

Cyclopharm Limited

2015

Annual General Meeting

May 2015

Agenda



Acting Chairman's Address

Managing Director's Review

Questions

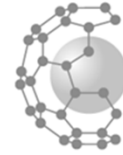
Formal Business

Acting Chairman's Address

DAVID HEANEY

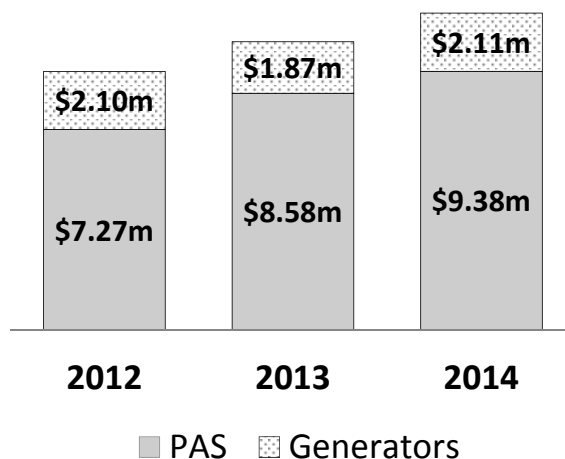


Introduction



- ✓ 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
- ✓ Strong balance sheet with capacity to fund ongoing R&D
- ✓ Market beginning to recognise our achievements

Technegas Sales Revenue



CYC Share Price Performance



Cyclopharm

Our business lines



Manufacturer and distributor of lung ventilation imaging drugs and equipment

- Continues to generate growing revenue, profits and cash flows
- Trials underway to extend usage to COPD treatment & monitoring
- FDA trials progressing



Technology which extends the life of nuclear isotopes by up to 50%

- Finalised testing in 2014
- IP Secured
- First sales expected in late 2015



Joint Venture with Macquarie University Hospital

- Growth tied to hospital ramp-up
- Now EBIT positive



Cyclotron business (ceased operations in April 2014)

- Received \$2.65m cash from ANSTO/PETNET in 2H 2014
- Facility's medium to long term status under evaluation

Managing Director's Review
JAMES MCBRAYER



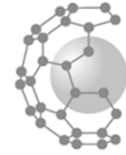
FY14 Financial Highlights



- ✓ 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



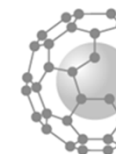
FY14 Operating Highlights



- ✓ 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

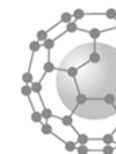


Record Sales and Profit

	<i>Year ended 31 December (\$000's)</i>	2014	2013
	<u>Underlying Results¹:</u>		
• Technegas continues to perform strongly	Revenue	12,047	11,882
• Price increases and lower A\$ drove improved gross margins	Technegas EBITDA <small>(Excludes FDA costs)</small>	2,638	2,246
• Costs management initiatives saw cost reductions across almost all major expense categories	Cyclopet EBITDA <small>(FY14 = 4 months ops)</small>	(816)	(1,268)
• Low tax rate driven by recognition of prior year tax losses and R&D tax offset	Underlying EBITDA	1,822	978
• Operating cash flow of \$4.5m in line with reported NPAT – assisted by litigation settlement	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.

Group Balance Sheet



Balance Sheet strong with Major Debt Retired

	<i>Year ended 31 December (\$000's)</i>	2014	2013
<ul style="list-style-type: none">• Improved cash position driven by strong cash flows from operations• Net proceeds from Cyclopet settlement applied to eliminate NAB debt	Cash	3,268	1,221
	Other current assets	5,582	6,231
	<u>Non-current Assets</u>	<u>2,111</u>	<u>1,067</u>
	<u>Total Assets</u>	<u>10,961</u>	<u>8,519</u>
<ul style="list-style-type: none">• 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	Current Liabilities	2,874	2,793
	Borrowings	246	2,417
	<u>Non-current Liabilities</u>	<u>85</u>	<u>138</u>
	<u>Total Liabilities</u>	<u>3,205</u>	<u>5,349</u>
	<u>Net Assets</u>	<u>7,756</u>	<u>3,170</u>

Technegas – FY14 Performance



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

<i>Year ended 31 December (\$000's)</i>	2014	2013	Change
<u>Technegas Results¹:</u>			
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%
<i>Underlying EBITDA Margin</i>	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%
<i>EBIT Margin</i>	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.

