

## Quarterly Cashflow report

**Melbourne, Australia; 27 July 2012:** BioDiem (ASX: BDM) today released its Appendix 4C - Quarterly Cashflow report for the period ended 30 June 2012.

The cash balance at 30 June 2012 was \$1.37m. Net cash outflows for the quarter were reduced to only \$7,000.

During the quarter the Company made progress across all of its key programs in line with the strategic focus on infectious disease therapies and vaccines announced in the previous quarter:

- Licensing receipts for the period totalled \$781,000.
- New technologies in-licensed from Australian National University and the University of Canberra with a variety of potential targets including hepatitis and the major mosquito-borne disease dengue fever.
- New agreement signed with France-based VIVALIS working towards versatile 'vector' platform technology for the creation of multiple new vaccines. Results from this collaboration are expected in the next few weeks.
- New US patent received for antimicrobial drug BDM-I, for its activity against major causative agents of malaria and the sexually transmitted disease trichomoniasis. BioDiem has multiple development programs underway for BDM-I with partner organisations.
- New research agreement signed with RMIT to explore new non-influenza vaccines based on LAIV technology.
- Research collaboration begun with leading US eye research advocate Foundation Fighting Blindness combined with positive preclinical results are driving momentum for BDM-E's outlicensing.

The last quarter's activity has significantly strengthened BioDiem's position, accelerating the development and value growth of key projects. The new partnerships will complement BioDiem's existing revenue-generating business in vaccine licensing, which is concurrently in discussions for expansion with new and existing partners.

**ENDS**



### **About BioDiem Ltd**

BioDiem is an ASX-listed company based in Melbourne with an international focus on discovering, developing and commercialising world-class research and technology targeting cancers and infectious diseases. The company currently generates revenues from licenses to influenza vaccine technologies in India and China, a business model supported by the company's core technologies which include the Live Attenuated Influenza Virus (LAIV), the SAVINE platform and the BDM-I antimicrobial compound. BioDiem has supplemented these with in-licensed technologies from major Australian research universities targeting diseases such as hepatitis and dengue fever. The company's technology portfolio is described below.

The LAIV influenza vaccine is a vaccine to prevent infection from seasonal and pandemic influenza, which can be produced using both egg-based and cell-based manufacturing methods. The egg-based LAIV vaccine technology is licensed to the World Health Organization as part of the Global Pandemic Influenza Action Plan to Increase Vaccine Supply. The cell-based LAIV vaccine has completed a Phase II clinical trial in Europe.

The LAIV influenza vaccine is marketed as Nasovac™ in India by the Serum Institute of India, and has been licensed to China-based Changchun BCHO Biotechnology Co. The LAIV vaccine was in-licensed from the Institute of Experimental Medicine in St Petersburg, Russia where it has been used for over a decade in many millions of people - children, adults and the elderly. The LAIV is administered by nasal spray and induces a rapid immune response in the mucosal lining of the nose and pharynx.

The LAIV is also being developed as a viral vector for making novel non-influenza vaccines for different diseases including cancers such as nasopharyngeal carcinoma (NPC) a cancer of the upper airways.

SAVINE (patented Scrambled Antigen Vaccine) is a platform technology for the design of antigens (immune stimulating proteins) for incorporation into vaccines targeting an immune response to a range of different diseases. SAVINE antigens are encoded as synthetic genes which, together with a delivery technology such as BioDiem's LAIV-based vaccine vector technology, can be used to develop novel vaccines.

BDM-I is a synthetic compound targeted at the treatment of serious human infections. BDM-I is active against a range of pathogenic micro-organisms including bacteria, fungi and protozoa. Key patents have been filed around BDM-I's antimicrobial activity, including for activity against the main causative agents for the most severe form of malaria and the common sexually transmitted disease trichomoniasis.

BioDiem is also developing BDM-E, a tetra peptide synthetic compound, as a treatment for ophthalmic disorders. The US Food & Drug Administration (USFDA) has granted Orphan Drug designation to BDM-E for the treatment of retinitis pigmentosa, a serious degenerative disease of the retina. A range of preclinical studies have provided strong evidence for this indication.

BioDiem's research is ongoing in partnership with internationally recognised laboratories.

For additional information, please visit [www.biodiem.com](http://www.biodiem.com)

### ***Further information***

#### **Investors**

Julie Phillips, Chief Executive Officer

BioDiem Ltd

Phone +61 3 9613 4100

Email [jphillips@biodiem.com](mailto:jphillips@biodiem.com)

#### **Media**

Tom Donovan

Buchan Consulting

Phone +61 3 8866 1224 / +61 422 557 107

Email [tdonovan@buchanwe.com](mailto:tdonovan@buchanwe.com)

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

<b>BioDiem Limited</b>
------------------------

ABN

20 096 845 993
----------------

Quarter ended ("current quarter")

June 30, 2012
---------------

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	YTD \$A'000
1.1 Receipts from customers (royalties)	781	1,331
1.2 Payments for		
(a) staff costs	(144)	(697)
(b) advertising and marketing	-	-
(c) research and development	(225)	(742)
(d) leased assets	-	-
(e) license costs	(145)	(255)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other ~	(275)	(923)
<b>Net operating cash flows</b>	<b>(7)</b>	<b>(1,258)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	YTD \$A'000
1.8 Net operating cash flows (carried forward)	(7)	(1,258)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item)		
(b) equity investments	-	(10)
(c) intellectual property		
(d) physical non-current assets	-	-
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item)		
(b) equity investments		
(c) intellectual property		
(f) physical non-current assets	-	-
(g) other non-current assets		
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	-	(10)
<b>1.14 Total operating and investing cash flows</b>	(7)	(1,268)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other cost of issue	-	-
<b>Net financing cash flows</b>	-	-
<b>Net increase (decrease) in cash held</b>	(7)	(1,268)
1.21 Cash at beginning of quarter/year to date	1,319	2,580
1.22 Exchange rate adjustments	59	59
1.23 <b>Cash at end of quarter</b>	1,371	1,371

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of ytd payments to the parties included in item 1.2	548
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">                     Represents payments to directors for remuneration, project supervision and directors' services.                 </div>	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

nil
-----

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

n/a
-----

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	nil	n/a
3.2	Credit standby arrangements	nil	n/a

---

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

---

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,268	1,216
4.2 Term Deposits	103	103
4.3 Bank overdraft	-	-
4.4 Bank Accepted Bill and deposits at call	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>1,371</b>	<b>1,319</b>

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		n/a
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~not~~ *not* ~~(delete one)~~ give a true and fair view of the matters disclosed.

Sign here:



Date: 27 July 2012

(~~Director~~/Company secretary)

Print name: Richard A. Wadley.

---

+ See chapter 19 for defined terms.

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

---

+ See chapter 19 for defined terms.