



28 February 2021

## **Opyl Limited – H1 FY2022 Results**

### **Opin's technology acceleration, early sales, and growing patient database sets Opyl on course for scale into the \$4.8b global clinical trial recruitment market**

- Opin technology stack and global patient database demonstrate on target growth
- Growth in Opin customer acquisition and average recruitment project value
- Commencing multi-language recruitment campaigns
- Higher than expected acquisition of healthy volunteers registering to Opin
- H1 FY2022 operating loss increased to \$1.45m, compared to profit of \$22k in H1 FY2021
- Revenue decreased by 42% to \$290K, with deferred revenue of \$488K received for forward projects
- Cash position of \$1.24m

**Melbourne, Australia – Opyl Limited (ASX:OPL)** today released its financial results for the six month period ending 31 December 2021. With the significant revenue growth potential from the Opin platform in focus, during the period Opyl's principal activity has been the continued development of the technology stack advancing new, functionality, data capture and interoperability fundamental to accurately and swiftly matching patients to clinical trials. A priority is the improvement of the Opin user experience for patients, a direct driver in capturing volunteered data and creating scalable value.

The period delivered strong growth in Opin customer acquisition and a significant increase in the average price point of recruitment projects. During the period the company won several contracts demonstrating the platform was able to either assist companies in their recruitment of clinical studies or undertake the entire clinical study. As a result, the company anticipates the second half of the year to have stronger revenue and for it to continue growth off its clinical trial efficiency platforms – Opin and Trial Key.

The focus going forward will be the continued expansion of the number of patients registering to Opin and the acquisition of recruitment customers, primarily targeting contract research organisations (CRO's) in the region.

Opin has succeeded in attracting a large cohort of healthy volunteers, considerably faster and larger than expected, creating an opportunity to open a new revenue stream as the company looks to partner with Phase I clinical trial units in H2 who require healthy volunteers. The global database of patients interested in various therapeutic area is delivering strong week-on-week growth, as the search engine optimisations strategies get traction, and the user experience improves.

"The foundation for Opin's growth is now firmly in place for the business to compete in the rapidly growing AUD\$71b global clinical trials market<sup>1</sup> and within that, the AUD\$4.8b global clinical trial recruitment market<sup>2</sup>" said Michelle Gallaher CEO.

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<sup>1</sup> Global Clinical Trials Market Report. May 2021. Research and Markets.

<sup>2</sup> Global Clinical Trial Recruitment Services Market Report. June 2021. Root Analysis



"The greatest value driver for Opyl is the exponential expansion of number of patients registering with Opin and our ability to connect them with further knowledge and options to participate in clinical studies, helping themselves and the researchers undertaking the studies." As our patient data grows, our value proposition to patients and customers strengthens, which translates into successfully and swiftly matching patients to trials, and scalable growth in recruitment revenue and market share for Opyl."

### **Technology development and growth – Opin and Trial Key**

Opyl's technology stack and patient data assets grew considerably during the period. A core goal for Opin is to accumulate a vast data lake of patients registering on the platform with a desire to match to an appropriate clinical trial. The number of patients registering week-on-week is a key metric of success. The company applied additional resources in data functionality, interoperability, as well as development of a customer dashboard through which recruitment customers will be able to view and access quarantined data within the Opin system.

In February 2022, the Opin team kicked off a program of work to upgrade and refine the user experience, primarily to drive greater patient engagement and registrations, but also to deliver value and functionality for customers. Opin is using a new generation artificial intelligence, GPT-3, which has the power to improve search, conversation, and text. GPT-3 is initially being applied to creating copy content on Opin, creating disease/condition pages, creating value for patients, and encouraging registrations as well as significantly optimising search performance for the site.

The consolidated entity also gained greater clarity around intellectual property development across Opin and Trial Key, data security, and ongoing data management.

While the focus is primarily on Opin, research and development also continued on Trial Key (the consolidated entity's clinical trial design and prediction platform) improving functionality and accuracy supported by a Commonwealth Government Innovation Connections Grant collaborating with RMIT University, School of Computational Sciences.

