



BIODIEM LTD
ABN 20 096 845 993

Level 4,
100, Albert Road,
South Melbourne, Victoria, 3205
Australia
Phone: +61 3 9692 7240
Web: www.biodiem.com

BioDiem Releases Half Year Results

Melbourne, 17 March 2017: Australian infectious disease therapy and vaccine development company BioDiem Ltd today announced its financial results for the half year ended 31 December 2016.

Highlights

- Royalties and milestone payments from the licences of BioDiem's LAIV technology of \$15,039 for the period, compared to \$126,255 for the previous corresponding period.
- Subsequent to period end, BioDiem received approximately A\$112,835 from BCHT with regards to the annual maintenance fee.
- Royalty receipts from sales of the LAIV influenza vaccine in India have been affected by technical issues previously advised to shareholders in the chairman's address at the 2016 AGM. These technical issues are being addressed.
- BioDiem's licensee in China, Changchun BCHT Biotechnology Company has continued clinical trials (Phases I-III) during the reporting period.
- The development program for a product to apply BDM-I (Opal-T) to the skin has progressed significantly during the period with candidate formulations being prepared for testing their antimicrobial activity.
- Expenditure control has continued.

Key Results Summary

		% change from previous corresponding period	A\$
Revenue from ordinary activities	Down	83.09%	\$21,696
Loss from ordinary activities	Down	27.25%	(434,254)
Net loss for the half year attributable to Non-controlling interest	Down	99.50%	(6)
Net loss for the half year attributable to Owners of BioDiem Limited	Down	27.11%	(434,248)

Other Information

No dividends have been declared or are expected to be declared in the remainder of the year.

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.

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.

Further information

Julie Phillips, Chief Executive Officer

BioDiem Ltd

Phone +61 3 9692 7240

Email jphillips@biodiem.com

Twitter @biodiem

BioDiem Limited

ABN 20 096 845 993

Half-year Financial Report - 31 December 2016

BioDiem Limited
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31 December 2016

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BioDiem Limited
Corporate directory
31 December 2016

Directors	Mr Hugh M Morgan AC (Chairman, Non-Executive Director) Ms Julie Phillips (Chief Executive Officer) Prof Larisa Rudenko (Non-Executive Director) Prof Arthur Kwok Cheung Li (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 The Rialto, Level 30 525 Collins Street Melbourne VIC 3000
Website	www.biodiem.com

BioDiem Limited
Directors' report
31 December 2016

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 2016.

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 Hugh M Morgan AC
Ms Julie Phillips
Prof Larisa Rudenko
Prof Arthur Kwok Cheung Li

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 \$434,248 (31 December 2015: \$595,726).

During the half-year ended 31 December 2016, technical issues have delayed LAIV sales and the receipt of royalties. These are being addressed currently. The topical development program for BDM-I has progressed significantly.

Revenue from licensing activities for the half year was \$0.015m compared to \$0.126m in 2015, whilst interest income was \$0.007m compared to \$0.002m in 2015. Research activity costs were \$0.208m compared to \$0.372m in 2015. Administration expenses were \$0.270m as compared to \$0.471m in 2015.

The Group commenced the period with cash reserves of \$0.260m. Cash outlays for research and administration were \$0.573m compared to \$0.745m in the comparative period. Cash inflows were \$0.015m from royalties and licensing agreements (2015: \$0.128m). Cash received from Research and Development Tax Offset in the current period was \$nil (2015 \$0.178). Cash reserves at the end of the financial half-year totalled \$0.656m.

Significant changes in the state of affairs

In August 2016, the Company announced that it had completed the issue and allotment of 14,392,433 convertible preference shares at \$0.08 (8 cents), raising a total of \$1,148,940.

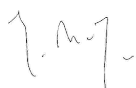
There were no other significant changes in the state of affairs of the Group during the financial half-year.

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.

