



OPAL BIOSCIENCES LIMITED

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6 June 2024

Letter to Shareholders

Dear Shareholder,

On 27 May 2024, Opal Biosciences Ltd (“Opal” or the “Company”) announced that it was unable to raise the minimum \$2.0 million in funds required to complete its capital raising by the close of the subscription period on 24 May 2024. As a result, Opal is unable to complete the proposed merger with Formulytica Pty Ltd and will also not be in a position to start the project in Perth for which we received the Western Australian (WA) Investment Attraction Fund \$5 million grant.

Following the unsuccessful capital raising, the options open to Opal included attempting to undertake a strategic transaction (for example, a merger with another company), or to wind up the Company. Opal is undertaking discussions with potential, strategic third parties to see if we could enter into a transaction and potentially preserve the WA Investment Attraction Fund \$5 million grant. These discussions are ongoing however might not be successful or be of sufficient benefit to Opal shareholders.

Opal started in 2015 as a spinout from BioDiem Ltd to develop and commercialise the BDM-I molecule. Unfortunately this molecule failed in development. At the beginning of the pandemic, Opal saw an opportunity to switch focus to small scale injectables pharmaceutical manufacturing. From 2021 until now we have pursued this strategy, engaged widely and lodged four federal government grant applications as well as one state government grant application. As you know, we were successful in securing the WA Investment Attraction Fund \$5 million grant. To extend the cash runway of the Company and allow time for a capital raising, I contributed funds received from my personal consulting work to various property developers (for life sciences precincts) and also from my grant assessment activities – such was my confidence that we would be able to attract a cornerstone investor for the Perth project. Unfortunately, like other Australian companies, we have found market conditions highly unfavourable.

Given the Company’s financial position and the uncertain outcome of current merger discussions, the Board has proposed to proceed to wind up the Company and, to achieve this, seeks shareholder approval to appoint a liquidator of the Company. Should the merger discussions progress favourably, the Board will cancel the meeting and cease the process to appoint a liquidator.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Julie", written over a large, light-colored oval shape.

Julie Phillips

Managing Director

Opal Biosciences Limited

Further information

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For more information, please visit www.opalbiosciences.com.