

ASX ANNOUNCEMENT

30 April 2024

Q3 FY24 Quarterly Activity Report and Appendix 4C

Melbourne, Australia – Opyl (ASX:OPL) (Opyl or the Company) today released its Quarterly Activity Report and Appendix 4C for the quarter ended 31 March 2024 (Q3 FY24).

Key highlights

- **Market engagement:** TrialKey.ai is actively engaging with potential customers and increasing its market presence. It has participated in major industry events and podcasts, with plans for future appearances at significant digital health and clinical trials events.
- **Product Enhancements:** Significant upgrades to its TrialKey.ai platform. These enhancements include advanced AI-driven algorithms that improve the precision and efficiency of clinical trials, an innovative rating system for principal investigators, and an intelligent site selection tool.
- **Database Expansion:** TrialKey.ai's trial database has grown to 350,000 trials (previously 65,000), incorporating advanced data extraction techniques to improve the platform's predictive capabilities and design optimisation.
- **Divestment of Opin:** Opyl has entered a binding agreement to sell its Opin business retaining a 20% stake. This sale is expected to improve cash flow by \$700K per annum based on the current cash burn rate, and focus resources on the high-growth potential of TrialKey.ai.
- **Leadership Transition:** Mark Ziirsén will step down as Chairman, with Saurabh Jain set to assume the role of Executive Chair. Saurabh brings extensive leadership experience and will focus on driving the commercialisation and market expansion of TrialKey.ai.
- **Financial Update:** Following a successful capital raise, Opyl reported an improved cash position. The proceeds will support the ongoing development and commercialisation of TrialKey.ai. The Company is managing its costs effectively, with stable staff and administrative expenses and increased marketing spending to support the launch of TrialKey.ai. The divestment of Opin is also expected to yield monthly cash savings.

TrialKey update

TrialKey is gaining significant traction in the market. The company has engaged with 33 potential customers, leveraging its past participation in events such as Australian Healthcare Week and appearances on podcasts. To further boost its marketing efforts, TrialKey plans to participate in major events like Digital Health Fest and Global Clinical Trials Connect, while also featuring on influential podcasts. Additional marketing initiatives, including endorsements from specialists and a robust online presence, further strengthen its market position.

The TrialKey.ai platform has undergone significant upgrades, incorporating advanced AI algorithms to enhance clinical trial management. Key enhancements include:

- A rating system for principal investigators, providing valuable feedback and accountability.
- Comprehensive analytics offering insights into trial sponsor performance.
- An intelligent site selection tool, which forecasts and improves site performance.

These upgrades represent a major step forward for clinical research, setting new industry standards for innovation and efficiency.

TrialKey.ai has also expanded its trial database from 65,000 to over 350,000 trials. Advanced techniques are used to improve data extraction and prediction capabilities, resulting in over 90% precision. This expansion enhances the platform's accuracy and scalability, positioning it as a leader in predictive capabilities.

Opin update

As announced on 23 April 2024, Opyl Limited has successfully entered into a binding agreement to divest its Opin business to Dr. Hugo Stephenson's company Trial Screen Pty Ltd, a strategic move to concentrate the Company's resources on high-growth ventures. This agreement, which is subject to shareholder approval at the General Meeting scheduled for 3pm Monday 27 May 2024, will see Opyl retaining a 20% stake in Opin. Dr. Stephenson has committed to investing approximately \$1.2 million into Opin over the next year to fuel its growth. The sale is anticipated to significantly improve Opyl's cash flow by approximately \$700k per annum based on current cash burn, optimising operational efficiency and financial health.

The divestment allows Opyl to enhance its focus on its flagship AI platform, TrialKey.ai, redirecting capital and efforts towards accelerating its commercialisation and market expansion. The improved financial flexibility from the sale of Opin is expected to extend Opyl's cash runway, enabling more aggressive development and marketing strategies. This strategic divestment underscores Opyl's commitment to driving shareholder value and adapting its business model to focus on core areas with high growth potential.

Board update

As announced in March 2024, Mr. Mark Ziirsen will resign from the board effective from 30 April 2024. Mr. Ziirsen, who has been a significant part of the Company since September 2020 and served as Chairman since August 2022. During his tenure, he led several crucial initiatives, including leadership changes, a refresh of the board, and significant advancements in Opyl's AI platform, TrialKey. His leadership set a solid foundation for future growth.

