Certain information included in this document constitute forward-looking statements, including, among other things, statements concerning our objectives and our strategies to achieve those objectives, statements with respect to Management’s beliefs, plans, estimates, and intentions, and statements concerning anticipated future events, circumstances, expectations, results, operations, or performance that are not historical facts. Forward-looking statements can be identified generally by the use of forward-looking terminology, such as “indicators”, “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans”, “continue”, or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect Management’s current beliefs, and are based on information currently available to Management.

The forward-looking statements in this document are not guarantees of future results, operations, or performance, and are based on estimates and assumptions that are subject to risks and uncertainties, which could cause our actual results, operations, or performance to differ materially from those reflected in the forward-looking statements. Although the forward-looking statements contained in this document are based on what Management believes are reasonable assumptions, there can be no assurance that actual results, operations, or performance will be consistent with these statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue influence on such forward-looking statements.

The financial information in this document includes forecasts, projections, and other predictive statements that represent Management’s assumptions and expectations in light of currently available information. These forecasts, etc. are based on Management’s expectations and are subject to variables and uncertainties. The Company’s actual performance results will differ. Consequently, no guarantee is presented or implied as to the accuracy of specific forecasts, projections, or predictive statements contained herein.

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Dear Shareholders,

It’s been a very exciting year for SHINE and we are happy you were with us along the way! From the move to downtown Janesville in December 2016, to completion of the first facility on the SHINE campus in early 2018, we are steadily achieving our planned milestones.

In 2017, we increased our world-class team by almost 75%. These new employees gave us the bandwidth to construct Building One, submit a license application to the State of Wisconsin to run the first production unit in Building One, and complete an intense engineering and procurement effort to ensure the certainty of our Production Facility cost estimate and prepare for construction.

These accomplishments were in no small way a result of the significant amount of investment we received in 2017, from our shareholders and the U.S. Department of Energy. I continually encourage everyone at SHINE, myself included, to stay lean and remember our roots, pushing hard every day to make the most of every invested dollar. And true to form, the energy of the staff has been impressive. I’m immensely proud to come and work here every day with some of the most talented and driven people in the world.

Already in 2018, we have converted all outstanding notes into shares and are happy to welcome our former debt holders as shareholders. We also plan to accomplish some of our biggest operational milestones to date in 2018: closing construction financing, executing a construction contract, submitting our Operating License application to the Nuclear Regulatory Commission, and beginning construction of the Production Facility. As you know, SHINE is uniquely positioned to take a significant share of the global molybdenum-99 market. Long term, our plant will produce over a billion doses and save millions of lives, and we couldn’t have gotten to this point without you.

Thank you for your ongoing support, and SHINE ON!

Dr. Greg Piefer, Founder & CEO
MISSION STATEMENT & WHAT WE DO

MISSION: SHINE IS DEDICATED TO BEING THE WORLD LEADER IN THE SAFE, CLEAN, AFFORDABLE PRODUCTION OF MEDICAL TRACERS AND CANCER TREATMENT ELEMENTS.

ABOUT SHINE MEDICAL TECHNOLOGIES, INC.
Founded in 2010, SHINE is a development-stage company working toward manufacturing radioisotopes for nuclear medicine. The SHINE system uses a patented, proprietary manufacturing process that offers major advantages over existing and proposed production technologies, as it does not require a nuclear reactor, uses less electricity, generates less waste, and is compatible with the nation’s existing supply chain for molybdenum-99.

In 2014, SHINE announced the execution of molybdenum-99 supply agreements with GE Healthcare and Lantheus Medical Imaging. In 2015, with the help of Argonne National Laboratory, GE Healthcare demonstrated SHINE molybdenum-99 can act as a drop-in replacement for reactor-based moly-99. In 2016, SHINE received regulatory approval to construct its facility from the Nuclear Regulatory Commission and signed a moly-99 supply agreement with HTA Co., Ltd., the largest Chinese distributor of radiopharmaceuticals.

