LEGAL DISCLOSURE

Certain information included in this document constitutes 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 Fellow Shareholders,

I look back on the last year with a tremendous sense of pride in the SHINE team and all we have accomplished. At the start of 2018, a lack of large institutional financing remained the biggest risk to SHINE’s success. By November, we retired that risk, securing $150 million from Deerfield Management Company and closing our $30+ million Series B round. Deerfield's commitment is the first of its kind for a Wisconsin start-up, and with it, SHINE has raised over $260 million.

Beyond fundraising, much of 2018 was about building on the successes of 2017. The team continued to pour intensity and commitment into three main areas: final design of the Production Facility, the Operating License application, and turning Building One into a state-of-the-art home for the First Production Unit accelerator.

With the accomplishments of 2018 at our back, we look to the challenges and opportunities of 2019 with renewed energy and determination. As always, thank you for your on-going support. Nothing we have achieved would have been possible without you.

SHINE ON!

Dr. Greg Piefer, Founder & CEO
MISSION STATEMENT

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

Founded in 2010, SHINE is a development-stage company working toward becoming a manufacturer of radioisotopes for nuclear medicine. The SHINE system uses a patented, proprietary manufacturing process that offers major advantages over existing and proposed production technologies. 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 (Mo-99).

In 2014, SHINE announced the execution of Mo-99 supply agreements with GE Healthcare and Lantheus Medical Imaging. In 2015, with the help of Argonne National Laboratory, GE Healthcare demonstrated SHINE Mo-99 can act as a drop-in replacement for reactor-based Mo-99. In 2016, SHINE received approval to construct its facility from the Nuclear Regulatory Commission and signed a Mo-99 supply agreement with HTA Co., Ltd., the largest Chinese distributor of radiopharmaceuticals. In 2017, SHINE built the first building on its Janesville campus: SHINE Building One.

ABOUT MEDICAL ISOTOPES

Medical isotopes are radioisotopes that are used in the diagnosis and treatment of disease. Molybdenum-99 (Mo-99) is a radioisotope that decays into the diagnostic imaging agent technetium-99m (Tc-99m). The workhorse of nuclear medicine, Tc-99m is used in more than 40 million medical imaging procedures each year, primarily in stress tests to diagnose heart disease and bone scans to stage cancer. SHINE was founded to deploy a safe, cost-effective and environmentally friendly technology to produce a variety of medical isotopes, including Mo-99.
FUNDRAISING

$150M FINANCING
In November, SHINE signed a $150 million definitive agreement with Deerfield Management Company, a major healthcare investment firm. This deal represents important institutional validation of the SHINE business plan by an incredibly well-respected and astute investor. The Deerfield investment is tranched, based on SHINE achieving milestones, and will be used for the construction of SHINE’s North American Production Facility.

$30M+ SERIES B RAISE
Prior to closing with Deerfield, we filled our Series B funding round, bringing in over $30M of investment through both in-state private investors and strategic partners. The Series B round also converted all outstanding convertible Notes into Preferred Stock, simplifying our capitalization structure.

DOE COOPERATIVE AGREEMENT CLOSEOUT
We received the final payment of our Department of Energy (DOE) cooperative agreement, which provided a total of $25M in funds over the past six years.

We are extremely grateful to know our investors, industry partners, and government believe in the SHINE vision and opportunity.

Greg Piefer, Founder & CEO

Deerfield is a world-leading healthcare investment firm and a strong partner that provides important institutional validation of our business.

Todd Asmuth, President & CFO
Prior to the delivery of the First Production Unit accelerator in October, the SHINE Building One team installed and outfitted several important internal structures and systems. These included a closed-loop pool water cooling system, sample transfer system, nuclear instrumentation test suite, machine shop and the design and construction of both a full-sized shielded bunker and tritium laboratory.

In 2018, the SHINE team transformed Building One from an empty shell to a fully-functional, state-of-the-art laboratory and testing facility.

