circadian
technologies limited

Vegenics

a global cancer initiative

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Deal overview

- Ludwig Institute for Cancer Research and Licentia Limited are world leading cancer research institutes

- Ludwig and Licentia own significant intellectual property in the field of vascular endothelial growth factors
  - discoveries in Australia and Finland by world-renowned scientists

- vascular endothelial growth factors (VEGF) play an important role in several diseases, particularly cancer
  - VEGF-A (Avastin®) is currently marketed by Genentech for colorectal cancer, with an annual market of $1.1b

- Circadian, Ludwig and Licentia have formed a new company, Vegenics Limited, to commercialise the Ludwig and Licentia VEGF intellectual property

- planned capital raising by way of ASX listing or private equity within 12 months

Ludwig Institute for Cancer Research

- leading global cancer research institute headquartered in New York
- committed to improving the understanding and control of cancer through integrated laboratory and clinical discovery
- employs over 800 scientists in Branches throughout North and South America, Europe and Australia
- worldwide network of investigators
- actively engaged in translating its discoveries into applications for human benefit
- Prof Steven Stacker and Prof Marc Achen at the Melbourne branch have made major discoveries in the field of VEGF

Licentia

- based in Finland

- commercialises technologies with IP protection originating from Finnish research institutes and universities

- has concluded over 70 licence and related contracts

- Prof Kari Alitalo at the University of Helsinki has made major discoveries in the field of VEGF

Extensive Ludwig/Licentia VEGF patent estate comprises over 50 granted patents worldwide, and over 400 pending applications

VEGF

- Vascular Endothelial Growth Factors play important role
  - promote growth of new blood vessels
  - maintain existing blood vessels

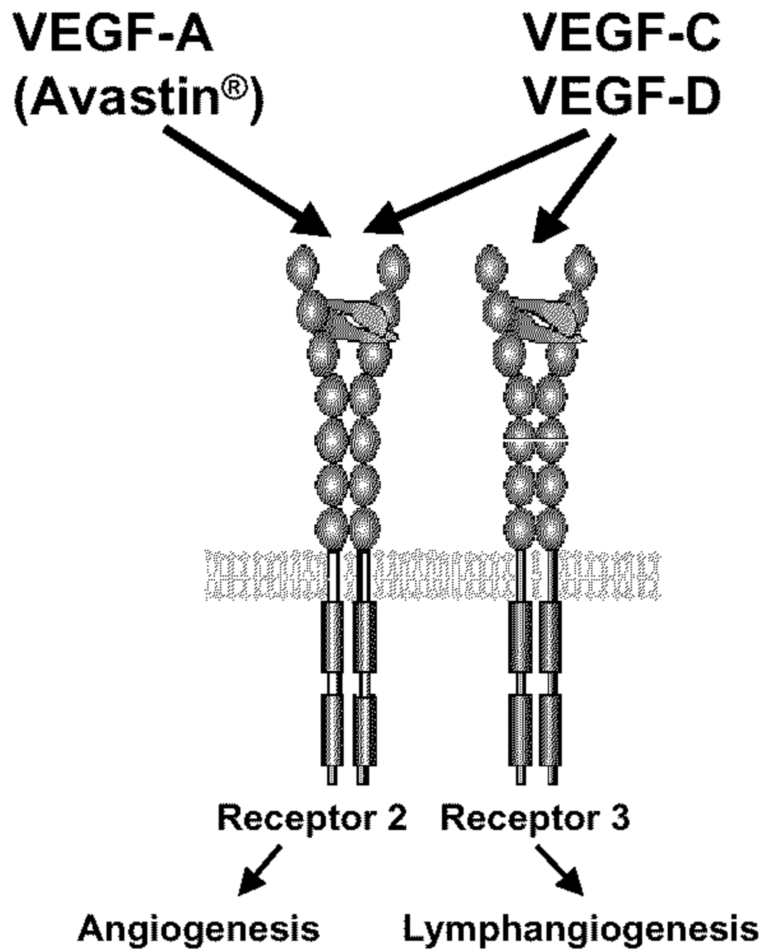
- cancers depend on growth of new blood vessels for their nutrient supply

- inhibiting VEGF restricts blood and nutrient supply to tumours
  - potential in the treatment of cancer

- Avastin®, a monoclonal antibody targeting VEGF-A developed by Genentech, has been approved by the FDA for treating colorectal cancer and is generating revenues in excess of $1b

