Stakeholder Outreach

Reliable Supply of Mo-99 and LEU Conversion

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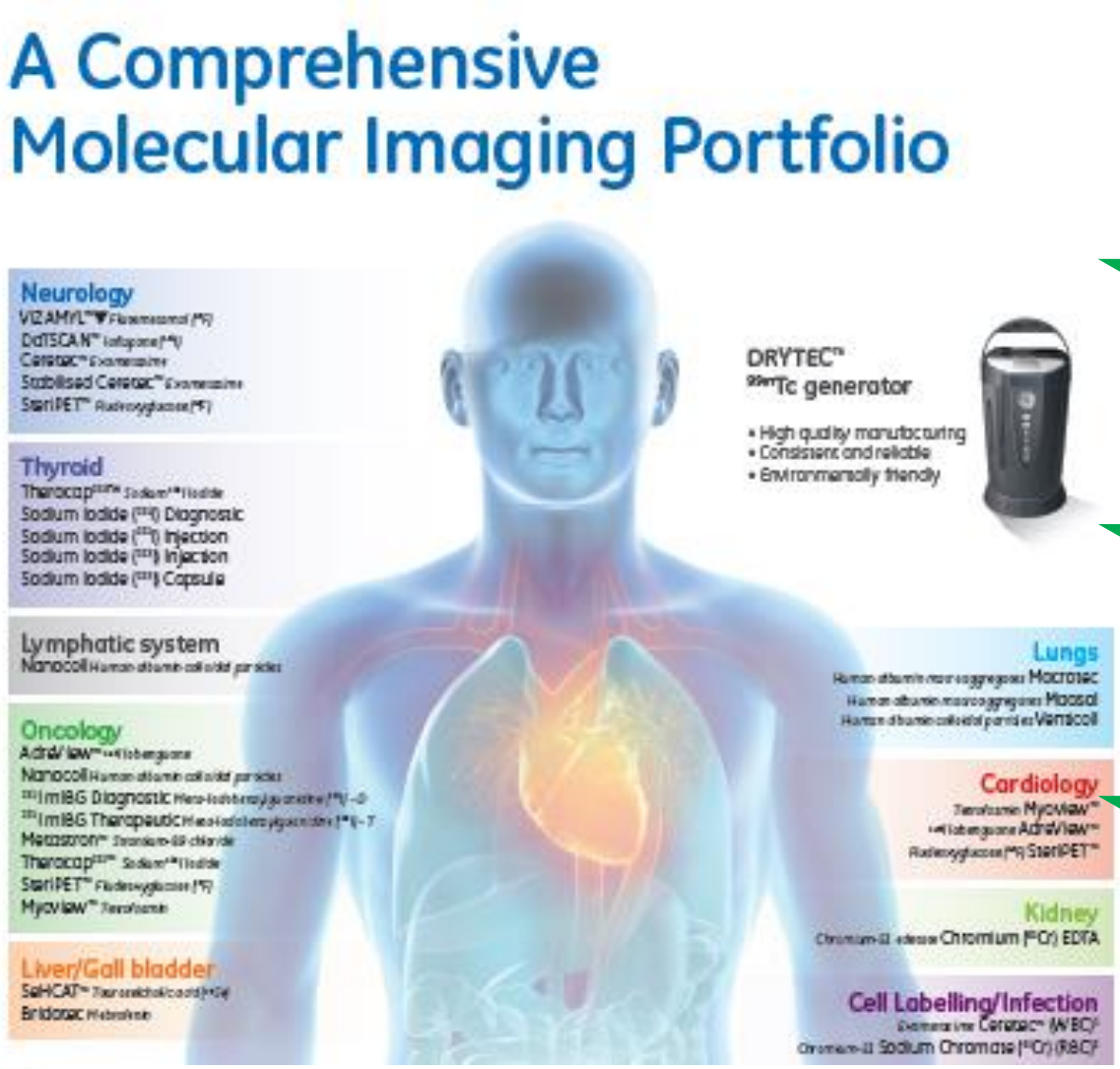
GE SPECT Supply Chain



- 31 US radiopharmacies
- Manufacturer of Tc-99 generators
- Tc-99 Cold Kit Development / Manufacturer

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Critical Need to Ensure Product Quality and Patient Sa

NECC triggers tsunami of activity (FDA, Boards of Pharmacy)

Drug Quality and Security Act, November 2013

Obama signs Drug Quality and Security Act into law

President Obama has signed H.R. 3204 into law, setting the wheels in motion for the FDA to develop a national track-and-trace system to secure the pharmaceutical supply chain.

