

BioDiem Limited

ABN 20 096 845 993

Half-year Financial Report - 31 December 2021

BioDiem Limited
Contents
31 December 2021

Corporate directory	2
Directors' report	3
Auditor's independence declaration	7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	16
Independent auditor's review report to the members of BioDiem Limited	17

BioDiem Limited
Corporate directory
31 December 2021

Directors	Mr Damien Hannes (Chairman, Non-Executive Director) Ms Julie Phillips (Executive Director & Chief Executive Officer) Prof Larisa Rudenko (Non-Executive Director) Mr Fergus Mak Po Kan (Non-Executive Director)
Share Registry	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnston Street Abbotsford Victoria 3067 Telephone: + 61 3 9415 5000 Investor Queries (within Australia): 1300 850 505
Company secretary	Melanie Leydin
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205 Ph: +61 3 9692 7240
Principal place of business	Level 4 100 Albert Road South Melbourne VIC 3205 Ph: +61 3 9692 7240
Auditor	Grant Thornton Audit Pty Ltd Tower 5, Collins Square 727 Collins Street Melbourne VIC 3008
Website	www.biodiem.com

BioDiem Limited
Directors' report
31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of BioDiem Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

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

Mr Damien Hannes (Chairman - appointed on 29 March 2022 , Non-Executive Director – appointed on 1 March 2022)
Ms Julie Phillips (Executive Director & Chief Executive Officer)
Prof Larisa Rudenko (Non-Executive Director)
Prof Arthur Kwok Cheung Li (Non-Executive Director - resigned on 6 September 2021)
Mr Fergus Mak Po Kan (Non-Executive Director - appointed 9 on September 2021)
Mr Hugh M Morgan AC (Non-Executive Director - resigned on 3 May 2022) (resigned as Chairman on 29 March 2022)

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of:

- The development and commercialisation of pharmaceutical and biomedical research.
- Securing licences for its range of biopharmaceutical products currently under development.

Review of operations

The loss for the Group after providing for income tax and non-controlling interest amounted to \$282,947 (31 December 2020: profit of \$35,887).

Royalty and milestone revenue for half year ended 31 December 2021 was \$nil compared to \$328,243 in half year ended 31 December 2020, while interest income was \$154 (2020: \$697). Research and development costs were \$16,300 (2020: \$29,933). Administration expenses were \$368,575 (2020: \$340,889).

The Group had cash reserves at 31 December 2021 of \$269,601 (30 June 2021: \$280,356). Cash outflows for supplier and employees were \$358,793 (31 December 2020: \$307,000). Cash inflows were \$347,381 from royalties and licensing agreements (31 December 2020: \$45,920).

Risks and uncertainties

The Company is subject to risks that are specific to the Company and the Company's business activities, as well as general risks. The following list gives examples of risk areas:

Future funding risks

While the Group has a cash and cash equivalents balance of \$269,601, and net assets of \$106,089 as at 31 December 2021 and is able to continue on a going concern basis, there is risk that the Company may require additional financing in the future to sufficiently fund its activities and longer-term objectives.

The Group has some ability to control its expenditure to retain appropriate cash balances. Management remains diligent in monitoring its cash balances and expenditure. Should the Company be required to raise funds, its ability will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason the Company was unable to raise funds, its ability to achieve its milestones or continue future research, development and commercialisation activities may be affected. The Company's income is also reliant on Milestone and Royalty Income.

The Directors regularly review the Company's finances to ensure its ability to meet its financial obligations.

Dependence on service providers and third-party collaborators

There is no guarantee that the Company will be able to find suitable service providers and/or collaborators to complete its research, development and commercialisation activities. The Company may therefore be exposed to the risk that any of these parties could experience problems related to operations, financial strength or other issues. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of the Company's research, development and commercialisation efforts, financial condition and results of operations.

Reliance on key personnel

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of the Company.

The Company maintains a mixture of permanent staff and consultants to support the operations of the Company.

Inability to protect intellectual property

The Company's ability to leverage its innovation and expertise is dependent on its ability to protect its intellectual property and know-how. A failure or inability to protect the Company's intellectual property rights could have an adverse impact on operating and financial performance.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters. The Company is committed to preventing and reducing cyber security risks through outsourced IT management to a reputable services provider.

