

Opal Biosciences Limited

ABN 97 605 631 963

Half-year Financial Report - 31 December 2023

Opal Biosciences Limited
Corporate directory
31 December 2023

| | |
|-----------------------------|--------------------------------------------------------------------------------|
| Directors | Mr Henry Kenneth Windle Ms Julie Phillips Mr Damien Hannes |
| Company secretary | Stefan Ross |
| Registered office | Level 4 100 Albert Road South Melbourne VIC 3205 PH: + 61 3 9692 7222 |
| Principal place of business | Level 4 100 Albert Road South Melbourne VIC 3205 PH: + 61 3 9692 7222 |
| Auditor | William Buck Level 20, 181 William Street Melbourne VIC 3000 |
| Website | www.opalbiosciences.com |

Opal Biosciences Limited

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31 December 2023

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Opal Biosciences Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2023.

Directors

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr H. Kenneth Windle
Ms Julie Phillips
Mr Damien Hannes

Principal activities

During the financial period the principal activity of the company consisted of the development and commercialisation of pharmaceutical and biomedical research.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Company after providing for income tax amounted to \$24,053 (31 December 2022: \$46,291).

Significant changes in the state of affairs

On 21 June 2023, the Company announced its proposed merger with specialist company, Formulytica Pty Ltd ACN 605 865 825 ("FLT").

On 18 July 2023, the Company announced it had been awarded an Investment Attraction Fund grant of \$5m by the Government of Western Australia. The grant will support establishment of a manufacturing facility in Perth to develop and formulate the materials required for use in clinical trials particularly small batch manufacture of sterile injectables and vaccines.

On 31 July 2023, the Company lodged an MRFF National Critical Infrastructure grant application requesting \$5m to support the Perth facility and a program to manufacture personalised medicines.

On 1 September 2023, the Company announced its Information Memorandum to raise up to \$2.5 million through the issue of 10,000,000 new Shares at \$0.25 (25 cents) per share together with one (1) free attaching Option for every one (1) new Share having an exercise price of \$0.25 (25 cents) and expiring October 2025. The Offer is being made as a prerequisite to the Company's acquisition of Formulytica Pty Ltd ACN 605 865 825 ("FLT").

There were no significant changes in the state of affairs of the Company during the financial half-year.

Matters subsequent to the end of the financial half-year

On 26 March 2024 the closing date for the Opal capital raising was extended to 24 May 2024.

No other matter or circumstance has arisen since 31 December 2023 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Opal Biosciences Limited
Directors' report
31 December 2023

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

On behalf of the directors



Mr Henry Kenneth Windle
Chairman

22 April 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Opal Biosciences Limited

As lead auditor for the review of Opal Biosciences Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Opal Biosciences Limited and the entities it controlled during the period.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

Alex Finnis

A. A. Finnis

Director

Melbourne, 22 April 2024

Opal Biosciences Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

| | Note | 31 December 2023 \$ | 31 December 2022 \$ |
|---------------------------------------------------------------------------------------------------------------|------|---------------------------|---------------------------|
| Revenue | 3 | - | 60,000 |
| Total revenue | | <u>-</u> | <u>60,000</u> |
| Expenses | | | |
| Administration | | <u>(24,053)</u> | <u>(106,291)</u> |
| Total expenses | | <u>(24,053)</u> | <u>(106,291)</u> |
| Loss before income tax expense | | (24,053) | (46,291) |
| Income tax expense | | <u>-</u> | <u>-</u> |
| Loss after income tax expense for the half-year attributable to the owners of Opal Biosciences Limited | | (24,053) | (46,291) |
| Other comprehensive income for the half-year, net of tax | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the half-year attributable to the owners of Opal Biosciences Limited | | <u><u>(24,053)</u></u> | <u><u>(46,291)</u></u> |

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

Opal Biosciences Limited
Statement of financial position
As at 31 December 2023

| | Note | 31 December 2023 \$ | 30 June 2023 \$ |
|----------------------------------|-------------|------------------------------------|----------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 69,896 | 136,857 |
| Trade and other receivables | | 311 | 4,001 |
| Prepayments | | 11,198 | - |
| Total current assets | | <u>81,405</u> | <u>140,858</u> |
| Total assets | | <u>81,405</u> | <u>140,858</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 29,534 | 64,933 |
| Funds received in advance | | 1,500 | 1,501 |
| Total current liabilities | | <u>31,034</u> | <u>66,434</u> |
| Total liabilities | | <u>31,034</u> | <u>66,434</u> |
| Net assets | | <u>50,371</u> | <u>74,424</u> |
| Equity | | | |
| Issued capital | 4 | 2,515,906 | 2,515,906 |
| Accumulated losses | | (2,465,535) | (2,441,482) |
| Total equity | | <u>50,371</u> | <u>74,424</u> |