The aim of the Drug Quality and Security Act (DQSA) is to "minimise opportunities for contamination, adulteration, diversion, or counterfeiting," whilst also clarifying the FDA's authority to regulate compounding pharmacies, according to the White House.

Senator Tom Harkin (D-IA), who introduced the DQSA into the Senate, and the legislation "will dramatically improve the safety of compounded drugs and will also establish an unprecedented tracing system that will track prescription drugs from manufacturing to distribution."

DQSA and USP<797> just the start…

The Joint Commission's Gold Seal of Approval®

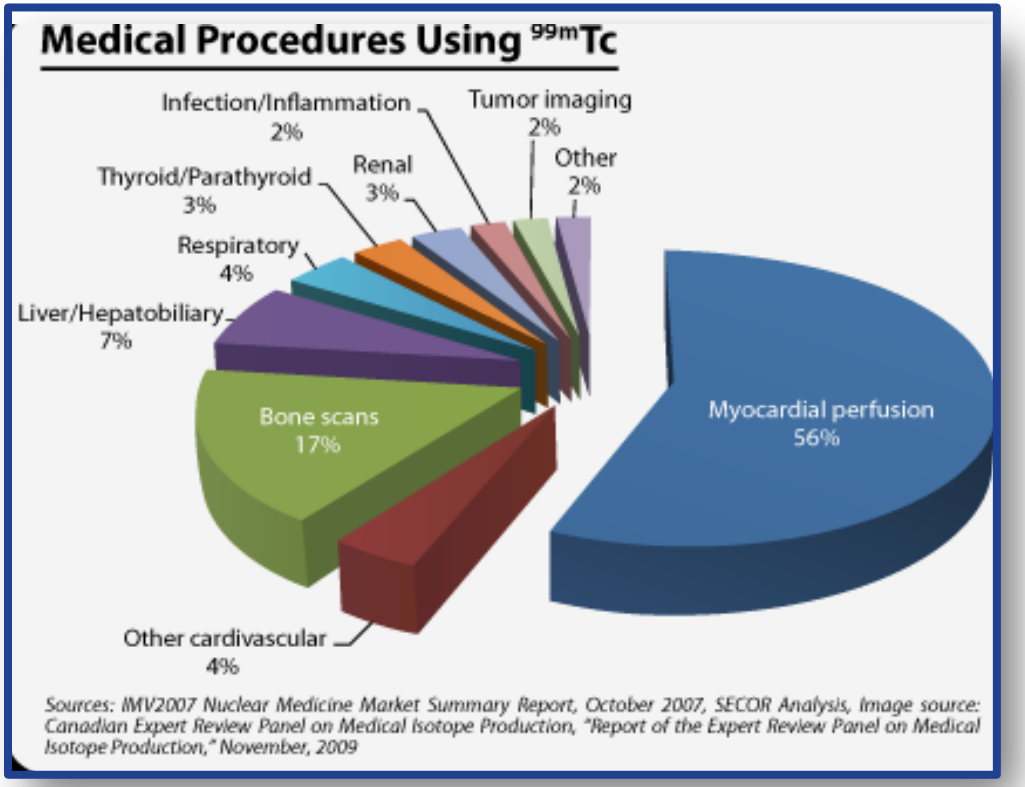
GE Healthcare's national network of nuclear pharmacies are accredited as part of The Joint Commission's Home Care Accreditation program

- Programs and processes equal to what is required for your healthcare organizations
- A commitment to ongoing improvements

