

opal  
Biosciences

Opal Biosciences Limited | ABN 97 605 631 963



2021 ANNUAL  
REPORT



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## Who we are

Opal Biosciences is an Australian biotechnology company and an innovative player in infectious disease treatment. Opal is currently seeking to diversify its focus by considering commercial opportunities within the Australian biotechnology and pharmaceutical industry. Opal's strategic focus is now directed towards growing Australia's vaccine and pharmaceutical manufacturing capability which has become evident as a sovereign need during the recent pandemic

## Highlights of 2021:

### Corporate

- Exploration of diversification into other biotechnology and pharmaceutical commercial opportunities including manufacturing.
- Review of company strategy to include manufacturing operations in the business
- The receipt of \$25,287 from R&D incentive program
- \$250,000 placement of shares post-year end

### Operations

- COVID-19 continued to interrupt or delay some operations
- Antimicrobial program BDM-I: A mouse study provided additional information about blood and tissue levels of BDM-I that can be obtained without toxicity including with repeat dosing.
- BDM-I study results analysed and focused changed to development of water soluble derivatives of BDM-I
- Announcement of acquisition of specialist formulation company, Formulytica Pty Ltd, and an associated capital raising.
- Expressions of interest lodged for access to the Boronia, Victoria pharmaceutical manufacturing plant facilities
- Withdrawal of capital raising for acquisition in light of progress with Boronia plant access activities.





## Chairman's Letter

### Dear Shareholders,

The financial year 2020-2021 has seen the Australian public become educated about vaccine development and supply chains and the nation review its sovereign manufacturing capabilities.

When our board reviewed our company strategy at the commencement of 2021, we balanced a number of strategies: pursuing our antimicrobial development agenda with BDM-I, investigating additional new antifungal programs, and opportunities presented to us in pharmaceutical manufacturing. We opted for a change of focus to manufacturing.

Firstly, we recognised the significant development hurdles we faced with pursuing BDM-I. Addressing these hurdles would require additional capital and it was decided that an approach to shareholders to support this could not be justified in the current commercial environment: even if BDM-I were to be a successful product in the market, it would be unlikely to deliver a significant return to investors. The evidence for this was the lack of recent commercial transactions in the (non-viral) antimicrobial sector and the poor sales of new antimicrobial treatments for bacterial infections.

Secondly we explored the inlicensing of new intellectual property in the antifungal therapeutic area where there is also high unmet need for new treatments. The potential for a good commercial return is higher than for antibacterials. While we found two projects which would be exciting valuable programs with excellent science backed by world class researchers, for the first, we were unable to negotiate a satisfactory licencing arrangement with the relevant university and for the second, the program was too early and risky to attract investment interest.

Our attention was then drawn to two coincident manufacturing openings. The first was with Formulytica Pty Ltd, a specialist formulation organisation with whom we have worked for many years and whom we respect, to assist develop their specialist business. The second opportunity led from this as a natural extension. The opportunity was to acquire an interest in manufacturing space on the GSK Boronia pharmaceutical manufacturing site which was for sale and which could become available for use after GSK departs the site in 2022/2023. Through our non-executive director, Ken Windle and his history with that site and ex-GSK employees, the value and opportunity for Opal was explained and agreed as worth pursuing.

We were not able to judge our chances of success with the Boronia site and had no idea of the timing of any progress, and so we concentrated our efforts on the acquisition of Formulytica, and an Information Memorandum and capital raising were announced in May. This was subsequently withdrawn because events with the Boronia plan overtook it. All funds raised were returned to applicants.

In March 2021 we had lodged an expression of interest to the GSK Boronia site vendors. The EOI proposed not to buy the enormous manufacturing site, but to negotiate with the successful purchaser to retain the site for pharmaceutical manufacturing as a life sciences precinct. This initiative was driven by the realisation that the site and its manufacturing capabilities and experienced workforce could be lost to Australia in the midst of high awareness about the need for such capabilities. It also provided an opportunity to form a precinct where small biotech companies and universities and medical research institutes could come together to enhance the development of their intellectual property and manufacture of their products. Our aim was to see more of taxpayer-funded intellectual property stay in Australia for commercialisation and export. Following lodgement of the EOI, we immediately started to

raise awareness at all levels of government of the risk of loss of this site and its skilled workforce, and the opportunity to grow a new manufacturing precinct. We sought intervention or assistance to review what was happening at Boronia and to retain the site.