ABOUT MOLY-99
Molybdenum-99 (moly-99) is a radioisotope that decays into the diagnostic imaging agent technetium-99m (Tc-99m). Tc-99m is used in scans performed on more than one patient every second, primarily to diagnose and treat the top two killers of Americans: heart disease and cancer. SHINE was founded to deploy a safe, cost-effective and environmentally friendly technology to produce medical isotopes, including moly-99, iodine-131, iodine-125, and xenon-133.
YEAR IN REVIEW

After breaking ground in August of 2017, JP Cullen completed construction of Building One three weeks ahead of schedule and on budget, with zero OSHA-recordable incidents. The 11,400 sq. ft. building took about 6 months to complete and by the end of 2018 will be one of the most advanced private nuclear technology facilities in the world.

Building One’s initial mission will be to demonstrate the first integrated SHINE irradiation unit. This will be the first time the full-size accelerator will be paired with the full-size subcritical assembly. After that, the equipment will be used to develop operating history, maintenance procedures, and to train workers for the production facility.

Building One will be licensed by the State of Wisconsin Department of Health Services, and in preparation for the integrated irradiation unit demonstration, SHINE submitted a license application to the State of Wisconsin on December 20th, 2017.

During construction and commissioning, Building One will serve as a place to stage equipment prior to installation in the main facility. Once the production facility is complete, Building One will be used to develop next-generation fusion technology to address some of society’s greatest challenges.

“Building One[s] name was chosen because it’s intended to be a technological genesis building. It’s intended to be a laboratory, in which we continue to develop new technologies to keep SHINE at the front of not just medical isotope production, but to go beyond that.”

Greg Piefer, Founder & CEO
COST CERTAINTY EFFORT COMPLETED
The SHINE engineering and procurement teams significantly advanced the design of the production facility and worked with vendors to refine the facility cost estimate. After writing preliminary engineering specifications for all significant equipment in the production facility, the teams used the specifications to request quotes from multiple vendors and updated the total construction cost estimate with the best information available. For specialized equipment, the engineers went through multiple rounds of discussions with the vendors to ensure the specifications could be met. These vendor estimates have dramatically decreased the uncertainty in the construction cost estimate and provide the input necessary to finalize the design and enable the start of concrete and structural work.

BAKER CONCRETE CONSTRUCTION SELECTED AS PRIME CONTRACTOR
In 2017, we selected Baker Concrete Construction to build the medical isotope production facility.

In conjunction, Brad Wucherpfennig, President of Baker, joined the SHINE board of directors.

With over 45 years of experience, Baker has seen virtually every type of concrete project imaginable, from the Boeing 787 assembly plant in North Charleston to URENCO’s national uranium enrichment facility (NEF) in southeastern New Mexico. In 2013, the NEF became the first major nuclear facility to be licensed in the United States in nearly three decades.

As a civil firm with nuclear experience, Baker understands the special requirements of a facility like SHINE’s, but is also culturally aligned with SHINE’s lean, start-up mentality.
MAJOR U.S. PATENT GRANTED
In August, our primary U.S. patent—Device and Method for Producing Medical Isotopes—was approved as U.S. Patent No. 9,734,926. This patent is an important addition to the Company’s intellectual property, which is also protected by over 20 SHINE-owned issued and pending patents on our novel medical isotope production process, and exclusive, world-wide licenses for the accelerator and hydrogen separation technologies. This achievement demonstrates SHINE’s ongoing commitment to innovation and leadership in the medical isotope industry.

FINANCIAL SOFTWARE UPGRADED
In 2017, SHINE chose QAD, Inc’s Cloud enterprise resourcing planning (ERP) software to automate and streamline our financials and improve control over financial reporting. QAD was selected for several reasons, including their expertise in manufacturing, a large life-sciences user base, a regulatory compliance module, and the scalability of its ERP financials as SHINE continues to grow.
In 2017 SHINE hired an additional 37 employees and 8 interns, including key positions such as a Creative Manager; Nuclear, Process and Auxiliary Systems Managers; and various mechanical, chemical, electrical, quality and licensing engineers.

New employees joining SHINE are the best and the brightest from industry-leading companies, and we always ensure a good cultural fit.