Technegas Sales Revenue



Consistent Organic Growth

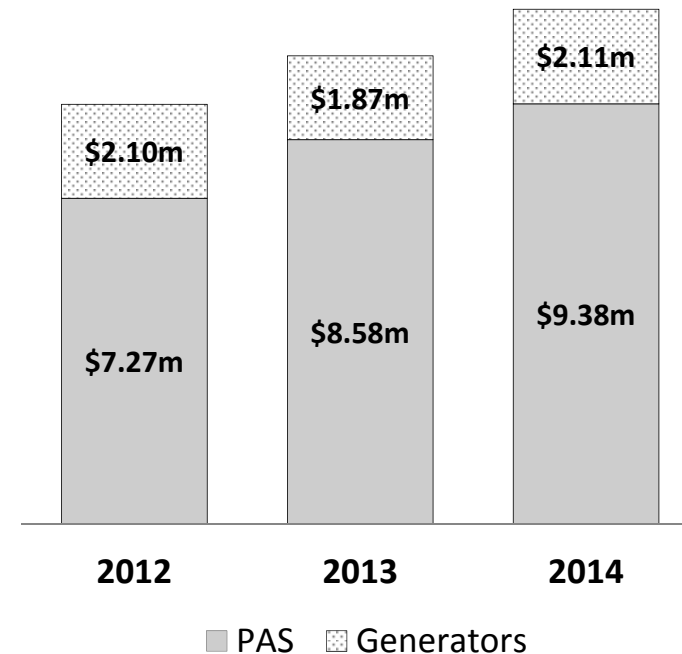
Patient Administration Sets (PAS)

- PAS revenue up 9.3% from 2013
- PAS volumes down 1.7% from 2013

Technegas Generators

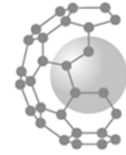
- Generator revenue up 12.4% from 2013
- Consistent year-on-year demand
- Improved revenue from volume and price increase partly offset by decline in service revenue

Technegas Sales Revenue



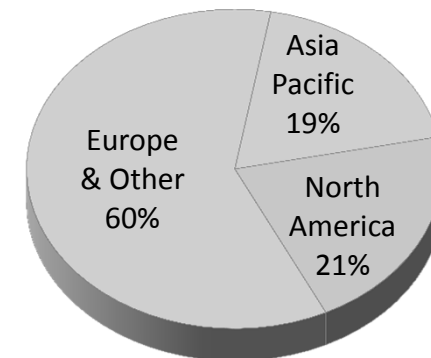
Technegas

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

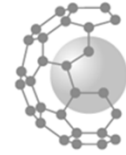


- Cyclopharm is undertaking a trial in China to assess the use of Technegas for the management of Chronic Obstructive Pulmonary Disease (COPD)
 - 200 patient trial expected to conclude in late 2015
- Expanding the use of Technegas from Pulmonary Embolism (PE) diagnosis to COPD would represent significant 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
- Key drivers of the Chinese COPD market include:
 - China is the greatest producer and user of tobacco in the world*
 - Rapidly Ageing 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™

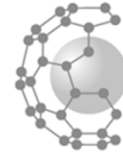


- Cyclopharm patented technology
- Extends the effective life of Mo-99 generator up to 50%
- Global interest continues to grow
- Patent secured in 2014
- First sales anticipated in late 2015
- Market introduction represents a base platform for additional applications

