

ASX and Media Release
23 October 2015

Circadian to regain VEGFR-3 intellectual property licensed to Eli Lilly

Melbourne, Australia – Circadian Technologies Limited (ASX:CIR, OTCQX:CKDXY) has received notification that Eli Lilly will discontinue development of their VEGFR-3 antibody IMC-3C5 (LY3022856) and therefore will terminate its exclusive license to Circadian's intellectual property (IP) covering therapeutic use of antibodies to VEGFR-3. Termination of the license will be effective within 60 days, at which time the rights to that IP will revert to Circadian.

Megan Baldwin, PhD, CEO & Managing Director of Circadian, said *"The return of IP rights covering the use of VEGFR-3 antibodies for all fields, including ophthalmology, strengthens Circadian's intellectual property position, particularly in relation to our OPT-302 program for the treatment of wet AMD. Reversion of the IP provides Circadian with greater flexibility for negotiation of any future IP licenses that are more aligned with our revised strategy to focus on ophthalmology indications."*

"We thank Eli Lilly for its collaboration with an important outcome being IMC-3C5 advancing through a Phase 1 clinical study for cancer patients."

Under the agreement, signed in 2004 by the Ludwig Institute for Cancer Research and novated to Circadian Technologies, Eli Lilly had an exclusive license to Circadian's IP to develop a VEGFR-3 antibody, in return for an annual license fee payable to Circadian. Termination of the license agreement will not have any material impact on Circadian's financial projections as the company's forecasts do not include annual license income from Eli Lilly.

Furthermore, the termination of the agreement does not have any impact on Circadian's program to develop OPT-302 for the treatment of wet age-related macular degeneration (wet AMD), other than providing Circadian with more comprehensive IP coverage for agents targeting the VEGFR-3 pathway, including those for ophthalmology applications.

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About Circadian Technologies Limited

Circadian (ASX:CIR; OTCQX:CKDXY) is a biologics drug developer focusing on ophthalmic disease therapies. It controls exclusive worldwide rights to a significant intellectual property portfolio around Vascular Endothelial Growth Factor (VEGF)-C, VEGF-D and VEGFR-3. The applications for the VEGF technology, which functions in regulating blood and lymphatic vessel growth, are substantial and broad. Circadian's internal product development programs are primarily focused on developing OPT-302 (formerly VGX-300, soluble VEGFR-3) for 'back of the eye' disease such as wet age-related macular degeneration (wet AMD).

Inherent risks of Investment in Biotechnology Companies

There are a number of inherent risks associated with the development of pharmaceutical products to a marketable stage. The lengthy clinical trial process is designed to assess the safety and efficacy of a drug prior to commercialisation and a significant proportion of drugs fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology. Companies such as Circadian are dependent on the success of their research and development projects and on the ability to attract funding to support these activities. Investment in research and development projects cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Thus investment in companies specialising in drug development must be regarded as highly speculative. Circadian strongly recommends that professional investment advice be sought prior to such investments.

Forward-looking statements

Certain statements in this ASX announcement may contain forward-looking statements regarding Company business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing Company goals, expectations, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the process of discovering, developing and commercialising drugs that can be proven to be safe and effective for use as human therapeutics, and in the endeavour of building a business around such products and services. Circadian undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Actual results could differ materially from those discussed in this ASX announcement.