Saurabh Jain, the interim CEO of Opyl, will transition to the role of Executive Chair on 30 April 2024. Saurabh, who joined Opyl on 24 November 2023, has focused primarily on the commercialisation of TrialKey and was instrumental in the market launch of Trialkey.ai in January.

With over 25 years of experience in leadership roles across various sectors, including founding Netpro Express and holding senior positions at companies like Ventia and Cushman Wakefield, Saurabh brings a wealth of entrepreneurial, technical, and commercial expertise. His extensive background will play a crucial role in advancing Opyl's and TrialKey, and driving the company's value growth. Saurabh also holds a B.E. Software Eng, MBA Exec, MBT, and GAICD. He has also served on several boards, including Urbanise (ASX:UBN) and Spacetalk (ASX:SPA.)

Successful Placement and Entitlement Offer

Opyl Limited successfully completed the placement of 4,666,666 partially underwritten shares and all 24,873,344 shortfall shares from its recent rights issue, raising an additional \$886,200 before costs. This capital-raising effort, which concluded with the issuance of 47,778,604 new shares, brought the total raised during the quarter to approximately \$1,433,358. The proceeds will be used to accelerate the commercialisation of TrialKey through sales, marketing, and support initiatives, targeted technological enhancements to improve the platform's scalability and user experience and provide working capital. This funding boost underscores the strong shareholder support and will significantly aid in advancing Opyl's AI-driven solutions for clinical trials.

Financial position

The Company ended the quarter with a cash position of \$1,095k, including netcash receipts of \$1,290k from the equity raise, up \$511k on 31 December 2023.

Opyl's underlying operating cash outflow was \$761k, an increase of \$312K on the prior quarter.

Opyl received \$60k in cash receipts from customers, representing a decrease of \$141k on the prior quarter (\$201k). Staff, administration and corporate costs remained stable. Research and Development costs totalled \$43k, down from \$66K in the previous quarter. There was an increase of \$140k in marketing expenses attributed to the launch of Trialkey.ai

As mentioned above Opyl signed a sales and purchase agreement to divest Opin, with the sale expected to improve cash flow by \$700K per annum based on the current cash burn rate.

In accordance with Listing Rule 4.7.B, Opyl made payments to related parties as described in Items 6.1 of the Appendix 4C of \$172k. This included \$84k in directors' fees and salaries, and the balance being payments to RDI Consulting Pty Ltd (**RDI**) and Zappli Pty Ltd (**Zappli**) for R&D expenditure relating to the ongoing development of Opyl's technology platforms. For completeness, RDI and Zappli are entities associated with Opyl's executive director Damon Rasheed and non-executive director Antanas Guoga.

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

-ENDS-



For investor enquiries:

Saurabh Jain
Interim CEO
Phone: +61 400 748 587
Email: saurabh@opyl.ai

For general enquiries:

Email: info@opyl.ai
Website: www.opyl.ai

About Opyl Limited (ASX: OPL)

Opyl Limited is an AI company dedicated to leveraging data and technology to transform the landscape of clinical trials and medical research. With a commitment to innovation and strategic growth, Opyl is positioned to lead the way in shaping the future of healthcare solutions.

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 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	60	311
1.2 Payments for		
(a) research and development	(43)	(191)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(140)	(140)
(d) leased assets		
(e) staff costs (Includes \$83.6k payment for the quarter to directors)	(298)	(929)
(f) administration and corporate costs	(342)	(925)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	531
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(761)	(1,341)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(18)	(18)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	(f) other non-current assets 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	(18)	(18)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,433	2,039
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	(143)	(183)
3.5	Proceeds from borrowings	-	150
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	-	(4)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	1,290	2,002

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	584	452
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(761)	(1,341)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(18)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,290	2,002
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,095	1,095

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	1,095	584
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)	1,095	584

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	172
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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 (please specify)		
7.4 Total financing facilities		
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)	(761)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,095
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	1,095
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.44
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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: No. The Company expects the level of its net operating cash flows to improve over the next quarter aided by the divestment of Opin which will improve Opyl's cash burn by approximately \$700k per annum. The Company also expects growth of its pipeline of opportunities in relation to TrialKey and continued cash and cost management.	
8.6.2 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: Yes. As referenced in item 8.6.1 above, the divestment of Opin is expected to improve Opyl's cash burn by approximately \$700k per annum.	

8.6.3 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. On the basis outlined above.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: 30 April 2024

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.