### **Revenues and services growth – Opin and Social Media Insights and Analytics**

The Opin team secured several recruitment customers during the period, with the revenue value of recruitment projects increasing significantly bringing the service into price alignment with competitors as the platform and service offering matures.

During the period the Opin team prepared to commence patient recruitment for a customer project in South America that will be in Spanish and Chinese. Offering recruitment in languages other than English is a significant differentiator for Opin again from like competitors.

The Social Media Insights and Analytics team secured several new biopharma and medtech project customers in Australia and the US, as well as expanding the overall size (revenue and scope) of each project contract. Each project typically extends over a period of three to four months with revenue realised across a series of milestones and interlinked project elements. Master Services Agreements were signed with all the new Insights customers reducing delay in approvals and invoicing for potential future projects. A significant proportion of customer receipts for these projects will be realised in H2.



The consolidated entity still services a cohort of biopharma retainer customers, many of whom are legacy customers that have been with the consolidated entity for some years, ensuring a consistent cash flow and the opportunity to upsell recruitment or insights projects.

### **Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,465,626 (31 December 2020: profit of \$21,658).

The cash position at the end of the half year was \$1.24M and in addition to trade and other receivables of \$483K that are expected to be collected through Q3 FY 2022. Whilst revenues were lower in the half, management expectations are that revenue for the FY2022 will close stronger based on year to date committed engagements as a comparative to the prior financial year.

Based on the strategic shift that the business has undertaken over the past eighteen months more towards creating AI solutions to improve clinical trials, the increase in salaries and wages to enable the strategic shift, coupled with the additional spend on R&D during the period, was in line with management expectations for the financial half-year ended 31 December 2021.

The operating loss for the period was primarily the result of:

- Recognised revenue of \$290K that was \$197K (40%) lower compared to the same period last year, largely as a result of changes to the structure of our engagements that resulted in recognition of \$488K in deferred revenue for projects in progress that will be recognised during Q3 FY2022.
- The consolidated entity has expensed \$147K in R&D (prior period: nil) as the criteria for recognition of an intangible asset was not met.
- Increase in planned employee expenditure of \$295K, providing data science, engineering and business development resources predominantly aligned to assist with the ongoing expansion of Opin.
- The positive impact on income in the prior comparable period from the Jobkeeper and Cash Boost incentives received (prior period: \$206K).
- An unfavourable timing difference of \$249K relating to the R&D tax incentive that in the prior period was received in December 2020. This year's incentive, anticipated to be at least 25% higher, is expected in the second half of FY2022.

The Social Media Insights team secured several new biopharma and medtech project customers in Australia and the US, as well as expanding the overall size (revenue and scope) of each project contract. Each project typically extends over a period of three to four months with revenue realised across a series of milestones and interlinked project elements. Master Services Agreements were signed with all the new Insights customers reducing delay in approvals and invoicing for potential future projects.

The growth in the Opin and Social Media Insights offering has resulted in the early scaling of two primary growth drivers – clinical trial recruitment and social media insights. Based on early revenue and customer feedback and response, the consolidated entity determined that the most significant growth potential is in Opin and clinical trial recruitment revenue, hence the alignment of more resources into the Opin team and platform development strategy.



With the realisation of early Opin revenues, the consolidated entity invested in expanding the team, adding data science, software, and business development resources to accelerate the expansion of the platforms to increase the consolidated entity's market share in the AUD\$71b clinical trials global market.

Opyl has continued to invest in Opin, developing the platform to achieve global scale, automation, data asset accumulation and revenue potential. Opyl's second AI platform, Trial Key continued to achieve its development milestones. Trial Key is a clinical trial prediction/protocol design platform with several novel predictive functionalities that offer a unique competitive advantage for Opin, setting it apart from competitors.

