

Leadership Presentation at Mo-99 Topical Meeting

Coquí Pharma

Montreal, CANADA
10-14 September, 2017

Ian L. Turner

Coquí Board of Directors



“Medicine is a science of uncertainty and an art of probability”

~ William Osler ~

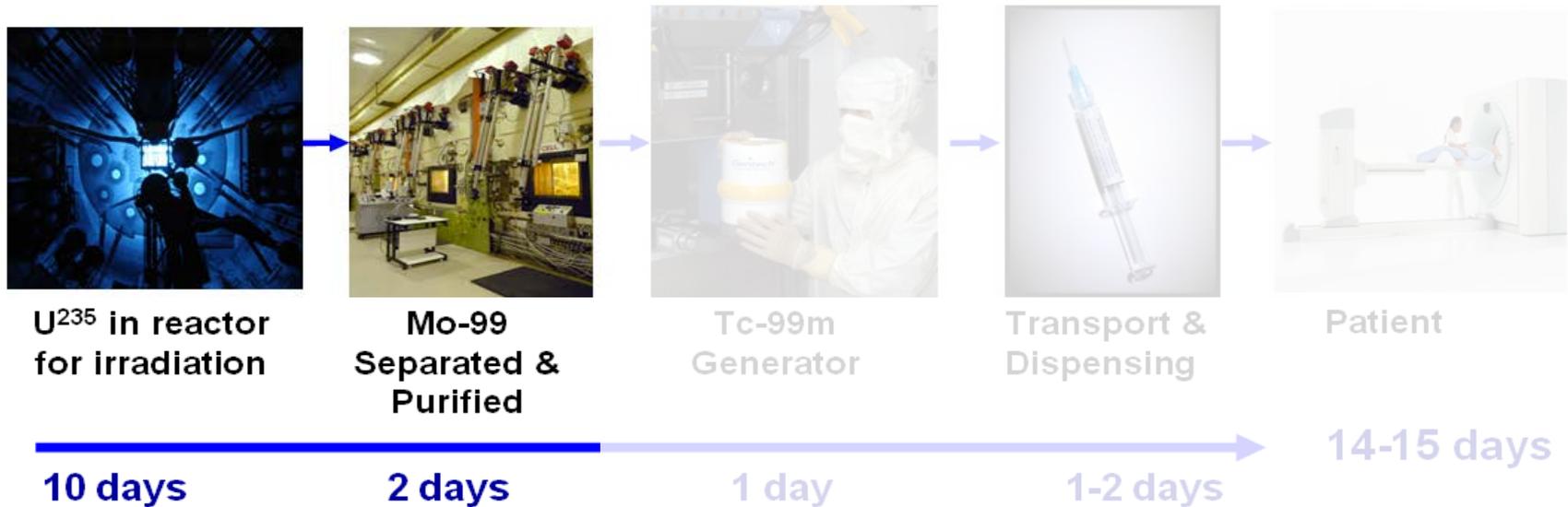
**The ever changing landscape of EBM cannot thrive without
Nuclear Medicine**

- **Coquí mission is to create a commercially scalable and reliable supply of medical diagnostic and therapeutic radioisotopes in the USA using proven technology**



Mo-99 is an essential part of modern nuclear medicine

- Mo-99's (Molybdenum-99) decay product, Technetium-99m (Tc-99m) is utilized in over 80% of all SPECT nuclear medicine procedures, it is the world's most widely used medical radioisotope
- Annually over 18 million procedures in the United States utilize Mo-99 (most Myocardial perfusion studies)
- Mostly produced from weapons grade U-235 (i.e., Highly Enriched Uranium or HEU)
- USA is the largest global Consumer yet no domestic manufacturing capability



Repeal of Obamacare is not the only threat to Healthcare

- “Doctors are increasingly worried about shortages”
- Source: Scientific American:
 - January 18, 2017
 - Amanda Montañez
 - <https://blogs.scientificamerican.com/sa-visual/visualizing-the-medical-isotope-crisis/>



