



ASX ANNOUNCEMENT

31 July 2024

Opyl Q4 Quarterly Report

Melbourne, Australia – Opyl (ASX:OPL) (Opyl or the Company) today released its Quarterly Activity Report for the quarter ended 31 July 2024 (**Q4 FY24**).

Key Highlights:

- **First Contract Secured:** TrialKey has secured its first contract with Brain Vector, valued at up to A\$30,000, for providing trial optimisation services. This milestone validates the TrialGen platform's effectiveness and underscores Opyl's commitment to advancing clinical research.
- **Establishment of a Biotech Fund:** Opyl has partnered with L39 Capital to launch a Biotech Fund utilising TrialKey technology, aiming to significantly enhance revenue streams and market positioning while demonstrating the transformative potential of AI in biotech investments. Opyl will receive 25% of the funds fees.
- **Signing of a Memorandum of Understanding (MOU):** Opyl has signed a major strategic MOU with the Xco consortium to establish a joint venture for exclusive marketing, distribution, and sale of Opyl's TrialKey products in Europe, the Middle East, Africa, and North America.
- **New Business Development Manager:** Opyl has appointed Minh-Thu Cao Xuan as Business Development Manager for TrialKey. With her strong pharmaceutical background and medical expertise in dentistry, Minh-Thu will drive growth, develop strategic partnerships, and advance AI-driven clinical trial design solutions.
- **Launch of Trial Gen:** Opyl has launched 'Trial Gen' by TrialKey, an innovative AI-powered tool that enhances our existing platform by automating clinical trial protocol design, significantly improving efficiency and success rates for pharmaceutical companies, biopharmaceutical firms, and Contract Research Organisations (CROs).
- **Marketing Initiatives:** This quarter, TrialKey significantly boosted its visibility through high-profile events like the Digital Health Festival and Global Clinical Trials Connect—our first international event—alongside extensive media coverage, enhancing our global growth and connections with key industry contacts in pharmaceutical and clinical research sectors.
- **Opin Divestment:** Opyl successfully divested Opin to Dr. Hugo Stephenson, now rebranded as Trial Screen, with a \$1.2 million investment and a retained 20% stake. This move improves Opyl's financial position, reducing annual cash outflows by \$700k, and allows a stronger focus on advancing TrialKey.ai.



TrialKey's First Revenue and Customer: Brain Vector

TrialKey secured its first contract with Brain Vector, a pioneering company in personalised mental healthcare. This partnership involves providing four key services: Competitor Analysis, Trial Design Optimisation, Probability of Success Analysis Simulation, and Reporting. The total contract value is up to A\$30,000, contingent on Brain Vector securing its next round of funding. This engagement marks a significant milestone for Opyl, validating the real-world value and effectiveness of the TrialGen platform, and underscores Opyl's commitment to transforming clinical research and improving patient outcomes.

Establishment of a Biotech Fund

Opyl has formed a strategic partnership with L39 Capital Pty Ltd to establish a Biotech Fund. This collaboration will leverage Opyl's proprietary TrialKey technology to generate significant capital appreciation for investors and showcase TrialKey's predictive power in selecting successful biotech and pharmaceutical stocks.

L39 Capital will manage the Fund's establishment, covering all associated costs and sourcing seed funding of at least \$500,000, plus an additional \$50,000 for setup expenses. Opyl will provide its TrialKey technology under a perpetual licence, receiving an initial payment of \$25,000, a 19.9% equity stake in the Fund Manager, and a 25% share of the Fund's performance fees. If the Fund achieves its growth target of \$100 million in assets under management within 24 months, Opyl's 19.9% equity stake and 25% share of performance fees could result in a value of approximately \$24.875 million for Opyl.

The Fund aims to grow to \$100 million in assets under management within 24 months from its launch on 1 September 2024. This partnership is expected to enhance Opyl's revenue streams, validate TrialKey's market applicability, and accelerate strategic growth initiatives by leveraging L39 Capital's expertise in fund management and biotech/pharmaceutical trading.

Signing of a Memorandum of Understanding (MOU):

Opyl has signed a strategic Memorandum of Understanding (MOU) with the Xco consortium, led by Whit Pepper and Dr. Greg Bailey, to form a joint venture (JV). This JV will focus on the exclusive marketing, distribution, and sale of Opyl's TrialKey products in Europe, the Middle East, Africa, and North America, allowing Opyl to concentrate on the APAC region. The initial three-month due diligence period will finalise all terms and conditions of the JV.



Under this agreement, Opyl will receive a USD 1 million (AUD 1.5 million) cash payment for license rights and R&D. The JV will also undertake a capital raise of USD 3 million to USD 5 million within nine months. Opyl will hold a 20% equity stake in the JV and benefit from a revenue-sharing model, starting with an 80/20 split for the initial USD 1.25 million and a 60/40 split thereafter. The JV has ambitious sales targets of USD 1 million in the first year, USD 2 million in the second year, and USD 4 million in the third year. This partnership not only validates Opyl's technology but also opens new revenue streams and accelerates growth in key markets.

Hiring of Business Development Manager

Opyl has appointed Minh-Thu Cao Xuan as Business Development Manager for TrialKey. Minh-Thu's robust pharmaceutical background and medical expertise in dentistry will be instrumental in driving growth, developing strategic partnerships, and advancing AI-driven clinical trial design solutions. Her appointment underscores Opyl's commitment to strengthening the team with experienced professionals to deliver innovative solutions in the clinical research industry.