To promote this vision we engaged with many companies in the life sciences sector who also saw the need and opportunity for the site and some were interested to take part of the precinct as tenants. This exercise has consumed much of our time this calendar year. Across all stakeholder groups there has been unanimous acknowledgement of the site's value. We continue to advocate for the site to Government and seek its support. We remain hopeful that the precinct will eventuate due to its value to Australia as an existing operating manufacturing plant which could be repurposed by Australian pharmaceutical companies and medical research organisations. Our most recent placement subsequent to year end of \$250,000 is being used to develop a business case for Opal's use of part of the site.

Due to the higher risk investment for the placement, the shareholders in the placement received shares and a free attaching option at 7.5c per share. BioDiem participated in the placement and remains Opal's largest shareholder. We continue to share resources with the parent company so that administration and corporate costs are reduced.

Our activities this year have been intense as we aim to become a pharmaceutical development and manufacturing business. I am most grateful to our shareholders who continue to support us, and to the Board members who have been very hands-on during the past 18 months.

Our Managing Director continues to work tirelessly and we share her vision for Opal's transition to a revenue-generating business.

Yours faithfully,



**Hugh Morgan**  
Chairman

Melbourne is a leading global biotechnology hub and home to two of the world's top universities for biomedical research. One of these is ranked as the second best university for pharmaceutical sciences worldwide. **Thanks to its strong R&D**

**infrastructure** and advanced manufacturing expertise, the city attracts more than 40% of national medical funding.

Source: CBRE RESEARCH | ASIA PACIFIC: A NEW ERA OF LIFE SCIENCES GROWTH | Opportunities for Occupiers and Investors July 2021

## Review of Operations

The 2020-2021 year saw significant change in the emphasis of the Company towards the opportunities in manufacturing in Australia.

The COVID-19 pandemic aggravated the supply chain problems already faced by small Australian life sciences companies and raised the awareness for more capability to develop and manufacture medicines and vaccines on our shores.

During the year work progressed on BDM-I development however the solubility restrictions of the molecule delayed progress. While there is still a high unmet need for new infection treatments, the commercial model is unattractive and capital raising for such a portfolio is challenging.

### **Manufacturing Opportunity**

In February 2021 the large GSK-owned Victorian manufacturing plant at Boronia was listed for sale. Opal lodged an Expression of Interest (EOI) in March 2021 to retain the site for pharmaceutical manufacturing and to retain its skilled workforce following GSK's exit in 2022/23. The EOI was supported by many letters from Australian industry specialists, companies and groups, to convert the site to a life sciences precinct, where small and mid-sized companies and academic institutions and medical research institutes could congregate to facilitate the development and manufacture of their pharmaceutical and vaccine products.

The EOI was followed by presentations by Opal to the federal Department of Industry, federal Department of Health, and Victorian government, both to raise awareness of the site sale and consequent potential loss of the manufacturing capabilities and skilled workforce of the site.

Once Charter Hall was announced as the successful buyer of the site, Opal submitted a new EOI with more letters of support and introduced potential site tenants to demonstrate the demand for facilities and the potential of the life sciences precinct concept.

Subsequent to year end, the precinct concept is being investigated through a feasibility study. Opal is developing a business plan directed to achieve the investment required to transition onto its nominated portion of the Boronia site, should the precinct proceed.

## Formulytica Acquisition

As an important part of our strategy change to expand into manufacturing the acquisition of Formulytica Pty Ltd was to be a first step. This was announced in May 2021 together with a capital raise under an Information Memorandum. The IM was subsequently withdrawn and all funds were returned to Applicants. The engagement with the new GSK site owners at Boronia coincided with the capital raise, and due to the latter's priority, and the absence of reference to the Boronia site in the IM, all funds raised were returned to applicants.



