



28 January 2022

Opyl Appendix 4C – Quarter (Q2) ending 31 December 2021

Opin delivers a strong quarter as global clinical trial recruitment accelerates

Melbourne, Australia – Opyl Limited (ASX:OPL) today released its Appendix 4C quarterly cash flow statement for the three month period ending 31 December 2021 (Q2 FY 2022).

Highlights

- Company executed a number of contracts for Insights projects, with average size increasing comparative to similar historical contracts.
- Demand continues to build for clinical trial recruitment services via Opin, with new customers signing on and a growing pipeline of enquiries.
- Successfully secured Innovations Connection Grant to co-fund a senior data scientist to join Opyl.
- AI-assisted social media insights services grew during the quarter, securing new customers in the US and Australia, with projects extending across Q2 and Q3.
- Closing cash balance of \$1.24M.

“The quarter has delivered excellent results with growth in new customers across clinical trial recruitment and social media insights, both in Australia and the US,” said Opyl CEO Michelle Gallaher. “Despite the obvious immediate constraints on hospital systems coping with the pandemic, momentum is building to accelerate clinical trials and therefore, recruitment. Our global digital recruitment solution is without doubt becoming more in demand, particularly in APAC and the US, and we are ready to make the most of the market conditions.”

The company executed a number of contracts for Insights projects, with average contract size increased compared to prior engagements. These contracts will be completed primarily through Q2 and Q3. This recognises the conversion of several larger opportunities that the company has been working on over an extended period of time, as outlined in previous quarterly activity reports. The cash benefit of this is expected to flow into the next quarter with stronger customer receipts.

Opyl and RMIT awarded Innovations Connect Grant increasing data science capacity

Opyl has been successful in its application for an Innovation Connections Grant to fund a data science researcher placement in collaboration with RMIT University, School of Computing Technologies. The new data science resource, commencing this week, will be applied to the continued development of Trial Key, the company’s clinical trials protocol design and prediction platform.

Company operations

Changes in the internal structure of Opyl, as noted in the September 2021 quarterly activity report, has allowed Opyl to successfully focus optimal resources on scaling the two primary revenue growth drivers – clinical trial recruitment and social media insights.

The resulting impact has been key to implementing enquiry process automation, improving conversion of customer projects during the quarter, rapid and systematic onboarding of



customers ensuring projects commence quickly with subsequent cash flow improvement, greater clarity around roles and key performance indicators, and improved intensity and enrichment, particularly around Opin technology development and roll out.

The company continues to build agile scale and growth systems, which includes processes such as codifying methodologies, automating elements of the customer and service engagement, progress goal setting, accountability, and reporting improvements, and expanding access into local and international talent and skills networks.

Research and development

During the quarter the company continued to invest in building new Opin features, improving functionality and the user experience for both patients and researchers. Enhancing the user experience and increasing the value for patients using the platform leads to higher patient registrations and volunteered data, a critical success factor for matching eligible patients to appropriate trials, exponentially increasing the value of the platform and data asset for Opyl.

The company also continued development on Trial Key, a clinical trials protocol design and prediction platform.

The Opin platform has been shown to improve clinical trial recruitment times and efficiencies as well as empowering people to understand and access clinical trials in areas of their interest.

"Improving the Opin user experience is the priority R&D investment in Q3 and Q4. 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 \$80K 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 director Damon Rasheed and former director Marat Basyrov.

Financials

Opyl closed Q2 FY 2022 with \$1.24M in cash with receipts from customers for the quarter of \$228K up from \$136K in the previous quarter.

Trade and other receivables increased in the quarter to circa \$534K, with 74% attributable to November and December. With the majority of receivables being on 90-day terms, the company expects to collect these receivables in Q3 FY2022.

As highlighted in the Q1 FY 2022 quarterly activity report, revenue was impacted by COVID19 throughout the period due to lockdowns in Victorian and NSW, however Opyl has seen a significant increase in the conversion of larger opportunities that require a prepayment for work ensuring a positive impact on the company's cash position.



Net outflow from operating activities of \$508K down \$61K from the previous quarter principally due to increase in receipts from customers as outlined above.

In accordance with Listing Rule 4.7C.1, a summary of the net cash operating outflows for the quarter ended 31 December 2021 is as follows:

	\$'000
Advertising and marketing	\$ 22
Staff Costs	\$ 394
Administration and corporate costs	\$ 230

As stated at item 1.2 (e) of the Appendix 4C, staff costs for the quarter are \$394K, inclusive of \$55K for Director Fees and bonus payments of \$119K which is in line with expectations.

In reference to item 1.2.(g), administration and corporate costs have decreased by \$57K. The reduction relates to seasonal costs such as periodic compliance costs which include ASX fees, general businesses expenditure, and ongoing accounting and tax support.

As noted in the Q1 FY 2022 quarterly activity report, from 1 July, Research and Development expenditure on in-house software and Opin 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 \$81K 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.

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 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")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	228	364
1.2 Payments for		
(a) research and development	(81)	(147)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(22)	(55)
(d) leased assets		
(e) staff costs (Includes \$51K payment for the quarter to directors and bonus payment of \$119K)	(394)	(703)
(f) administration and corporate costs	(230)	(517)
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	(9)	(19)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(508)	(1,077)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(1)	(1)
(d) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(1)	(1)

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 (6 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	1,747	2,316
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(508)	(1,077)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
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	1,238	1,238

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	1,238	1,747
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)	1,238	1,747

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	131
6.2 Aggregate amount of payments to related parties and their associates included in item 2	

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)	(508)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,238
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	1,238
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.4

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:28 January 2022.....

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.