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# Cyclopharm Limited

# Annual General Meeting

## 22 May 2014

# Disclaimer



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All references to dollars are to Australian dollars.

# Agenda

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Chairman's Address

Managing Director's Review

Question Time

Business

Close

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Chairman's Address

Vanda Gould



# Cyclopharm business

## Three business units

Cyclopharm - helping save lives everyday!



### Technegas

Established in 1986 continues to generate revenue, profits and strong cash flows through the manufacture and distribution of drugs and equipment for lung imaging



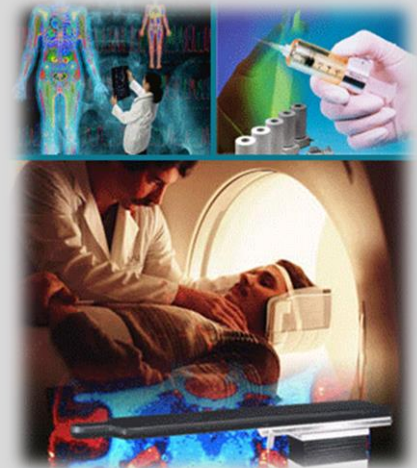
### Radiopharmaceuticals

PET central pharmacies to produce radiopharmaceuticals



### Diagnostic Imaging

Developing centres that provide services ranging from specialised nuclear medicine to a full complement of imaging modalities



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# Managing Director's Review

James McBrayer





## Opportunities and Challenges

- ✓ Technegas business strong and growing with Patient Administration Sets (PAS) units increasing 7% over previous year
- ✓ United States FDA Clinical trial commences Q4 2012
- ✓ Cyclotron facility completed its third year of operations with sales volume growth of 11% over previous year – board decision to close down cyclotron commercial operations in 2014
- ✓ Claim filed with the Australian Federal Court in August 2012 for breaches of the Consumer and Competition Act
- ✓ Ultralute commercialization process proceeding at pace



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# 2013 Financials





# Profit & Loss



## Solid growth in revenue and cash flow

- TG revenue 12% above prior year with PAS volumes 7% higher
- \$2,429k Loss from MUH Cyclotron activities
- \$8,860k Impairment charge from Molecular Imaging
- \$253k Loss from Molecular Imaging JV
- Operating cash flow grew by \$816k

	2013	2012
<b>Technegas Division</b>		
Sales Revenue	\$10,456,919	\$9,367,984
Profit Before Tax and Finance Costs	\$2,025,694	\$1,124,977
<b>Molecular Imaging</b>		
Sales Revenue	\$1,425,215	\$1,375,840
Loss Before Tax and Finance Costs (Operations)	(\$2,428,797)	(\$1,752,050)
Loss Before Tax and Finance Costs (Including Impairment and MMI)	(\$11,541,600)	(\$1,752,050)
<b>Consolidated</b>		
Sales Revenue	\$11,882,134	\$10,743,824
Loss Before Tax and Finance Costs	(\$9,515,906)	(\$627,073)
<b>Cash Flow</b>		
Operating Cash Flow	\$1,185,110	\$369,285

# Balance Sheet



## Low Debt

- Decrease in Non-current Assets from \$8.86m impairment charge to Molecular Imaging Property, plant & equipment

<b>Year end 31 December</b>	<b>2013</b>	<b>2012</b>
Current Assets	\$7,451,504	\$9,032,983
Non-current Assets	\$4,447,663	\$12,623,380
<b>Total Assets</b>	<b>\$11,899,167</b>	<b>\$21,656,363</b>
Current Liabilities	\$5,210,491	\$5,928,044
Non-current Liabilities	\$138,183	\$119,886
<b>Total Liabilities</b>	<b>\$5,348,674</b>	<b>\$6,047,930</b>
<b>Net Assets</b>	<b>\$6,550,493</b>	<b>\$15,608,433</b>
<b>Property, plant &amp; equipment</b>	<b>\$742,420</b>	<b>\$9,526,942</b>