Opin's technology stack and patient data assets grew considerably during the period. A core goal for Opin is to accumulate a vast data lake of patients registering on the platform with a desire to match to an appropriate clinical trial. The number of patients registering week-on-week is a key metric of success.

The patient data asset that Opin is accumulating is growing week-on-week, is amassing considerable value. The Opin growth team achieved several data accumulation milestones in the period as the search engine optimisation on the platform steadily improved and the cost per acquisition of patients and customers from digital advertising delivered considerable improvements over time and continues to do so.

During the period, Opyl began recruiting for several key roles relating to the expansion of the technology team (Snr Data Scientist, Principal Developer), as well as global sales and partnering, which is supporting Opin's planned expansion in the APAC and US clinical trials markets. All four roles have been successfully filled and are scheduled to commence in Q3 FY 2022 along with an additional resource into the retainer team, freeing up more senior staff to move to the Opin development team.

The work to date on the Opin platform and strategic business shift to support the development and scale of the platform, has resulted in positive focus on the primary revenue driver for the business and the greatest growth potential, being clinical trial recruitment. The resulting impact on implementing improvements to the conversion of customer projects and further automation of key aspects of the customer enquiry, proposal process and fast commencement of projects will have a positive benefit to future revenue and scalable capacity.

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

**-ENDS-**

For media enquiries: Laura Blue +61 416 699 925

For investor enquiries: [info@opyl.ai](mailto:info@opyl.ai)

[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

**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 2021
Previous period:	For the half-year ended 31 December 2020

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	40.4% to	290,605
Loss from ordinary activities after tax attributable to the owners of Opyl Limited	down	6867.1% to	(1,465,626)
Loss for the half-year attributable to the owners of Opyl Limited	down	6867.1% to	(1,465,626)

*Dividends*

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

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$1,465,626 (31 December 2020: profit of \$21,658).

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.72</u>	<u>5.77</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.

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## 8. Attachments

*Details of attachments (if any):*

The Half-year report of Opyl Limited for the half-year ended 31 December 2021 is attached.

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## 9. Signed

Signed 

Date: 28 February 2022

Julian Chick  
Chairman and Non-Executive Director

**Opyl Limited**

**ABN 71 063 144 865**

**Half-year report - 31 December 2021**

**Opyl Limited**  
**Directors' report**  
**31 December 2021**

The directors present their report, together with the financial statements, on the consolidated entity for the half-year ended 31 December 2021.

**Directors**

The following persons were directors of Opyl Limited 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  
Megan Robertson - Non-Executive Director

The above named directors held office during and since the end of the half-year except for:  
Marat Basyrov – Resigned 18 November 2021

**Principal activities**

With the significant revenue growth potential from the Opin and Trial Key platforms, the consolidated entity's core focus and principal activity during the period has been the continued development of Opin (the consolidated entity's new clinical trial recruitment platform), with a primary focus on the following:

- Customer acquisition by securing smaller commercial trials to proof and test the Opin platform acquiring valuable feedback,
- adding further functionality and new features,
- increasing month-on-month patient registrations to the platform,
- improvement in search engine optimisation and user experience,
- preparing to release recruitment campaigns in languages other than English, and
- increasing business development and partnering activity.

The consolidated entity also invested in expanding the data science and software development team, as well as the sales and partnering team to support Opin.

While the primary focus was on Opin, research and development continued on Trial Key (the consolidated entity's clinical trial design and prediction platform) to improve functionality and accuracy.

The Opyl Social Media Insights team secured three new customers in the biopharma and medtech sector, contributing to revenue that will continue into the second half of the current financial year.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,465,626 (31 December 2020: profit of \$21,658).

The cash position at the end of the half year was \$1.24M and in addition to trade and other receivables of \$483K that are expected to be collected through Q3 FY 2022. Whilst revenues were lower in the half, management expectations are that revenue for the FY2022 will close stronger based on year to date committed engagements as a comparative to the prior financial year.

