



## ASX ANNOUNCEMENT

28 April 2023

Quarterly business update and Appendix 4C

### **New Opin contract wins, ChatGPT applied to improve user experience, sales pipeline growth and technology development advancing to plan**

#### Highlights

- Opyl wins contract with Murdoch Children's Research Institute (MCRI) and secures two other contracts in the quarter
- Opin optimised with ChatGPT integration to support a more accessible user experience, and to create content to drive Search Engine Optimisation
- Two Master Service Agreements (MSAs) in negotiation with global pharma companies
- Successfully raised \$480K from rights issue and shortfall placement
- Opin sales pipeline grows +70% in the quarter
- TrialKey aim to achieve minimum viable product (MVP) status mid- 2023

#### Quarterly business update

During the quarter, Opyl continued to develop its AI-enabled patient recruitment platform, Opin.AI, opening several new user-experience features for patients and customers, adding new services and revenue opportunities.

Notable achievements for the quarter include:

- **New Opin contract win with the Murdoch Children's Research Institute (MCRI)**
  - The contract is worth ~\$90K and expected to run for seven months with MCRI to recruit volunteers from diverse backgrounds for its COVID-19 prevention trial
  - MCRI has over 1,400 researchers and is one of the top three child health research institutes worldwide<sup>1</sup>.

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<sup>1</sup> 'Murdoch Children's Performance analysis and benchmarking report' (Clarivate, August 2020).

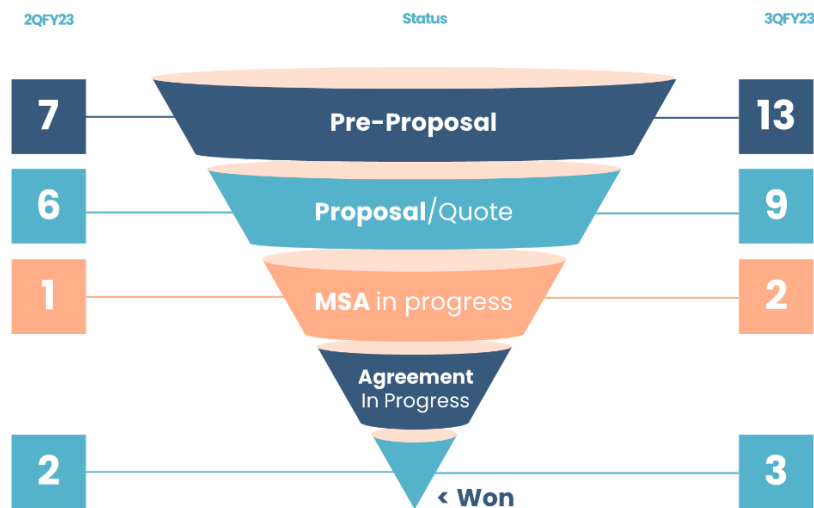
- **Opin and TrialKey technologies continue to advance**
  - ChatGPT applied to Opin to create an alternate translation of the site into plain language in support of a better user experience as well as improve search engine optimisation
  - Successfully secured access to Australian New Zealand Clinical Trial Registry (ANZCTR) data API for Opin, ensuring more accurate trial upload
  - Virtual phone research screening service operational, with two customers using the service to support better enrolment outcomes
  - TrialKey accuracy is the current development focus, with new predictive elements building the user interface for the planned pilot
  - Full HIPAA compliance requirements on track to be delivered end June
  
- **Opyl successfully raises \$480K via rights issue and shortfall placement**
  - Raised a total of \$480K (before costs) via a rights issue (\$356K) and subsequent shortfall placement (\$124K), with shares issued at \$0.03 under both. These funds are in addition to the \$290K raised in a private placement in the previous quarter.
  - Support in the rights issue was particularly strong from many of Opyl's major shareholders. The shortfall placement received solid interest from sophisticated and professional investors, which included boutique micro-cap fund L39 Capital who are providing strategic assistance for the commercialisation of TrialKey.

## Business development – further growth in the sales pipeline

Potential sales opportunities for OpIn grew significantly in the quarter with the average contract value of these opportunities currently standing at around \$100K.

OpIn is gaining traction among preeminent research organisations with MCRI joining Pfizer and Bristol Myers Squibb to use the OpIn platform.

Pipeline – Quarterly



Opyl expects sales opportunities for OpIn will continue to grow based on qualified leads, the interim HIPAA and other qualifications and referrals from potential and existing clients.

## Financials

### Cash flow and cost management

The Company ended the quarter with a cash position of \$605K that was down \$36K (5.5%) from the previous quarter. Operating cash outflows of \$454K were partially offset by net financing inflows of \$418K following the successful rights issue and shortfall share placement, as discussed above.

Opyl's underlying operating cash flow (before government incentives) in the quarter was a cash outflow of \$454K, mildly (2.7%) lower than the previous quarter with lower customer receipts of \$65K, primarily timing of receivables, being almost offset by payments to employees and supplier that were \$53K lower. Favourable variances in administration and

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corporate costs (\$40K), marketing (\$21K) on lower revenues and R&D (\$15K) were partially offset by higher (\$22K) payments to employees.

The operating costs base has stabilised following significant costs containment efforts and is expected to remain around these levels in Q4FY23. Evidencing the effectiveness of our cost containment efforts, year to date operating expenses (unaudited) are more than \$500K (20%) below the prior comparable period.

Opyl finished the March quarter with no debt.

#### *Related party transactions (Listing Rule 4.7B)*

In accordance with Listing Rule 4.7B, Opyl advises that it made related party payments (item 6.1) of \$50K. This includes \$25K in directors' fees with the balance going to Advantage Data and Zappli for ongoing R&D activities related to developing the Company's two clinical trial efficiency platforms. Advantage Data and Zappli are entities linked to the Company's executive director Damon Rasheed, and Opyl continues to leverage on his AI and data science expertise.

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

**-ENDS-**

#### **For media and investor enquiries:**

E: [info@opyl.a](mailto:info@opyl.a)

[www.opyl.ai](http://www.opyl.ai)

#### **For clinical trial recruitment enquiries:**

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[www.opin.ai](http://www.opin.ai)

#### **About Opyl Limited**

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

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## 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 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	127	464
1.2 Payments for		
(a) research and development	(16)	(91)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(6)	(50)
(d) leased assets		
(e) staff costs (Includes \$25k payment for the quarter to directors)	(332)	(1,046)
(f) administration and corporate costs	(227)	(771)
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	-	607
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(454)</b>	<b>(887)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(2)
(d) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	(2)

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	475	765
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	(57)	(57)
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>418</b>	<b>708</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	641	786
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(454)	(887)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	418	708
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>605</b>	<b>605</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	605	641
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) - Finance facility		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>605</b>	<b>641</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	50
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

**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 (line of credit facility)
- 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.

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**8. Estimated cash available for future operating activities****\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	(454)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	605
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	605
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>1.33</b>

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

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

No. 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 two quarters. In addition, the Company continues to proactively manage its costs.

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?

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 31 March 2023, has been positive. This is expected to continue building sales revenue through the financial year.

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?



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: 28<sup>th</sup> April 2023

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.