The screenshot shows the top portion of a Scientific American article. At the top left is a 'SUBSCRIBE' button. The 'SCIENTIFIC AMERICAN' logo is prominently displayed in a red box. To the right of the logo are navigation links: 'Cart', 'Sign In', and 'Register'. Below the logo is the 'SA Visual' icon. The article title, 'Visualizing the Medical Isotope Crisis', is centered in a large, bold, black font. Below the title is a sub-headline: 'Information graphics help to clarify a little-known but critical challenge to the health care industry'. The author information reads 'STAFF | By Amanda Montañez on January 18, 2017'. The main text begins with 'The impending repeal of the Affordable Care Act is not the only threat to health care these days. Another crisis, one you may not have heard of, concerns a radioactive isotope called technetium 99. This obscure atom is used in a medical imaging technique called single-photon emission computed tomography, or SPECT, used to diagnose millions of patients every year. As the few nuclear reactors that produce technetium 99 prepare to shut down due to age and risk of breakdowns, doctors are increasingly worried about shortages. In the February issue of *Scientific American*, journalist Mark Peplow discusses the details of this challenge and how scientists are attempting to address it.' To the right of the text is a world map with several colored circles and numbers (1, 2, 3, 4) indicating the locations of nuclear reactors that produce technetium 99. The circles are in shades of blue, red, and black, and are connected to the text by thin lines.

- **Proven twin 10MW Nuclear Reactors from INVAP**

- ✓ Exclusive license for USA from INVAP: the world's leading designer and developer of LEU Mo-99 production facilities
- ✓ OPAL in Australia, Egypt, Argentina & Algeria
- ✓ All Low Enriched Uranium (LEU)

- **Business Plan**

- ✓ **Proven technologies**
- ✓ Up to 7,000 Ci-6d/week
- ✓ >50 year lifetime
- ✓ Meet ~50% of USA Medical Demand
- ✓ 50% domestic & 50% export

- **The Project**

- ~\$500M CAPEX facility
- 1,500 construction jobs
- >200 permanent high-tech jobs & high average base salary
- U-235 for targets & fuel assemblies from Y12
- Online in 2023/2024
- Nuclear collaborative partnerships are essential



Coquí is the common name for a small frog endemic to Puerto Rico

- They are 1-2 inches long
- They weigh 2-4 ounces
- They are one of the loudest amphibians
- They are onomatopoeically named for the very loud *mating call* which the males make at night
- **Carmen would say, “like the Coquí, we are small, but very loud”**

