



29 October 2021

Opyl Appendix 4C – Quarter (1) ended 30 September 2021

Melbourne, Australia – Opyl Limited (ASX:OPL) today released its Appendix 4C quarterly cash flow statement for the three month period ended 30 September 2021 (Q1 FY 2022).

Highlights

- Demand is building for our clinical trial recruitment platform OpIn with new clients signing on as trials due to commence in Q2 and Q3 with Australian COVID lockdown restrictions easing
- Continued planned R&D investment in OpIn functionality to unlock further value-add features: digital triage and automated customer enquiry/quotation process
- OpIn hits first growth milestones in patient registrations and website visits and on track to meet first year targets
- Opyl invited to join Australian Alliance for Artificial Intelligence in Healthcare
- Cashflow from customer receipts for the quarter down 30% on prior quarter, mainly due to timing
- Increase in administration and corporate costs to \$287K, an increase of \$64K and in line with budget
- Closing cash balance of \$1.74M

"This quarter's core focus has been the continued development of OpIn functionality to drive patient registrations, business development, and recruitment revenue. The team has set ambitious annual milestones in terms of patient registrations and revenues, and I'm pleased to say they are exceeding them," said Opyl CEO Michelle Gallaher.

The total revenue for the period was \$182K, down from \$261K the prior quarter. During the quarter, activities concentrated on applying extra business development resources with the goal of gaining new Social Media Insights project clients and expanding the overall size of each company contract, resulting in a decline in income. This has flowed into the next quarter with a much stronger quarter anticipated with a greater-than-50% increase in the overall average contract. Opyl refined its approach in October which has started to yield better results with plans to continue to grow this function in the business to ensure a strong pipeline of leads and customer conversions.

Over the last quarter, we changed the internal structure of Opyl, allowing us to focus optimal resources on the two primary revenue growth drivers. We are pleased to announce the formation of an OpIn team and a Social Media Insights team. The outcome of the alignment in mid-August has begun to deliver results with new customers signed on faster and greater clarity around roles and key performance indicators.

Opyl was invited to join the Australian Alliance for Artificial Intelligence in Healthcare as an industry member. <https://aihealthalliance.org/people-members/>. The purpose of the Alliance is to bring together almost 100 national and international stakeholder organisations to build a singular national research and translational community that has the capacity to address challenges and transform healthcare in Australia. Opyl will participate in the consumer care and precision health flagships. This is an important opportunity for Opyl to gain visibility on a global stage as an industry leader, as well as influence local and international legislation/regulation in the area to effectively managing potential threats to our business model. It also gives Opyl opportunities to accelerate and access emerging technologies and



to work alongside organisations such as Google Health, IBM, Amazon, and Stanford University.

Company Operations

During the quarter, Opyl continued to focus on maintaining operational efficiencies through alignment of team members to functional teams, customer enquiry, and process automation. The company has also commenced building scale processes, codifying methodologies, and preparing for growth.

Although retainer clients and social media insights project clients continue to generate consistent revenue, it is expected that revenue will transition over the current financial year as clinical trial recruitment revenue increases to becoming the dominant stream from Opin contracts signed in the 2nd quarter.

Research and Development

During the quarter Opyl continued to invest in building exponential and scalable value across Opin (clinical trial recruitment platform). The company also continued development on its Trial Key platform, a protocol design and prediction platform.

"The company's R&D plan includes further enhancement and expansion of features and functionality on Opin which will continue over the coming year," said Ms Gallaher. "A focus for Q2 and Q3 is on upgrading and improving the user experience and unlocking further revenue functionality. 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 \$66K 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 2022 with \$1.74M in cash with receipts from customers for the quarter of \$182K down from \$261K in the previous quarter.

Trade and other receivables increased by \$46K in the quarter to circa \$145K, noting that the majority are on 90-day terms. The company expects to collect these aged receivables in Q2 FY2022.

Revenue was impacted by COVID19 throughout the period due to lockdowns in Victorian and NSW with temporary delays or moderate reductions in scope of new client projects, as well as the shift in the application of internal human resources into the ongoing business transformation process towards the global clinical trial recruitment market. Although revenue is down in Q1 FY22 compared to the previous quarter, the company expects this to be a short term issue with a strong sales pipeline expected to bring increased revenue in the second half of the current financial year.

Net outflow from operating activities of \$569K up \$255K from the previous quarter due to the reasons outlined above.



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

	\$'000
Advertising and marketing	\$ 33
Staff Costs	\$ 309
Administration and corporate costs	\$ 287

As stated at item 1.2 (e) of the Appendix 4C, staff costs for the quarter are \$309K, inclusive of \$55K for Director Fees which is consistent with the prior quarter and in line with expectations.

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.

From Q1 FY 2022, Research and Development expenditure on in-house software and Opyl platform related expenditure is now classed as operating activities in line with recommended financial reporting standards. This change in reporting policy has resulted in an increase of \$66K to cash outflows from operating activities, an amount that would previously have been reported under investing activities. This will also match Research and Development tax refunds reported under operating activities against the expenditure on which the assessment is based.

Cost and cashflow management has been an ongoing key focus of the business that has continued into and through the COVID19 pandemic period.

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

-ENDS-

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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 and clinical research 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 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	136	136
1.2 Payments for		
(a) research and development	(66)	(66)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(33)	(33)
(d) leased assets		
(e) staff costs (Includes \$55k payment for the quarter to directors)	(309)	(309)
(f) administration and corporate costs	(287)	(287)
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	(10)	(10)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(569)	(569)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(e) intellectual property (amount is paid to a related party for in-house software development)		
(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)		
2.6 Net cash from / (used in) investing activities		

3. Cash flows from financing activities		
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 (payments for share buyback)		
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,316	2,316
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(569)	(569)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,747	1,747

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,747	2,316
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,747	2,316

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	66

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)	(569)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,747
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	1,747
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3

- 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 October 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.