Independent confirmation of GE Healthcare's high-quality standards

Mo-99/ Tc-99 Applications

- Essential in >30 diagnostic procedures
- Worldwide >40M scans per year (~80% nuclear medicine procedures)
- Used to diagnose various types of disease
- Provides predictive data about success of therapy, therapy options and/ or surgical intervention



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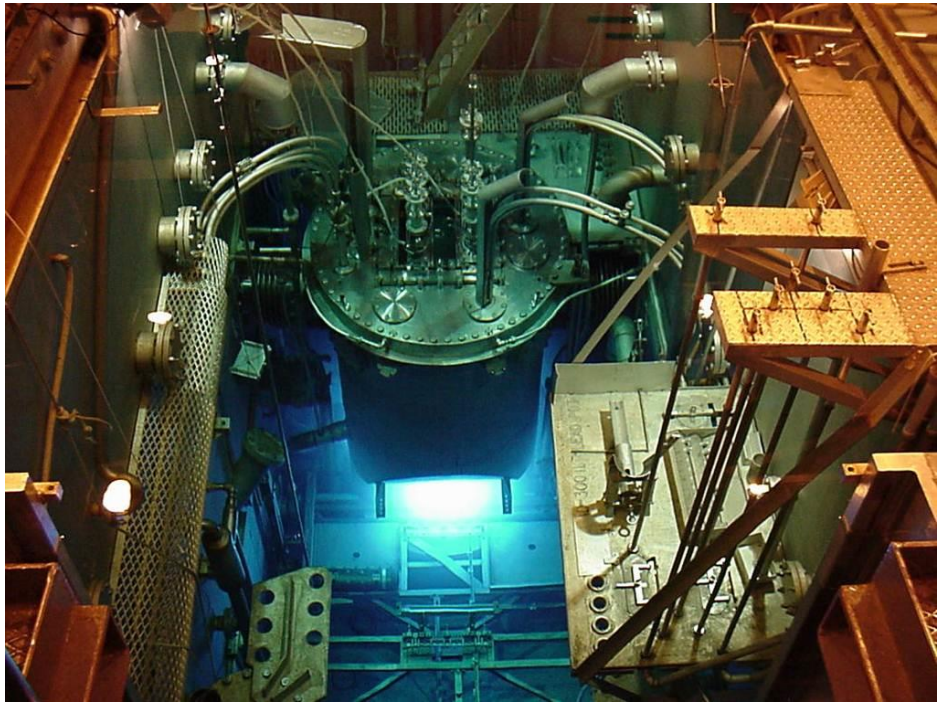
Mo-99 Supply Today

