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## BioDiem Shareholder Update

Melbourne, 14 May 2015

Dear Shareholders,

We are full speed into 2015 with a lot of good news to report to you.

### LAIV Royalties

BioDiem is about to receive its first royalties from the Serum Institute of India, from the Indian sales of their product Nasovac-S™, the seasonal influenza vaccine based on our LAIV technology. The payment for the first quarter of 2015 will be approximately AU\$40,000 and a similar amount is anticipated for the next quarter. Growth in sales is expected once the Nasovac-S product is approved for export following WHO pre-qualification approval. This is expected to occur within a few months.

### Introducing Opal Biosciences Limited

We would like to introduce you to the newly established, Opal Biosciences Limited ("Opal") - a wholly-owned subsidiary of BioDiem. It is envisaged that Opal will hold the BDM-I technology to allow external investment and faster development of the program. As recently as this week, another call for new antibiotics was made by the G7 group. The rise of "superbugs" plus increasing resistance to existing antibiotics are both driving the growth in the novel anti-infectives market.

Opal will remain under BioDiem's control leading up to the conclusion of a set of development studies to produce two products: Opal-I and Opal-T, injectable and topical products, respectively. BioDiem shareholders will retain a stake in the technology through the shareholding held by BioDiem.

Over the next weeks you will receive a notice of a Shareholders' Meeting to approve this. The rationale and the potential advantages to shareholders will be outlined in the Explanatory Memorandum in the papers to be sent to you. Our plan is to position the technology for a commercial exit at an enhanced valuation.

### Opal Biosciences ("OPAL") To Develop BDM-I Technology

External investment for Opal will be sought through an Information Memorandum. I will present Opal Biosciences in Sydney on May 15th at the Wholesale Investor Sydney Expo, and also in Hong Kong at the AusBiotech Asia Invest series on May 20-21. BioDiem shareholders who are "sophisticated investors" will be eligible to participate in the fund raising, and all BioDiem shareholders will retain an interest in the BDM-I technology through the BioDiem shareholding in Opal.

## New US Patent for BDM-I

Additional claims for BDM-I have been granted in the US to cover infections of the gastrointestinal tract. This adds to the existing coverage in the US for protozoal infections, skin and soft tissue infections and female genital infections; and to the global patents already in place.

## Vale Don Brooks

On a much sadder note, we were very upset to hear of the passing of our director, Mr. Don Brooks. Don was dedicated to the success of BioDiem and was instrumental in all BDM's major negotiations with Merck, Nobilon, the World Health Organisation and our LAIV sublicensees.

Don Brooks became a director of BioDiem in December 2001 when BioDiem Ltd was formed. With a strong legal and big pharma (US) background, Don was a great asset to a small start-up company. Being US-based he was well placed for the company's significant transactions with Merck, and other licencees, but being in the US meant he had to take our board calls at 6 or 7am. Don was very generous with his time and always highly enthusiastic about BioDiem's prospects. We were very privileged to know Don. Our deepest condolences go to his wife, Suzanne and their family.

Once again I invite you to join our email list to stay in contact with us, and please do call the office if you have any questions about your shareholding or trading.

Thank you for your ongoing support.



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## About BioDiem Ltd

BioDiem is an Australian biopharmaceutical company that is focussed 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. For additional information, please visit [www.biodiem.com](http://www.biodiem.com).