



BIODIEM LTD
ABN 20 096 845 993
Level 4,
100 Albert Road,
South Melbourne, Victoria, 3205
Australia
Phone: +613 9692 7240
Web: www.biodiem.com

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Chairman's Address

Good afternoon ladies and gentleman,

This afternoon I will give you a brief overview of the 2022-2023 year for BioDiem Ltd and also for our subsidiary, Opal Biosciences Ltd before passing to Julie for the CEO presentation.

The key events of this year were

- growth in royalty and milestone income from the LAIV 'flu vaccine technology ;
- regulatory approval in India for a new quadrivalent liquid version of their LAIV intranasal vaccine called Nasovac-S4;
- the decision of the Board to seek to divest the LAIV 'flu vaccine technology,
- Opal's announcement of a proposed merger with Formulytica Pty Ltd, and
- Opal's success in being awarded a \$5m grant from the Western Australian (WA) government through its Innovation Attraction Fund (IAF).

BioDiem receives income from royalties on sales of the LAIV influenza vaccine in the private markets in China and India through commercial licences to Changchun BCHO Biotechnology Co and Serum Institute of India, respectively. These licences are for the egg-based production of intranasal vaccines for the prevention of seasonal and pandemic influenza.

During the financial year the royalty and milestone income from LAIV licence fees and sales totalled \$359,108 up 10.7% from \$324,387 in the previous year. This is the amount we received following deduction of licence fees we paid associated with the head licence. During the year under review we also received \$60,000 from consulting work undertaken by the company in relation to health and biotechnology precinct development.

The board has initiated a process for the potential sale of the LAIV asset and early interest has been received on a potential transaction. The board has engaged an experienced consultant to aid in the sale process. As more news becomes available I will be able to share this with shareholders. In the interim, the company continues to receive payments from our commercial licences.

Our subsidiary Opal Biosciences Ltd continues to be very active. Following its strategy change to build a small scale pharmaceutical manufacturing capability in Australia, in June 2023 it executed a share purchase agreement with Formulytica Pty Ltd to facilitate a merger of the two companies. Formulytica is a Melbourne-based revenue-generating pharmaceutical development company which currently specialises in the formulation and development of topical, oral, ophthalmic, and injectable products. Formulytica generates revenue from its fee-for-service business and also from royalties from licences to its innovative technology.

The completion of the share-based acquisition is conditional on a \$2m capital raise for the operations of the merged business.

Following a detailed Western Australian Investment Attraction Fund (IAF) grant application submitted in October 2022, Opal was awarded a \$5m grant from the WA government. The IAF grant will assist the merged Opal-FLT business to establish a pharmaceutical manufacturing facility in Perth for:

- research stage products for testing in preclinical and early stage (Phase I/IIa) clinical studies and
- precision medicine treatments e.g. individually tailored cancer vaccines.

The funding agreement with the WA government was signed in July 2023 and includes a payment schedule against milestones of the project. The funding agreement requires funding to be matched by Opal over the 5-year period of the project. Because of this, Opal has an Information Memorandum to raise up to \$2.5m currently in the market and open to sophisticated investors. The successful close of this capital raise will trigger the completion of the acquisition and Opal will then commence the Perth-based project with Formulytica. The close of the capital raise is 31 March 2024 to accommodate the holiday season.

Our CEO will explain the detail of this in more depth however the acquisition of Formulytica and the financial support of the WA government to establish a presence of the Opal-Formulytica group in Perth is expected to offer significant benefit to BioDiem shareholders and is an exciting project in its own right. The precision and personalised medicine market is growing quickly and the project will offer a new opportunity to access this market as well as allow the merged company to continue to provide services for preclinical product manufacture, contract formulation development services, analytical method development and validation to augment the existing revenue-generating Melbourne-based business.

In closing I would like to thank shareholders for their patience and support. I thank both Prof Rudenko and Julie for their important contributions and our also our staff and colleagues who have worked to get us to this position. We look forward to giving you updates in the coming year.