cyclopharm
Nuclear Medicine

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17 May 2022

The Manager
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Chairman's Address

Good morning ladies and gentlemen, and fellow shareholders.

Thank you for joining us for today's virtual Annual General Meeting of Cyclopharm Limited. My name Is David Heaney, CYC's Chairman and I will also chair this meeting.

I am joined today by my fellow Directors, Dianne Angus and James McBrayer, our Managing Director and Company Secretary.
I also welcome Mr Stephen Fisher of Nexia Sydney, the Company's Auditor.

I have been advised that a quorum is present – by virtue of the proxies I hold as Chair, and those shareholders in attendance today – and I now formally declare the meeting open.

As this meeting is being conducted as a virtual meeting, I would like to welcome those shareholders that are joining us via zoom and ask that you please submit any questions or comments via the Q&A function which can be found at the bottom of your zoom screen. When you submit a question or comment, please start by typing which resolution it relates to so that it can be addressed at the appropriate time.

Questions which relate to the general business of the Company will be collected and addressed after the close of the formal business of the meeting.
The agenda for today's meeting will be as follows:

- I will provide the Chairman's address;
- Followed by a business update from the Company's Managing Director;
- After which, we'll proceed to the formal matters to be considered at today's AGM; and
- Finally, there will be an opportunity for general questions and discussion.

I will now proceed with the Chairman's Address.

Slide 4 Chairman's Address

In 2021, Cyclopharm delivered record sales revenue while continuing to work with the United States Food and Drug Administration on the final stage of the

approval process to sell the company's core Technegas™ products in the US market.

Slide 5 A World Leading Diagnostic Lung Imaging Company

Technegas™ is currently available in over 60 countries and is considered a world leader in nuclear medicine functional lung ventilation imaging. Technegas™ has been administered to over 4.4 million patients to date, and is referenced in of hundreds of peer reviewed publications. We have recurring revenue predominantly from the sale of single patient consumables, positive operating earnings and a very strong balance sheet to fund our growth strategy.

Cyclopharm's ability to deliver a record revenue performance in 2021 despite the ongoing challenges and disruption in global markets from the global COVID-19 pandemic demonstrates the superiority of our technologies and the resilience of our business model. Alongside supporting the approval process needed to initiate Technegas™ sales in the US, your company made significant progress in developing new revenue streams through third-party distribution agreements and in advancing the 'Beyond PE' growth initiatives.

The key strategic focus for Cyclopharm throughout 2021 was progressing the USFDA approval process for Technegas™. Commencing sales in the US market presents a transformational business opportunity for your company. US Marketing Approval for Technegas™ to diagnose pulmonary embolism, will enable exponential growth of the business. Following a request from the USFDA in mid-2021 for additional information, the regulatory process is in its final stages. Importantly, the additional information request from the USFDA related to the unique product characteristics of our technology and not relate to the demonstrated efficacy and safety of Technegas™.

Cyclopharm is confident of supplying the required information in the second half of this year. Accordingly, in parallel, the company is readying itself for the commercial launch and sales into the US market. We are investing to build the inventory, sales capabilities and infrastructure to support rapid sales growth. Your Board is highly confident that Technegas™ can achieve a 50% share of the PE US market over the first 2 to 3 years, rising to an 80% share over a 5-to-7-year period. We have the technology, expertise, capabilities and resources to be highly successful in this key market.

In 2021, Cyclopharm also continued to leverage its regulatory expertise, operational footprint and technical support capabilities in nuclear medicine to secure third-party distribution agreements in Europe and Asia Pacific. During the year, the third-party distribution business contributed $4.1 million of revenue to the Company, nearly double the 2020 figure. In the current financial year, Cyclopharm plans to expand this revenue stream further by entry into new distribution markets, including our home base here in Australia.

In our key European markets, we undertook a number of measures to strengthen and protect our Technegas™ market position. We established direct sales and distribution offices in Belgium and the UK, which we expect will

enable us to expand margins and sales growth over time. Secondly, we obtained the renewal of our CE Marketing Authorisation under the stringent new European Medical Device Regulations. This renewal is a critical milestone for the Company, reflecting significant efforts to meet the very high regulatory bar set by the European authorities and ensuring our presence in that market will remain strong for years to come.