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# Segmental Overview

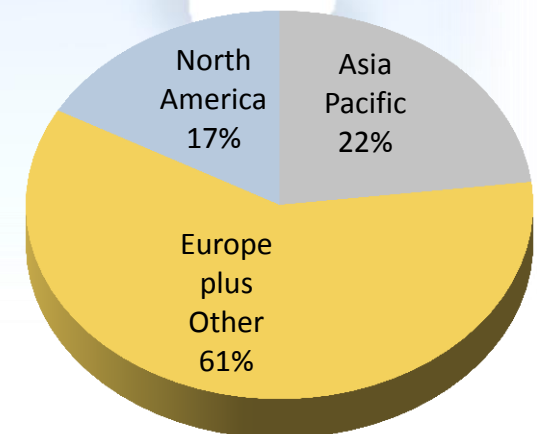


# Technegas

## Global footprint



- Technegas is sold in 55 countries across the world
- Over 3,000,000 patient studies since 1986
- 1,300 Technegas generators sold globally
- Expanding operations in North America pending clinical trial and approval of United States FDA
- Targeting further expansion through new indications to include COPD
- 500 person pilot clinical trial in China initiated in May 2013



# Technegas Sales Revenue

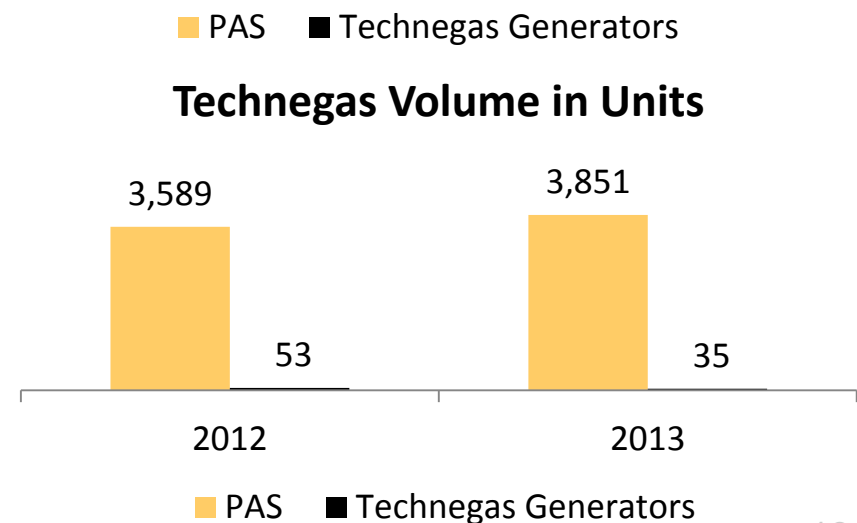
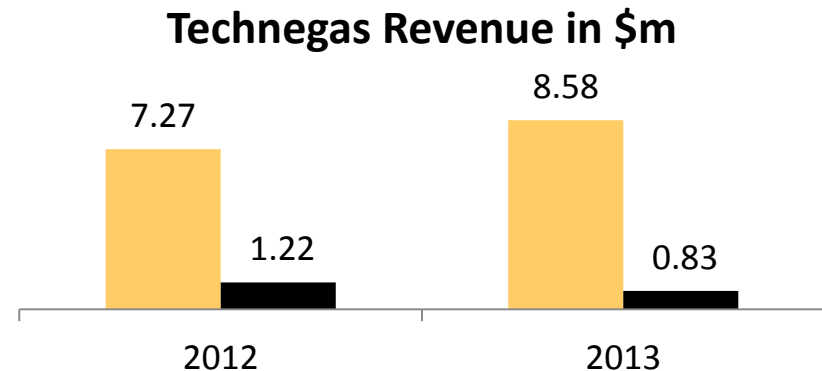
## Technegas sales of PAS continue to rise

