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## Announcement

### Rights Issue

**Melbourne, 27 November 2015:** Australian infectious disease therapy and vaccine development company BioDiem Ltd today announced a pro rata non-renounceable Entitlement Offer to raise up to approximately \$447,399 (before costs).

#### The net proceeds of the Offer will be applied to

- Provide ongoing support to the Institute of Experimental Medicine in St Petersburg, Russia, which provides necessary materials and expertise to our LAIV (live attenuated influenza virus) 'flu vaccine technology licensees, including
  - support of the Serum Institute of India (SII) following the product launch of Nasovac-S, SII's seasonal influenza vaccine in India in July 2014, and commercialisation in SII's export markets following Nasovac-S's receipt of WHO prequalification in October 2015. BioDiem receives royalties from SII sales of the LAIV vaccine into the private sector market in India; and
  - support of Changchun BCHT Biotechnology Co (BCHT) who received approval in September 2015 to conduct clinical trials from the Chinese FDA. Clinical trial enrolment is expected to commence in December 2015. BioDiem will receive royalties from BCHT on the eventual sales of the LAIV vaccine in the private sector in China.
- Provide ongoing support for BioDiem's new subsidiary company, Opal Biosciences. The formation of Opal Biosciences in May 2015 was undertaken to permit external investment in the commercialization of BDM-I while allowing BioDiem shareholders to retain benefit from successful commercialisation. It is our present intention to proceed to an IPO for Opal Biosciences within 18months to two years, subject to any alternate arrangement before then; and
- Pay the costs of the Offer, business development and working capital expenses.

#### *Key Terms of the Offer*

- A non-renounceable pro rata entitlement offer to Eligible Shareholders of one New Share for eighteen Shares held at the Record Date, at an offer price of 8.0 cents per New Share;
- Eligible Shareholders, and non-shareholders, can apply for additional Shares from the shortfall in acceptances of the Entitlement Offer (if any) at the same price. The same offer is available to non-shareholders;
- Under the Rights Issue, up to 5,592,482 New Shares will be offered;
- The Company will have the right to place any amounts not subscribed for under the Offer, on terms consistent with the Offer;
- If fully subscribed, the Offer will raise up to approximately \$447,399 before Offer costs.

Two of the Company's largest Shareholders, Sir David Li and Charnock have already subscribed for Shares and increased their shareholdings through private placements. However, they will not take up their entitlements under the Offer so if all shares offered under this Prospectus are taken up and issued to other shareholders, these two shareholders' holdings in the Company would be restored to their pre-placement percentages. As at the date of the Prospectus issue Brezzo (the Company's other major shareholder) has not participated in a private placement and is eligible to take up its entitlements under this Offer and apply for additional shortfall shares. If Brezzo does not take up its entitlement in full, Sir David Li and Charnock intend to apply for shortfall shares up to the number of shares which would have been issued to Brezzo had it taken up its entitlement in full.

### ***Investment Highlights***

Eligible Shareholders are entitled to apply for one new Share for every eighteen Shares held as at the Record Date 7pm (Melbourne time) on 24 November 2015, at an issue price of 8.0 cents (\$0.08) per new Share.

Two of BioDiem's major shareholders, who together represent approximately 41.35% of the company's current shareholding, have indicated their ongoing support of the Company by collectively contributing \$298,820 through private placements at the same price and ratio as this Offer prior to the opening of this entitlement offer to the balance of shareholders. Although this entitlement offer is open to these two major shareholders, they have each indicated they will not take up additional rights under this offer and therefore the overall effect is non-dilutionary for shareholders who take up their rights in full.

Eligible Shareholders can apply for additional shares from any shortfall and thereby increase their investment in BioDiem. The major shareholders who have already subscribed for additional shares pursuant to private placements are also eligible to apply for shortfall shares.

The next phase of BioDiem's development, being the commercialization of its technologies, mainly concerns:

- Influenza vaccine licensing business, to support existing licencees; and
- BDM-I – an antimicrobial in development for the treatment of infectious diseases which is being commercialized through BioDiem's subsidiary, Opal Biosciences Limited ("Opal Biosciences").

