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## **Annual General Meeting 27th November 2018**

### **Chairman's Address**

Today I will give you a brief overview of the 2017-2018 year for Opal Biosciences.

The key events included

- Finalisation of the de-merger of our subsidiary, Opal Biosciences Ltd; and
- Significant progress in Opal's programs to fight superbugs.

The de-merger of Opal Biosciences Ltd ("Opal") from BioDiem was completed following shareholder approval last November 2017. A placement of Opal shares to sophisticated investors raised \$606,000 and was completed in February this year. These funds have been used to progress development of new treatments for infections based on the drug BDM-I. The new treatments are aimed at those infections that are hard-to-treat or where they are resistant to current antibiotics. These infections can be life-threatening and/or cause serious sickness and long-lasting effects. In March this year the assignment of the intellectual property rights from BioDiem to Opal was completed. BioDiem currently holds a 73.29% stake in Opal and is the largest shareholder. As Opal raises funds to continue the BDM-I development work, BioDiem's shareholding will reduce in percentage.

I remain chair of both BioDiem and Opal, and during the year we strengthened the Opal board with the appointment of Mr Ken Windle and more recently, Mr Peter Snowball. Prof Rudenko, who is a BioDiem director, stepped down from the Opal board during the year. Ken is a well-known and experienced pharma executive, and Peter is an experienced financial markets executive and biotechnology company investor, and is a shareholder in both BioDiem and Opal.

We are delighted that during the financial year Opal has established a solid footing for growth in value. Opal's programs to fight infection are very promising, and resistance to antibiotics continues to make headlines. During the year Opal focused on the development of an injectable form of the drug BDM-I, and this was achieved successfully via a contract with Formulytica Ltd in Melbourne and with assistance in funding from a Federal government Innovation Connection grant of \$50,000.

Earlier this year, studies showed that Opal's BDM-I can inhibit the growth, or kill, highly resistant strains of the bacteria that causes gonorrhoea. Because cases of this infection are growing in number around the world, and because so few new treatments are in the pipeline internationally, Opal has been engaging with the World Health Organisation's GARD-P and the US National Institutes of Health to get assistance with the development of a new treatment. This engagement is ongoing.

Opal's topical gel also showed benefit in a mouse skin study against a very resistant form of Golden Staph. More work needs to be done to profile the beneficial effect of the gel.

Meanwhile, and also under the Innovation Connections grant, the Ingham Research Institute has continued to explore how BDM-I works to kill bacteria. We expect some of the results of this work to be published next year.

In late July we commenced a capital raising through an Information Memorandum to raise \$1.5m. As at today's date we have raised \$252,000. Although the IM targets sophisticated investors, under the 20/12 rule, we can also take up to 20 investors who do not meet those eligibility criteria in a twelve month period. The fund-raising activities in Opal continue and so do the opportunities for non-dilutive grant and public agency assistance.

The successful demerger of Opal Biosciences and the ability of Opal to share resources and costs with BioDiem costs keeps Opal's cash requirement low and able to be focused on the R&D work.

This is a pivotal time in the Opal's growth and we have been very pleased with the local and international interest we are receiving to support Opal's progress.

My thanks go to my fellow directors and staff for their contributions during the year, and to shareholders who have made the successes to date possible. I look forward keeping you abreast of progress.