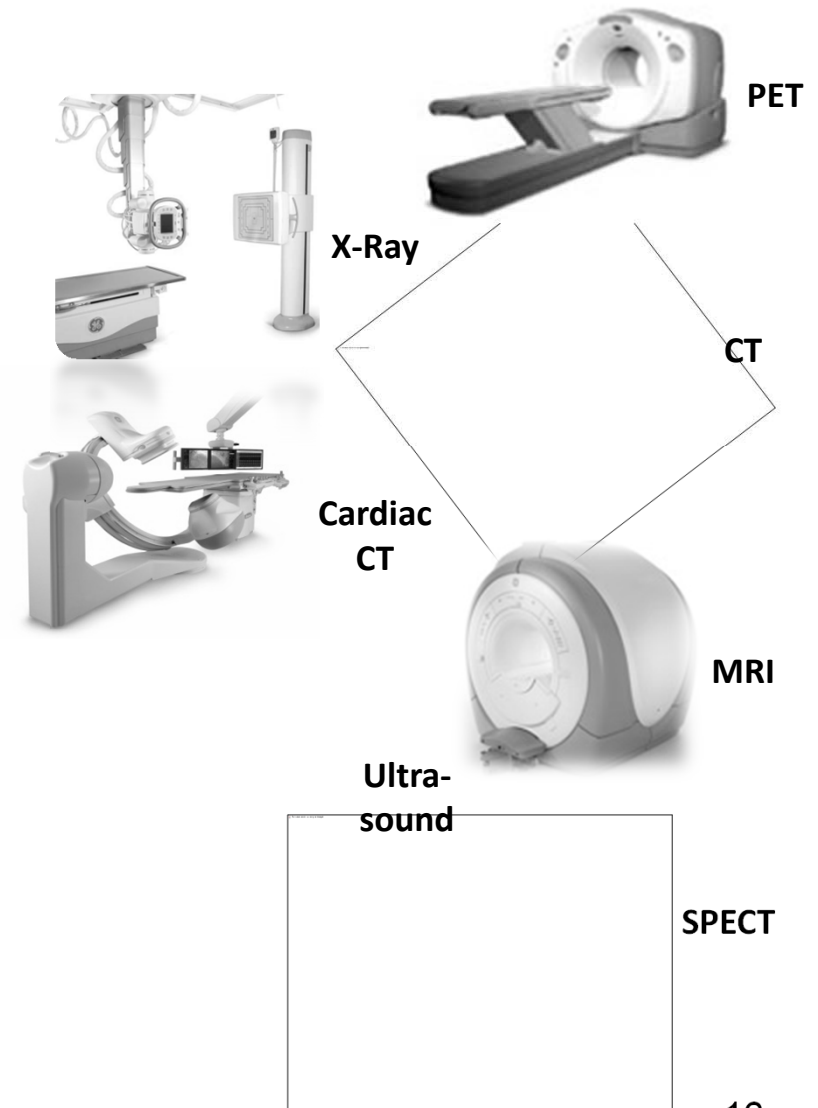


Macquarie Medical Imaging

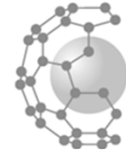
cyclopharm
Nuclear Medicine



- Joint venture with:
 - 50% Alfred Health Solutions
 - 30% Macquarie University
 - 20% Cyclopharm
- Comprehensive suite of imaging modalities
- State of the art research platform
- Growth and profitability linked to ramp-up of Macquarie University Hospital
- Sales revenue increased in 2014 as outpatient initiatives implemented at Macquarie University Hospital take effect



Summary and Outlook



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

2015 AGM
QUESTIONS



2015 AGM

FORMAL BUSINESS



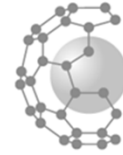
Proxy Summary



Resolution	Business	For*	Against	Abstain	Proxy's discretion
1	Remuneration Report	31,662,895	10,984,944	-	-
2	Re-election of Mr David Heaney	42,640,294	-	7,545	-
3	Renewal of share buy-back capacity	31,639,875	11,002,534	5,430	-
4	Issue of LTIP shares to the Managing Director	42,565,217	50,804	31,818	-
5	Maximum Non- Executive Director Remuneration	31,642,618	11,005,221	-	-
6	Amend 2013 LTIP Grant Performance Hurdle	31,590,800	11,025,221	31,818	-
7	Amend LTIP to allow allotment or transfer	31,590,800	11,025,221	31,818	-

*Includes Open Useable Proxies that have instructed the Chairman to vote on their behalf and have voted in favour of the resolution.

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All references to dollars are to Australian dollars.