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Chairman's Address

Firstly, I wish to thank Hugh Morgan, who as chairman of Biodiem, has overseen the creation of its subsidiary, Opal and as Opal's Founding chairman, guided its continuing progress.

The board of Opal has been highly engaged in its operations over the past year as we reviewed our strategy in antimicrobial development. Resistance to currently used antibiotics is a clear and present threat, however there are enormous hurdles in the development of new antimicrobial treatments, with the highest being the attraction of investment. The board reviewed our existing program and also two new antifungal programs. Raising capital in a small company is rarely easy, and is based on the technical feasibility and commercial attractiveness of the investment. The absence of strong commercial attractiveness is the problem for companies raising funds to develop new drug treatments for bacterial and fungal infections. Until the commercial market and investor rewards for new antibiotics changes, our board could not justify seeking further funds to develop BDM-I. The new *in vivo* mouse studies completed had shown BDM-I's drug characteristics of poor solubility and high protein binding, would require significant additional funding and development time with a new focus on BDM-I analogues.

This position led us to review Opal's strategy. It has been clear to us and to most Australians, during the COVID-19 pandemic, that Australia has suffered from its lack of sovereign manufacturing ability and its reliance on the importation of important, in fact, critical, medicines. The fifty to a hundred medicines which could not be supplied during the pandemic were listed on the TGA website and continue to be. These supply disruptions have been distressing for patients and health professionals. In parallel there was the realization and often surprise at the deficit of vaccine development and manufacturing ability in Australia and the singular reliance on CSL which has been making the AstraZeneca vaccine here.

Many events coincided with our strategy review leading us towards a *plan to grow a vaccine and pharmaceutical manufacturing business*. The coincident events were, the announcement in the October 2020 federal budget of the \$1.3b Modern Manufacturing Initiative; discussions with Formulytica Pty Ltd to build a closer relationship and the announcement of the closure and then sale of the GSK pharmaceutical manufacturing plant in Boronia, Victoria.

2021 has seen us pursue this plan with vigour. In March 2021 we lodged an Expression of Interest for use of the Boronia site hoping to engage with the successful site purchaser. The timing and likely success of this was unknown to us. Simultaneously we worked with Formulytica to develop a merger plan and signed a sale agreement conditional on a successful capital raising. This was launched in May 2021. In June we were introduced to the new owners of the GSK site to open discussions about our interest in manufacturing there. None of this had been disclosed in our capital raising Information Memorandum and so we withdrew the Offer and returned all the funds raised. While this was disruptive, the board felt the potential for benefit to shareholders was significantly greater by pursuing access to Boronia. This would not necessarily mean we could not aim to merge with Formulytica in the future.

As we meet today, Opal is poised to enter a significant growth phase for the company as it executes its plan to enter pharmaceutical manufacturing. I must be clear though, that the Boronia option has significant risk, and while the vision we have now is profoundly different and more attractive as an investment than Opal's prior course, there is a reasonably high chance of failure due to many factors beyond our control.

Having acknowledged that, I'd like to reassure shareholders that the financial costs of getting us to a go/no-go decision are being tightly controlled and contained. The work to drive Opal towards the chance of success has been intense and supported by a small recent share placement, with attaching options to investors which raised \$250,000.

This re-direction of the company could raise many questions for you which we might not be able to address in the limited time we have today. If this is the case, we welcome you to contact our Managing Director, Julie Philips, who would be most pleased to answer your questions.

Before I hand to Julie to deliver her presentation, I would like to thank shareholders for their ongoing support and interest in what we are doing in Opal. My thanks also to both Hugh and Peter: we have been a tight team working with Julie to get Opal to this exciting new position. I also give very special thanks to my longtime colleague, Phil Leslie, a highly experienced "head of manufacturing" with decades of experience on the Boronia site. Phil has inspired us and many others, about the significant national value of the Boronia site and its potential to be used for vaccine and pharmaceutical production both for local use and export. Phil is now a shareholder in Opal, and together with Julie, working tirelessly to deliver a result for shareholders. I want to also acknowledge and praise the huge effort that Julie has made and continues to make to drive the company towards fulfilling this Plan. Her reach into the industry and Governments is a set of keys to the new parties we are working with on our journey.

I will now pass to Julie to deliver the Managing Director presentation.