Key Challenges with current Supply Chain

1. Historical supply dynamics
2. Reactor age and reliability
3. Use of highly enriched uranium (HEU)
4. Financial model



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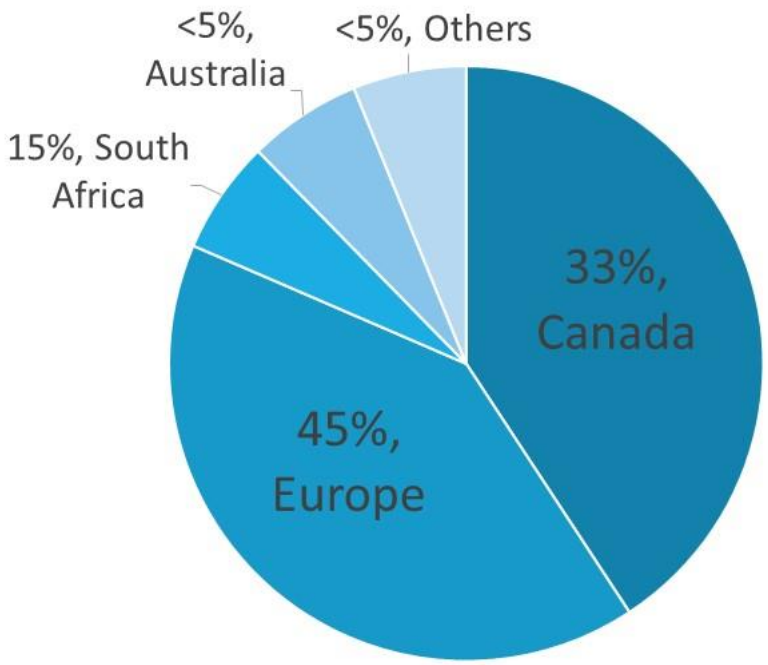
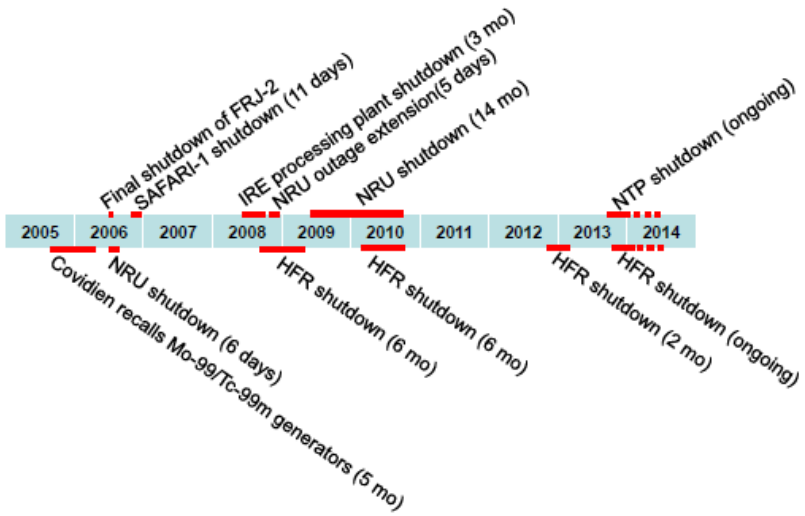
Mo-99 Supply vs. Demand

Global Producers of Mo-99 Today (Approximate)





- 2/3 of world's supply comes from two research reactors, NRU in Canada and HFR in the Netherlands
- No currently approved isotope production in the US, despite the US being the world's largest consumer

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Future Mo-99 Pricing

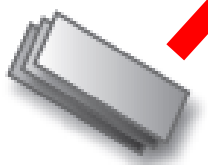
Many forces currently working to increase Mo-99 pricing

- International (OECD) push toward unsubsidized market rates (FCR)
- HEU to LEU conversion
- Supply vs. Demand when reactor schedules not aligned

Meanwhile, countries are pushing to lower healthcare costs

Current challenges with FCR/ORC

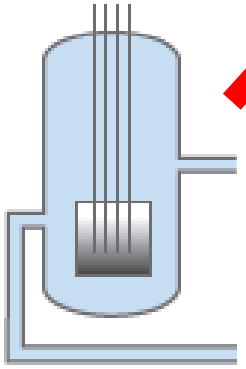
Target



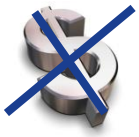
Fuel

HEU to LEU

Governments



Reactors

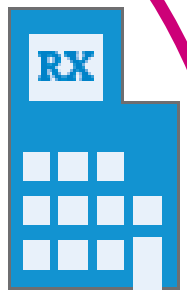


Processor 1
Multi reactors

Processor 2
Uni reactors

End customer price increase challenge for generator manufacturers

Generator manufacturers



Customers
(Radio-pharma & hospitals)

Reimbursements

Effect of HEU to LEU conversion

Mo-99 produced from fission of U-235, must be enriched from natural state to increase Mo-99 yield