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



H M Morgan AC
Director

15 March 2017
Melbourne

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

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 2016, 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



M.A. Cunningham
Partner - Audit & Assurance

Melbourne, 15 March 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
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BioDiem Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016

		Consolidated	
	Note	31 December 2016	31 December 2015
		\$	\$
Revenue	3	21,696	128,272
Other income		41,866	152,754
Expenses			
Licence fees and royalty expenses		(20,000)	(34,447)
Research and development expenses		(207,985)	(372,175)
Administration expenses		(269,831)	(471,331)
Loss before income tax expense		(434,254)	(596,927)
Income tax expense		-	-
Loss after income tax expense for the half-year		(434,254)	(596,927)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		<u>(434,254)</u>	<u>(596,927)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		(6)	(1,201)
Owners of BioDiem Limited		<u>(434,248)</u>	<u>(595,726)</u>
		<u>(434,254)</u>	<u>(596,927)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(6)	(1,201)
Owners of BioDiem Limited		<u>(434,248)</u>	<u>(595,726)</u>
		<u>(434,254)</u>	<u>(596,927)</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 2016

	Consolidated		
	31 December	30 June 2016	
Note	2016	2016	
	\$	\$	
Assets			
Current assets			
Cash and cash equivalents	655,871	259,540	
Trade and other receivables	20,184	14,374	
Other	288,604	278,128	
Total current assets	<u>964,659</u>	<u>552,042</u>	
Total assets	<u>964,659</u>	<u>552,042</u>	
Liabilities			
Current liabilities			
Trade and other payables	70,274	112,927	
Borrowings	-	228,378	
Employee benefits	80,796	94,560	
Total current liabilities	<u>151,070</u>	<u>435,865</u>	
Non-current liabilities			
Employee benefits	2,201	19,475	
Total non-current liabilities	<u>2,201</u>	<u>19,475</u>	
Total liabilities	<u>153,271</u>	<u>455,340</u>	
Net assets	<u>811,388</u>	<u>96,702</u>	
Equity			
Issued capital	4	32,168,532	31,019,592
Reserves		46,757	46,757
Accumulated losses		(31,505,691)	(31,071,443)
Equity/(deficiency) attributable to the owners of BioDiem Limited		709,598	(5,094)
Non-controlling interest		101,790	101,796
Total equity		<u>811,388</u>	<u>96,702</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 2016

Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2015	30,429,799	308,317	(30,173,331)	-	564,785
Loss after income tax expense for the half-year	-	-	(595,726)	(1,201)	(596,927)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(595,726)	(1,201)	(596,927)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	336,567	-	-	103,000	439,567
Share-based payments	-	2,039	-	-	2,039
Balance at 31 December 2015	<u>30,766,366</u>	<u>310,356</u>	<u>(30,769,057)</u>	<u>101,799</u>	<u>409,464</u>
Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2016	31,019,592	46,757	(31,071,443)	101,796	96,702
Loss after income tax expense for the half-year	-	-	(434,248)	(6)	(434,254)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(434,248)	(6)	(434,254)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 4)	1,148,940	-	-	-	1,148,940
Balance at 31 December 2016	<u>32,168,532</u>	<u>46,757</u>	<u>(31,505,691)</u>	<u>101,790</u>	<u>811,388</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 2016

	Consolidated	
	31 December	31 December
	2016	2015
	\$	\$
Cash flows from operating activities		
Cash receipts in course of operations	15,039	128,022
Cash payments in course of operations	(573,198)	(744,954)
Interest received	5,550	473
R&D Tax Offset received	-	177,959
	<u>(552,609)</u>	<u>(438,500)</u>
Cash flows from investing activities		
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issue of shares	948,940	439,567
Proceeds received in advance of share issue	-	100,000
	<u>948,940</u>	<u>539,567</u>
Net cash from financing activities	<u>948,940</u>	<u>539,567</u>
Net increase in cash and cash equivalents	396,331	101,067
Cash and cash equivalents at the beginning of the financial half-year	<u>259,540</u>	<u>446,349</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>655,871</u></u>	<u><u>547,416</u></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 2016

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 15 March 2017. 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 2016 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 2016 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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.

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 \$0.434m (2015: \$0.597m net loss after tax) for the half-year ended 31 December 2016. 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 \$0.811m (30 June 2016: \$0.097m), including cash and cash equivalent assets of \$0.656m (30 June 2016: \$0.260m), and the expectation of Group's ongoing ability to successfully secure additional sources of financing. In this regard, the Directors note the following:

BioDiem Limited
Notes to the financial statements
31 December 2016

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 income upon sales of LAIV influenza vaccine.
- The Group has a LAIV licensing agreement with the Changchun BCHO Biotechnology Co., where the vaccine subject to the LAIV licensing agreement is currently under development. If the development and commercialisation of the vaccine is successful, the LAIV licensing agreement is expected to provide further royalty income streams. Clinical trials in China have continued during the reporting period.
- The Group includes a subsidiary company, Opal Biosciences which was formed in May 2015 to commercialise the asset. BDM-I technology. Opal recently completed a capital raising of \$103,000 under its Information Memorandum which closed during the prior financial year. The Group is considering other alternative sources of cash inflows from financing initiatives, such as capital raisings.
- Directors have curtailed a significant amount of expenditure and can reduce further its 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.

