



30 April 2021

## **Opyl Appendix 4C – Quarter (Q3) ending 31 March 2021**

**Melbourne, Australia – Opyl Limited (ASX:OPL)** today released its Appendix 4C quarterly cash flow statement for the three month period ending 31 March 2021 (Q3 FY2021).

### **Highlights**

- Cash balance at the end of the quarter was \$352K.
- Successfully completed a placement and SPP in April to raise \$2.6M before costs with proceeds in April 2021.
- Negative operating cash flow of \$344K in the quarter, partly due to timing of receipts
- YTD negative cashflow operating cashflow of \$321K
- Clinical trial recruitment platform achieves first major validation milestone as announced on 15 April 2021.
- As previously forecast, Opyl escalates its R&D investment on the clinical trial recruitment platform.
- Retainer client revenue for 2021 remain consistent.
- Finalised unmarketable share buy-back facility cancelling 373,355 shares reducing our number of security holders by 2,608.

### **Financials**

Opyl closed Q3 FY2021 with \$352,000 in cash with a negative cash flow of \$377K. The company completed a capital raise in April which raise \$2.6M to sure up the company's capital position. The majority of the negative cashflow relates to a timing issue on revenue for activities undertaken in Q2 FY2021. The company also increased spend on R&D as it pushed its clinical trials recruitment platform towards launch. A contributing factor to negative cash flow was a decrease in trade creditors of \$111K in respect of costs incurred largely incurred through November and December.

In addition, the company realises full quarter salary cost of the new hires announced in the Qtr 2 Business update on 29 January 2021.

Receipts from customers in Q3 FY2021 were \$166K with trade and other receivables decreasing by \$133K in the quarter to circa \$194K, noting that \$160K of that amount relates to the December quarter that is in majority on 90-day terms. The company expects to collect these aged receivables in Q4 FY2021.

Sales slowed down during the period with \$86K in operational/ reported revenue for the quarter compared to \$316K for the December quarter. Much of this variance was a timing issue related to waiting for allocation of new purchase order numbers for the 2021 calendar year and undertaking projects for global clients who required front-loaded project invoices before calendar year end to meet budget constraints.

“Opyl continues to realise growth in demand for its deep social media listening and insights projects from local and international markets. The trend is in major clients undertaking one insights project which is then translating into multiple projects once the value of the service is realised across brand teams and departments. Pricing around projects is now increasing along with profit margins as efficiencies in delivering are now being achieved.” said Michelle Gallaher, Opyl CEO.



Opyl has invested considerable time in the past two quarters priming the clinical trial recruitment market for the launch of the recruitment platform and reinforcing the value of social media to expedite recruitment, a very timely and relevant discussion given global concern around trials being suspended during COVID19. The Opyl leadership team continue to be very visible and vocal, speaking at local and international conferences and in the trade media, reinforcing the value proposition of patient-led recruitment and the role of digital technologies disrupting the conservative clinical trial sector. This emphasis will further escalate in the coming quarter.

### **Company Operations**

Opyl implemented its capital raising efforts in Q3 FY 2021 through the launch of a private placement and a share purchase plan. The proceeds from the private placement and share purchase plan have been received in Q4 FY 2021 totalling \$2.65M before costs.

In addition to the capital raising, as announced on 22 February 2021, Opyl implemented an off-market share buy-back facility for all the shares held by shareholders who held unmarketable parcels of shares in the Company with a total of 373,355 shares having been acquired cancelled in Q4 FY2021.

Opyl is now in a strong financial position after the capital raising and remains focused on completing development and rolling out its market insights and clinical trial platforms.

### **R&D expenses**

Following the prior period recruitment of staff for the expansion of deep social media listening and insights as well as clinical trial recruitment services, there has been an increase in salary costs.

As noted in the September Quarter Activity Report, Opyl is no longer be eligible for the Job Keeper payments following the stronger revenue numbers in Q1.

Overall costs relating to operating activities remained consistent with the previous quarter. This included directors' fees of \$44K that require disclosure under Listing Rule 4.7B.

### **Research and Development**

Opyl has continued to invest in its clinical trial recruitment and the prediction/protocol design platform.

The clinical trial recruitment platform (web enabled) will complement the existing consulting service Opyl already offers to the market. The point of difference in Opyl's trial recruitment offering the platform is a global trial data set and patient opportunity and the company's deep expertise in using social media and predictive analytics combined to deliver a targeted, efficient, and measurable recruitment (consulting) service. Clinical trial recruitment will be a strategic focus for Opyl over the next six months moving the platform into a beta launch and focussing on securing strategic alliances, contracts, and opening up platform revenue.

The prediction/ protocol design platform continued to pass through the development pathway, as expected, increasing the specificity and reliability of the tool.

In accordance with Listing Rule 4.7B, Opyl advises that it made related party payments of \$78K to Advantage Data and EdwayApps relating to ongoing R&D activities developing



Opyl's clinical trial platforms. The company continues to leverage the expertise of the company's directors, Mr Damon Rasheed and Mr Marat Basyrov.

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

**-ENDS-**

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[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")**

31 March 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	166	449
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(26)	(79)
(d) leased assets		
(e) staff costs (Includes \$44k payment for the quarter to directors)	(270)	(691)
(f)		
(g) administration and corporate costs	(207)	(427)
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	(18)	(39)
1.7 Government grants and tax incentives	11	466
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(344)</b>	<b>(321)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(9)
(d) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
(e) intellectual property (amount is paid to a related party for in-house software development)	(78)	(163)
(f) other non-current assets		
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 Net cash from / (used in) investing activities</b>	<b>(78)</b>	<b>(172)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	45	45
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 Net cash from / (used in) financing activities</b>	<b>45</b>	<b>45</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</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	730	800
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(344)	(321)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(78)	(172)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	45	45
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>352</b>	<b>352</b>

<b>5. 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	352	730
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>352</b>	<b>730</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	44
6.2 Aggregate amount of payments to related parties and their associates included in item 2	78

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.

**8. Estimated cash available for future operating activities****\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	(344)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	352
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	352
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>1</b>

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: The company will continue to have similar net operating outflows in the immediate as it continues to invest in developing and refining its clinical trial recruitment platform, as previously announced.

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: Opyl has successfully completed a private placement and share purchase plan raising \$2,680,000 before costs with funds received in April 2021. This contributes considerably to funding its operations. The company has taken significant steps over the past 18-24 months to reduce and contain costs with the focus now on building its platforms, its go to market strategy and sales pipeline.

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: Yes

## 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: .....30 April 2021.....

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.