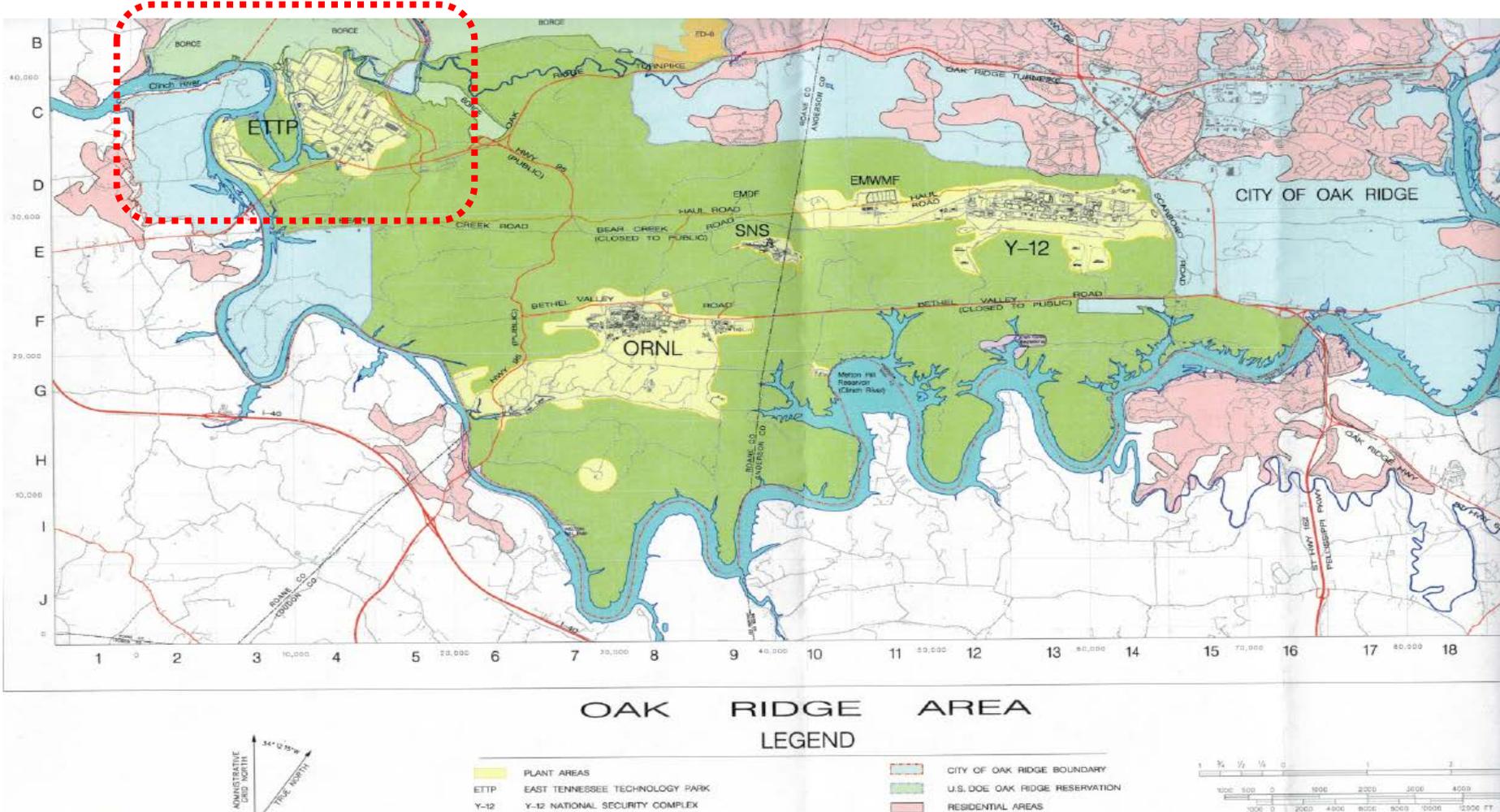


Criteria

- ✓ USA Nuclear Centre of Excellence
- ✓ Strong nuclear talent pool
- ✓ Nuclear strategic- collaborative opportunities & partnerships
- ✓ Understanding nuclear friendly community
- ✓ Supply of U-235 for Fuel & Targets
- ✓ Nuclear waste processing capability
- ✓ Emergency & Hazmat Services
- ✓ Airport close by
- ✓ Security perimeter with one access point.... *an island*



The Coquí will be strategically located at Oak Ridge, Tennessee



ETTP & Heritage Center

- Oak Ridge (1942) comprised Y-12, S-50, K-25 & X-10 facilities and was known as the Manhattan Project
 - Used to produce enriched Uranium using the gaseous diffusion method at K-25
 - Today Oak Ridge hosts one of the largest National Labs for Science & Energy in the USA
 - Original home of some medical radioisotopes
- Nuclear Technology Park
 - Former Manhattan Site
 - Heritage Center
- Strategic location for Coquí
 - ✓ Centre for USA Nuclear Excellence
 - ✓ Nuclear collaborative opportunities
 - ✓ Understanding nuclear friendly community
 - ✓ Strong nuclear talent pool
 - ✓ Nuclear waste processing
 - ✓ Y-12 for Fuel & Targets
 - ✓ Emergency & Hazmat Services
 - ✓ Proactive Economic Development community



Coquí at the Heritage Centre in Oak Ridge, TN

- US Department of Energy (DOE) & Community Reuse Organisation of East Tennessee (CROET)
- Transfer of DUCT ISLAND at the Oak Ridge Heritage Centre
- 170 acres
- Geo-technical surveys completed by DOE
- Only DOE Land Transfer Agreement for Mo-99
- Largest single transfer
- ✓ **Federal & State Government Support**

CROET



Coqui's new home at Oak Ridge

- Duct Island
- 170 Acres Greenfield site
- 101,337 SqFt (2.3 Acres)
- Road, air & water access
- Water security perimeter
- Multiple electricity sources
- TVA SMR neighbour
- Land transfer in Q4 '17