Impact of COVID-19

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, evolves continuously. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have a significant impact on capital markets and share prices.

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. These impacts are creating risks for the Company's business and operations in the short to medium term. Shipping and supply (domestic and international) delays may impact the Company. Among other factors, staff reduction in some international supplier businesses may also extend typical processing and shipping times.

The Company has in place business continuity plans and procedures to help manage the key risks that may cause a disruption to the Company's business and operations, but their adequacy cannot be predicted. The Company's Directors are closely monitoring the situation and considering the impact on the Company's business from both a financial and operational perspective.

Ukraine-Russia conflict

The Company holds a licence to a Russian influenza (LAIV) vaccine technology and makes payments to Russian-based individuals and entities from royalties and milestone payments from commercialisation of the LAIV technology. As a

BioDiem Limited
Directors' report
31 December 2021

consequence of the Ukraine-Russia conflict international sanctions have been introduced which designate certain activities as prohibited which involve certain Russian individuals and entities. The sanctions are updated and amended from time to time and have severe penalties if breached. While the Company's activities do not fall under any sanctioned activities, the Company monitors the sanctions and their updates and assesses potential current and future impacts on the Company. It is unknown how long the sanctions will be in place. The Company continues to liaise with the World Health Organisation and the relevant Australian federal government agency (Department of Foreign Affairs and Trade) to disclose the Company's involvement with Russian individuals and entities and has sought and obtained relevant compliance certifications and "No prohibition" letters to provide to suppliers.

Significant changes in the state of affairs

On 14 July 2021, BioDiem's subsidiary, Opal Biosciences Ltd ("Opal") announced that in light of progress towards leading the development of a Life Sciences and Biotechnology Development and Manufacturing Precinct to be based in Boronia, Victoria, Opal reviewed its funding requirements and withdrew its capital raising. All applicant monies were returned in full to applicants.

On 20 September 2021, Opal made a Placement of 3,333,332 ordinary shares at an issue price of \$0.075 (7.5 cents) per share, raising a total of \$250,000. One free attaching option was issued for every one new share. The free attaching options were exercisable at \$0.075 (7.5 cents) each, expiring 20 September 2022. The proceeds from the Placement were used to pursue potential pharmaceutical manufacturing opportunities, including due diligence, feasibility studies and exploring potential grant opportunities, and for general working capital purposes.

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

Matters subsequent to the end of the financial half-year

The Group has a licensing agreement with the Changchun BCHT Biotechnology Co. (BCHT), which entitles the Group to annual milestone payments and royalty income upon sales of LAIV influenza vaccine in China where it was launched in 2020. Milestone payment of USD \$267,000 and USD \$284,000 (before tax) were received in February 2022 and February 2023 respectively.

On 29 March 2022, Mr Damien Hannes was appointed chairman of the board with Mr Hugh Morgan AC staying on the board as a non-executive director. On 3 May 2022, Mr Hugh Morgan AC resigned as non-executive director.

In May 2022, current and former directors of Opal agreed to forgive fees paid of \$54,794 and the agreement of directors agreed not to receive any directors fees for the year ended 30 June 2022. The directors fees accrued as at 31 December 2021 was \$27,000.

In June 2022 Opal announced it was considering a plan to establish a small scale pharmaceutical manufacturing facility and had looked at potential sites for the facility in Victoria but also in Western Australia. Opal is currently pursuing a strategy for the establishment of a WA facility.

On 30 September 2022 Opal announced it had received a total of \$157,431 in proceeds relating to the exercise of 1,964,079 options in Opal, exercisable at \$0.075 (7.5 cents) each, expiring 20 September 2022. A total of \$162,431 (of which \$39,861 was contributed by the Company) was raised from the exercise of \$0.075 options issued from the placement of shares in September 2021. \$87,569 was raised from a placement of shares completed to take up the shortfall of which \$78,544 was contributed by the Company on 15 November 2022.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group'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.

