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Chairman's Address

Fellow Shareholders,

It is my privilege to present BioDiem Limited's Chairman's Report for the financial year 2023-2024, a period marked by both challenges and opportunities that have shaped the future trajectory of our company.

The year began with exciting news as our subsidiary at that time, Opal Biosciences Limited, secured a \$5 million Investment Attraction Fund grant from the State Government of Western Australia. This grant demonstrated the confidence in our vision for innovation and growth. However, the requirement for matched funding over five years posed significant challenges. Despite our efforts, including the September 2023 capital raising initiative, the \$2 million minimum target was not met by May 2024 as planned to access the grant. This shortfall also hindered our ability to proceed with the merger with Formulytica Pty Ltd and led to deliberations about winding up Opal.

Yet, perseverance bore fruit. By June, Opal postponed its liquidation decision to explore alternative opportunities. Subsequent discussions culminated in the November 2024 divestment of Opal to a third-party partner, resulting in \$105,000 in proceeds for BioDiem and additional benefits for Opal's shareholders. This outcome underscores our commitment to navigating challenges while protecting shareholder value.

In August 2023, we bid farewell to Mr. Fergus Mak Po Kan, who retired as a Non-Executive Director. His guidance and expertise have been invaluable, and we thank him for his service. The BioDiem Board also extends its gratitude to Opal's Chair, Mr. Ken Windle, and former directors, Mr Hugh Morgan AC, Prof Larisa Rudenko and Mr Peter Snowball, for their contributions to our subsidiary's journey. With the transition, all the Opal Biosciences directors and officers, including myself and Julie Phillips have stepped down from its board.

Our flagship LAIV influenza vaccine technology continues to be a cornerstone of BioDiem's strategic focus. In April 2024, shareholders approved an advisory resolution to sell the rights to this technology, paving the way for deeper discussions with interested parties. This decision reflects the Board's commitment to realizing the commercial potential of this asset.

BioDiem's existing licensing agreement with China-based Changchun BCHT Biotechnology Co. (BCHT) remains a valuable partnership. BCHT's exclusive licenses cover both the private market for

pandemic and seasonal influenza vaccines in China, underscoring the broad applicability and demand for LAIV-based solutions.

During 2024, we introduced a new class of convertible preference shares, a pivotal step towards enhancing our financial flexibility. These efforts raised \$127,500 for BioDiem, reflecting the strong support from our investor community. This innovative funding mechanism complements our strategic approach to resource allocation.

As we close the year, having completed the sale of Opal, we are focused on advancing discussions for the sale of our LAIV technology rights. These initiatives align with our overarching strategy to streamline operations, optimize financial efficiency, and deliver value to our shareholders.

The progress made this year would not have been possible without the unwavering support of our shareholders, the dedication of our management team, and the resilience of our partners. We are grateful for your trust and look forward to achieving new milestones together.

Thank you for your continued support.

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