



ASX Announcement

ABN: 71 063 144 865

31 October 2022

Opyl Appendix 4C – Quarter (Q1) ending 30 September 2022

Melbourne, Australia – Opyl Limited (ASX:OPL) today released its Appendix 4C quarterly cash flow statement for the three month period ending 30 September 2022 (Q1 FY 2023).

Highlights

- Post quarter end, Opyl received \$607K relating to a R&D tax refund (\$570K) and EMDG program (\$37K)
- OpIn partners with leading e-consent platform, Consentica to drive increased enrolment and recruitment revenues
- OpIn launches new expert research screening service to further improve enrolment
- TrialKey achieves key development milestone by tracing global clinical trials to their outcomes with 92% accuracy, reducing bias in the predictive model

Opyl continued to establish itself as a leader in the \$4.7 billion¹ global clinical trial recruitment solutions market during the quarter, with recruitment and enrolment outcomes that demonstrate the superior value of the platform and service.

The Company's patient recruitment platform OpIn announced and implemented two major advances in the period including the signing of a strategic partnership with Consentica, an online platform providing video-based electronic clinical trial consent (e-consent), and launching a new personalised research screening service.

These developments will give OpIn greater control and influence over the recruitment and enrolment process as well as outcomes. The benefits from these investments are already starting to show with two OpIn customers signing on to the new service offering.

In a separate but equally significant development, Opyl announced that its TrialKey solution successfully achieved a key development milestone by accurately tracing a random subset of clinical trials reported to global registries through to their outcomes with 92% accuracy.

The importance of addressing this challenge cannot be underestimated as it fundamentally provides a method to turn poor and incomplete public global registry trial outcomes data into a very valuable and unique training data set which reduces predictive bias and improves the predictive and design accuracy in the TrialKey model. The data gap was a major accuracy barrier that TrialKey needed to address to be able to move forward in the development path toward full commercialisation.

TrialKey will provide a second independent but synergistic revenue stream for Opyl. TrialKey's capabilities are initially most likely to be of interest to Contract Research Organisations (CRO) and global biopharma looking to reduce trial failure rates by improving protocol design and ultimately improving the return on investment in trials.

¹ Patient Recruitment and Retention Services Market, 2021-2030. 2nd Edition. July 2021. Roots Analysis Report



Financials

Opyl closed Q1 FY 2023 with \$186K in cash, with receipts from customers for the quarter of \$144K down from \$251K in the previous quarter largely due to pre-payment of larger engagements and longer than expected lead times to conclude statements of work, particularly with global customers.

As announced on 19 October 2022, Opyl received \$607K, which is made up of a tax refund (\$570K) relating to the Company's R&D activity and the Commonwealth Export Development Marketing Grant (EMDG) program (\$37K).

Opyl has total available funding at the end of the period of \$647K as a result of securing a R&D forward funding finance facility of \$461K from Fundsquire, which replaced the previous \$350K facility from FIFO Capital. The Fundsquire facility has been put in place at a very low cost to the Company.

Net outflows from operating activities of \$598K increased from \$540K inflow in Q4 FY 2022 primarily due to a decrease in receipts from customers as outlined above. Expenditure for the quarter were consistent with management expectations.

In accordance with Listing Rule 4.7C.1, a summary of the net cash operating outflows for the quarter ended 30 September 2022 is as follows:

	\$'000
Research and development	\$ 44
Advertising and marketing	\$ 17
Staff costs	\$ 354
Administration and corporate costs	\$ 327

As stated at item 1.2 (e) of the Appendix 4C, staff costs for the quarter of \$354K, include \$44K for Director Fees, which is in line with expectations.

Research and development

During the quarter, the Company continued to invest in improving Opin, particularly data security and user experience. This culminated in the successful launch of the personalised research screening service and e-consent offering, as highlighted above. Independent and validated data security assessments and accreditation for Opin is core to the platform's success in winning major global biopharma and CRO contracts.

Strategic investments were also made in TrialKey, via Innovation Connections Grant and collaboration with RMIT University School of Computational Sciences, that enabled it to achieve the key development milestone as detailed above.

In accordance with Listing Rule 4.7B, Opyl advises that it made related party payments of \$18K to Advantage Data and \$20K to Zappli for ongoing R&D activities related to developing Opin and TrialKey, the Company's two clinical trial efficiency platforms. The Company continues to leverage the AI and data science expertise of the Company's executive director Damon Rasheed.

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



-ENDS-

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www.opyl.ai

www.opin.ai

Opyl is a new generation Australian digital health company that applies artificial intelligence to improving clinical trials. Our platforms make clinical trials more efficient and easier to access, giving patients more options and saving medical researchers time and money.

Our key offering for biopharma, medtech, government and healthcare organisations:

- clinical trial recruitment solutions – Opin.ai
- clinical trial predictive analytics and protocol design – TrialKey
- deep social media insights and analysis – Social Insights

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 2022

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	144	144
1.2 Payments for		
(a) research and development	(44)	(44)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(17)	(17)
(d) leased assets		
(e) staff costs (Includes \$44k payment for the quarter to directors)	(354)	(354)
(f) administration and corporate costs	(327)	(327)
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		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(598)	(598)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(2)	(2)
(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	(2)	(2)

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		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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	786	786
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(598)	(598)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
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	186	186

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	186	186
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) - Finance facility		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	186	186

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	82
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 <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (line of credit facility)	461	-
7.4 Total financing facilities		

7.5 **Unused financing facilities available at quarter end** 461

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.

In August 2022 Opyl replaced its facility with FIFO Capital for a R&D forward funding finance facility of \$461,000 from Fundsquire Pty Ltd (Fundsquire). The loan is repayable by no later than 31st January 2023. The purpose of this facility is to fund working capital. Similar to the previous facility, this was secured at a low upfront cost to the company with an interest rate of 16.8% p.a. on any amounts drawn.

The funds remain undrawn as at the date of this report.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(598)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	186
8.3 Unused finance facilities available at quarter end (Item 7.5)	461
8.4 Total available funding (Item 8.2 + Item 8.3)	647
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.08

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 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:

No. As announced on 19 October 2022, after the end of the September quarter, Opyl received a \$607K tax refund (\$570K) relating to the company's R&D activity and a grant of \$37K under the Commonwealth Export Development Marketing Grant (EMDG) program.

In addition, the Company continues to grow its pipeline of opportunities in relation to Opin, its clinical trial recruitment platform, and believes that these opportunities will contribute to its cashflow within the next [specify period].

The Company continues to proactively manage its costs.

- 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:

Yes. The Company continues to have a strong focus on customer acquisition, which as highlighted in the Business Update accompanying the Appendix 4C for the period ended 30 September 2022, has been positive. This is expected to continue building sales revenue through the financial year.

As noted above the receipt of the R&D tax Refund and EMDG grant has bolstered the cash position for the immediate future.

Opyl continues to assess options for raising capital, however it is not able to release any details to the market at this stage. The Company will provide a full market update should there be any developments.

In the event the Company cannot raise further capital in the short term, it will make adjustments to its expenditure to reduce the negative operating cash flows.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. Given the low levels of cash reserves relative to costs, this response is on the basis the board is reviewing the current business strategy and will either reduce costs, raise capital, increase financing facilities and/or increase revenue.

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:31 October 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.