BioDiem

Annual General Meeting

24 September 2009

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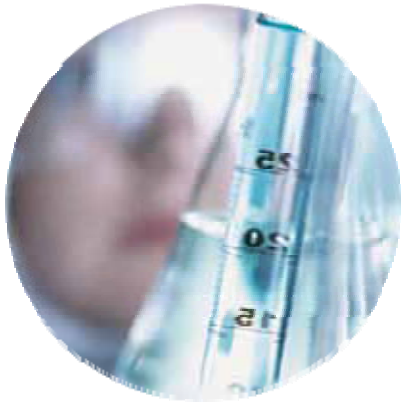
AGENDA

- Chairman's Overview
- Review of Operations
- Questions
- AGM Resolutions

DEVELOPING PRODUCTS THROUGH GLOBAL PARTNERSHIPS



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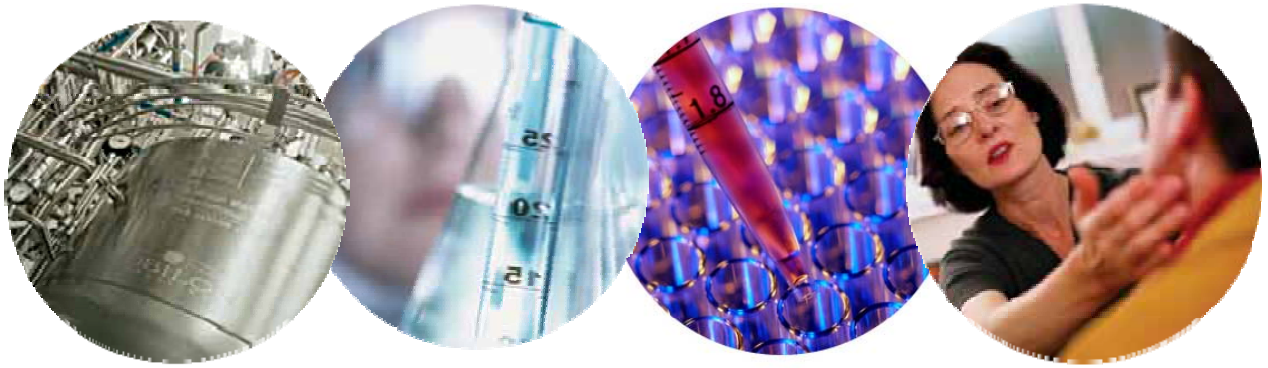

REVIEW OF OPERATIONS

Julie Phillips, CEO

DEVELOPING PRODUCTS THROUGH GLOBAL RELATIONSHIPS

ACHIEVEMENTS FY 2008-2009

LAIV Programs	
Seasonal Influenza	
Phase I clinical trial with Nobilon/Schering-Plough	Treatment phase completed Results being analysed
Pandemic Influenza	
H5N2 Phase II clinical trial with IEM	Completed
H5N1 animal trials with CDC	Commencement delayed (now started)
BDM-E Programs	
Further pre-clinical studies in animal models	Completed/In progress
BDM-I Programs	
Additional academic work	Under review for new targets
Corporate	
Manage costs effectively and assess potential new projects	New project under review

PRODUCT PIPELINE

Product	Indication	Research	Pre-clinical	Phase I	Phase II		Phase III
LAIV	Seasonal Influenza						
LAIV	Pandemic Influenza (H5N1 or H7N3)					★	
LAIV	Pandemic Influenza (H5N2)					★	
LAIV	Pandemic Influenza (H1N1) swine					★	
BDM-E	Retinal Eye Disease						
BDM-I	Antimicrobial						

★ Pandemic Vaccines can be registered after Phase II clinical trials

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LAIV

A Live Attenuated Influenza Vaccine for the prevention of seasonal epidemic and pandemic influenza

Professor Larisa Rudenko, M.D., PhD, DSc.
Non-executive director

KEY ADVANTAGES OF LAIV

MANUFACTURING/PRODUCTION

- Cell culture or traditional egg-based culture
- Cell culture production is more reliable – important in event of epidemic/pandemic

DELIVERY

- Intranasal delivery – easier than conventional injections
- Delivered to an optimal site for immune system
  - antibody and cell-mediated immunity
- Mimics natural route of infection

DEVELOPING PRODUCTS THROUGH GLOBAL PARTNERSHIPS

SEASONAL INFLUENZA – NOBILON/SCHERING-PLOUGH

Nobilon is developing LAIV for seasonal influenza using state of the art cell culture for registration in Europe and Asia.