## Antimicrobial BDM-I

The main activities in the antimicrobial program during the year were studies in the development of the molecule, BDM-I as a human therapeutic.

A key mouse study provided information relating blood and tissue levels to a wide range dosages of BDM-I (including repeat dosing) showing no adverse effects. The studies conducted showed that blood and tissue concentrations were insufficient in the animal model used. This was due to the poor solubility of the BDM-I compound and its high plasma protein binding, directing next efforts towards investigation of the water soluble compounds.

Glycosylated derivatives of BDM-I have been synthesized by the CSIRO Manufacturing Unit, Clayton, Victoria. The molecules were designed to retain the antimicrobial activity of BDM-I but be more water soluble and hence easier to formulate into drug products. Potentially these could also have better absorption and achieve higher serum concentrations. It is anticipated that these new molecules will be screened for activity against *Neisseria gonorrhoea* in the Australian Research Council (ARC) Research Hub to Combat Antimicrobial Resistance and other pathogens in the coming months. The Hub commencement was delayed by COVID-19.

# Financial Report

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## Directors' Report

The directors present their report, together with the financial statements, on Opal Biosciences Limited ("Opal" or "the company") for the period ended 30 June 2021.

### Directors

The following persons were directors of the company during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Hugh M Morgan AC      Mr Kenneth Windle  
Ms Julie Phillips          Mr Peter Snowball

### Principal activities

During the financial period the principal activity of the company consisted of

- the development and commercialisation of pharmaceutical and biomedical research, and
- the exploration of commercial opportunities within the biotechnology and pharmaceutical industry.

### Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

### Review of operations

The loss for the company after providing for income tax amounted to \$478,322 (30 June 2020: \$536,351).

Opal Biosciences is an Australian biotechnology company and an innovative player in infectious disease treatment. Opal is currently seeking to diversify its focus by considering commercial opportunities within the Australian biotechnology and pharmaceutical industry.

### Coronavirus (COVID-19) pandemic

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread globally as well as in Australia. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is a significant uncertainty around the breadth and duration of business disruptions related to COVID-19 and therefore the company has taken precautionary measures by temporarily closing the company's office and having arranged for its employees to work remotely, as well as minimising non-critical activities and curtailing travel. At the date of this report, the impact of these measures is not expected to significantly impact the completion of the current work being undertaken. However, as the circumstances continue to evolve, there may be disruptions to the future work timelines if employees, consultants or their respective families are personally impacted by COVID-19 or if travel and other operational restrictions are not lifted.

### Significant changes in the state of affairs

On 5 May 2021, Opal Biosciences Limited announced the proposed acquisition of specialist pharmaceutical formulation development business, Formulytica Pty Ltd and on 6 May 2021, announced its Information Memorandum (IM) to raise up to \$5 million through the issue of 33,333,333 shares at \$0.15 (15 cents) per share to fund the transaction costs associated with the acquisition. The IM was subsequently withdrawn on 14 July 2021.

On 22 June 2021, the company announced call for expressions of interest from companies and organizations wishing to support and/or participate in the formation of a Life Sciences and Biotechnology

## Directors' Report

Development and Manufacturing Precinct in 2023 to be based in Boronia, Victoria, Australia. Expressions of interest were sought by 31 July 2021. The precinct would open in 2023 with off-site preparatory work and planning to be undertaken during 2022.

There were no other significant changes in the state of affairs of the company during the financial period.

### Matters subsequent to the end of the financial period

Subsequent to the end of the year, on 14 July 2021, the company announced that in light of progress in the process to lead the development of a Life Sciences and Biotechnology Development and Manufacturing Precinct to be based in Boronia, Victoria, Opal is reviewing its funding requirements and withdrawing its current capital raising. All applicant monies were returned in full to applicants.

