



29 July 2021

## **Opyl Appendix 4C – Quarter (Q4) ending 30 June 2021**

**Melbourne, Australia – Opyl Limited (ASX:OPL)** today released its Appendix 4C quarterly cash flow statement for the three month period ending 30 June 2021 (Q4 FY 2021).

### **Highlights**

- Total revenue for year end \$1.24M, up from \$917K in prior year
- Successful launch of Opin, the company's clinical trial recruitment platform in May 2021, on schedule
- Board enhanced with the appointment of NED, Dr Megan Robertson
- Opyl continued planned R&D investment in clinical trial recruitment platform, Opin
- Settled unmarketable share buy-back facility cancelling 373,355 shares reducing number of security holders by 2,608 at a cost of \$66K.
- Closing cash balance of \$2.32M

"This quarter represents a most significant scale and transformation period for Opyl with the launch of Opin, on schedule in May. In a matter of a few short weeks, we have established a new clinical trial recruitment revenue stream and the first of a series of planned global strategic clinical trials alliances to support growth and depth", said Opyl CEO Michelle Gallaher.

"The ongoing technology development focus is on building as much automation into the recruitment platform as possible and continuing to apply predictive models and natural language processing to create novel features and unique efficiencies that will set our solution apart."

### **Company Operations**

During the quarter Opyl concentrated on delivering the Opin ([www.opin.ai](http://www.opin.ai)) platform build to an operational stage, allowing the company to successfully launch the platform on 21 May and expand its offering and unlocking new revenue in the clinical trial recruitment sector.

By using the Opin platform, patients and caregivers can now view and self-select to registered for open clinical trials and studies seeking participants, anywhere in the world.

Retainer clients and social media insights project clients continue to generate consistent revenue. A strategic alliance with UK-based marketing agency humun was mutually concluded following the loss of their Australian-based sales resource within Q4. Opyl continues to work with biopharma clients that were gained through the alliance.

Opyl is now in a strong financial position after the recent capital raise, and with the maintenance of revenue from retainer and insight project clients, to continue the development of Opin revealing new novel automated and predictive features planned for the coming months. Overall cash remained contained and in line with company expectations.

Opyl successfully completed its capital raise 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, totalling \$2.65M before costs, have been received in Q4 FY 2021.



Complementing its capital raise efforts, on 22 February, 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. A total of 373,355 shares were acquired via the buy-back and consequently cancelled in Q4 FY 2021 at a cost of \$66K, that will be recovered through reduced future administration costs.

### **Research and Development**

Over Q4 Opyl continued to prioritise investing time and funds in building exponential and scalable value in its two core clinical trial solutions platforms: Opin (clinical trial recruitment) and the Protocol Design and Prediction platform.

The primary focus has been on launching Opin. The platform is now live with core recruitment functionality available for clients, enabling revenue generation that is instrumental in co-funding its ongoing development and market validation.

Our development and engineering team are working with our data scientists and clinical team to develop new automated features for Opin, such as real time quoting, digital triage and data mining features as well as using machine learning to predict recruitment success.

During the quarter, we continued to work on our Protocol Design and Prediction platform, generating recruitment prediction models that can be applied to Opin as a novel service for clients.

"The company's R&D plan includes further enhancing and expansion of features and functionality on Opin which will continue over the coming year", said Gallaher. "Opin's value is accelerating each quarter as the R&D and Operations teams move closer together and work on Opin advances at a faster pace."

In accordance with Listing Rule 4.7B, Opyl advises that it made related party payments of \$106K to Advantage Data and EdwayApps for ongoing R&D activities related to developing Opyl's clinical trial platforms. The company continues to leverage the expertise of the company's directors, Damon Rasheed and Marat Basyrov.

### **Financials**

Opyl closed Q4 FY 2021 with \$2.32M in cash following the successful completion of its placement and share purchase plan in April that has shored up the company's capital position and position it for growth as the first operational stage of Opin was launched.

Receipts from customers for the quarter was \$261K from \$166K in the previous quarter recognising collection of trade receivables reducing from circa \$194K to circa \$118K.

The full year receipts from customers closed at \$710K, slightly down from the previous year of \$739K, however total income for the company for the full year closed at \$1.24M. Revenue was impacted by COVID19 throughout the period with temporary delays or moderate reductions in scope of new client projects in Q3, as well as the shift in the application of internal human resources into the ongoing business transformation process into the global clinical trial recruitment market. During the period the company realised early initial revenues from Opin, its clinical trials platform, as existing clients began using the platform for recruitment.



Negative operating cash flow of \$31K in the quarter party due to timing of receipts. Net outflow from operating activities of \$314K down \$30K from the previous quarter. This is more in line with the Q1 and Q2, in contrast to Q3 where the company cleared out trade creditors largely incurred through November and December.

Net outflow from Operating activities for the year of \$635k compared to \$1.03M in FY 2020 - down circa \$400k from the previous year. The primary drivers of the variance relate to:

- material reduction of circa \$288K in administration and corporate costs compared to FY 2020, as a consequence of an ongoing focus on cost containment and cashflow management; and
- initial receipt in Q1 and Q2 of circa \$205K in Federal and State Government COVID 19 support.

In accordance with Listing Rule 4.7C.1, a summary of the net cash operating outflows for the quarter ended 30 June 2021 is as follows:

	<b>\$'000</b>
Advertising and marketing	\$ 31
Staff Costs	\$ 316
Administration and corporate costs	\$ 223

As stated at item 1.2 (e) of the Appendix 4C, staff costs for the quarter are \$316K, which is an increase of \$46K since the previous quarter due to planned salary increases. The total staff costs of \$316K inclusive of \$51K for Director Fees which is a nominal increase from the previous quarter resulting from the appointment of Dr Megan Robertson to the board.

In reference to item 1.2.(g), administration and corporate costs have increased nominally. These costs are as expected and represent regular expenditure such as occupancy costs, technology subscriptions, periodic compliance costs such as ASX fees, general businesses expenditure and ongoing accounting and tax support.

"The Opyl team has done an outstanding job of managing two core priorities in the business: the launch of Opin, whilst maintaining the revenue generating retainer and project clients," said Dr Julian Chick, Opyl Chairman. "Readying Opin for market launch and preparing the sales and marketing foundation has placed considerable pressure and a large additional load on the team. The fact we have initial clients onto the platform is testament to the remarkable commitment of the Opyl team and the quality of the platform and offering."

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 solutions
- clinical trial predictive analytics and protocol design
- deep social media insights and analysis

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 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	261	710
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(31)	(110)
(d) leased assets		
(e) staff costs (Includes \$51k payment for the quarter to directors)	(316)	(1,007)
(f)		
(g) administration and corporate costs	(223)	(650)
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	(11)	(50)
1.7 Government grants and tax incentives	6	472
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(314)</b>	<b>(635)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(5)	(14)
(d) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(e) intellectual property (amount is paid to a related party for in-house software development)	(106)	(269)
(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>(111)</b>	<b>(283)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,635	2,680
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	(180)	(180)
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 (payments for share buyback)	(66)	(66)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>2,389</b>	<b>2,434</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 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	352	800
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(314)	(635)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(111)	(283)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,389	2,434
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>2,316</b>	<b>2,316</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	2,316	352
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>2,316</b>	<b>352</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	51
6.2 Aggregate amount of payments to related parties and their associates included in item 2	105

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)	(314)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,316
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	2,316
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>7</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:

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: .....29 July 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.