Key Developments:

- BioDiem received US$2 million milestone payment from Nobilon
- Nobilon received EU GMP (Good Manufacturing Practice) accreditation for its manufacturing facilities in the Netherlands
- Data from Nobilon's Phase I clinical trial of LAIV in seasonal influenza currently being analysed
- Phase II trial scheduled to commence shortly in Northern hemisphere winter

DEVELOPING PRODUCTS THROUGH GLOBAL PARTNERSHIPS

PANDEMIC INFLUENZA
H5N1 DEVELOPMENT AT THE CDC

BioDiem/Nobilon/Schering-Plough/CDC = CRADA

Goal of the program

- To determine whether LAIV is a more efficacious pandemic vaccine relative to inactive vaccines in development
- Potential additional revenue stream to company – Product can be registered after Phase II results

Progress in L12M

- Successfully generated a H5N1 reassortant using the LAIV Master Donor Strain
- Extensive safety testing completed
- Animal trials in progress currently
- Extended program for completion in February/March 2010

WHO PANDEMIC INFLUENZA PROGRAM

- LAIV made available to WHO as part of Global Pandemic Influenza Action Plan
- WHO has signed sub-licences with the Government Pharmaceutical Office of Thailand and the Serum Institute of India Ltd. Additional sub-licenses to follow (NB: China and India represent major private markets)
- IEM received US$2 million grant to facilitate reassortant production
- H5N2 and H1N1 LAIVs prepared
- H1N1 trials commenced in Russia and to commence in Thailand at end of September

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PATH VACCINE SOLUTIONS COLLABORATION

Programme for Appropriate Technology in Health, an international non-profit organization whose aim is to improve the health of people around the world and break long standing cycles of poor health

- Aim - to develop an affordable and accessible pandemic LAIV for distribution in the public sector of developing countries
- PATH will provide grants of up to US$3.6m. to the IEM and the other contractors.
- H5N1 and H7N3 reassortant production underway
- Clinical trials planned for November 2010

BENEFITS OF NOT-FOR-PROFIT SUPPORT

Joint strategy of BioDiem and Nobilon/Schering-Plough

- Access WHO and other international infrastructure for development of vaccines using external funding
- Enhances portfolio of products available for commercialisation by Nobilon/Schering-Plough e.g. new pandemic vaccine products in anticipation of outbreaks such as avian influenza (H5N1) and swine flu (H1N1)
- Enhanced access in developing countries (private market)
- Faster registration of egg-based vaccine
- Potential for enhanced and earlier flow of income from Nobilon/Schering Plough royalties

NEXT STEPS FOR LAIV PROGRAMS

SEASONAL INFLUENZA

- Results from Nobilon-Schering-Plough Phase I study in seasonal Influenza to be released
- Commencement of Phase II study in seasonal influenza with Nobilon/Schering-Plough

PANDEMIC INFLUENZA

- H5N2 – Registered in Russia and included in WHO package to support early registration of pandemic vaccines in developing countries
- Animal studies with CDC to be completed in Feb 2010
- WHO – H1N1 clinical trials leading to registration
- PATH collaboration – Pre-clinical & clinical studies of H5N1 and H7N3