On 20 September 2021, the company issued 3,333,332 ordinary shares at an issue price of \$0.075 (7.5 cents) per share, raising a total of \$250,000. One free attaching option was issued for every one new share. The free attaching options are exercisable at \$0.075 (7.5 cents) each, expiring 20 September 2022. The proceeds from the Placement will be used to pursue a potential pharmaceutical manufacturing opportunities, including due diligence, feasibility studies and exploring potential grant opportunity, and for general working capital purposes.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

### Likely developments and expected results of operations

The Company will continue to implement its existing strategy by focusing on the development of its technology in an economically efficient manner.

### Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### Information on directors



#### **Hugh M Morgan AC | Chairman, Non-Executive Director | LLB, BCom**

Hugh Morgan is Principal of First Charnock Pty Ltd. Hugh was appointed Chief Executive Officer of Western Mining Corporation (1990-2003) and prior to that served as an Executive Officer (1976-1986) and then Managing Director (from June 1986).

Hugh has served as a Director of Alcoa of Australia Limited (1977-1998 and 2002-2003); Director of Alcoa Inc. (1998-2001); Member of the Board of the Reserve Bank of Australia (1981-1984 and 1996-2007); President of the Australian Japan Business Co-Operation Committee (1999-2006); Joint Chair of the Commonwealth Business Council (2003-2005) and now Emeritus Director; President of the Business Council of Australia (2003-2005) and now an Honorary Member; Member of the Anglo American plc Australian Advisory Board (2006-2014). Hugh was a Member of the Lafarge International Advisory Board; is Chairman of the Order of Australia Association Foundation Limited; Trustee Emeritus of The Asia Society New York; Chairman Emeritus of the Asia Society AustralAsia Centre; Member of the Asia Society Australia Advisory Council; President of the National Gallery of Victoria Foundation. Hugh is a graduate in Law and Commerce from the University of Melbourne. **Special responsibilities: None**

## Directors' Report



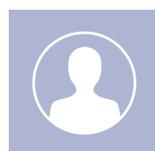
### **Julie Phillips | Managing Director | BPharm, DHP, MSc, MBA**

Ms Julie Phillips has a strong background in the biotech and pharmaceutical industry, having worked as the CEO and Director of start-up Australian biotechnology companies operating in the life sciences sector. She is Managing Director of BioDiem's subsidiary, Opal Biosciences Ltd, Chairman of the Innovation and Science Australia's R&D Incentives Committee, until Feb 2020 was Chairman of AusBiotech Ltd, the peak biotechnology industry association in Australia, and is currently a Director of the Medtech and Pharma Growth Centre, MTP Connect. Julie has also been appointed to the University of Newcastle's Council and sits on a number of government advisory committees. [Special responsibilities: None](#)



### **Kenneth Windle | Non-Executive Director | BPharm, DipEc, MPS**

Ken Windle worked 30 years with Glaxo/Glaxo Wellcome (now gsk) in International positions including Member of the Group's Executive Committee. This career included Head of Global Commercialisation based in London, CEO of subsidiaries in UK, Australia, and Regional President Asia Pacific. He was Chairman and CEO of Advent Pharmaceuticals Pty Ltd which he co-founded in 2001 and sold in 2018. He was Director of Aus Bio Ltd, Chairman of their R&D Committee, Deputy Chair of Acrux, and NED of NZ Pharmaceuticals. He is Chairman of RMIT's PAC and NED of Opal. He served 8 years as a Member of Innovation Australia which included Chairman of the Board's COMET and P3 Committees, member of IIF Committee, and PISG Working Group. He was Chairman of the working group in Victorian Gov't's. Biotechnology Strategic Development Plan. Graduating from Otago University in Pharmacy and pharmacology, he further studied Economics at Massey University, and completed the Executive Programme at London Business School. Mr Windle has previously served as Consultant to the (Australian) Prime Minister's Science Council on Industry Development, Director of the (Singapore) Economic Development Board EDB, and (Singapore's) Committee on Competitiveness. He was for 2 three year terms Chairman of the APMA (now Medicines Australia), a member of the Pharmaceuticals Industry Advisory Committee, a member of Pharmaceuticals Industry Action Agenda (PIAAG), member of the Pharmaceuticals Industry Strategy Group (PISG), and has been twice a winner of the Governor of Victoria's Export Prize. [Special responsibilities: None](#)