Launch of Trial Gen

Opyl has launched 'Trial Gen' by TrialKey, a cutting-edge AI-powered tool that automates clinical trial protocol design. This new product significantly enhances the TrialKey platform, offering solutions that drive efficiency and success in clinical research. Trial Gen optimises trial characteristics and automates the clinical trial design process, reducing time and costs for clients, including pharmaceutical companies, biopharmaceutical firms, and Contract Research Organisations (CROs). This launch marks a significant milestone in our mission to revolutionise clinical trial design and management.

Marketing Initiatives

This past quarter has been marked by high-profile events and extensive media coverage that significantly boosted our visibility and strengthened our connections with key industry contacts in the pharmaceutical and clinical research sectors. Our participation in the Digital Health Fest (AU) as panelists and booth exhibitors, the Pharma and Device Forum (AU) as speakers, and the Global Clinical Trials Connect (UK) as speakers provided platforms to showcase the capabilities of TrialKey.ai. Notably, Global Clinical Trials Connect marked our first international event, crucial for our global growth goals.

Notably, our exclusive private investor presentation unveiled clinical trial success probabilities using TrialKey for five ASX-listed pharmaceutical companies, offering invaluable insights and showcasing the use case of TrialKey for the biotech investment community.



Our media engagements have significantly amplified our reach within the industry. We have been featured on several prominent podcasts, including the Product Led Growth Leaders Podcast, Inspired by Success Podcast, AI Advantage Show Podcast, Talking Healthtech Podcast, Your Everyday AI Podcast, Eye on AI Podcast, Innovation and Leadership Podcast, Big Performance Podcast with Alex Elish, CEO & Founder Magic Podcast, and Leading and Growing Your Real Estate Business Podcast.

Additionally, our press releases have been picked up by influential outlets such as Stockhead, Hotcopper, Intelligent Investor, Talking Healthtech, Grafa, Biotech Dispatch, BioWorld, Mirage, TipRanks, and Liverava.

Opin Divestment

Opyl executed a binding sales agreement to divest Opin to Dr. Hugo Stephenson, now rebranded as Trial Screen, following shareholder approval at the General Meeting (GM). As part of the agreement, Dr. Stephenson will invest approximately \$1.2 million into Trial Screen over 12 months. Opyl retains a 20% share in Trial Screen, maintaining a vested interest in its success and growth. This transition substantially improves Opyl's monthly cashflow, reducing net cash outflows by approximately \$1 million annually, thereby extending the company's operational runway and facilitating intensified efforts towards the commercialisation and advancement of TrialKey.ai. This strategic move empowers Opyl to redirect capital and resources towards high-growth opportunities in the clinical trial and medical research sectors.

R&D loan facility

On 22 July 2024, the Company accessed an R&D loan facility from EndPoint Capital Pty Ltd for \$195k which is secured against the FY24 R&D claim based on prior successful experiences.

Financial position

The Company ended the quarter with a cash position of \$374k, down \$721k on 31 March 2024.

Opyl's underlying operating cash outflow was \$715k, a decrease of \$46k on the prior quarter.

Opyl received \$88k in cash receipts from customers, representing an increase of \$28k on the prior quarter (\$60k). Staff, administration and corporate costs remained stable. Research and Development costs totalled \$77k, up from \$43k in the previous quarter. There was a decrease of \$44k in marketing expenses attributed to scaling back the cost.



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. The cash outflow resulting from the divestment of Opin was \$57k primarily related to employee entitlements.

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 \$176k. This included \$67k 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.

This announcement has been authorised for release by the board.

-ENDS-

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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")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	88	399
1.2 Payments for		
(a) research and development	(77)	(268)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(96)	(236)
(d) leased assets		
(e) staff costs (Includes \$67.2k payment for the quarter to directors)	(332)	(1,261)
(f) administration and corporate costs	(300)	(1,225)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	4
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	(715)	(2,056)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(6)	(189)
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	(6)	1,996

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,095	452
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(715)	(2,056)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(18)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	1,996
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	374	374

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	374	1,095
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)	374	1,095

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	176
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 <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>		
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)	(715)
8.2	Cash and cash equivalents at quarter end (item 4.6)	374
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	374
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.52
	<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?	
	<div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> Answer: No. The Company expects the level of its net operating cash flows to improve over the next two quarters aided by, amongst other things, the divestment of Opin, receipt of R&D refund based on the year ended 30 June 2024, growth of its pipeline of opportunities in relation to TrialKey, and continued cash preservation and cost containment management efforts. </div>	

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 detailed in our announcement to ASX dated 22 March 2024, the divestment of Opin will significantly improve Opyl's monthly cashflow and enable greater focus on driving growth for TrialKey, noting Opin was responsible for approximately \$700K (\$60k per month) in net cash outflows per year on a standalone basis. This settled on 3 June 2024 as announcement to ASX on that date.

Further, on 22 July 2024, the company has secured a R&D forward funding finance facility of \$195K from EndPoint Capital Pty Ltd that has been put in place at a very low cost to the company.

In addition, 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.

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, and the Company's demonstrated ability to raise funds historically.

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: 31 July 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.