



Opal Biosciences Ltd
ACN 605 631 963

Level 4, 100 Albert Road
South Melbourne,
Victoria, 3205
Australia

Web: www.opalbiosciences.com

Annual General Meeting 29th November 2019

Chairman's Address

Good afternoon ladies and gentlemen,

On behalf of the Board, I welcome you to the 2019 Annual General Meeting of Opal Biosciences Ltd.

We have a quorum present and so officially declare the meeting open. This morning I am joined by fellow director Julie Phillips, and by Peter Snowball who joins us by telephone. I pass on to you the apologies our other director Ken Windle who is currently in the US.

Before handing over to Julie for the Managing Director's address, I will outline the highlights of the last financial year where Opal has been very active in progressing development of BDM-I as a treatment for infections including superbugs.

The year commenced with the addition of Peter Snowball to the Board. Peter has significant financial markets experience and is a shareholder in both BioDiem and Opal.

International news continues to raise the concern about antibiotic- resistance and the need for new antibiotics. Last December Opal was the first Australian company to join the US Centers of Disease Control and Prevention (or CDC's) "Antimicrobial Resistance Challenge". This global initiative has brought government bodies, public health agencies, academics and large and small pharma companies together as a call to action against antimicrobial resistance or AMR.

Using Opal's own funds and with its links with public agencies in the US, Opal completed a series of mouse studies to profile the dose levels which could be given in testing for efficacy of BDM-I. These studies aimed at finding the right dose and avoiding side effects. These data position us to move closer to proof of concept testing in either a fungal or bacterial infection. During the year additional lab testing found that BDM-I has the ability to kill a new global killer infection called *Candida auris*. The CEO will address this in more detail.

Opal's capital raising of \$1.139m since the beginning of 2018 has assisted this progress greatly. Following a share placement in February 2018, Opal welcomed additional new shareholders and raised a further \$252,750 in December 2018. Subsequent to 30 June 2019, an additional \$280,000 came from the early exercise of options due to expire on 1 February 2020. Opal's market capitalisation from the completion of the February 2018 placement to current has increased from \$3.2m to \$4.6m.

BioDiem remains Opal's largest shareholder at 67.73% and we continue to share resources with BioDiem so that cash requirements for overheads in both companies are minimised.

This financial year is expected to include important milestones for Opal. We have lodged a funding application to the Boston-based CARB-X group – CARB-X is a global non-profit partnership dedicated to accelerating antibacterial research. CARB-X is led by Boston University and is funded by

- BARDA (the US Department of Health and Human Services Biomedical Advanced Research and Development Authority)
- The Wellcome Trust, a global charity based in the UK,
- Germany's Federal Ministry of Education and Research (BMBF),
- The UK government's Global Antimicrobial Resistance Innovation Fund (UK GAMRIF)
- The Bill and Melinda Gates Foundation; and
- receives in-kind support from the US National Institute of Allergy and Infectious Diseases (NIAID) which is part of the National Institutes of Health.

By mid-January we will expect to hear if we get through to the next stage of the application process. In the meantime we are continuing studies under our own steam. These investigations will look at how BDM-I works against a wider range of bacteria including more strains that cause gonorrhoea and also explore the possibility of effect against the bacteria that causes Buruli ulcer also known as Bairnsdale ulcer. It has been reported in at least 33 countries. It is not known how it is transmitted and can be a chronic debilitating disease. This infection is a growing concern in Victoria with an increase in cases since 2015. If BDM-I is shown to be effective, it could then be possible to test Opal-T, our topical formulation of BDM-I against this infection.

Results of some of this new work will also be available in January just before the balance of the February 2020 options are due to expire. Our cash is carefully managed and we are fortunate to have some access to non-dilutionary and in-kind assistance. We view Opal's work as important and know there are not enough companies like us around the world working on new treatments for infections. We are grateful for the expert advice and assistance given to us by Dr Jane Ryan, Dr Richard Buchta and Dr Michael Luke. We also acknowledge the ongoing assistance of Assoc Prof Slade Jensen and PhD candidate Michael Radzieta.

The board is very fortunate to have the tireless attention of our MD Julie Phillips who has been recognised through her appointment last year to a number of industry and government advisory roles and I would like to express the gratitude of the board on behalf of shareholders the achievements for which she has been responsible during the year under review.

Thank you also to our shareholders and my fellow directors and staff for their support during the year. I look forward to informing you all of our progress over the coming year.