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

Opal Biosciences Limited
Statement of changes in equity
For the half-year ended 31 December 2023

| | Issued capital \$ | Accumulated losses \$ | Total equity \$ |
|--------------------------------------------------------------|----------------------------------|--------------------------------------|----------------------------|
| Balance at 1 July 2022 | 2,295,157 | (2,262,196) | 32,961 |
| Loss after income tax expense for the half-year | - | (46,291) | (46,291) |
| Other comprehensive income for the half-year, net of tax | - | - | - |
| Total comprehensive income for the half-year | - | (46,291) | (46,291) |
| <i>Transactions with owners in their capacity as owners:</i> | | | |
| Contributions of equity, net of transaction costs | 87,568 | - | 87,568 |
| Exercise of options | 133,181 | - | 133,181 |
| Balance at 31 December 2022 | <u>2,515,906</u> | <u>(2,308,487)</u> | <u>207,419</u> |
| | Issued capital \$ | Accumulated losses \$ | Total equity \$ |
| Balance at 1 July 2023 | 2,515,906 | (2,441,482) | 74,424 |
| Loss after income tax expense for the half-year | - | (24,053) | (24,053) |
| Other comprehensive income for the half-year, net of tax | - | - | - |
| Total comprehensive income for the half-year | - | (24,053) | (24,053) |
| Balance at 31 December 2023 | <u>2,515,906</u> | <u>(2,465,535)</u> | <u>50,371</u> |

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

Opal Biosciences Limited
Statement of cash flows
For the half-year ended 31 December 2023

| | 31 December 2023 | 31 December 2022 |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of GST) | - | 60,000 |
| Payments to suppliers and employees (inclusive of GST) | (66,961) | (94,540) |
| Net cash used in operating activities | (66,961) | (34,540) |
| Net cash from investing activities | - | - |
| Cash flows from financing activities | | |
| Proceeds from shares issue from exercise of options | - | 220,749 |
| Repayment of funds received in advance for shares issue | - | (15,000) |
| Net cash from financing activities | - | 205,749 |
| Net increase/(decrease) in cash and cash equivalents | (66,961) | 171,209 |
| Cash and cash equivalents at the beginning of the financial half-year | 136,857 | 60,942 |
| Cash and cash equivalents at the end of the financial half-year | <u>69,896</u> | <u>232,151</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes

Opal Biosciences Limited
Notes to the financial statements
31 December 2023

Note 1. General information

The financial statements cover Opal Biosciences Limited ("the Company") 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 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 22 April 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.'

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 \$24,053 (31 December 2022: \$46,291 net loss after tax) for the half-year ended 31 December 2023 and had net operating cash outflows of \$66,961 (31 December 2022: net outflows of \$34,540) for the half-year ended 31 December 2023. The net loss after tax is directly attributable to the expenditures incurred in ongoing employment expenditure and administration expenditure. Despite the net loss after tax incurred for the period, the Directors have prepared the financial statements on the going concern basis.

The going concern basis is considered appropriate based on a combination of the existing net assets of the Company, which amounted to \$50,371 (Net assets as at 30 June 2023: \$74,424) and this includes cash and cash equivalent assets of \$69,896 (30 June 2023: \$136,857), and the expectation of Company's ongoing ability to secure additional sources of financing successfully. In this regard, the Directors note the following:

Opal Biosciences Limited
Notes to the financial statements
31 December 2023

Note 2. Material accounting policy information (continued)

- On 18 July 2023, the Company announced it has been awarded an Investment Attraction Fund grant of \$5 million by the Government of Western Australia (WA). The grant requires matched funding over the 5 year period of the project.
- On 1 September 2023, the Company announced its Information Memorandum to raise up to \$2.5 million through the issue of 10,000,000 new Shares at \$0.25 (25 cents) per share together with one (1) free attaching Option for every one (1) new Share having an exercise price of \$0.25 (25 cents) and expiring October 2025.
- 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.

For these reasons, the Directors believe the Company has positive future prospects and are satisfied the going concern basis of preparation of these financial statements is appropriate.

The ability of the Company to continue as a going concern will be dependent on the ability of the Company's ability to:

- raise additional capital when required; and/or
- curtail operating expenditure when required.

These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

Note 3. Revenue

| | 31 December 2023 | 31 December 2022 |
|-------------------|-----------------------------|-----------------------------|
| | \$ | \$ |
| Consulting income | - | 60,000 |

The consulting fees for the half year ended 31 December 2022 were related to advisory services provided by the Company to a development project in NSW.

Note 4. Equity - Issued capital

| | 31 December 2023 | 30 June 2023 | 31 December 2023 | 30 June 2023 |
|------------------------------|-----------------------------|---------------------|-----------------------------|---------------------|
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | 26,419,838 | 26,419,838 | 2,515,906 | 2,515,906 |

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.

Note 5. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 6. Contingent liabilities

The Company does not have any contingencies as at 31 December 2023 (30 June 2023: nil).

Opal Biosciences Limited
Notes to the financial statements
31 December 2023

Note 7. Commitments

The Company does not have any commitment as at 31 December 2023 (30 June 2023: nil).

Note 8. Events after the reporting period

On 26 March 2024 the closing date for the Opal capital raising was extended to 24 May 2024.

No other matter or circumstance has arisen since 31 December 2023 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.

Opal Biosciences Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the financial half-year 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 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Henry Kenneth Windle
Chairman

22 April 2024

Independent auditor's review report to the members of Opal Biosciences Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Opal Biosciences Limited (the Company), does not comply with the *Corporations Act 2001*, including:

giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and

complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Company, which comprises:

- the statement of financial position as at 31 December 2023,
- the statement of profit or loss and other comprehensive income for the half-year then ended,
- the statement of changes in equity for the half-year then ended,
- the statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and
- the directors' declaration.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the half-year financial report, which indicates that the Group incurred a net loss of \$24,053, and had net cash outflows from operating activities of \$66,961 for the six months ended 31 December 2023. As at that date the Group had net current assets of \$50,371. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

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

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

Alan Finnis

A. A. Finnis
Director
Melbourne, 22 April 2024