

The logo graphic consists of several concentric, irregular, hand-drawn style lines in shades of light blue and teal, forming a circular shape that frames the text.

MAGNETICA

NEXT GENERATION MRI TECHNOLOGIES

 Resolve / Evolve / Productise





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Current Status

- Magnetica has proprietary intellectual property (IP) and is the designer and manufacturer of componentry which are key components in Magnetic Resonance Imaging systems (MRI Systems)
- Magnetica has experience in commercialising its IP through:
 - Designing and licencing the manufacture of Superconducting Magnets for MRI Systems
 - Designing and manufacturing Gradient Coils and RF Coils for MRI Systems
- Magnetica's strategy is to:
 - Collaborate with global MRI Systems Integrator(s) (MRI Systems Integrator(s)) who sell MRI Systems and so commercialise Magnetica's advanced componentry that can be used in new disruptive, dedicated and compact MRI Systems
 - Enter into a commercialisation agreement with a world recognised MRI Systems Integrator, to bring to global MRI markets within the next twelve months a new 3T (Tesla) MRI System using Magnetica's advanced componentry, focused upon Musculoskeletal (Extremity) Imaging (hands, wrists, elbows, knees, feet and ankles)
 - Prototype and then bring to market a Head and Neck Imaging MRI System (Head Scanner) as a second disruptive dedicated MRI System
 - Develop new IP to ensure the availability of an ongoing pipeline of compelling dedicated MRI System market offerings
 - As an Original Equipment Manufacturer (OEM), provide custom and turn-key gradient and RF coil products to existing MRI System users in research, pre-clinical and clinical applications
- An Interim capital raising is planned in December 17 (Placement and Share Purchase Plan (SPP)) to facilitate finalisation of agreements to commercialise Magnetica's 3T Extremity MRI System in Q1 CY2018 and commence to prototype the Head Scanner project.



Current Status (Continued)

- Magnetica's strategy is supported by:
 - An existing large global MRI equipment market (US \$5.6 billion in 2016)
 - Demand for new, and alternative, 3T MRI Systems to replace legacy 1.5T equipment is driving growth in the market
 - Collaboration with global MRI Systems Integrator(s), with established brand name and channels to the global market
 - Disruptive IP, including asymmetric magnet patents, fostering enhanced patient comfort and experience and providing MRI System Integrator(s) with a competitive advantage

Magnetica is positioned for growth by manufacturing and delivering key MRI System componentry, enabling compelling and disruptive *compact dedicated MRI Systems* to be supplied and satisfy market



Track Record - since last Capital Raising (May 16)

- Duncan Stovell joined Magnetica in January 17 as Chief Executive Officer, while Richard Aird has transitioned to a Non Executive Director role
- Grant (matched) funding secured:
 - AU\$1M Entrepreneurs' Programme (Accelerating Commercialisation) – Federally funded; and
 - AU\$0.25M Advance Queensland Ignite Ideas – State funded
- 3T Extremity MRI system commercialisation
 - Alpha system – project completed
 - Beta system – project completed subject to clinical images being produced
 - Pre-production systems – Coil set Purchase Order received from Systems Integrator partner
- Other product development and commercialisation activities
 - 3T Head Scanner – Magnet design ready for prototyping
 - Preparation for certification under ISO 13485:2016 (Quality Management System for medical device suppliers)
 - Custom and turn-key OEM RF coil development and supply contracts

3T Extremity MRI system commercialisation

- Global Medical Systems Integration Partner Activities
 - Alpha Project Agreement – Oct 15 to Sep 16, successfully executed
 - **3T Extremity MRI System – Sub-systems integrated, fully operational** at Magnetica’s facility
 - Compact *cryogen cooled* superconducting magnet and basic coil set
 - Clinical grade images produced
 - Beta Project Agreement – Signed Sep 16, commercialisation activities approaching completion
 - Unique high-field compact **conduction cooled (helium-free) superconducting magnet** and full coil set – ready for integration and testing
 - **\$1M Grant** from Entrepreneur’s Programme (Accelerating Commercialisation) to support project
 - Pre-production systems
 - **PO for 2 x coil sets received from Systems Integrator partner** in June 2017
 - System/performance testing and obtaining regulatory approvals to be undertaken during CY18
 - Production systems
 - **Commercial negotiation well advanced with Systems Integration Partner** - Purchase and Licence Agreements drafted and exchanged – **an important milestone for Magnetica***
 - Indicative pricing for Magnetica’s key MRI System components and licencing arrangement agreed

*There is no guarantee that these negotiations will be successful – see risks in section 4 of the Offer Information Statement.

