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Nuclear Medicine

Cyclopharm Limited

Investor Presentation

March 2015

Investment Opportunity

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- ✓ World leading, high demand, patented nuclear medicine technologies
- ✓ Profitable and cash flow positive – growing on record FY14 results
- ✓ Multiple significant growth options being implemented now
  - Grow Technegas sales in existing geographies – Australia, NZ, Canada, Asia, Europe
  - Pursuing regulatory approvals to commence sales in Russia and the USA
  - First global sales of Ultralute in late 2015
  - Trialing use of Technegas for new indications – e.g. treat and monitor of COPD
  - MMI Joint Venture expanding outpatient services off Macquarie University Hospital growth
  - Highly experienced management team
- ✓ Strong balance sheet with capacity to fund ongoing R&D

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Our business lines

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cyclomedica Nuclear Medicine **(Technegas)**	Manufacturer and distributor of lung ventilation imaging drugs and equipment	Å Continues to generate growing revenue, profits and cash flows Å Trials underway to extend usage to COPD treatment & monitoring Å FDA trials progressing
ULTRALUTE	Technology which extends the life of nuclear isotopes by up to 50%	Å Finalised testing in 2014 Å IP Secured Å First sales expected in late 2015
MMI Macquarie Medical Imaging	Joint Venture with Macquarie University Hospital	Å Growth tied to hospital ramp-up Å Now EBIT positive
cyclopet Nuclear Medicine **(facility)**	Cyclotron business (ceased operations in April 2014)	Å Received $2.65m cash from ANSTO/PETNET in 2H 2014 Å Facility's medium to long term status under evaluation

FY14 Financial Highlights

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- ✓ Record sales of $12.1 million
- ✓ Record Technegas division operating EBITDA of $2.2 million
- ✓ Record NPAT of $4.1 million (vs 2013 loss of $10.1m), includes:
  - Technegas division NPAT: $2.4 million; and
  - Net litigation proceeds of $2.2 million
- ✓ Technegas division operating expenses down 5.3% vs 2013 leveraging off implemented cost containment program
- ✓ Cashflow from operations of $4.5 million
- ✓ NAB debt fully repaid with net cash of $3.3 million at year end

FY14 Operating Highlights

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- ✓ Technegas' sales revenue grew in all major markets
  - Sales of Technegas Generators & Patient Administration Sets up 10% on pcp
  - Canada now represents our no.1 market
- ✓ Commenced Technegas COPD trials in China
- ✓ Progress in obtaining FDA approval for Technegas in the US market
- ✓ Secured IP protection for high value Ultralute technology
  - On track for 2015 sales
- ✓ Resolved Cyclopet matter in our favour
  - Operations ceased in April 2014
  - Cyclotron facility reinstatement fully funded by insurance is currently underway
  - Medium to long term status under evaluation

Group Profit & Loss

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Record Sales and Profit

- Technegas continues to perform strongly
- Price increases and lower A$ drove improved gross margins
- Costs management initiatives saw cost reductions across almost all major expense categories
- Low tax rate driven by recognition of prior year tax losses and R&D tax offset
- Operating cash flow of $4.5m in line with reported NPAT – assisted by litigation settlement

Year ended 31 December ($000's)	**2014**	**2013**
Underlying Results[1]:		
Revenue	**12,047**	**11,882**
Technegas EBITDA (Excludes FDA costs)	2,638	2,246
Cyclopet EBITDA (FY14 = 4 months ops)	(816)	(1,268)
Underlying EBITDA	**1,822**	**978**
Depreciation and amortisation	(266)	(643)
Underlying EBIT	**1,556**	**335**
Reported EBIT	3,578	(9,994)
Interest	(107)	(270)
Tax (expense)/benefit	595	146
Reported NPAT	4,066	(10,119)
Reported Basic EPS (cents)	7.0	(17. 6)

Underlying Results represent results from Continuing Operations excluding one off items related to discontinued Cyclopet business (Litigation settlement and costs + impairment expense), CLSA deposit, FDA expenses and MMI equity accounted earnings. (Net totals: FY14: $2.0m; FY13: -$ 10.3m)

Group Balance Sheet

Balance Sheet strong with Major Debt Retired

- Improved cash position driven by strong cash flows from operations
- Net proceeds from Cyclopet settlement applied to eliminate NAB debt
- Capacity to fund growth initiatives and ongoing R&D
- Following reinstatement of the Cyclotron facility the medium to long term future of the Cyclopet facility is under consideration to include divestment

Year ended 31 December ($000's)	**2014**	**2013**
Cash	3,268	1,221
Other current assets	5,582	6,231
Non-current Assets	2,111	1,067
Total Assets	**10,961**	**8,519**
Current Liabilities	2,874	2,793
Borrowings	246	2,417
Non-current Liabilities	85	138
Total Liabilities	**3,205**	**5,349**
Net Assets	**7,756**	**3,170**