### **Peter Snowball | Non-Executive Director**

Peter's successful career in the financial markets started at Barclays Bank and then the London Futures Exchange. After emigrating to Australia in 1971 he traded on the Sydney Wool Futures Exchange for global clients. Then back in London for a short time Peter became a senior broker at Shearson Lehmann Brothers with his own client base of professional traders, trading mainly financial futures in Chicago. Later in Australia Peter set up a financial futures broking desk at Merrill Lynch in Sydney and subsequently at FIMAT Australia, broking interest rate futures into Singapore and Chicago. Peter moved to J B Were in 1994 where he switched to broking equities for retail clients and within five years became one of the biggest business writers in the Sydney office and in the Company. After a short time supporting the Philanthropic Services team, Peter left J B Were in 2014 and moved to roles with smaller private companies assisting in company turn-arounds and corporate transactions. Peter was the chairman of Philip Shaw Wines Pty Ltd until December 2019.

[Special responsibilities: None](#)

## Directors' Report



### Melanie Leydin | Company secretary | BBus (Acc. Corp Law) CA FGIA

Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies across a host of industries including but not limited to the Resources, technology, bioscience, biotechnology and health sectors.

Melanie has over 25 years' experience in the accounting profession and over 15 years' experience holding Board positions including Company Secretary of ASX listed entities. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the period ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Mr Hugh M Morgan AC	10	10
Ms Julie Phillips	10	10
Mr Kenneth Windle	10	10
Mr Peter Snowball	10	10

Held: represents the number of meetings held during the time the director held office.

### Shares under option

Options at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
18/12/2018	31/11/2021	\$0.25	1,007,000
20/09/2021	20/09/2022	\$0.07	3,333,332
			4,340,332

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

### Shares issued on the exercise of options

The following ordinary shares of the company were issued during the period ended 30 June 2021 and up to the date of this report on the exercise of options granted:

## Directors' Report

### Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### Auditor's independence declaration

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

### Auditor

Grant Thornton continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



**Mr Hugh M Morgan AC**

Director

3 November 2021

# Auditor's independence declaration



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## Auditor's Independence Declaration

To the Directors of Opal Biosciences Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Opal Biosciences Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 3 November 2021

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## Statement of profit or loss and other comprehensive income

For the period ended 30 June 2021

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Other Income	4	25,287	95,242
<b>Expenses</b>			
Research and Development Costs		(12,928)	(199,615)
Administration Expenses		(435,887)	(366,216)
Employment Costs		(54,794)	(65,762)
<b>Loss before income tax expense</b>		(478,322)	(536,351)
Income tax expense	5	-	-
<b>Loss after income tax expense for the period attributable to the owners of Opal Biosciences Limited</b>		(478,322)	(536,351)
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive loss for the period attributable to the owners of Opal Biosciences Limited</b>		(478,322)	(536,351)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

## Statement of financial position

As at 30 June 2021

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	187,529	247,761
Trade and other receivables	7	9,838	13,007
Other assets	8	20,861	213,844
<b>Total current assets</b>		218,228	474,612
<b>Total assets</b>		218,228	474,612
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	121,801	48,443
Funds received in advance	10	147,580	-
<b>Total current liabilities</b>		269,381	48,443
<b>Total liabilities</b>		269,381	48,443
<b>Net assets/(liabilities)</b>		(51,153)	426,169
<b>Equity</b>			
Issued capital	11	2,015,157	2,014,157
Accumulated losses		(2,066,310)	(1,587,988)
<b>Total equity/(deficiency)</b>		(51,153)	426,169

The above statement of financial position should be read in conjunction with the accompanying notes