Most current production uses highly enriched uranium (HEU) targets

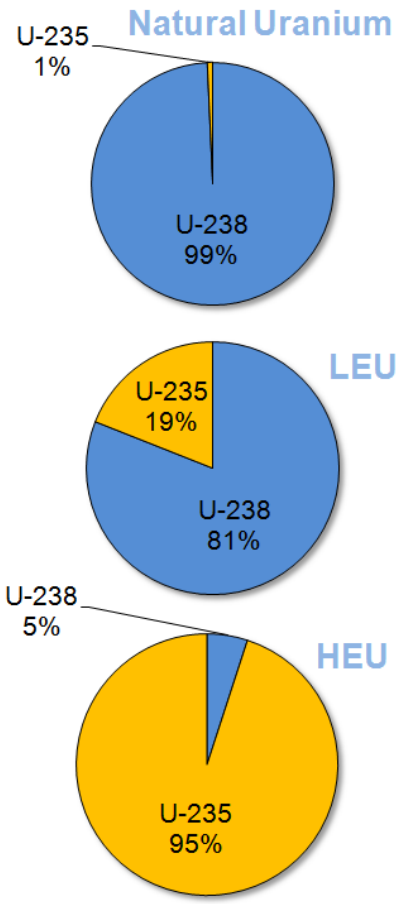
U.S. begrudgingly ships HEU abroad for this purpose

HEU = “bomb grade”; proliferation threat

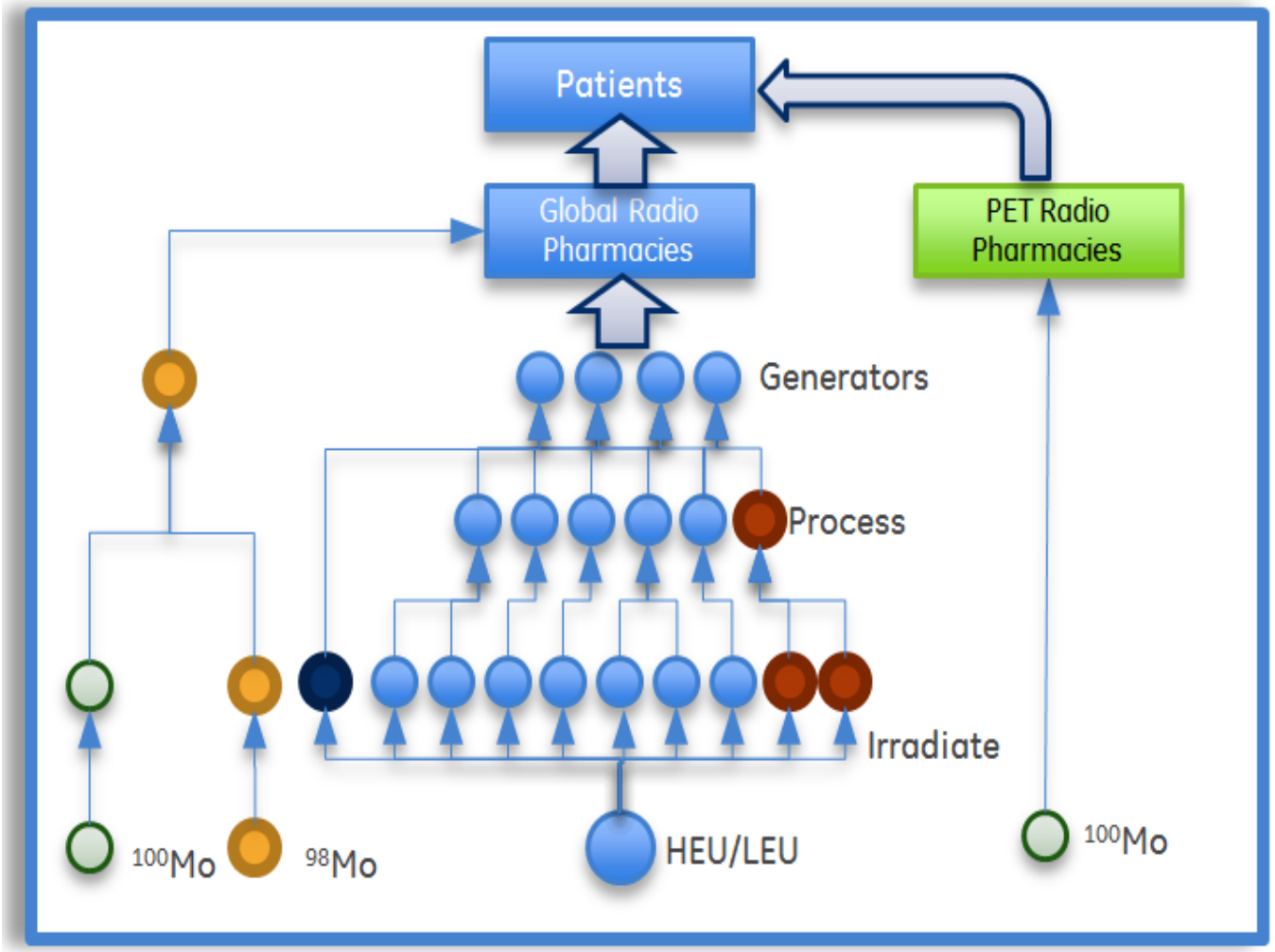
Global effort to convert Mo-99 production from HEU to low-enriched uranium (LEU)