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.

Whilst the directors are confident in the Group’s ability to continue as a going concern, in the event the commercial opportunities and potential sources of financing described above do not eventuate as planned, there is uncertainty as to whether the Group will be able to generate sufficient net operating cash inflows or execute alternative funding arrangements to enable it to continue as a going concern.

Consequently, material uncertainty exists as to whether the Group will continue as a going concern and it may therefore be required to realise assets, extinguish liabilities at amounts different to those recorded in the statement of financial position and settle liabilities other than in the ordinary course of business.

Note 3. Revenue

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
Royalty and milestone revenue	15,039	126,255
<i>Other revenue</i>		
Interest	6,657	2,005
Other revenue	-	12
	<u>6,657</u>	<u>2,017</u>
Revenue	<u>21,696</u>	<u>128,272</u>

Note 4. Equity - issued capital

	Consolidated			
	31 December 2016	30 June 2016	31 December 2016	30 June 2016
	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	-	1,148,940	-
	<u>189,126,493</u>	<u>174,734,060</u>	<u>32,168,532</u>	<u>31,019,592</u>

BioDiem Limited
Notes to the financial statements
31 December 2016

Note 4. Equity - issued capital (continued)

Movements in Convertible preference share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2016	-		-
Convertible preference shares	8 August 2016	14,392,433	\$0.08	1,151,395
Capital raising costs		-		(2,455)
		<u>14,392,433</u>		<u>1,148,940</u>
Balance	31 December 2016	<u>14,392,433</u>		<u>1,148,940</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 5. Equity - dividends

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

Note 6. 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 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). Once raising at least \$1.5m into Opal Biosciences a one-off payment will be made by Opal Biosciences to the IEM in consideration of the assignment of the BDM-I technology into Opal Biosciences.

The consolidated entity is also obliged to pay Formulytica Pty Ltd the final payment of \$95,200 on successful completion of the BDM-I topical development work currently being undertaken.

Note 7. Commitments

The company currently occupies office premises with an rental agreement in place that enables cancellation with two months' notice.

BioDiem Limited
Notes to the financial statements
31 December 2016

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 2016 half-year financial report:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2016 %	30 June 2016 %
Savine Therapeutics Pty Ltd	Australia	100.00%	100.00%
Opal Biosciences Limited *	Australia	95.10%	95.10%

* On 6 July 2015 the Company received approval from its shareholders at a General Meeting to assign the BDM-I technology into Opal Biosciences Limited. Consideration payable by Opal for this assignment comprised the following:

- (i) the issue by Opal to BioDiem of 10 million fully paid ordinary shares;
- (ii) the issue by Opal to BioDiem of 5 million options; and
- (iii) \$500,000 cash consideration

The reason BioDiem proposed to assign the BDM-I technology to Opal was to raise capital to develop the BDM-I technology without diluting existing shareholders' interest in the Company while ensuring that shareholders keep access to the value of the BDM-I technology and potential future upside. As at 31 December 2016 the assignment of the BDM-I technology has not taken place, as Opal Biosciences has not yet completed all of the conditions precedent for the assignment of the BDM-I technology, which includes payment to BioDiem of \$500,000 cash consideration.

During the prior year Opal Biosciences raised a total of \$103,000 via the issue of 515,000 ordinary shares and the grant of 248,125 options in accordance with the information memorandum dated 15 May 2015. The Opal Biosciences capital raising closed on 15 May 2016. BioDiem retains the majority shareholding of Opal Biosciences due to its equity holding and continues to support the development of Opal Biosciences' asset, BDM-I.

Note 9. Events after the reporting period

No matter or circumstance has arisen since 31 December 2016 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 2016

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 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company 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



H M Morgan AC
Director

15 March 2017
Melbourne

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To The Members of Biodiem Limited

We have reviewed the accompanying half-year financial report of BioDiem Limited (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The Directors of BioDiem Limited 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 controls as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 BioDiem Limited consolidated entity's financial position as at 31 December 2016 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*. As the auditor of BioDiem Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

Independence

In conducting our review, we complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BioDiem Limited is not in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the Company incurred a net loss of \$0.434 million during the half-year ended 31 December 2016. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in relation to this matter.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M.A. Cunningham
Partner - Audit & Assurance

Melbourne, 15 March 2017