## Statement of changes in equity

For the period ended 30 June 2021

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	1,461,762	(1,051,637)	410,125
Loss after income tax expense for the period	-	(536,351)	(536,351)
Other comprehensive income for the period, net of tax	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(536,351)</b>	<b>(536,351)</b>
<i>Transactions with owners in their capacity as owners:</i>			
Exercise of options	455,500	-	455,500
Issue of shares	96,895	-	96,895
<b>Balance at 30 June 2020</b>	<b>2,014,157</b>	<b>(1,587,988)</b>	<b>426,169</b>

	Issued capital \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2020	2,014,157	(1,587,988)	426,169
Loss after income tax expense for the period	-	(478,322)	(478,322)
Other comprehensive income for the period, net of tax	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(478,322)</b>	<b>(478,322)</b>
<i>Transactions with owners in their capacity as owners:</i>			
Exercise of options	1,000	-	1,000
<b>Balance at 30 June 2021</b>	<b>2,015,157</b>	<b>(2,066,310)</b>	<b>(51,153)</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes

## Statement of cash flows

For the period ended 30 June 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Income received		-	27,500
Payments to suppliers and employees (inclusive of GST)		(427,082)	(571,705)
R&D tax incentive		218,270	-
<b>Net cash used in operating activities</b>	16	<b>(208,812)</b>	<b>(544,205)</b>
<b>Cash flows from investing activities</b>			
Funds received in advance		147,580	-
<b>Net cash from investing activities</b>		<b>147,580</b>	<b>-</b>
<b>Net cash from financing activities</b>			
Proceeds from exercise of options	11	1,000	455,500
<b>Net cash from financing activities</b>		<b>1,000</b>	<b>455,500</b>
Net decrease in cash and cash equivalents		(60,232)	(88,705)
Cash and cash equivalents at the beginning of the financial period		247,761	336,466
<b>Cash and cash equivalents at the end of the financial period</b>	6	<b>187,529</b>	<b>247,761</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes

# Notes to the financial statements

30 June 2021

## Note 1. General information

The financial statements cover Opal Biosciences Limited as an individual entity. The financial statements are presented in Australian dollars, which is Opal Biosciences Limited's functional and presentation currency. Opal Biosciences Limited is a for profit entity.

Opal Biosciences Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4  
100 Albert Road  
South Melbourne VIC 3205

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 November 2021. The directors have the power to amend and reissue the financial statements.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

#### *Cloud computing arrangement*

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, Configuration or customisation costs in a cloud computing arrangement. The decision discusses whether configuration or customisation expenditure relating to cloud computing arrangements is able to be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

As at 30 June 2021, the entity has made assessment on the issuance of the interpretation and concluded that it has no impact on the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The company reported a net loss after tax of \$478,322 (2020: \$536,351 net loss after tax) and had net operating cash outflows of \$208,812 (2020: \$544,205) for the financial year ended 30 June 2021. The net loss after tax is directly attributable to the expenditures incurred in ongoing research and development activities, as well as administration expenditure. The current net asset deficiency of the company amounts to \$51,153 (net assets at 30 June 2020: \$426,169), including cash and cash equivalent assets of \$187,529 (30 June 2020: \$247,761). The company's ability to continue as a going concern is dependent on the company's ability to secure additional sources of financing successfully.

The Directors believe there are reasonable grounds to believe the entity will be able to continue as a going concern. This assumes that the entity will be able to meet its debts as and when they fall due for a period of 12 months from the date of signing the financial statements. In reaching this position, the following factors have been considered:

- Directors have the ability to manage discretionary expenditures, which form a significant part of the company's total expenditure, enabling the company to fund its operating expenditures within its available cash reserves.
- Subsequent to year-end, on 20 September 2021, the company issued 3,333,332 ordinary shares at an issue price of \$0.075 (7.5 cents) per share, raising a total of \$250,000. One free attaching option was issued for every one new share. The free attaching options are exercisable at \$0.075 (7.5 cents) each, expiring 20 September 2022. The proceeds from the Placement will be used to pursue potential pharmaceutical manufacturing opportunities, including due diligence, feasibility studies and exploring potential grant opportunity, and for general working capital purposes.