BioDiem Limited
Directors' report
31 December 2021

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



Damien Hannes
Chairman

12 May 2023
Melbourne

Grant Thornton Audit Pty Ltd

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Collins Square
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Melbourne VIC 3008
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Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of BioDiem Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of BioDiem Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 12 May 2023

BioDiem Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Consolidated 31 December 2021 \$	31 December 2020 \$
Revenue	3	-	328,243
Other income		6,227	76,560
Interest		154	697
Total revenue		<u>6,381</u>	<u>405,500</u>
Expenses			
Licence fees and royalty expenses		-	(56,826)
Research and development expenses		(16,300)	(29,933)
Administration expenses		(368,575)	(340,889)
Total expenses		<u>(384,875)</u>	<u>(427,648)</u>
Loss before income tax expense		(378,494)	(22,148)
Income tax expense		-	-
Loss after income tax expense for the half-year		(378,494)	(22,148)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		<u>(378,494)</u>	<u>(22,148)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		(95,547)	(58,035)
Owners of BioDiem Limited		<u>(282,947)</u>	<u>35,887</u>
		<u>(378,494)</u>	<u>(22,148)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(95,547)	(58,035)
Owners of BioDiem Limited		<u>(282,947)</u>	<u>35,887</u>
		<u>(378,494)</u>	<u>(22,148)</u>

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

BioDiem Limited
Statement of financial position
As at 31 December 2021

		Consolidated	
	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		269,601	280,356
Trade and other receivables		19,315	350,100
Other assets	4	146,873	268,606
Total current assets		<u>435,789</u>	<u>899,062</u>
Total assets		<u>435,789</u>	<u>899,062</u>
Liabilities			
Current liabilities			
Trade and other payables		147,149	222,805
Borrowings		-	107,571
Employee benefits		156,051	146,662
Other		26,500	147,580
Total current liabilities		<u>329,700</u>	<u>624,618</u>
Total liabilities		<u>329,700</u>	<u>624,618</u>
Net assets		<u>106,089</u>	<u>274,444</u>
Equity			
Issued capital	5	32,168,532	32,168,532
Reserves		46,757	46,757
Accumulated losses		(33,132,693)	(32,849,746)
Deficiency in equity attributable to the owners of BioDiem Limited		(917,404)	(634,457)
Non-controlling interest		1,023,493	908,901
Total equity		<u>106,089</u>	<u>274,444</u>

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

BioDiem Limited
Statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2020	32,168,532	46,757	(32,770,496)	1,083,445	528,238
Profit/(loss) after income tax expense for the half-year	-	-	35,887	(58,035)	(22,148)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the half-year	-	-	35,887	(58,035)	(22,148)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	-	-	-	1,000	1,000
Balance at 31 December 2020	<u>32,168,532</u>	<u>46,757</u>	<u>(32,734,609)</u>	<u>1,026,410</u>	<u>507,090</u>
Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2021	32,168,532	46,757	(32,849,746)	908,901	274,444
Loss after income tax expense for the half-year	-	-	(282,947)	(95,547)	(378,494)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(282,947)	(95,547)	(378,494)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 8)	-	-	-	210,139	210,139
Balance at 31 December 2021	<u>32,168,532</u>	<u>46,757</u>	<u>(33,132,693)</u>	<u>1,023,493</u>	<u>106,089</u>

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

BioDiem Limited
Statement of cash flows
For the half-year ended 31 December 2021

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	347,381	45,920
Payments to suppliers and employees (inclusive of GST)	(358,793)	(307,000)
Government grants received	19,473	-
	<hr/>	<hr/>
	8,061	(261,080)
Interest received	-	2
COVID -19 Government grants received	-	51,928
R&D Tax Offset received	-	107,126
Other income	-	2,500
	<hr/>	<hr/>
Net cash from/(used in) operating activities	8,061	(99,524)
	<hr/>	<hr/>
Net cash from investing activities	-	-
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from issue of shares of subsidiary	210,139	1,000
Repayment of funds received in advance of share issue	(121,080)	-
Repayment of premium financing	(107,571)	-
	<hr/>	<hr/>
Net cash from/(used in) financing activities	(18,512)	1,000
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(10,451)	(98,524)
Cash and cash equivalents at the beginning of the financial half-year	280,356	370,732
Effects of exchange rate changes on cash and cash equivalents	(304)	(10,336)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	<u>269,601</u>	<u>261,872</u>

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

BioDiem Limited
Notes to the financial statements
31 December 2021

Note 1. General information

The financial statements cover BioDiem Limited as a Group consisting of BioDiem Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is BioDiem Limited's functional and presentation currency.