David Bailey
VP-Human Resources

**SHINE EMPLOYEE COUNT**

- **40** (JAN) - **42** (FEB) - **43** (MAR) - **44** (APR) - **49** (MAY) - **50** (JUN) - **49** (JUL) - **51** (AUG) - **55** (SEP) - **60** (OCT) - **62** (NOV) - **62** (DEC)

- **1** intern in JAN

- **7** interns in FEB

- **7** interns in MAR

- **2** interns in APR

- **2** interns in MAY

- **2** interns in JUN

- **2** interns in JUL

- **2** interns in AUG

- **37** new employees in NOV

**RESUMES** - 4,438

**INTERVIEWS** - 273

**NEW EMPLOYEES** - 37
At SHINE, we’re enriched by our community and the home it provides for our company and our employees. We believe everyone has a responsibility to give back to their community and ensure it remains as strong and healthy as possible. SHINE’s Community Engagement Program was developed to enrich the Janesville and Rock County communities and to strengthen SHINE’s relationships within them.

1. SHINE employees exceeded their $1,000 fundraising goal to raise $2,155 for the 25th Annual Bert Blain Memorial Heart Walk in August. Seventeen SHINE employees and family members completed the walk for SHINE’s inaugural participation.

2. The SHINE Annual Chili Cook-Off challenged the palates of employees to vote for the Best Chili, while raising money for ECHO, Inc. for their Thanksgiving Basket Drive.

3. Forward Janesville Business After Five was co-hosted by SHINE and Baird in August with over 200 in attendance.

4. SHINE donated 13 gently used laptops to three Rock County nonprofits.

5. During the holidays, employees helped over 70 children by purchasing toys and gifts for the Salvation Army Angel Tree Program. The toys included STEM-related activities to teach science, technology, engineering, and math to the next generation.

“SHINE has embraced its role as a good corporate citizen in a variety of ways. They are becoming an inspiration to other companies in the area business community.”

John Beckord
President
Forward Janesville
MILESTONES & TIMELINE

- 2013: NRC Construction Permit App Filed
- 2014: GE Healthcare Supply Agreement
- 2015: Phoenix Supply Agreement, Lantheus Supply Agreement
- 2016: GE DryTec Generator Demo, Argonne Mo-99 Demo, NRC Issues Construction Permit
- 2017: HTA Supply Agreement Building, DOE/NNSA Phase II Funding, 132-Hour Accelerator Demo, SHINE Selects Baker, Building One Groundbreaking
EXECUTION MILESTONE KEY:

- COMMERCIAL
- TECHNICAL
- REGULATORY

Timeline not to scale.

- 2018
  - Building One Grand Opening
  - NRC Operating License App Submission
  - State of WI Building One Demo Approved
  - Building One Demo
  - Baker Construction Contract
  - Production Facility Groundbreaking

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Although existing producers have added some capacity, and despite predictions to the contrary, periodic shortages continue to plague the moly-99 market. The need for a North American moly-99 production facility is as strong as ever.

Katrina Pitas
VP-Business Development

North America accounts for 50% of global demand

Major Moly-99 Producers

Existing producers lose ~33% of product due to decay in transit to U.S.

November 2017: South African medical isotope processing facility shut down unexpectedly

December 2017: Global moly-99 shortages after Australian reactor shuts down for routine maintenance

March 2018: Final shutdown of Canadian NRU reactor

April 2018: Nordion/General Atomics cancel moly-99 project and withdraw license amendment request

April 2018: International shortage ends after South African medical isotope processing facility returns to regular production levels
In 2017 we raised additional funds of $16.8M, including $5.6M of non-dilutive dollars under our cooperative agreement with the US Department of Energy’s National Nuclear Safety Administration. $1 million of these funds were added to our cash balance, and the remainder spent on activities driven toward commercialization.

**PERSONNEL COSTS**
We increased our headcount in 2017 from 36 to 62 employees. Many of the new employees are in engineering, procurement, and project management: all functional areas critical to SHINE’s commercialization. In 2017 we made the decision to outsource less of our engineering needs and perform more of these activities in-house. We have discovered that performing these activities in-house is less costly, much more efficient (4-5x more productivity per dollar spent), and the end work product is more tailored to our specific requirements.