Whilst the directors are confident in the entity's ability to continue as a going concern, in the event the commercial opportunities and potential sources of financing described above do not eventuate as planned, there is uncertainty as to whether the entity will be able to generate sufficient net operating cash inflows or execute alternative funding arrangements to enable it to continue as a going concern.

Consequently, material uncertainty exists as to whether the entity will continue as a going concern and it may therefore be required to realise assets, extinguish liabilities at amounts different to those recorded in the statement of financial position and settle liabilities other than in the ordinary course of business.

Accordingly, the Directors believe that the entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

## Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### **Revenue recognition**

The company recognises revenue as follows:

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### *Grant and concession revenue*

Unconditional government grants are recognised in profit or loss as other income when the grant becomes receivable. Any other government grant is recognised in the balance sheet initially as deferred income when received and when there is reasonable assurance that the entity will comply with the conditions attaching to it.

Other grants or concessions, including Research & Development Tax concessions, that compensate the entity for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred, and as a receivable over the same period.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

## Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

## Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **Receivables**

Receivables are initially measured at fair value and subsequently measured at amortised cost less allowance for impairment.

## **Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

## **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

## Note 4. Other income

	2021	2020
	\$	\$
Research and Development Tax Concession	25,287	70,242
Other income	-	25,000
Other income	25,287	95,242

## Note 5. Income tax expense

The potential tax benefit for tax losses above has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. Opal has tax losses of \$1,238,642.

	2021	2020
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(478,322)	(536,351)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(124,364)	(147,497)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research & Development tax incentive - not assessable	(6,575)	(19,316)
Research & Development expenditure - not deductible	-	67,465
	(130,939)	(99,348)
Current period tax losses not recognised	134,033	90,808
Current period temporary differences not recognised	(3,094)	8,540
Income tax expense	-	-

## Note 6. Current assets - Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank	187,529	247,761

## Note 7. Current assets - Trade and other receivables

	2021	2020
	\$	\$
GST receivable	9,838	13,007

## Note 8. Current assets - Other assets

	2021	2020
	\$	\$
Accrued revenue - R&D Incentives	20,861	213,844

## Note 9. Current liabilities - Trade and other payables

	2021	2020
	\$	\$
Trade payables	30,446	29,574
Other creditors and accruals	91,355	18,869
	121,801	48,443

Refer to note 13 for further information on financial instruments.

## Note 10. Current liabilities - Funds received in advance

	2021	2020
	\$	\$
Funds received in advance	147,580	-

The above figure represents funds received from investors as a part of the Information Memorandum announced by Opal during the period to raise up to \$5 million through the issue of 33,333,333 shares at \$0.15 (15 cents) per share. Subsequent to year end, Opal announced that in light of its progress in the process to lead the development of a Life Sciences and Biotechnology Development and Manufacturing Precinct to be based in Boronia, Victoria, it withdrew this capital raising, and returned all monies in full to applicants.

## Note 11. Equity - issued capital

	2021	2020	2021	2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	19,750,177	19,746,177	2,015,157	2,014,157

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	17,056,012		1,461,762
Exercise of options**	30 September 2019	1,400,000	\$0.20	280,000
Exercise of options**	01 February 2020	877,500	\$0.20	175,500
Issue of shares***	30 June 2020	125,537	\$0.20	25,109
Issue of shares***	30 June 2020	287,128	\$0.25	71,786
Balance	30 June 2020	19,746,177		2,014,157
Exercise of options	22 October 2020	4,000	\$0.25	1,000
Balance	30 June 2021	19,750,177		2,015,157

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

\*\*During FY20, Opal Biosciences Limited issued a total of 2,277,500 shares on the exercise of options at an exercise price of \$0.20 (20 cents) per share.

