543)	-	-	-	-	-	-	(1,543)
Interest revenue	-	-	-	44	-	-	-	44
Finance costs	(1,353)	-	-	-	-	-	-	(1,353)
Profit/(loss) before income tax expense	<u>310,412</u>	<u>-</u>	<u>-</u>	<u>(288,754)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,658</u>
Income tax expense								-
Profit after income tax expense								<u>21,658</u>
	Opyl Services	Inc	Ludomade	Opyl Limited	Ops	segments		Total
	\$	\$	\$	\$	\$	\$		\$
31 December 2019								
Revenue								
Sales to external customers	308,871	18,659	39,203	-	-	-	-	366,733
Other revenue	4,134	2,921	-	375	-	-	-	7,430
Total revenue	<u>313,005</u>	<u>21,580</u>	<u>39,203</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>374,163</u>
EBITDA	(90,520)	(167,909)	8,990	(589,645)	-	-	-	(839,084)
Depreciation and amortisation	(132)	-	-	-	-	-	-	(132)
Finance costs	-	-	-	(4,017)	-	-	-	(4,017)
Profit/(loss) before income tax expense	<u>(90,652)</u>	<u>(167,909)</u>	<u>8,990</u>	<u>(593,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(843,233)</u>
Income tax expense								-
Loss after income tax expense								<u>(843,233)</u>

Opyl Limited
Notes to the consolidated financial statements
31 December 2020

Note 2. Operating segments (continued)

Geographical information

	Sales to external customers	
	31 December 2020	31 December 2019
	\$	\$
Australia	487,444	308,871
USA	-	57,862
	<u>487,444</u>	<u>366,733</u>

Note 3. Revenue from contracts with customers

	31 December 2020	31 December 2019
	\$	\$
SaaS revenue	-	18,659
Retainer revenue	185,853	210,253
Project revenue	299,026	92,668
Web	-	39,203
Other	2,565	5,950
Revenue from contracts with customers	<u>487,444</u>	<u>366,733</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 December 2020	31 December 2019
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	301,591	137,821
Services transferred over time	185,853	228,912
	<u>487,444</u>	<u>366,733</u>

Note 4. Other income

	31 December 2020	31 December 2019
	\$	\$
Government grants and subsidies	138,718	-
Government Jobkeeper	67,500	-
Interest income	44	-
Other income	6,330	7,430
Research and development tax refund	249,001	-
Other income	<u>461,593</u>	<u>7,430</u>

Opyl Limited
Notes to the consolidated financial statements
31 December 2020

Note 5. Equity - issued capital

	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$	30 June 2020 \$
Ordinary shares - fully paid	<u>36,892,002</u>	<u>36,892,002</u>	<u>16,837,024</u>	<u>16,837,024</u>

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 6. Dividends

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

Note 7. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 22 February 2021, Opyl announced it had established an unmarketable shareholding sale facility for shareholders who held less than an marketable parcel of shares in the Company. Opyl currently has a significant number of shareholders with less than 10 shares. The Company is providing the Facility to enable Opyl to substantially reduce the administrative costs of managing small shareholdings. It will also enable Eligible Shareholders, who may otherwise find it difficult or expensive to dispose of their shares through normal means, to dispose of their small holdings in a cost-effective manner.

No other matter or circumstance has arisen since 31 December 2020 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.

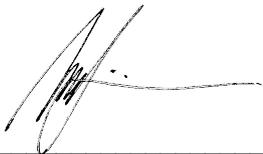
Opyl Limited
Directors' declaration
31 December 2020

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 2020 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



24 February 2021

Opyl Limited

Independent auditor's review report

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) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 2020, 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, 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 consolidated entity's financial position as at 31 December 2020 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the half-year financial report, which indicates that without government grants and COVID-related support the company would have incurred a net loss of \$184,560 for the half year ended 31 December 2020. 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 conclusion is not modified in respect of this matter.

ACCOUNTANTS & ADVISORS

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williambuck.com

Responsibility of Management for the Financial Report

The directors of Opyl Limited 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 Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

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.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

A handwritten signature in black ink, appearing to read 'N. S. Benbow', written in a cursive style.

N. S. Benbow

Director

Melbourne, 24th February 2021