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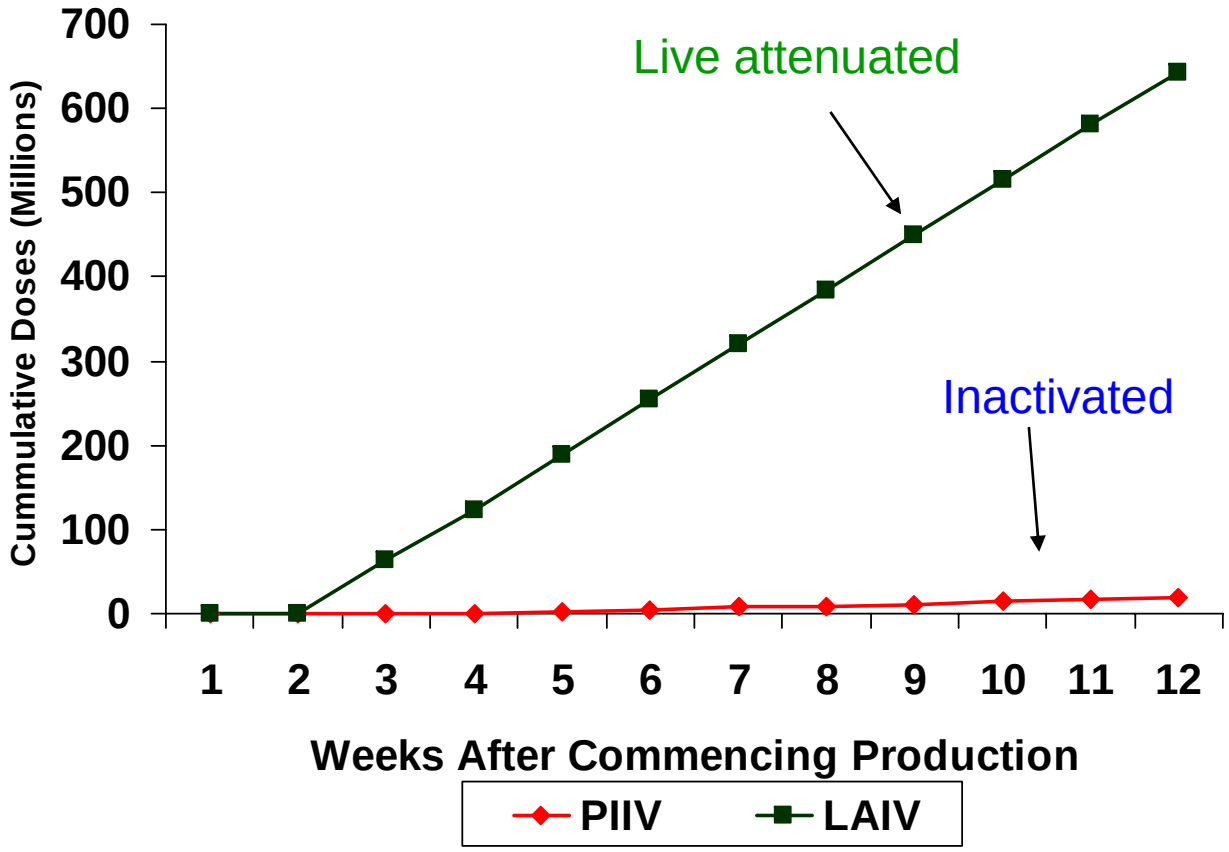
MODELLING THE POTENTIAL PRODUCTION YIELD OF TWO INFLUENZA VACCINES IN A FIXED SIZE PRODUCTION FACILITY



No need for syringes and needles.

Minimal health-care-worker burden

Need for availability of syringes and needles.

Requires qualified health-care-workers

Source: WHO

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BDM-E

A tetrapeptide for ophthalmic for “back-of-the-eye” indications

Dr John Brown, Non-executive director

MECHANISTIC STUDIES OF BDM-E

- BDM-E is a novel peptide already used to treat retinitis pigmentosa and dry age-related macular degeneration in Russia
- BioDiem has licensed BDM-E outside Russia
- BioDiem has now confirmed biology studies supporting the clinical use of BDM-E
- BioDiem's results show BDM-E has beneficial effects in:
  - Cell proliferation & apoptosis studies
  - Studies of inflammation
  - Studies of several animal models of human retinal diseases, including genetic models of retinitis pigmentosa.

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MECHANISM OF ACTION STUDIES TO DATE

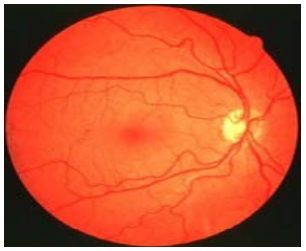
BDM-E

Studies in HUVEC, retinal pericytes & retinal glia: BDM-E controls cell proliferation

Studies in Jurkat & MCF7 cells: BDM-E controls cell death & apoptotic signalling pathways

Studies in human PBMC: BDM-E reduces inflammatory mediators

Neuroprotection/ Control of angiogenesis/ Retinal repair



Anti-inflammatory

Therapy of Age-related Macular Degeneration & Retinitis Pigmentosa

Studies performed at Universities of Cambridge UK & Wisconsin US

BDM-E EFFECTIVE IN EYE DISEASE MODELS

- **A suite of animal studies completed at the University of Melbourne and Monash University, Australia, and in St Petersburg**

Animal Model	Clinical Disease Modeled	Status
Campbell Rats	Genetic model of Retinitis Pigmentosa	Completed +ve therapeutic
Rd/rd mice	Genetic model of Retinitis Pigmentosa	Completed Additional results awaited
Photic damage to mouse retina	Model of Retinitis Pigmentosa & Dry Age-related Retinal Degeneration	Completed +ve therapeutic
Retinopathy of Prematurity (ROP) in mice	Model of human ROP and proliferative retinopathies	Completed +ve therapeutic
Retinopathy of diabetic rats	Model of human Diabetic Retinopathy	Completed +ve therapeutic
Monocyte Chemo-attractant Protein-1 (MCP-1) knock-out mice	Model of Dry Age-related Macular Degeneration	In Progress

NEXT STEPS FOR BDM-E PROGRAMS

- Completion of pre-clinical studies in animal models
- Publication of results once Intellectual Property protected
- Continuation of analogue screening (IP strengthening)
- Project strategy review
- Develop licencing package
- Seek partners

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