



Opal Biosciences Ltd
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Annual General Meeting 30th November 2023

Chairman's Address

Good afternoon, ladies and gentlemen and welcome to the Opal Biosciences AGM for the financial year 2023 which is being held by webinar.

I am your chairman and since we have a quorum present, I officially declare the meeting open.

Today I am joined by my fellow director, Mr Damien Hannes: Damien is the chairman of BioDiem Ltd, our parent company; and Julie Phillips, our Managing Director, and the CEO of BioDiem Ltd.

At last year's AGM the Company's members approved a change to Opal's constitution to permit flexibility in the use of technology for our company meetings. We are taking advantage of this today to save costs and also allow our geographically dispersed shareholders the opportunity to join us.

Before Julie presents an overview of Opal's activities during the year under review and more recent events, I will take you through the highlights.

You would recall from my address to you last year that in early 2022 our Opal board revised the company's focus to plan for smaller scale pharmaceutical manufacturing of novel products and those for clinical trial. This followed our unsuccessful attempt to secure government support for a large pharmaceutical manufacturing precinct development at the GSK manufacturing site in Victoria which had been flagged as becoming vacant and available for lease.

To support our revised plan for small scale manufacturing of novel products we investigated opportunities open to us and then executed a number of activities.

Firstly, we raised \$250,000 from exercise of options associated with our September 2021 share issue at a price of 7.5c complemented by a share placement in October 2022 for the shortfall. Receipts from consulting work by the CEO also contributed during the year to the funds available to the company.

Secondly, in June 2023 we executed a share purchase agreement with Formulytica Pty Ltd. Formulytica is a Melbourne-based revenue-generating pharmaceutical development company which currently specialises in the formulation and development of topical, oral, ophthalmic and injectable products. Formulytica generates revenue from its fee-for-service business and also from royalties from licences to its innovative technology. The completion of this share-based acquisition is conditional on a \$2m capital raise for the operations of the merged business.

Thirdly, we submitted a number of grant applications. We await the result of two but have been successful with one for \$5m. The two still under assessment are to the federal government's Medical Research Future Fund and to the Co-operative Research Programme's Project Fund. The results of these applications are likely in the next couple of months. Regarding the successful grant, this followed the

submission in May 2022 of an expression of interest to the Western Australian Investment Attraction Fund. The application was to build a pilot scale pharmaceutical manufacturing facility in Perth in partnership with Formulytica Pty Ltd and others. We were invited to submit a full application which we lodged in October 2022. This led to a successful result and the signing of a \$5m funding agreement with the WA government in July 2023.

This is a major development for our company and forms the basis for the establishment of a much-needed manufacturing capability to serve Australia's needs, and be based in Perth. The grant will assist the merged Opal- Formulytica business to establish a sterile pharmaceutical development and manufacturing facility in Perth for:

- research stage products for testing in preclinical and early stage (Phase I/IIa) clinical studies and
- precision medicine treatments e.g. individually tailored cancer vaccines.

While the grant is for \$5m over a 5 year period to establish the facility in Perth, it requires matched funding and therefore we have opened a capital raise for \$2.5m priced at 25c per share and with an attaching option. Completion of this capital raise will meet our financial obligations under the grant and also conclude the acquisition of Formulytica.

An extraordinary amount of work has been done to get us to this promising position by both our own team and also Formulytica's. To realise this plan and its value will take significantly more work during the coming year.

So what do we see as the future? Our intention following the completion of the capital raise and commencement of our Perth operations is to build the group further to create a significant business serving the local Australian market as well as overseas companies requiring small batch sterile injectable manufacturing including those needed for precision medicine and vaccine product development. This is where we see the gap in Australia. Providing an onshore capability can allow companies access to government incentives including the R&D tax rebate.

There is no doubt that this is an exciting project. Not only will this extension of the existing Melbourne-based Formulytica business grow the fee-for-service capability it will also facilitate the development of innovative new technology and intellectual property which can be licenced to others to provide additional revenue. Formulytica already has its own patent portfolio, some of which is already commercialised, and this initiative will assist that to grow.

The capital raising is critical to our success and we have extended the close to the end of March 2024 to accommodate the Australian holiday season. Our Information Memorandum is open to sophisticated investors and we are keen to involve and collaborate with local companies and also overseas companies who wish to establish a presence in Australia and share facilities with us.

I wish to thank the BioDiem board for its support during the year and ongoing: BioDiem is Opal's largest shareholder and we share resources with it to keep costs down.

Thanks also to the Ensign Laboratories Pty Ltd and Formulytica Pty Ltd directors and staff, and also Phil Leslie, Andrew Watson, Larry Gallagher and Graeme Jenzen who have been involved and supportive of our new business plan for Perth, and to the researchers and staff at the University of Western Australia for their input into the grant applications for innovative projects. We also thank and acknowledge the WA State government for their valuable support.

I also thank shareholders for their ongoing support during this transition of our business. I will now pass to Julie to deliver the Managing Director presentation.