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Chairman's Address

This past year we have been able to see the benefits of vaccines in saving lives, and the extraordinary activities of scientists and vaccine companies to accelerate development of COVID-19 vaccines to make this happen. The complexity of vaccine development manufacture has not escaped us. We have seen that CSL was the only company able to manufacture a COVID vaccine in Australia, and that despite the federal government interest in mRNA vaccine development here, there has been disappointingly slow progress in realising this ambition. This past year we have also seen inequity of access to vaccines especially in developing countries.

It was the foresight of the World Health Organisation in the expectation of a serious influenza pandemic that their Global Action Plan on Influenza vaccines was created. We joined this in 2011 whereby we licensed our Live attenuated influenza virus (LAIV) technology to the WHO for developing countries. The aim of the Plan was to assist developing countries so that they could manufacture their own vaccines and not rely on the developed world to supply them. 10 years later, as a result of this Plan, we see the LAIV intranasal flu vaccine marketed in India and more recently, China.

The current COVID pandemic has had many international impacts and continues to do so. One result has been the reduction in influenza deaths worldwide. This is not surprising since both viruses are spread in similar ways. The COVID-19 restrictions have reduced spread of COVID and also influenza. The US CDC has described the 2020-21 flu activity as "unusually low" both in the US and globally. The CDC suggests that COVID-19 risk mitigation strategies like social distancing, hand washing etc may have contributed to this. There were also a record number of flu vaccines distributed in the US during that period. In both India and China flu cases have been lower than in earlier years. Virus mutations are always of a concern. Rising cases of H5N6 bird flu in China are being monitored although there is no evidence to date of human-to-human transmission. Our involvement in the WHO's Global Action Plan would link the resources and influenza expertise of Professor Rudenko's St Petersburg laboratory to our Chinese licensee, Changchun BCHT Biotechnology company, to develop a LAIV vaccine for such a bird flu outbreak if required.

This past financial year we saw revenue of \$736,003 from milestone payments and royalties from our LAIV licences. We saw India LAIV sales royalties continue to be poor as Serum Institute pivoted to manufacture COVID vaccines. Despite the significant disruptions to launch plans in China, BCHT was successful during the year and we benefited from royalties from their sales. BCHT launched its LAIV influenza vaccine, "Influenza Vaccine, Live, Nasal, Freeze-Dried" in China in August 2020. In addition, BCHT listed on the Shanghai Stock Exchange Science and Technology Innovation Board, or STAR Market. This was a significant milestone for BCHT which was established in 2004.

BioDiem owns 56.45% of Opal Biosciences, our subsidiary. In the year under review, the Opal board of Directors reviewed its strategy and has changed direction towards vaccine and pharmaceutical manufacturing. This change was a result of challenges in the commercial environment for antimicrobial development and the BDM-I program. Opal pursued two manufacturing opportunities in parallel: one through the planned acquisition of Formulytica, and the other to secure a lease to manufacture on the GSK

Boronia manufacturing site. The second option overtook the first, and represents a big vision and a commercially attractive opportunity, but it is not without risk. I have stepped down from the chair role in Opal, whilst remaining on the Board, and am delighted that Ken Windle, a highly experienced senior pharmaceutical executive, has taken the chair.

We also had changes in the BioDiem board with Professor Arthur Kwok Cheung Li announcing his retirement. Arthur has been immensely valuable over many years especially in the negotiation and finalisation of BioDiem's LAIV licence to BCHT. We also welcomed our new director, Fergus Mak. Fergus is a professional financial analyst who has been with The Bank of East Asia, Limited for over 30 years and his broad capital market experience will be invaluable to us.

Having been chair of Biodiem since 2005 and also as a major shareholder now for more than a decade, I would like to announce that I intend to retire next year as chair. We will seek a suitable candidate with talent and standing to take the chairman role and to direct the company through its growing commercial stage.

In closing I would like to thank Professor Larisa Rudenko and her team in St Petersburg upon whose work the LAIV program is built. Thank you also to our CEO, Julie, and her team, and those involved in our subsidiary, Opal Biosciences Ltd.

In my last opportunity as your chairman I would like to thank my fellow shareholders for their support for more than a decade. I want to particularly acknowledge the good fortune I have had to have such an excellent working relationship with our Biodiem board, including with our CEO with whom I have had an excellent rapport during my tenure as Chairman.

I will now hand over to Julie for the CEO presentation.