



30 April 2020

## **Opyl Appendix 4C – Quarter (Q3) ending 31 March 2020**

**Melbourne, Australia – Opyl (ASX:OPL)** today released its Appendix 4C Quarterly cash flow statement for the three month period ending 31 March 2020 (Q3 FY2020).

### **Highlights**

- Opyl receives \$201,000 tax refund from R&D tax incentive
- Reduction in cash burn – down close to 50% from the previous corresponding period
- Company anticipates being cash flow neutral in the current quarter
- Entered partnership with humun to open up new client access
- Significant increase in current proposals in the market

The closing cash balance for the business was \$137,000 which was down from the previous quarter, however the company anticipates that this will remain or improve in the current quarter as the company anticipates a cash flow neutral quarter through reduced expenditure, income increases and the company's eligibility for R&D tax incentive and COVID19 business support payments. The company has received \$201,000 in R&D tax rebate which will increase the current cash balance.

The overall loss for the quarter was \$249,000, down from \$644,000 from the corresponding period in the corresponding quarter. The company loss for the year to date is down close to 50% from the corresponding time last year, with the company anticipating the current quarter being cash flow neutral.

A highlight during the quarter included the announcement of a revenue-share alliance with UK-based humun, a digital solution provider for the global pharma sector, of which we anticipate will realise revenue for Opyl in the coming months. The 'collaborate to scale' strategy with humun has delivered a significant increase in interest in Opyl's offering amongst global pharmaceutical companies based in Australia and the UK, creating a valuable business development pipeline, improving the company's chances of client acquisition and hitting revenue goals this financial year.

During the period the company completed its cost reduction plan and anticipates that the overhead costs for the business relative to revenues and income will result in the company being cash flow neutral for the April to June Quarter. Expenditure in the past quarter represented a number of one-off costs associated with the final stage of winding up the US operation and permanent cost reductions transitioning to new corporate advisors and further reducing headcount.

Opyl had revenue of \$188,000 for the quarter, down \$76,000 from the previous quarter. Two key elements played a role in reduced revenues: shift of focus to business development within larger pharma and medtech companies which take longer to secure as clients at a higher price point and the investment of time in laying a solid foundation of understanding with humun in preparing to pitch together. Some revenue decrease was seasonal through the January period as well as changes to payment schedules. During the period the company focused heavily on new proposals which it anticipates to translate to additional revenue in the coming quarters.



The COVID19 environment has had both a positive and negative influence on Opyl. Opyl currently is very active with outreach and has its largest development pipeline its ever had. The company is also seeing a marked increase in interest from prospective clients, over and above the human business development effort, validating the role of digital, particularly social media to organisations when their sales teams are grounded and use of social media in a healthcare context has increased due to physical distancing and the need to access and share information around the globe – which social media does so well.

The timing of client payments has been arriving later than normal in the past six months. Opyl retainer based client revenue remains constant however COVID-19 has had an influence on some accounts while other accounts have been signed up. The company also had a campaign in March to continue to build this proportion of the business.

Opyl continued to invest in its research platforms during the period, progressing the clinical trial predictor tool to the end of stage 2 (proof of concept) in readiness to enter stage 3 and finally stage 4 before calendar year end.

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

**- ENDS -**

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

Opyl is a new generation company working at the intersection of artificial intelligence, social media and healthcare. Our focus is on developing digital tools that improve the healthcare experience for patients, deliver deep market insights from social media data and improve the efficiency and value of the clinical research process by employing artificial intelligence and emerging digital tools.

Our point of difference is the deep healthcare marketing and data science expertise of our diverse team and our understanding of real world data, particularly patient reported outcomes (PRO) and the continuous data and dialogue stream within consented social media.

Follow Opyl on Twitter (@Opylai), LinkedIn, Facebook and Instagram

## 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 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	188	636
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(22)	(71)
(d) leased assets		
(e) staff costs	(222)	(787)
(f) administration and corporate costs	(179)	(766)
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	(14)	(14)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(249)</b>	<b>(997)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	0	(5)
(d) investments		
(e) intellectual property	(46)	(46)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
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>	<b>(46)</b>	<b>(51)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	1,291
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	0	(59)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	0	(104)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>0</b>	<b>1,127</b>

<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	464	99
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(249)	(998)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(46)	(51)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	1,127
4.5	Effect of movement in exchange rates on cash held	(32)	(40)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>137</b>	<b>137</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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	137	464
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>137</b>	<b>464</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
63

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**

*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 (please specify)
- 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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	38
8.2 Cash and cash equivalents at quarter end (Item 4.6)	137
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	137
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	3.61

- 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?

Answer: N/A

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: N/A

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: N/A

**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 2020  
 .....

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.