Based on the strategic shift that the business has undertaken over the past eighteen months more towards creating AI solutions to improve clinical trials, the increase in salaries and wages to enable the strategic shift, coupled with the additional spend on R&D during the period, was in line with management expectations for the financial half-year ended 31 December 2021.

### *Operational Progress*

The operating loss for the period was primarily the result of:

- Recognised revenue of \$290K that was \$197K (40%) lower compared to the same period last year, largely as a result of changes to the structure of our engagements that resulted in recognition of \$488K in deferred revenue for projects in progress that will be recognised during Q3 FY2022.
- The consolidated entity has expensed \$147K in R&D (prior period: nil) as the criteria for recognition of an intangible asset was not met.
- Increase in planned employee expenditure of \$295K, providing data science, engineering and business development resources predominantly aligned to assist with the ongoing expansion of OpIn.
- The positive impact on income in the prior comparable period from the Jobkeeper and Cash Boost incentives received (prior period: \$206K).
- An unfavourable timing difference of \$249K relating to the R&D tax incentive that in the prior period was received in December 2020. This year's incentive, anticipated to be at least 25% higher, is expected in the second half of FY2022.

The Social Media Insights team secured several new biopharma and medtech project customers in Australia and the US, as well as expanding the overall size (revenue and scope) of each project contract. Each project typically extends over a period of three to four months with revenue realised across a series of milestones and interlinked project elements. Master Services Agreements were signed with all the new Insights customers reducing delay in approvals and invoicing for potential future projects.

The consolidated entity still services a cohort of biopharma retainer customers, many of whom are legacy customers that have been with the consolidated entity for some years, ensuring a consistent cash flow and the opportunity to upsell recruitment or insights projects.

The growth in the OpIn and Social Media Insights offering has resulted in the early scaling of two primary growth drivers – clinical trial recruitment and social media insights. Based on early revenue and customer feedback and response, the consolidated entity determined that the most significant growth potential is in OpIn and clinical trial recruitment revenue, hence the alignment of more resources into the OpIn team and platform development strategy.

With the realisation of early OpIn revenues, the consolidated entity invested in expanding the team, adding data science, software, and business development resources to accelerate the expansion of the platforms to increase the consolidated entity's market share in the \$140B clinical trials market.

Opyl has continued to invest in OpIn, its clinical trial recruitment platform, developing the platform to achieve global scale, automation, data asset accumulation and revenue potential. Opyl's second AI platform, Trial Key continued to achieve its development milestones. Trial Key is a clinical trial prediction/protocol design platform with several novel functionalities that offer a unique competitive advantage for OpIn, setting it apart from competitors.

OpIn's technology stack and patient data assets grew considerably during the period. A core goal for OpIn is to accumulate a vast data lake of patients registering on the platform with a desire to match to an appropriate clinical trial. The number of patients registering week-on-week is a key metric of success. During the period the consolidated entity began experimenting with a new generation artificial intelligence, GPT-3, which has the power to improve search, conversation, and text. The consolidated entity also gained greater clarity around intellectual property development across OpIn and Trial Key, data security, and ongoing data management.

The patient data asset that OpIn is accumulating is growing week-on-week, accumulating considerable value. The OpIn growth team achieved several data accumulation milestones in the period as the search engine optimisation on the platform steadily improved and the cost per acquisition of patients and customers from digital advertising delivered considerable improvements over time and continues to do so.

During the period, Opyl began recruiting for several key roles relating to the expansion of the technology team (Snr data scientist, Principal Developer), as well as global sales and partnering, which is supporting OpIn's planned expansion in the APAC and US clinical trials markets. All four roles have been successfully filled and are scheduled to commence in Q3 FY 2022 along with an additional resource into the retainer team, freeing up more senior staff to move to the OpIn development team.

**Opyl Limited**  
**Directors' report**  
**31 December 2021**

Through the period, the Opin team prepared to commence patient recruitment for a customer project in South America and in a language other than English. The first non-English languages that Opin will deliver recruitment campaigns are Spanish and Chinese. Offering recruitment in languages other than English is a significant differentiator for Opin again from like competitors.