3.0T Extremity MRI system commercialisation

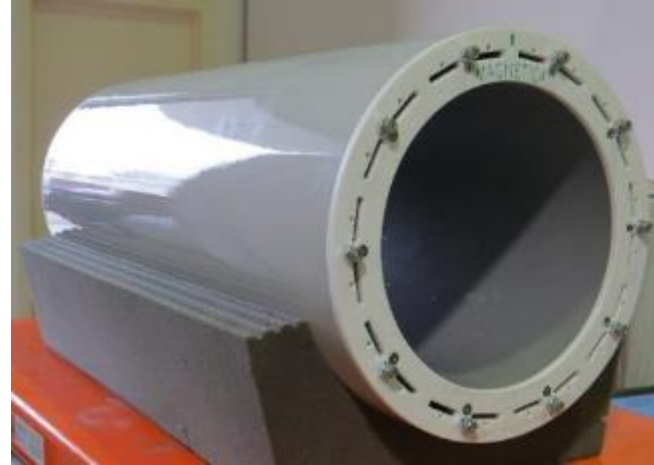
- **Addresses fastest growing segment of MRI market**
- **Alpha system performance proven:**
 - **Cryogen-cooled asymmetric** superconducting magnet + Gradient coil + RF coil set
 - **High-quality images** obtained for knees, wrists and ankles – **well received by industry experts**
- **Beta system prototyped for manufacture:**
 - **Conduction-cooled (helium free) asymmetric** superconducting magnet – delivery scheduled for early December 2017
 - **Beta Gradient coil and RF coils products manufactured for integration and testing with main magnet in December 2017 / January 2018:**
 - Developing engineering and manufacturing processes
 - Preparing for regulatory approvals
 - **Clinical product workflows and configuration – System Integration Partner driven**



Alpha Extremity MRI system in operation

3.0T Extremity MRI system commercialisation

- Example Alpha 3T MRI system Gradient and RF Coil



Gradient Coil



8 channel receive only RF coil for Ankle/Foot imaging

- Example images captured using 3T Alpha MRI system



Knee image



Wrist image using an 8-channel Wrist RF coil



Ankle image (captured using RF coil pictured above)

Other product development and commercialisation activities

- 3T Head Scanner MRI System
 - Magnet design completed and evaluation for cost and manufacturing complexity undertaken – we are ready for prototype development of the alpha system to commence
 - Provisional Patent application moved into National phase for consideration in key geographic markets
- Work underway to upgrade existing ISO 9001:2008 certified Quality Management System (QMS) to achieve certification under ISO 13485:2016 (QMS for medical device suppliers)
- Opportunities for supply of OEM Gradient coils and RF coils being undertaken:
 - 3T RF Head coil for use with Transcranial Magnetic Stimulation (TMS) functional MRI (fMRI) applications
 - RF coils for MRI-Linac system – helping to enable improved and targeted cancer treatment - First images produced in Apr 17

Near Term Objectives

- Complete advanced commercial negotiations with Systems Integration Partner to licence IP and manufacture and supply Magnetica's key MRI System componentry
- Ensure manufacturing capability and capacity are ready to support anticipated ramp in product orders during 2018
- Obtain ISO 13485:2016 Quality Management System certification
- Negotiate funding for Head Scanner project first quarter 2018
- Commence Alpha Head Scanner Development Project
- Complete interim capital raising in December 2017

Funding Requirements – Proposed Use of Funds

- Proposed use of funds from interim capital raising:
 - Support ongoing operations
 - Engage additional personnel to build out production capabilities
 - 3T Extremity MRI System - Finalise beta testing, progress commercialisation and execute Commercial Agreement
 - Progress regulatory and certification activities – QMS and Product related
 - Scale up manufacturing capability for CY18 activities
 - Order Alpha Magnet for Head Scanner (subject to quantum of investment from capital raising)



Funding Requirements – Interim Capital Raising

- Interim capital raising; **delivering anticipated value inflection point for Magnetica**
- Capital raising @ AU\$0.15 per share (**same as last capital raising in May 16**) reflects raising occurring before anticipated value inflection
- **Placement**
 - AU\$0.5M to AU\$1.0M Placement to professional investors, certified high net worth individuals and sophisticated investors only
 - **~AU\$0.6M committed to date**
- **Share Purchase Plan (this offer)**
 - AU\$15K investment opportunity per eligible shareholder



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