In 2021 the company made significant progress in pursuing justice against the former employees that we allege conspired with each other, unlawfully by using CYC's confidential information, and breached various of their employment and fiduciary duties to CYC. In the proceedings CYC is seeking damages, legal costs and other relief arising from the defendants' conduct. Our legal counsel both here in Australia and in Germany underscore the strength of our claims, now supported by additional evidence secured through search orders. This matter is likely to be before the Australian courts later this year. We remain highly confident of positive outcomes to this process.

Looking at further growth horizons, Cyclopharm's 'Beyond PE' initiatives are very exciting. Beyond PE is designed to develop new functional lung diagnostic applications and therefore new business growth opportunities for Technegas™ beyond Pulmonary Embolism (PE). Your Company is funding multiple studies and supporting clinicians working to demonstrate Technegas'™ potential, as a diagnostic tool to manage large unmet market opportunities in Chronic Obstructive Pulmonary Disease (COPD), asthma and other chronic respiratory diseases states. Cyclopharm estimates COPD alone to be a market 30 times the size of PE. In addition, clinical research has recently expanded into investigating the use of Technegas™ for patients suffering from long-COVID, where preliminary data from this research is showing positive results.

Cyclopharm ended the 2021 financial year with a strong balance sheet and a cash balance of $29.25 million. This includes the capital raising undertaken during the financial year, and ongoing positive operating cashflows. The proceeds of the capital raise are being used to fund the final stages of the FDA approval process, the anticipated launch of Technegas™ into the US market, Beyond PE R&D indication validation and working capital to fund continuing organic business growth.

Based on our performance in 2022 to date, and feedback from physicians and health care providers, we expect 2022 will be another successful year in our key markets. Sales of Technegas™ are rebounding to pre-COVID-19 run rates, as the world emerges from the pandemic. We also expect our complementary third-party distribution revenues to continue to grow and be an important additional, and alternative source of earnings for Cyclopharm, particularly as we expand third-party distribution into Australia.

The strength of our balance sheet, and improved operational performance, provided your Board with the confidence to retain the full year dividend payout at one cent per share, while maintaining capacity to fund our growth initiatives. Moving on to matters of governance, as part of our board renewal process in August last year we appointed Ms Dianne Angus, an experienced Executive

and listed company Director in the biotechnology sector. In December 2021, Independent Director, Mr Tom McDonald, retired from the Board of Cyclopharm due to health reasons. The Board acknowledges and thanks Mr McDonald for his significant and valuable contribution as a director of the Company since joining the Board in 2017. The Company has recently engaged a specialist recruitment firm to identify additional Directors to ensure the skills mix of the Board continues to appropriately support the Company's growth strategies and governance requirements.

On behalf of the Board, I again thank our Managing Director, James McBrayer for his leadership, all Cyclopharm staff for their hard work and commitment and our shareholders for their ongoing support of the Company.

We are confident that Cyclopharm is in a strong position, both strategically, financially and operationally, to build on the successes to achieve long-term, sustainable growth in profits and shareholder value.

I now invite our Managing Director, James McBrayer to provide an update on the company's operations and performance. Thank you, James.

David Heaney
Chairman

This ASX announcement was approved and authorised for release by James McBrayer, Managing Director, CEO and Company Secretary.

For more information, please contact:

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Cyclopharm Limited
Cyclopharm is an ASX Listed radiopharmaceutical company servicing the global medical community. The Company's mission is to provide nuclear medicine and other clinicians with the ability to improve patient care outcomes. Cyclopharm achieves this objective primarily through the provision of its core radiopharmaceutical product, Technegas® used in functional lung ventilation imaging.

Technegas®
The Technegas® technology is a structured ultra-fine dispersion of radioactive labelled carbon, produced by using dried Technetium-99m in a carbon crucible, micro furnaced for a few seconds at around 2,700° C. The resultant gas like substance is inhaled by the patient (lung ventilation) via a breathing apparatus, which then allows multiple views and tomography imaging under a gamma or single photon emission computed tomography (SPECT) camera for evaluating functional ventilation imaging. Historically used in the diagnosis of pulmonary embolism, Technegas®, together with advancements in complementary technology to multimodality imaging and analytical software, is being used in other disease states to include COPD, asthma, pulmonary hypertension and certain interventional applications to include lobectomies in lung cancer and lung volume reduction surgery.