The proceeds of the Offer will be applied to:

Provide ongoing support to the Institute of Experimental Medicine in St Petersburg, Russia, which provides necessary materials and expertise to our LAIV (live attenuated influenza virus) 'flu vaccine technology licensees, including

- support of the Serum Institute of India (SII) following the product launch of Nasovac-S, SII's seasonal influenza vaccine in India in July 2014, and commercialisation in SII's export markets following Nasovac-S's receipt of WHO prequalification in October 2015. BioDiem receives royalties from SII sales of the LAIV vaccine into the private sector market in India; and
- support of Changchun BCHT Biotechnology Co (BCHT) who received approval in September 2015 to conduct clinical trials from the Chinese FDA. Clinical trial enrolment is expected to commence in December 2015. BioDiem will receive royalties from BCHT on the eventual sales of the LAIV vaccine in the private sector in China.

Provide ongoing support for BioDiem's new subsidiary company, Opal Biosciences. The formation of Opal Biosciences in May 2015 was undertaken to permit external investment in the commercialization of BDM-I while allowing BioDiem shareholders to retain benefit from successful commercialisation. It is our present intention to proceed to an IPO for Opal Biosciences within 18months to two years, subject to any alternate arrangement before then; and

Pay the costs of the Offer, business development and working capital expenses.

Non-shareholders resident in Australia can invest in the Company by applying for Shares from the shortfall in acceptances of the Entitlement Offer (if any).

Full details of the Entitlement Issue are set out in a prospectus that has been lodged by the Company with ASIC. The New Shares issued under the Rights Issue will rank equally with existing Shares on issue.

## The Proposed Timetable for the Rights Issue is as follows:

Date of this Prospectus	17 November 2015
Record Date	24 November 2015 (7pm)
Prospectus sent to shareholders	27 November 2015
Offer closes ("the Closing Date")	14 December 2015 (5pm)
Issue of Shares under the Offer	21 December 2015

This timetable is indicative only and may change without notice. Unless otherwise indicated, all times are Melbourne times. The Company retains the discretion to accept late acceptances or applications (either generally or in particular cases and without notifying a recipient of this Prospectus or applicants) and the Company may withdraw the Offer at any time before the Shares are issued, at its discretion.

- ENDS -

### About BioDiem Ltd

BioDiem is an Australian biopharmaceutical company that is focused on developing and commercialising vaccines and infectious disease therapies. BioDiem's business model is to generate income from partnerships including with other vaccine and infectious disease treatment companies through existing and new licences to its LAIV vaccine and other technologies. Income comes from licence fees and royalties on sales.

BioDiem's lead technology is the LAIV (Live Attenuated Influenza Virus) vaccine technology used for production of seasonal and pandemic influenza vaccines and is given intranasally. This technology is licensed currently to two commercial partners, in India and China, and is licenced to the World Health Organisation as part of the Global Pandemic Influenza Action Plan to Increase Vaccine Supply. Serum Institute of India's Nasovac-S™ is based on BioDiem's technology and is already marketed in India.

BioDiem's antimicrobial technology, BDM-I, is being developed through its subsidiary, Opal Biosciences Ltd. For additional information, please visit [www.biodiem.com](http://www.biodiem.com).

### About Opal Biosciences Ltd

Opal Biosciences is an Australian biotechnology company and an innovative player in infectious disease treatment. The unmet need for new anti-infectives is due to increasing resistance to existing antibiotics, more widespread and common difficult-to-treat infections, and the paucity of upcoming new treatments. This need has spurred the EU and US to introduce significant financial incentives to encourage development of new anti-infectives. Opal is currently seeking funding to support the next stage of development of our products:

- Opal-I, an injectable product, and
- Opal-T, which can be applied to the skin.

For more information, please visit [www.opalbiosciences.com](http://www.opalbiosciences.com).