



## ASX ANNOUNCEMENT

24 July 2024

# Opyl Signs MOU with Xco Consortium for EMEA and North America Expansion

**Melbourne, Australia – Opyl Limited (ASX:OPL or “the Company”)**, a leader in AI-driven clinical trial design simulation and optimisation, is pleased to announce the signing of a Memorandum of Understanding (MOU) with Xco consortium in the US and UK headed up by Whit Pepper and supported by his Xjensa business partner Greg Bailey and their extended team, to form a joint venture (JV) for the exclusive marketing, distribution, and sale of Opyl's products and services of TrialKey, in Europe, the Middle East, Africa, and North America.

### Key Highlights:

- **Initial three month due diligence period to agree on all terms and conditions of the JV.**
- **Joint Venture Establishment:** Opyl Limited and Xco consortium will seek to establish a JV entity to market and sell Opyl's products exclusively in Europe, the Middle East, Africa, and North America.
- **Cash Payment:** Opyl will receive a cash payment of USD 1 million (AUD 1.5 million) for license rights and R&D post successful due diligence.
- **Capital Raise:** The JV entity will seek to undertake a capital raise to secure between USD 3 million and USD 5 million within nine months of establishment.
- **Equity Stake:** Opyl will hold a 20% equity stake in the JV entity.
- **Revenue Sharing:** For the initial USD 1.25 million of revenue, 80% will be allocated to the JV entity and 20% to Opyl. All Revenues exceeding this initial amount will be divided with 60% going to the JV entity and 40% to Opyl.
- **Structure of New Entity:** Opyl will initially hold 20% and appoint 1 director in the JV Entity, while the UK partner will hold 80% and appoint up to 4 directors.
- **Sales Targets:** The JV entity has set revenue targets of USD 1 million in the first year, USD 2 million in the second year, and USD 4 million in the third year.



## **About Xco:**

Whit Pepper has spent thirty years as an executive and advisor to boards and CEOs of highly technical engineering, financial services, technology, and scientific research organizations around the world. He is a US-Australian dual citizen who splits time between living in Texas and London.

Whit specializes in working with professionals offering highly technical, complex solutions to transform their ideas and innovations into compelling propositions and competitive businesses. He has successfully worked with scientists, engineers, researchers, accountants, lawyers, and financiers in more than twenty countries to significantly increase revenue and profitability.

Dr Greg Bailey is an experienced leader and entrepreneur in the biotech industry; he has created over \$32 billion in shareholder returns (delivering 200x). Exit transactions have included two of the top ten biggest biotech deals in the last decade. Greg provides strategic advice to Xco on everything from financial structure through to clinical trial design, and he serves as an invaluable resource in bringing in the appropriate experts to undertake due diligence for Xco projects.

The broader team is made of tech, medical, financial, and operations professionals based in North America, Europe, and Asia/Pacific.

Saurabh Jain, Executive Chairman of Opyl Limited, commented:

*"This joint venture marks a significant milestone for Opyl as we expand our global footprint. Partnering with a knowledgeable and capable entity like Xco consortium validates our technology and opens new avenues for growth and revenue generation. We are excited about the potential this collaboration brings to our shareholders and the broader market."*



## Summary of Key Terms of the Agreement

<b>Joint Venture Establishment and Management</b>	<p>The JV Entity will be established with the following shareholdings:</p> <ul style="list-style-type: none"><li>• Opyl Limited: 20%</li><li>• UK Partner: 80%</li></ul> <p>The board of the JV Entity will include directors nominated by Opyl and the UK Partner.</p>
<b>Timeline</b>	<p>Anticipated timing for the Proposed Transaction is as follows:</p> <ul style="list-style-type: none"><li>• Sign MOU – July 2024</li><li>• Mutual due diligence and negotiation of Transaction Documents commences – July 2024</li><li>• Mutual due diligence completes – October 2024</li><li>• Execute Transaction Documents – October 2024, but subject to mutual agreement to proceed after due-diligence</li><li>• Implementation date – when minimum capital is raised.</li></ul> <p>The above dates are indicative only, and may change in accordance with the terms set out in this document.</p>
<b>Capital Contributions</b>	<p>Initial capital contributions to the JV Entity are as follows:</p> <ul style="list-style-type: none"><li>• Opyl Limited: \$0</li><li>• UK Partner: its due diligence and capital raising costs</li></ul> <p>The JV Entity will also establish its own dedicated sales and marketing team to drive the marketing, distribution, and sales efforts for Opyl's products and services within the specified territories. Opyl's own sales and marketing team will continue to focus on the APAC region.</p>



<b>Capital Raise</b>	<p>The JV Entity will undertake a capital raise to raise between USD 3,000,000 and USD 5,000,000 within nine months of establishment. The proceeds will be used as follows:</p> <ul style="list-style-type: none"><li>• USD 1,000,000 payment to Opyl within the first twelve (12) months of operation for license rights and R&amp;D</li><li>• Remaining funds for marketing and sales of Opyl's products and services</li></ul>
<b>Opyl's Role and Revenue Share Compensation</b>	<p>Opyl Limited will provide services to the JV Entity, and the profit/revenue sharing is structured as follows:</p> <ul style="list-style-type: none"><li>• Initial USD 1.25 million of revenue: 80% to the JV Entity, 20% to Opyl</li><li>• Revenue exceeding USD 1.25 million: 60% to the JV Entity, 40% to Opyl</li></ul>
<b>Sales Targets and Growth Objectives</b>	<p>To maintain exclusivity in the territories, the JV Entity must meet the following revenue targets:</p> <ul style="list-style-type: none"><li>• Year 1: USD 1,000,000</li><li>• Year 2: USD 2,000,000</li><li>• Year 3: USD 4,000,000</li></ul> <p>Failure to meet these targets may result in loss of exclusivity, although the right to market, distribute, and sell Opyl's products remains.</p>
<b>Rights to Use and Develop TrialKey</b>	<p>The JV Entity will have exclusive rights to market, distribute, and sell Opyl's TrialKey in Europe, the Middle East, Africa, and North America, conditional on successful capital raise and necessary regulatory approvals.</p>



### **Benefits to Opyl and Its Shareholders:**

- **Revenue Generation:** The JV will provide Opyl with an exciting and lucrative revenue stream through the cash payment and profit-sharing arrangement, boosting financial stability and growth.
- **Market Validation:** Successful execution of the JV will validate Opyl's technology, attracting further interest and investment in the biotech and pharmaceutical sectors.
- **Strategic Growth:** Access to new markets and a knowledgeable JV partner will accelerate Opyl's growth and market penetration.
- **Focus on APAC:** This deal allows Opyl to focus on expanding its presence in the Asia-Pacific region while the JV entity handles other major territories.

**This announcement has been authorised for release by the board**

**-ENDS-**

### **For investor enquiries:**

Bernice Averion  
Head of Marketing and Communications  
Phone: +61 415 311 957  
Email: [bernice.averion@opyl.ai](mailto:bernice.averion@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.