The work to date on the Opin platform and strategic business shift to support the development and scale of the platform, has resulted in positive focus on the primary revenue driver for the business and the greatest growth potential, being clinical trial recruitment. The resulting impact on implementing improvements to the conversion of customer projects and further automation of key aspects of the customer enquiry, proposal process and fast commencement of projects will have a positive benefit to future revenue and scalable capacity.

*Share-based payments*

During the half-year period, the consolidated entity granted options over ordinary shares in the company to certain key management personnel of the consolidated entity and other employees. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. Details for the options granted as follows:

On 2 July 2021, 90,000 options were granted to employees at an exercise price of \$0.16 totalling a fair value of \$13,975 which was determined using a Black-Scholes model.

On 10 September 2021, 3 lots of 500,000 options were granted to key management personnel at exercise prices of \$0.30, \$0.50 and \$0.75 totalling a fair value of \$159,793 which was determined using a Black-Scholes model.

On 10 September 2021, 1,083,333 performance rights options were granted to CEO of the company totalling a fair value of \$109,075 which was determined using a combination of the Monte Carlo and Geometric Brownian Motion models

On 10 December 2021, 4 lots of 300,000 options were granted to key management personnel at exercise prices of \$0.30, \$0.50 and \$0.75 totalling a value of \$112,143 which was determined using a Black-Scholes model.

Further details of the options granted are set out on accompanying Note 6 of the Interim report.

*Board and leadership changes*

Mr Marat Basyrov resigned from his position as Non-Executive Director on the 18 November 2021. There were no other changes to the board or leadership team during the period.

At the Opyl's Annual General Meeting (AGM) held on Thursday 18 November 2021, shareholders approved that 300,000 unlisted options (Incentive Options) be issued to each of Dr Julian Chick, Mr Damon Rasheed, Mr Mark Ziirsen and Dr Megan Robertson, each being Directors of Opyl Limited (Incentive Options Issues). The unlisted options were issued on the 10 December 2021.

**Significant changes in the state of affairs**

Marat Basyrov resigned as a Non-Executive Director on the 18th of November 2021.

There were no other 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**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the consolidated entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and 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.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Opyl Limited**  
**Directors' report**  
**31 December 2021**

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

A handwritten signature in cursive script, appearing to read "Julian Chick".

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Julian Chick  
Chairman and Non-Executive Director

28 February 2022

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF OPYL LIMITED**

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2021 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**  
Director

Melbourne, 28<sup>th</sup> February 2022

**ACCOUNTANTS & ADVISORS**

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**Opyl Limited**  
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**31 December 2021**

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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 consolidated entity'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 28 February 2022.

**Opyl Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

	Note	31 December 2021 \$	31 December 2020 \$
<b>Revenue from contracts with customers</b>	3	290,605	487,444
Other income		-	461,593
<b>Expenses</b>			
Employee benefits expense		(708,435)	(412,902)
Depreciation and amortisation expense		(12,020)	(1,543)
Corporate compliance and management		(38,255)	-
Finance costs		(227)	(1,353)
Occupancy		(31,500)	(14,400)
Administration		(714,978)	(482,177)
Consultancy contractor costs		(104,256)	(15,004)
Research & development costs		(146,560)	-
<b>Profit/(loss) before income tax expense</b>		(1,465,626)	21,658
Income tax expense		-	-
<b>Profit/(loss) after income tax expense for the half-year attributable to the owners of Opyl Limited</b>		(1,465,626)	21,658
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income / (loss) for the half-year attributable to the owners of Opyl Limited</b>		<u>(1,465,626)</u>	<u>21,658</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(2.69)	0.06
Diluted earnings per share		(2.69)	0.06