\*\*\*During FY20, the Company issued 154,932 and 257,733 fully paid ordinary shares at various deemed issue prices per share in lieu of Directors fees to Peter Snowball and Ken Windle, respectively.

### Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## Note 12. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

## Note 13. Financial instruments

### **Financial risk management objectives**

The company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board. The policies employed to mitigate risk include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. The Board identifies risk and evaluates the effectiveness of its responses.

### **Market risk**

#### *Foreign currency risk*

The company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

#### *Price risk*

The company is not exposed to any significant price risk.

#### *Interest rate risk*

The Company is not currently exposed to any significant interest rate risk.

### **Credit risk**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised, as counterparties are recognised financial intermediaries, with acceptable credit ratings determined by recognised credit agencies.

The maximum exposure to credit risk is represented by the carrying amounts of the financial assets in the Statement of Financial Position.

None of the company's receivables are past their due date.

The company has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the company based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

## Liquidity risk

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

### Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2021	Weighted average interest rate %	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	\$
<b>Non-derivatives</b>						
Non-interest bearing						
Trade and other payables	-	30,446	-	-	-	30,446
Money received in advance	-	147,580	-	-	-	147,580
Total non-derivatives		178,026	-	-	-	178,026
2020	Weighted average interest rate %	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	\$
<b>Non-derivatives</b>						
Non-interest bearing						
Trade payables	-	48,443	-	-	-	48,443
Total non-derivatives		48,443	-	-	-	48,443

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Note 14. Related party transactions

### Parent entity

BioDiem Limited is the parent entity.

### Key management personnel

No amounts has been paid to key management personnel as BioDiem handled these payments

### Transactions with related parties

The following transactions occurred with related parties:

	2021	2020
	\$	\$
Directors fees	54,794	65,762

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## Note 15. Events after the reporting period

Subsequent to the end of the year, on 14 July 2021, the company announced that in light of its progress in the process to lead the development of a Life Sciences and Biotechnology Development and Manufacturing Precinct to be based in Boronia, Victoria, Opal was reviewing its funding requirements and withdrawing its current capital raising. All applicant monies were returned in full to applicants.

On 20 September 2021, the company issued 3,333,332 ordinary shares at an issue price of \$0.075 (7.5 cents) per share, raising a total of \$250,000. One free attaching option was issued for every one new share. The free attaching options are exercisable at \$0.075 (7.5 cents) each, expiring 20 September 2022. The proceeds from the Placement will be used to pursue a potential pharmaceutical manufacturing opportunities, including due diligence, feasibility studies and exploring potential grant opportunity, and for general working capital purposes.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

## Note 16. Reconciliation of loss after income tax to net cash used in operating activities

	2021	2020
	\$	\$
Loss after income tax expense for the period	(478,322)	(536,351)
Adjustments for:		
Share-based payments	-	54,794
Change in operating assets and liabilities:		
Increase in trade and other receivables	(3,168)	(8,294)
Decrease/(increase) in current assets	199,320	(70,242)
Increase in trade and other payables	73,358	15,888
Net cash used in operating activities	(208,812)	(544,205)

## Directors' declaration

30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "H. Morgan".

**Mr Hugh M Morgan AC**  
Director

3 November 2021

# Independent auditor's report

to the members of Opal Biosciences Limited



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## Independent Auditor's Report

To the Members of Opal Biosciences Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Opal Biosciences Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which explains that the Company reported a net loss after tax of \$478,322 and had net operating cash outflows of \$208,812 for the financial year ended 30 June 2021. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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# Independent auditor's report

to the members of Opal Biosciences Limited



## Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 3 November 2021

## Corporate directory

<b>Directors</b>	Mr Hugh M Morgan AC Ms Julie Phillips Mr Kenneth Windle Mr Peter Snowball
<b>Company secretary</b>	Melanie Leydin
<b>Registered office</b>	Level 4 100 Albert Road South Melbourne VIC 3205 PH: + 61 3 9692 7240
<b>Principal place of business</b>	Level 4 100 Albert Road South Melbourne VIC 3205 PH: + 61 3 9692 7240
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