BioDiem 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 Group'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 12 May 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021.

The principal 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 Group 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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 Group reported a net loss after tax of \$378,494 (31 December 2020: \$22,148 net loss after tax) and had net operating cash inflows of \$8,061 (31 December 2020: net outflows of \$99,524) for the half-year ended 31 December 2021. The net loss after tax is directly attributable to the expenditures incurred in ongoing research and development activities, as well as 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 Group, which amount to \$106,089 (30 June 2021: \$274,444) as at 31 December 2021, including cash and cash equivalent of \$269,601 (30 June 2021: \$280,356), and the expectation of Group's ongoing ability to successfully secure additional sources of financing. In this regard, the Directors note the following:

Note 2. Significant accounting policies (continued)

- The Group has a licensing agreement with the Serum Institute of India (“Serum”), which entitles the Group to royalty payments for private market sales of LAIV influenza vaccine in territories licensed to Serum.
- The Group has a licensing agreement with the Changchun BCHT Biotechnology Co. (BCHT), which entitles the Group to annual milestone payments and royalty income upon sales of LAIV influenza vaccine in China where it was launched in August 2020. Milestone payment of USD \$267,000 and USD \$284,000 (before tax) were received in February 2022 and February 2023 respectively.
- Forgiveness of directors fees paid to current and former directors of Opal of \$54,794 and the agreement of directors agreed not to receive any directors fees for the year ended 30 June 2022.
- Directors have the ability to curtail discretionary expenditures, which form a significant part of the Group’s total expenditure, enabling the Group to fund its operating expenditures within its available cash reserves.
- On 30 September 2022 Opal announced it had received a total of \$157,431 in proceeds relating to the exercise of 1,964,079 options in Opal, exercisable at \$0.075 (7.5 cents) each, expiring 20 September 2022. A total of \$162,431 (of which \$39,861 was contributed by the Company) was raised from the exercise of \$0.075 options issued from the placement of shares in September 2021. \$87,569 was raised from a placement of shares completed to take up the shortfall of which \$78,544 was contributed by the Company on 15 November 2022.

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

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

- raise additional capital when required;
- curtail operating expenditure when required;
- continue to execute its licensing agreements and receipt of royalty income in the future period; and/or
- be successful in receipt of funds from grant applications.

These conditions indicate a material uncertainty that may cast doubt about the Group’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.

The half year report has been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

Should the Group 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.

Ukraine-Russia conflict

The Company holds a licence to a Russian influenza (LAIV) vaccine technology and makes payments to Russian-based individuals and entities from royalties and milestone payments from commercialisation of the LAIV technology. As a consequence of the Ukraine-Russia conflict international sanctions have been introduced which designate certain activities as prohibited which involve certain Russian individuals and entities. The sanctions are updated and amended from time to time and have severe penalties if breached. While the Company’s activities do not fall under any sanctioned activities, the Company monitors the sanctions and their updates and assesses potential current and future impacts on the Company. It is unknown how long the sanctions will be in place. The Company continues to liaise with the World Health Organisation and the relevant Australian federal government agency (Department of Foreign Affairs and Trade) to disclose the Company’s involvement with Russian individuals and entities and has sought and obtained relevant compliance certifications and “No prohibition” letters to provide to suppliers.