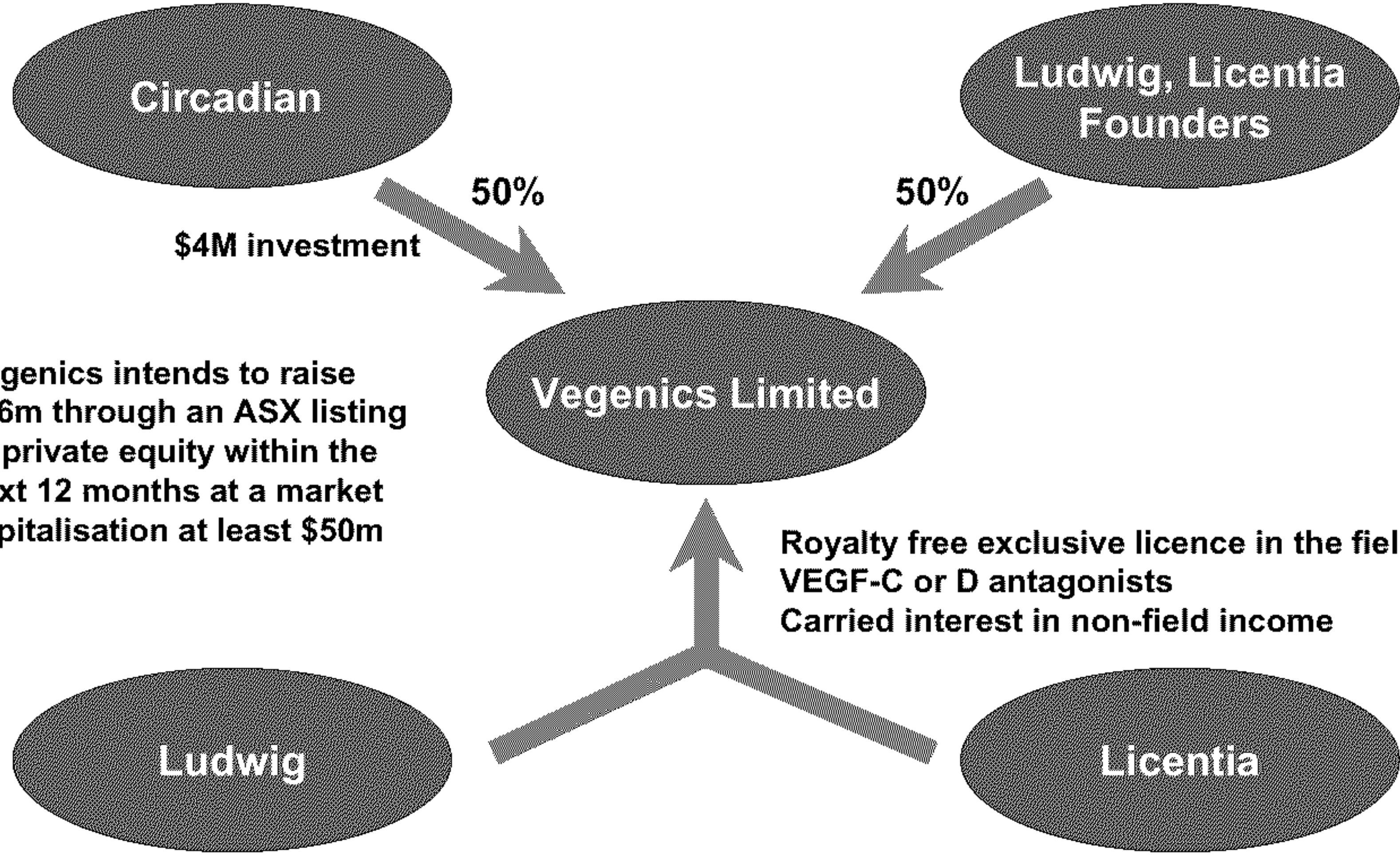
- VEGF-C and D are involved in both angiogenesis and lymphangiogenesis

VEGF Family



VEGF-A
(Avastin®)
VEGF-C
VEGF-D
Receptor 2
Receptor 3
Angiogenesis
Lymphangiogenesis

Deal structure



Vegenics intends to raise $16m through an ASX listing or private equity within the next 12 months at a market capitalisation at least $50m

Vegenics Board

- Leon Serry, Executive Chairman (Circadian)
- Robert Klupacs, Managing Director (Circadian)
- Graeme Kaufman, Executive Director (Circadian)
- Dr Jonathan Skipper, NED (Ludwig Director for IP & Licensing)
- Dr Andrew Simpson, NED (Ludwig Director for Programs & Operations)
- Dr Timo Tormala, NED (Licentia President and CEO)

Recap key points

- Circadian forms new company, Vegenics
  - plan to raise $16M through an ASX listing or private equity raising at a market capitalisation in excess of $50m
  - a collaboration between the world renowned Ludwig Institute for Cancer Research and the commercial arm of the University of Helsinki, Licentia Ltd. ("Licentia"), both renowned leaders in cancer research
  - Circadian will make an initial equity injection of $4 million into Vegenics, which will be 50% owned by Circadian and 50% by LICR and Licentia.

- LICR and Licentia have exclusively licensed to Vegenics all of their jointly owned technology covering VEGF-C and VEGF-D antagonists as therapeutic and diagnostic agents.

- Circadian believes that targeting VEGF may provide better treatments in cancer therapy.
  - Avastin® (a therapeutic antibody designed by Genentech Inc to inhibit VEGF-A) received FDA approval in February 2004 as a first-line combination therapy for patients with metastatic cancer of the colon or rectum.
  - 2005 US sales of Avastin were US$1.1b, up from US$0.5b in 2004.