**DESIGN ADVANCEMENT**
In 2017, we continued to advance efforts toward finalizing the design of our production facility and processes. We selected Baker Concrete Construction as our prime contractor, and constructed Building One, SHINE’s technology development center. Further, our internal engineering and procurement teams completed an advanced cost estimating process, which provided us with a bounding cost estimate on the total cost of our production equipment and kicks off the process of purchasing the production equipment. This is a key requirement for construction financing investors, and is one of the three pillars of our financing strategy along with technology insurance and customer contracts.

**FUNDRAISING ACTIVITIES**
In 2017 we secured a term sheet for insurance on SHINE’s production process and technology that will pay out in the event that SHINE, for technological reasons, is unable to produce a specified minimum amount of product upon commercialization. This insurance is another of the three pillars of our financing strategy. In addition to the deposit made on the process insurance, we continued to support our fundraising and governmental lobbying efforts.
**EXECUTIVE STAFF**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Greg Piefer</td>
<td>CEO</td>
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<tr>
<td>Todd Asmuth</td>
<td>President</td>
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<tr>
<td>Darin Janecek</td>
<td>CFO</td>
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<tr>
<td>Steve Miltenberger</td>
<td>COO</td>
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<tr>
<td>Katrina Pitas</td>
<td>VP-Business Development</td>
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<tr>
<td>Jim Costedio</td>
<td>VP-Regulatory Affairs &amp; Quality</td>
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<td>Eric Van Abel</td>
<td>VP-Engineering</td>
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<td>David Bailey</td>
<td>VP-Human Resources</td>
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**BOARD MEMBERS**

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<tr>
<td>GREG PIEFER</td>
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<td>TODD ASMUTH</td>
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<td>DR. THOMAS “ROCK” MACKIE</td>
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<td>PHILLIP M. HALPERN</td>
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<td>RICHARD LEAZER</td>
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**NEW IN 2017**

**GREGORY OD SMITH**

Mr. Smith joined SHINE’s Board of Directors in February 2017. His 39 years of leadership experience in the nuclear industry and track record of creating effective partnerships have already added significant value to SHINE. Mr. Smith’s previous positions include Chief Culture Officer of Urenco, a nuclear fuel company that operates several uranium enrichment plants, and Chairman of its UK division. Prior to that, he served as Chairman of the Board and CEO for Louisiana Energy Services (LES). As CEO of LES, he oversaw the completion of construction and start-up of the National Enrichment Facility in New Mexico.

**BRAD WUCHERPENNIG**

Mr. Wucherpfennig, President of Baker Concrete Construction, joined SHINE’s Board of Directors in September of 2017. Prior to joining Baker, he served as CEO of Phillips-Medisize, a global leader in outsourced design, development, and technology-driven manufacturing providing drug delivery, medical device, and medical diagnostic products. Mr. Wucherpfennig has also served as the Executive VP and COO of Schwing America, Inc., a worldwide designer, manufacturer and distributor of concrete production, and on numerous boards in the construction, manufacturing, and medical technology industries.
LOOKING FORWARD

The shortage we saw in December through April, speaks for itself. The moly-99 supply chain remains intolerably fragile. With no North American source of moly-99, we continue to live in a world where fog in Dubai can determine whether heart patients get the correct diagnosis, or whether cancer patients learn about the extent of their disease. We can’t allow American patients to be at the mercy of aging, unreliable, government facilities overseas. We need a domestic supply of medical isotopes.

This is a problem that many large companies have tried to solve. Each year we see potential new market entrants come and go: from GE Hitachi and Babcock & Wilcox/Covidien in the early 2010s to Nordion/General Atomics in 2018. Despite all of the noise, SHINE has marched ahead, making progress year after year while others have failed.

We could not have become the leader in the effort to bring moly-99 production back to the U.S. without a tremendous amount of grit and steadfast determination—but what will ultimately enable SHINE to be successful is our vision and ability to be bold.

The SHINE production facility will provide the U.S. with a safe, reliable supply of medical isotopes, and do so while creating hundreds of times less waste than reactor-based processes, and entirely without highly-enriched uranium. By achieving our mission of becoming the world leader in the production of medical isotopes, we will shine a light on disease and illuminate the path back to health for over 1 billion patients.