Note 3. Revenue

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Royalty and milestone revenue	-	323,243
Grant income	-	5,000
Revenue	-	<u>328,243</u>

BioDiem Limited
Notes to the financial statements
31 December 2021

Note 4. Other assets

	Consolidated	
	31 December	30 June 2021
	2021	2021
	\$	\$
<i>Current assets</i>		
Accrued revenue	277	21,138
Prepayments	42,460	143,495
Short term deposits supporting bank guarantees	104,136	103,973
	<u>146,873</u>	<u>268,606</u>

Note 5. Issued capital

	Consolidated			
	31 December	30 June 2021	31 December	30 June 2021
	2021	2021	2021	2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	174,734,060	174,734,060	31,019,592	31,019,592
Convertible Preference shares - fully paid	14,392,433	14,392,433	1,148,940	1,148,940
	<u>189,126,493</u>	<u>189,126,493</u>	<u>32,168,532</u>	<u>32,168,532</u>

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.

Convertible Preference shares

Preference 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, with priority over ordinary shareholders.

Note 6. Dividends

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

Note 7. Contingent liabilities

The consolidated entity holds a licence to commercialise influenza vaccine technologies from the Institute of Experimental Medicine. Under this agreement the consolidated entity is obliged to pay the Institute of Experimental Medicine 20% of all payments received from any Licensee and 20% of any royalties arising from net sales. The obligations were not recognised because no royalty was received for the half year ended 31 December 2021 and milestone payment was not yet due as at 31 December 2021.

The consolidated entity holds a licence to commercialise the BDM-I antimicrobial technology from the Institute of Experimental Medicine. Under this agreement the consolidated entity is obliged to pay the Institute of Experimental Medicine 10% of all payments received from any Licensee and 10% of any royalties arising from net sales (or 5% in each case, where the commercialisation is done by the consolidated entity).

BioDiem Limited
Notes to the financial statements
31 December 2021

Note 8. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2 of the 31 December 2021 half-year financial report:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2021 %	30 June 2021 %
Savine Therapeutics Pty Ltd	Australia	100.00%	100.00%
Opal Biosciences Limited ("Opal")	Australia	56.45%	63.29%

During the half year, Opal issued 2,801,847 ordinary shares from a placement raising \$210,139. BioDiem retains the majority shareholding of Opal due to its equity holding and continues to support Opal's business development.

Opal continues to explore opportunities in pharmaceutical manufacturing in Australia.

Note 9. Events after the reporting period

The Group has a licensing agreement with the Changchun BCHO Biotechnology Co. (BCHO), which entitles the Group to annual milestone payments and royalty income upon sales of LAIV influenza vaccine in China where it was launched in 2020. Milestone payment of USD \$267,000 and USD \$284,000 (before tax) were received in February 2022 and February 2023 respectively.

On 29 March 2022, Mr Damien Hannes was appointed chairman of the board with Mr Hugh Morgan AC staying on the board as a non-executive director. On 3 May 2022, Mr Hugh Morgan AC resigned as non-executive director.

In May 2022, current and former directors of Opal agreed to forgive fees paid of \$54,794 and the agreement of directors agreed not to receive any directors fees for the year ended 30 June 2022. The directors fees accrued as at 31 December 2021 was \$27,000.

In June 2022 Opal announced it was considering a plan to establish a small scale pharmaceutical manufacturing facility and had looked at potential sites for the facility in Victoria but also in Western Australia. Opal is currently pursuing a strategy for the establishment of a WA facility.

On 30 September 2022 Opal announced it had received a total of \$157,431 in proceeds relating to the exercise of 1,964,079 options in Opal, exercisable at \$0.075 (7.5 cents) each, expiring 20 September 2022. A total of \$162,431 (of which \$39,861 was contributed by the Company) was raised from the exercise of \$0.075 options issued from the placement of shares in September 2021. \$87,569 was raised from a placement of shares completed to take up the shortfall of which \$78,544 was contributed by the Company on 15 November 2022.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

BioDiem Limited
Directors' declaration
31 December 2021

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 Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group 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



Damien Hannes
Chairman

12 May 2023
Melbourne

Grant Thornton Audit Pty Ltd

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Melbourne VIC 3001
T +61 3 8320 2222

Independent Auditor's Review Report

To the Members of BioDiem Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of BioDiem Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the Directors' declaration.

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 BioDiem Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 Group 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.

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Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group reported a net loss after tax of \$378,494 during the half-year ended 31 December 2021. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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.


Directors' responsibility for the half-year 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 responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Group's financial position as at 31 December 2021 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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 12 May 2023