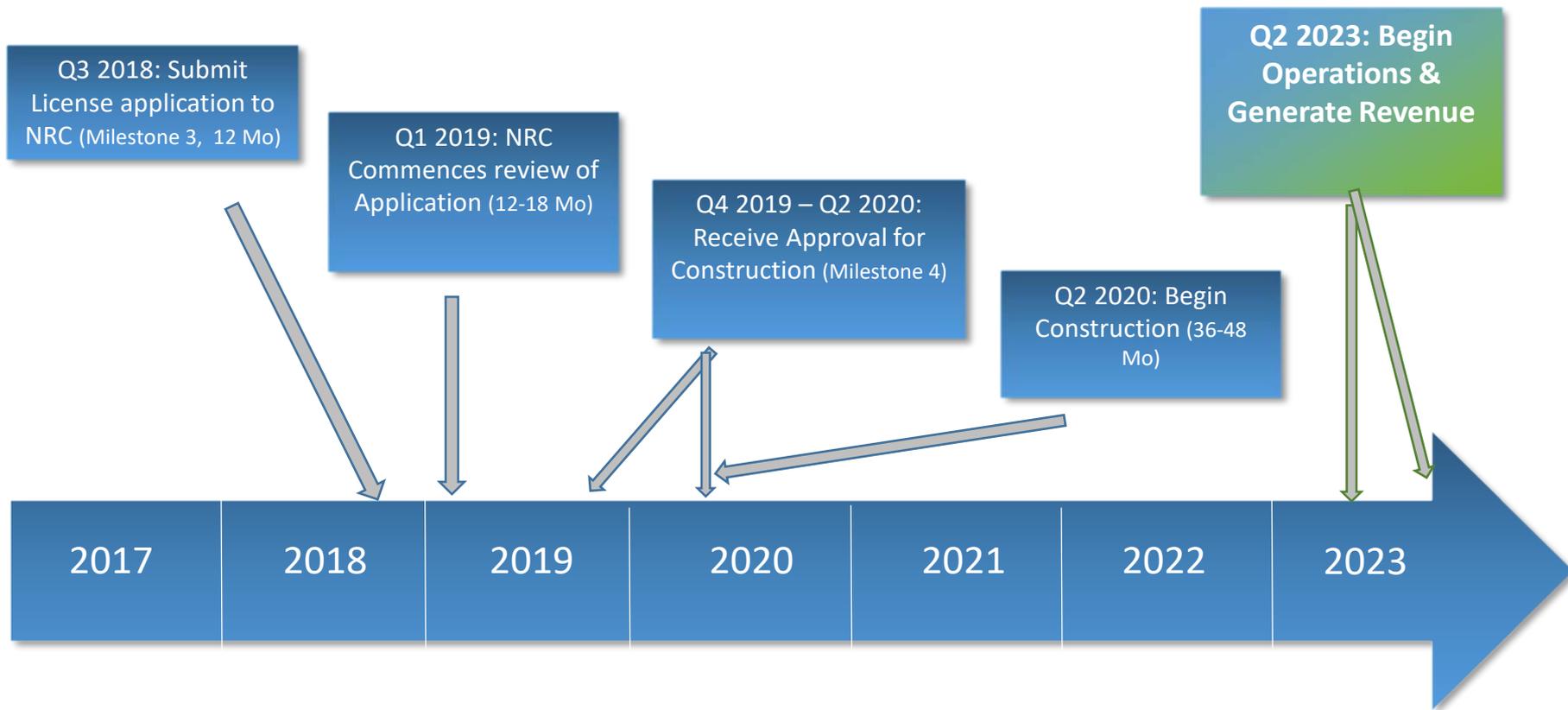
Proposed Airport at Oak Ridge

- Minutes from Duct Island
- 5,000 foot runway
- \$35-40M
- Suitable for Type A & Type B transport containers
- Awaiting approval by FAA
- Operational in late 2021
- Gross Margin advantage due to close proximity
- Backup: RKW (30 mins) & TYS (42 mins)
- www.oakridgeairport.org

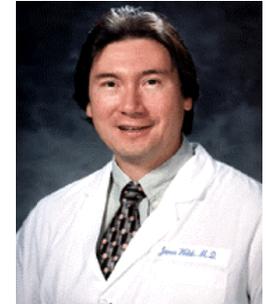


Milestones moving forward:

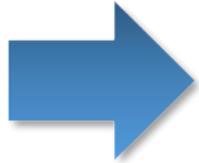
- ✓ Engineering ~45% complete
- Complete Engineering and NRC license application



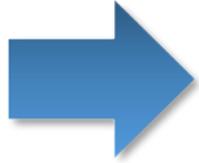
Coquí has assembled a world class team with the proven expertise and skill sets required to succeed in this complex and highly regulated environment of Nuclear Medicine



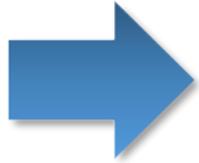
Thank You



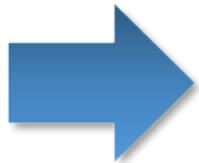
World class team



National Critical Infrastructure



Proven Technology



Oak Ridge



The specific discussions herein about our company include financial projections and future estimates and expectations about the company's business. The projections, estimates, and expectations are presented only as a guide about future possibilities and do not represent actual amounts or assured events. All the projections and estimates are based exclusively on our company management's own assessment of its business, the industry in which it works, the economy at large, and other operational factors, including capital resources and liquidity, financial condition, fulfillment of contracts, and opportunities. Potential investors should not make an investment decision based solely on our company's projections, estimates, or expectations.