*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 2021**

	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,237,609	2,316,340
Trade and other receivables	482,986	98,445
Prepayments and other deposits	32,999	10,797
<b>Total current assets</b>	<u>1,753,594</u>	<u>2,425,582</u>
<b>Non-current assets</b>		
Property, plant and equipment	16,420	18,734
Capitalised software development	49,346	58,054
<b>Total non-current assets</b>	<u>65,766</u>	<u>76,788</u>
<b>Total assets</b>	<u>1,819,360</u>	<u>2,502,370</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	230,621	211,041
Employee benefits	85,885	77,769
Deferred revenue	488,700	-
<b>Total current liabilities</b>	<u>805,206</u>	<u>288,810</u>
<b>Non-current liabilities</b>		
Employee benefits	30,387	25,941
<b>Total non-current liabilities</b>	<u>30,387</u>	<u>25,941</u>
<b>Total liabilities</b>	<u>835,593</u>	<u>314,751</u>
<b>Net assets</b>	<u>983,767</u>	<u>2,187,619</u>
<b>Equity</b>		
Issued capital	19,271,401	19,271,401
Reserves	589,334	327,560
Accumulated losses	(18,876,968)	(17,411,342)
<b>Total equity</b>	<u>983,767</u>	<u>2,187,619</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 2021**

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
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>
	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	19,271,401	327,560	(17,411,342)	2,187,619
Loss after income tax expense for the half-year	-	-	(1,465,626)	(1,465,626)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,465,626)	(1,465,626)
Vesting of share-based payments (note 6)	-	261,774	-	261,774
Balance at 31 December 2021	<u>19,271,401</u>	<u>589,334</u>	<u>(18,876,968)</u>	<u>983,767</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 2021**

	<b>31 December</b> <b>2021</b> \$	<b>31 December</b> <b>2020</b> \$
<b>Cash flows from operating activities</b>		
Receipts from customers	363,713	283,004
Government subsidies and incentives	-	455,320
Payments to suppliers and employees	(1,422,711)	(693,328)
Interest received	-	44
	<u>(1,058,998)</u>	<u>45,040</u>
Income taxes paid	(18,735)	(21,000)
	<u>(1,077,733)</u>	<u>24,040</u>
<b>Net cash from/(used in) operating activities</b>		
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(998)	(8,657)
Payments for software	-	(85,475)
	<u>(998)</u>	<u>(94,132)</u>
<b>Net cash used in investing activities</b>		
	<u>-</u>	<u>-</u>
<b>Net cash from financing activities</b>		
	<u>-</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	(1,078,731)	(70,092)
Cash and cash equivalents at the beginning of the financial half-year	2,316,340	800,088
	<u>1,237,609</u>	<u>729,996</u>
<b>Cash and cash equivalents at the end of the financial half-year</b>		

*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 2021**

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021 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. There has been no material impact on the financial statements.

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 a net loss after tax of \$1,465,626 and net cash outflows from operations of \$1,077,733 for the half-year ended 31 December 2021. Cash balance at 31 December 2021 was \$1,237,609 while there was no borrowings as at 31 December 2021.

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.

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 2021**

**Note 2. Operating segments**

*Identification of reportable operating segments*

Since exiting the US market during the financial year ended 30 June 2021, 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 \$95,000 (32.69%) which arose from sales to the Group's largest customer, Monash University. The second largest customer, Edwards Lifesciences, also contributed approximately \$55,694 (19.16%). The third largest customer, Aspiring Trial Study Group contributed \$38,181 (13.14%). No other single customers contributed 10 per cent or more to the Group's revenue in either 2021 or 2020.

*Geographical information*

	<b>Sales to external customers</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	\$	\$
Australia	234,911	487,444
USA	55,694	-
	<u>290,605</u>	<u>487,444</u>

**Note 3. Revenue from contracts with customers**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	\$	\$
Retainer revenue	148,280	185,853
Project revenue	141,125	299,026
Other revenue	1,200	2,565
Revenue from contracts with customers	<u>290,605</u>	<u>487,444</u>

*Disaggregation of revenue*

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

	<b>31 December 2021</b>	<b>31 December 2020</b>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	1,200	301,591
Services transferred over time	289,405	185,853
	<u>290,605</u>	<u>487,444</u>

**Note 4. Dividends**

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

#### **Note 5. Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the consolidated entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and 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.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### **Note 6. Share-based payments**

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

On 2 July 2021, 90,000 options were granted to employees at an exercise price of \$0.16 totalling a fair value of \$13,975 which was determined using a Black-Scholes model.