### Patient Administration Sets (PAS)

- PAS revenue up 18% from 2012
- PAS volumes up 7% from 2012

### Technegas Generators

- TG Generator revenue down 31% from 2012 with volumes down 34% from prior year





## Revenue impacted by ANSTO-PetNet matter

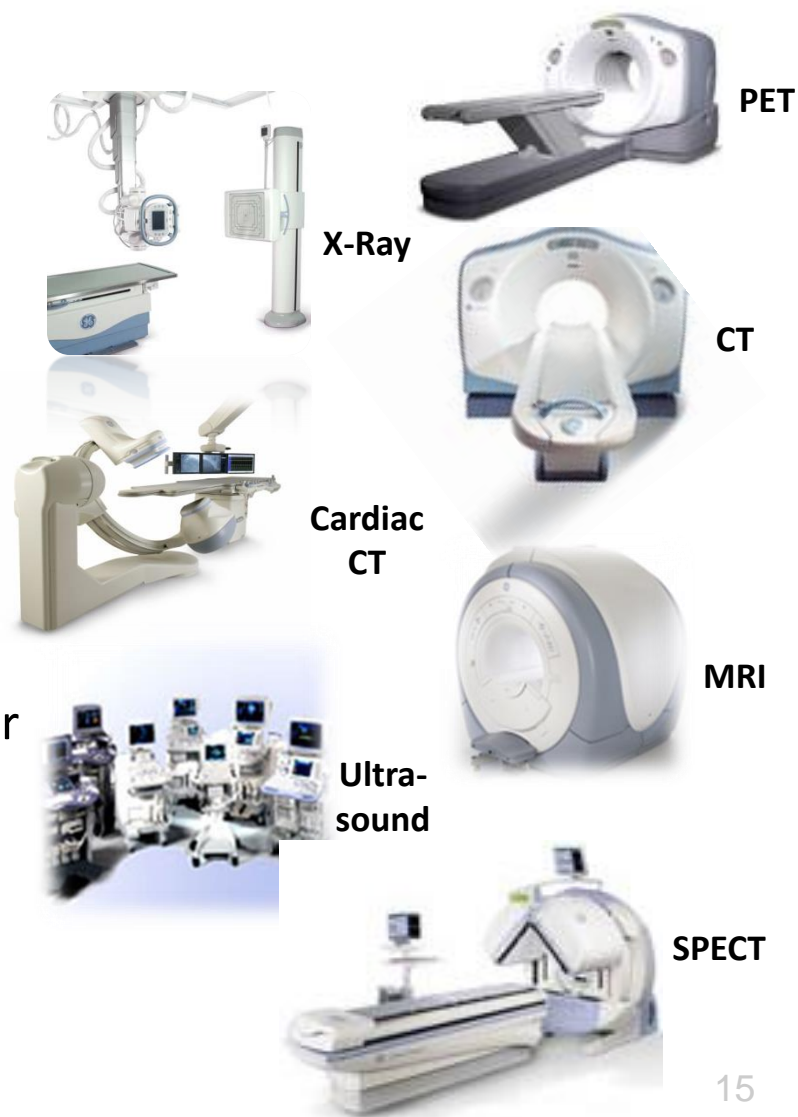
- Third full year of operations recording revenue at \$1,425k equating to 4% growth
- Strong competition from public sector cyclotron facilities in NSW
- Board decision to close commercial operations in April 2014
- Claim against ANSTO scheduled for Federal Court hearing in September 2014



# Macquarie Medical Imaging



- Joint venture with:
  - 50% Alfred Health Solutions
  - 30% Macquarie University
  - 20% CycloPet
- Comprehensive suite of imaging modalities
- State of the art research platform
- Macquarie University Hospital start-up slower than expected
- Positive trending currently seen with sales revenue up 32%





- Cyclopharm patented technology
- Extends the effective life of Mo-99 generator up to 50%
- Improves utilisation of Tc-99m
- Regulatory approval process underway
- Global interest continues to grow
- Further announcements regarding commercialisation due later this year





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# Business Outlook 2014





## Simpler business to deliver strong earnings growth

- ✓ Technegas revenue growth driven by:
  - Improved demand in Europe and China
  - Increased sales of lower margin Technegas generators
- ✓ Continue USFDA trial targeting completion early 2016 with commercialisation in mid 2016
- ✓ Develop additional Technegas indications to include COPD
- ✓ Continue to prosecute our anticompetitive claim against ANSTO
- ✓ Commercialise Ultralute™



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# Conclusion



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## Question Time & Business



# Proxy Summary



Resolution	Business	For*	Against	Abstain	Proxy's discretion
1	Remuneration Report	24,336,652	29,762	5,000	-
2	Re-election of Mr Gould	24,344,609	19,260	7,545	-
3	Election of Mr Townsing	24,354,102	16,800	512	-
4	Renewal of share buy-back capacity	24,354,614	-	16,800	-

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