Technegas – FY14 Performance

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Record financial result

- Technegas recorded a record financial result in FY14
- PAS margins enhanced by improved local prices in Asia and Latin America and forex
- Generator revenue increased from higher volumes and prices offset by lower service revenue
- Strong financial perform supports ongoing investment in R&D and costs associated with expansion into new markets

Year ended 31 December ($000's)	2014	2013		Change
Technegas Results[1]:				
Sales Revenue				
PAS	9,384	8,583	↑	9.3%
Generators	2,106	1,874	↑	12.4%
Total Sales	**11,490**	**10,457**	↑	9.9%
Underlying EBITDA	**2,638**	**2,246**	↑	17.5%
Underlying EBITDA Margin	*23.0%*	*21.5%*	↑	*1.5%*
FDA Expenses	(478)	(478)		-
EBITDA	2,160	1,767	↑	22.2%
D&A	(223)	(220)		-
EBIT	**1,937**	**1,547**	↑	25.2%
EBIT Margin	*16.9%*	*14.8%*	↑	*2.1%*

Underlying Results represent results from Continuing Operations excluding one off items related to discontinued Cyclopet business (Litigation settlement and costs + impairment expense), CLSA deposit, FDA expenses and MMI equity accounted earnings. (Net totals: FY14: $2.0m; FY13: -$ 10.3m)

Technegas
Sales Revenue

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Consistent Organic Growth

<u>Patient Administration Sets (PAS)</u>

ÅPAS revenue up 9.3% from 2013

ÅPAS volumes down 1.7% from 2013

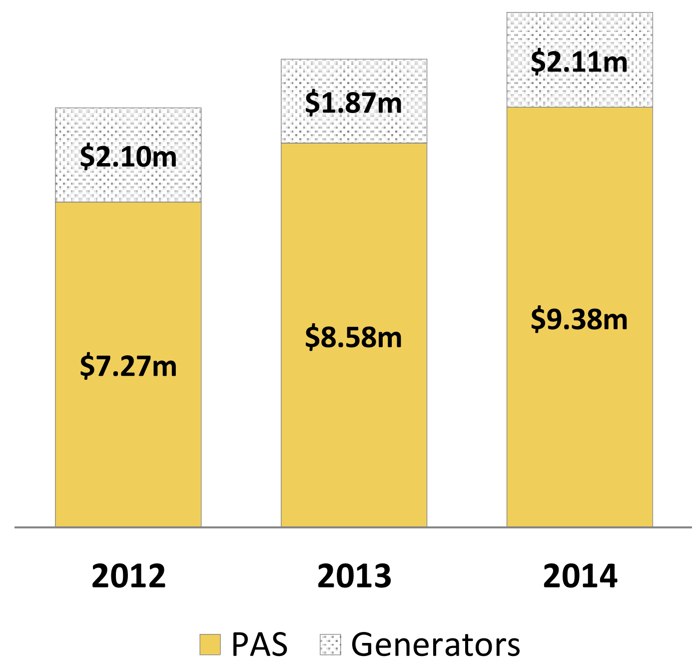
<u>Technegas Generators</u>

ÅGenerator revenue up 12.4% from 2013

ÅConsistent year-on-year demand

ÅImproved revenue from volume and price increase partly offset by decline in service revenue

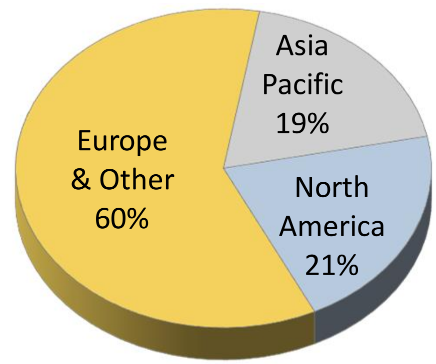
Technegas Sales Revenue



Technegas
Expanding the global footprint

- Technegas sold in 55 countries
  - In 2014 Canada became largest single market for Technegas
- Over 3,000,000 patient studies since 1986
- 1,350 Technegas generators sold globally
- Expanding operations in North America pending clinical trial and approval of United States FDA
- Seeking regulatory approval to commence sales in Russia

Technegas Sales Revenue by Region



Technegas
New Indications – COPD

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Å Cyclopharm is undertaking a trial in China to assess the use of Technegas for the management of Chronic Obstructive Pulmonary Disease (COPD)

- 200 patient trial expected to conclude in late 2015

Å Expanding the use of Technegas from Pulmonary Embolism (PE) diagnosis to COPD would represent significant expansion of the market size

- In Australia in 2014, there were approximately 35,000 Technegas procedures for PE vs approximately 620,000 COPD patients
- In the US, there were approximately 600,000 cases of PE in 2005 vs an estimated 15 million patients suffering from COPD in 2002
- In China, at any time more than 56.6 million people in China have COPD