On 10 September 2021, 3 lots of 500,000 options were granted to key management personnel at exercise prices of \$0.30, \$0.50 and \$0.75 totalling a fair value of \$159,793 which was determined using a Black-Scholes model.

On 10 September 2021, 1,083,333 performance rights options were granted to CEO of the company as follows:

- 500,000 Tranche A at an exercise price of \$0.50;
- 500,000 Tranche B at an exercise price of \$0.75; and
- 500,000 Tranche C at an exercise price of \$1.00.

Each Right will convert to one ordinary share in the Company during the performance period subject to the satisfaction of the following conditions respectively:

- For Tranche A: Market based (Performance Hurdle 1) - OPL's 15-day Target Share Price of \$0.50 over a 3-year period;
- For Tranche B: Market based (Performance Hurdle 2) - OPL's 15-day Target Share Price of \$0.75 over a 3-year period;
- For Tranche C: Market based (Performance Hurdle 3) - OPL's 15-day Target Share Price of \$1.00 over a 3-year period; and
- Non-market based (continuous employment) - continuing employment of the employee during the vesting period.

For the 15-day share price hurdle, the future share price of OPL was projected using a Geometric Brownian Motion model over 759 steps, with the volatility of each step representing the daily volatility of the Company's share price over the last year from the valuation date.

- A Monte Carlo simulation of 250,000 simulations was conducted for the above Geometric Brownian Motion model to obtain a theoretical distribution for the 15-day share price and was used to determine the percentile rank. This ranking outcome was weighted by the vesting condition and applied to the average price of the Rights realised in each ranking outcome.

- The weighted value of each Right as mentioned above, was then aggregated to arrive at the expected value of the Right.

On 10 December 2021, 4 lots of 300,000 options were granted to key management personnel at exercise prices of \$0.30, \$0.50 and \$0.75 totalling a value of \$112,143 which was determined using a Black-Scholes model.

**Opyl Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 6. Share-based payments (continued)**

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
10/09/2021	10/09/2027	\$0.14	\$0.30	140.00%	-	0.20%	\$0.111
10/09/2021	10/09/2028	\$0.14	\$0.50	140.00%	-	0.20%	\$0.106
10/09/2021	10/09/2029	\$0.14	\$0.75	140.00%	-	0.20%	\$0.101
10/12/2021	10/12/2026	\$0.12	\$0.30	140.00%	-	0.20%	\$0.098
10/12/2021	10/12/2026	\$0.12	\$0.50	140.00%	-	0.20%	\$0.090
10/12/2021	10/12/2026	\$0.12	\$0.75	140.00%	-	0.20%	\$0.088
02/07/2021	02/07/2022	\$0.18	\$0.25	140.00%	-	0.20%	\$0.155
10/09/2021	10/09/2025	\$0.14	\$0.50	-	-	-	\$0.109
10/09/2021	10/09/2025	\$0.14	\$0.75	-	-	-	\$0.097
10/09/2021	10/09/2025	\$0.14	\$1.00	-	-	-	\$0.080

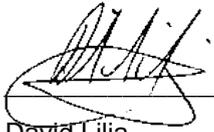
**Opyl Limited**  
**Directors' declaration**  
**31 December 2021**

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 2021 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



David Lilja  
CFO & Company Secretary

28 February 2022

## 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 (together, the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2021, 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 2021 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 the consolidated entity has a net loss after tax of \$1,465,626 and net cash outflows from operations of \$1,077,733 for the half year ended 31 December 2021. 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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### **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 2021 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".

**N. S. Benbow**

Director

Melbourne, 28<sup>th</sup> February 2022