Move from highly enriched targets to low-enriched targets further hurts global production capacity

- As high as 20% efficiency loss
- Increase in waste disposal costs
- U.S. to stop exporting HEU in 2019



Tomorrow's Mo-99/Tc-99 supply ?



Accelerator of particles

Neutron Capture

Reactors and processors

Cyclotron

GE: Investing in our Nuclear Medicine

External Stakeholder Programs

- ✓ Educate, inform and support
- ✓ Customers and payers
- ✓ Local governments
- ✓ Nuclear Medicine Societies and committees
  - AIPES and NEA HLG-MR
  - SNMII
  - EANM

Mo-99

- ✓ Support both existing and future production options for Mo-99
- ✓ Active participation in Mo-99 coalition
- ✓ Lobbying efforts with regulators to create a sustainable Supply Chain

FCR Program

- ✓ Communication program
- ✓ Customer ppt; Mo-99 Environment, challenges and opportunities…
- ✓ Pricing strategy implementation
  - Sustainable price re-evaluation
- ✓ LEU conversion readiness
  - Validation, System Upgrades and Regulatory approvals

Added value services

- ✓ Customer Efficiency program
  - Product use optimisation
- ✓ Lean program - Manufacturing site improvements

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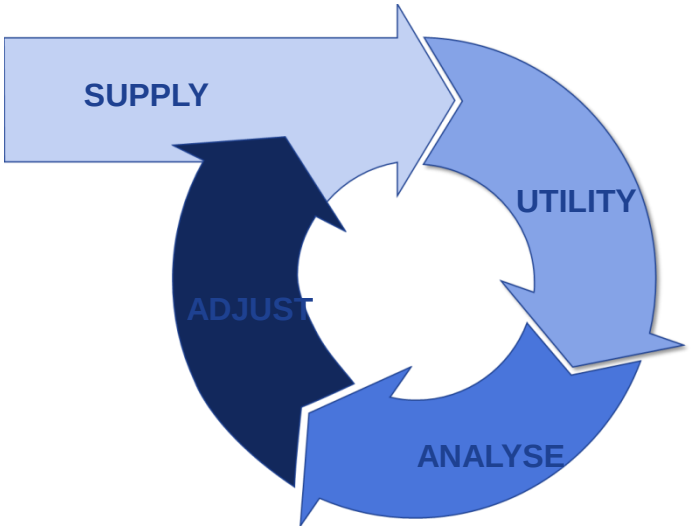
GE Healthcare: Strengthening our Mo-99 supply chain

- **Continuous investment in resources and manufacturing**
  - Dedicated and knowledgeable cross-functional team
- **Secure and diverse supply arrangements with processors and reactors**
  - Strong relationships, Examples
  - Backup supply
- **Global LEU conversion registration program**
  - Versatility of supply options
  - Meeting market requirements
- **Support for alternative technologies**
  - In US market supply
  - Increased volume
  - Pricing stability
  - Strengthening reliability of supply



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