ASX and Media release

6 November 2014

Completion of Rights Issue

MELBOURNE, Australia – 6 November 2014: Circadian Technologies Limited (ASX:CIR, OTCQX:CKDXY) is pleased to confirm the completion of the two for five fully underwritten non-renounceable rights issue (Rights Issue) announced on 6 October 2014.

The Rights Issue offered up to 19,453,313 new shares at $0.175 per share to eligible shareholders. Eligible shareholders were those with a registered address in Australia or New Zealand.

In accordance with Appendix 7A of the ASX Listing Rules, the Company advises that it received valid acceptances for 9,186,955 new shares, representing solid uptake of 53% of shares held by eligible shareholders (44% of total shares on offer in the Rights Issue).

The Rights Issue was fully underwritten by Bell Potter Securities. In accordance with the terms of the underwriting agreement, the underwritten shortfall of 10,266,358 new shares has been arranged to be placed with a number of institutional and sophisticated investors.

For every two shares subscribed for under the Rights Issue one free option will be allocated, exercisable at $0.27 before 25 November 2018. The Rights Issue also included an offer to subscribe for new shares and accompanying options in excess of an eligible shareholder's entitlement (Top-Up Facility).

The allotment of new shares and attaching options under the Rights Issue is scheduled to take place on 11 November 2014 and ASX trading of new shares is expected to commence on 12 November 2014.

When completed, the total funds raised under the Rights Issue will be A$3.4 million before costs.

The terms of the Rights Issue are the same as those offered to institutional and sophisticated investors under a placement of new shares to raise A$14 million (Placement) announced on 6 October 2014. Tranche 1 of the Placement has been completed following the issuance of 6,857,143 ordinary shares at $0.175 per share on 22 October 2014. Tranche 2 of the Placement to raise a further A$12.8 million is subject to approval at the Company's annual general meeting on 18 November 2014.

Bell Potter Securities was the lead manager for the Placement and the Rights Issue.

"Circadian was committed to offering our existing eligible shareholders an opportunity to purchase shares on the same basis as our placement. We're encouraged by the high level of confidence shown by existing and new investors in Circadian's plans to develop its lead molecule, OPT-302." said Chairman, Ms Dominique Fisher.

CEO and Managing Director, Dr Megan Baldwin, said "We are focussed on progressing OPT-302 into the clinic to address the unmet medical need for patients with wet AMD. At the completion of this capital raising, we will be well positioned to fund the OPT-302 program through Phase 1 and Phase 2A clinical trials that represent significant value accretion points for the company."

Company and media enquiries

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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 and -D. 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). Circadian has also licensed rights to some parts of its intellectual property portfolio for the development of other products to ImClone Systems, a wholly-owned subsidiary of Eli Lilly and Company, including the anti-lymphatic antibody-based drug IMC-3C5 targeting VEGFR-3.

About Wet AMD

Wet (neovascular) age-related macular degeneration, or wet AMD, is a disease characterised by the loss of vision in the middle of the visual field caused by degeneration of the central portion of the retina (the macula). Abnormal growth of blood vessels below the retina, and the leakage of fluid and protein from the vessels, causes retinal degeneration and leads to severe and rapid loss of vision.

Wet AMD typically affects individuals aged 50 years or older, and is the leading cause of blindness in the developed world. The prevalence of AMD is increasing annually as the population ages. Sales of the drug Lucentis® (Roche/Novartis), which targets VEGF-A but not VEGF-C, were over $US3BN in 2012. Sales of EYLEA™ (Regeneron/Bayer), which also targets VEGF-A but not VEGF-C first marketed in November 2011 for the treatment of wet AMD, were $US1.4BN in 2013 and are forecast to reach $US1.7BN in 2014. Approximately half of the people receiving Lucentis®/Eylea® are classified as non-responders or 'poor' responders and experience no significant gain in vision and/or have persistent retinal vascular leakage. There is great opportunity to improve patient responses by targeting more than one factor involved in disease progression. Existing therapies, such as Lucentis®/Eylea®, target VEGF-A that promotes blood vessel growth and leakage through its receptor VEGFR-2. VEGF-C can also induce angiogenesis and vessel leakage through the same receptor. Combined inhibition of VEGF-A and VEGF-C, has the potential to improve patient response by more effective inhibition of the pathways involved in disease progression.

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.