



Opyl Limited
105 Wellington Street
St Kilda VIC 3142

ABN: 71 063 144 865

Date: 28 February 2020

Ms Vanessa Nevjestic
Adviser, Listings Compliance
ASX Compliance Pty Ltd

By email: vanessa.nevjestic@asx.com.au

Copy to: listingscomplianceperth@asx.com.au

Dear Vanessa

Response to Appendix 4C Query

In reference to your letter of 22 February 2020 regarding the Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX on 31 January 2020, the response to your queries in number order is as follows:

1. The Company expects to continue to have negative operating cashflows for the short term, however the company does have a pipeline of new client proposals it is working on that could change the overall business operating cash flow position. The company has also made some minor adjustments in the January quarter to complete its overhaul of its financial spending.

The company had a lower revenue for the first half of the financial year, some of which is timing related in terms and the company anticipates that these funds will come into the company in the current quarter.

2. The Company continues to have a strong focus on customer programs, which as highlighted in the Business Update accompanying the Appendix 4C for the period ended 31 December 2019, has been positive. This is expected to translate to increased sales revenue. This is further highlighted by the collaboration agreement with huumun per the announcement on 11 February 2020.

In addition, the company's projected revenue for the remainder of the current financial year will significantly negate the estimated cash flows for the next quarter as noted at item 9 of the Appendix.



Further, as a technology innovation company it is seeking to apply for specific government grants and incentives which is expected to provide a material cash inflow in the fourth quarter of this current Financial Year. The Company is currently working with advisors to determine the company's entitlement to the above schemes.

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 material adjustments to its expenditure to reduce the negative operating cash flows.

3. Yes, the Company expects to be able to continue its operations and meet its business objectives based on its current revenue projections, customer acquisition plan and government grants and incentives it may have an entitlement to.
4. The Company confirmed that it is in compliance with listing rule 3.1 and that there is no information that should be given to ASX about its financial condition that has not already been released to the market.
5. It is confirmed that the responses to the questions above have been authorised and approved by the Board of the Company.

Please do not hesitate to contact me if you would like to discuss any of the above matters. Should you have any queries please contact us.

Your sincerely

A handwritten signature in black ink, appearing to read "D. Lilja".

David Lilja
Company Secretary
Opyl Limited



24 February 2020

Reference: ODIN14039

Mr David Lilja
Company Secretary
Opyl Limited
105 Wellington Street
ST KILDA VICTORIA

By email: david.lilja@dlkadvisory.com.au

Dear Mr Lilja

Opyl Limited ('OPL'): Appendix 4C Query

ASX refers to the following:

1. OPL's Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX Market Announcements Platform and released on 31 January 2020 (the 'Appendix 4C');
2. OPL's Correction to Appendix 4C lodged with the ASX Market Announcements Platform and released on 6 February 2020.

ASX notes that OPL has reported:

- negative net operating cash flows for the quarter of \$232,000;
- cash at the end of the quarter of \$464,000; and
- estimated cash outflows for the next quarter of \$393,000.

It is possible to conclude, based on the information in the Appendix 4C, that if OPL were to continue to expend cash at the rate indicated by the Appendix 4C, OPL may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks OPL to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does OPL expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has OPL 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?
3. Does OPL expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that OPL is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that OPL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of OPL with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that OPL considers may be relevant to ASX forming an opinion on whether OPL is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **6:00 AM AWST Friday, 28 February 2020**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in OPL's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, OPL's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to OPL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that OPL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in OPL's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Vanessa Nevjestic
Adviser, Listings Compliance (Perth)