Å Key drivers of the Chinese COPD market include:

- China is the greatest producer and user of tobacco in the world*
- Rapidly Aging Population
- The use of biomass burning at home for cooking
- Incidence of post-pulmonary tuberculosis

*Fang X et al. Chest 2011; 139: 920-929

Ultralute™

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Å Cyclopharm patented technology

Å Extends the effective life of
Mo-99 generator up to 50%

Å Global interest continues to grow

Å Patent secured in 2014

Å First sales anticipated in late 2015

Å Market introduction represents a base
platform for additional applications

Macquarie Medical Imaging

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MMI
MACQUARIE MEDICAL IMAGING

ÅJoint venture with:

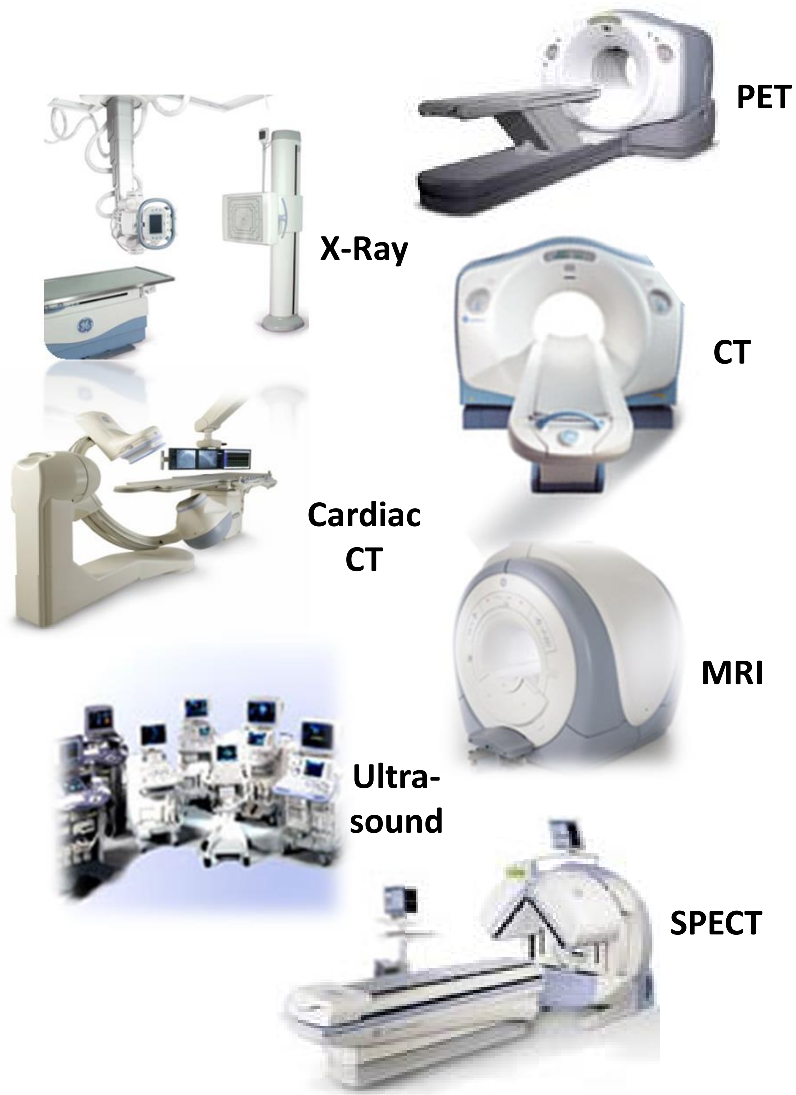
- Å50% Alfred Health Solutions
- Å30% Macquarie University
- Å20% Cyclopharm

ÅComprehensive suite of imaging modalities

ÅState of the art research platform

ÅGrowth and profitability linked to ramp-up of Macquarie University Hospital

ÅSales revenue increased in 2014 as outpatient initiatives implemented at Macquarie University Hospital



Summary and Outlook

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Solid growth prospects and healthy capital position

- ✓ Record financial results in 2014
- ✓ Underlying profitability up significantly due to sales and margin expansion
- ✓ Technegas organic revenue and earnings growth to continue, driven by:
  - Emergence of Canada as largest single market
  - Improved demand and pricing in Europe and China
  - Seeking regulatory approval to commence sales in Russia
- ✓ USFDA trials underway
  - Pursuing options to accelerate commercialisation timetable
- ✓ Developing additional Technegas indications to include COPD
- ✓ Targeting first Ultralute™ revenue in late 2015
- ✓ Balance sheet strong
- ✓ Future cashflows may allow consideration of capital management

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All references to dollars are to Australian dollars.