Steve Miltenberger, COO
In October, Phoenix delivered the first production accelerator to Building One. Known as the First Production Unit, the state-of-the-art accelerator system was designed and built by Phoenix specifically for the SHINE project. The First Production Unit is a third-generation design for SHINE and the first system designed for regular commercial use. Previous Phoenix prototype systems demonstrated the neutron output and up-time required for medical isotope production in the Production Facility. After installation and commissioning, the First Production Unit will allow SHINE to gain operating experience, train employees, and develop maintenance procedures prior to construction of the Production Facility.

First Production Unit Installation

Through our partnership with SHINE, our neutron generators will support production of enough Mo-99 to provide millions of people a year with the critical imaging procedures they need.

Ross Radel, CEO of Phoenix, LLC
As part of the Production Facility design work performed in 2018, SHINE engineering conducted over 580 hours of hazard and operability evaluations for facility systems. The purpose of the evaluations is to methodically identify hazards and failures that could pose undue risk to health and safety. The results of these evaluations help determine the safeguards necessary to maintain safe operation of the facility. We also received the City and State approvals needed to do site work.

In 2018, our primary patent—Device and Method for Producing Medical Isotopes—was granted in Europe as European Patent No. 2294582. This patent is an important addition to SHINE’s portfolio, as it protects our novel production process in the world’s second largest medical isotope market. This approval and our portfolio of over 20 SHINE-owned, issued and pending patents demonstrate our continued commitment to innovation and leadership in the medical isotope industry.
In 2018, SHINE hired 29 talented professionals and 10 interns from within the nuclear industry to continue to ramp up to construction. These new employees filled key positions, such as: Criticality Safety Engineer, Business Development Analyst, Document Control Specialist, Construction Quality Assurance Lead, Training Manager, and Senior Scheduler. We also added various nuclear, chemical, mechanical, electrical, safety analysis, and quality engineers to our team.

The growth of our team shows our commitment to finding the best possible talent to progress our mission to become a world leader in the medical isotope industry.
Roughly 1% of all Mo-99 in the world decays every hour, meaning it must be continuously produced. Current production is limited to only a handful of government-owned nuclear research reactors, the majority of which are overseas.

Because of this on-going situation, 2018 was another year of constrained Mo-99 supply, with one major shortage in early November. South Africa was unable to produce Mo-99 for 9 months of the year, causing mild global shortages for the majority of 2018. This problem was then exacerbated by the shutdown of Australia’s local generator manufacturing plant, resulting in further strain on the global supply chain.

The November supply crisis was caused when, on top of the issues in South Africa and Australia, the Dutch reactor had an unexpected six-day shutdown.

Even in 2018, unexpected shut-downs and constrained supply remained the norm for the Mo-99 industry. Patients will not get the reliable care they deserve until a large-scale US Mo-99 producer that does not rely on government infrastructure reaches the market.

Katrina Pitas, VP–Business Development

2018 MO-99 SUPPLY CHALLENGES*

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* MANAGEMENT ESTIMATES BASED ON A VARIETY OF SOURCES.
We ended 2018 in a position of strength. Our balance sheet has never been stronger, and we finished the year with the largest cash position in SHINE’s history. In addition to our strong financial position, the team continues to execute and progress toward the achievement of key SHINE initiatives, including our First Production Unit demonstration and the submittal of our Operating License application. We are eager to build off of 2018’s successes and to use this position of strength as a springboard toward 2019.

PERSONNEL COSTS
We increased our headcount in 2018 from 61 to 77 regular employees. The majority of our new employees are engineers, who have played a critical role in advancing our First Production Unit demonstration and performing design activities to support development of our Operating License application. These new hires have allowed us to continue to perform design activities in-house, delivering a superior work product at a lower cost than external contractors. We are looking forward to continuing to add to our world-class team in 2019.

FIRST PRODUCTION UNIT DEMONSTRATION
In 2018, we directed substantial organizational resources toward the advancement of our First Production Unit demonstration. The demonstration is an essential component of our fundraising strategy. We officially took occupancy of Building One at the end of January, after which our procurement and engineering teams drove a tremendous effort to design and procure the various equipment and components required for the First Production Unit demo. These efforts culminated in the delivery of our first production accelerator from Phoenix in October. The SHINE and Phoenix teams are now hard at work commissioning the First Production Unit.

OPERATING LICENSE APPLICATION & DESIGN ADVANCEMENT
We also put significant effort into the development of our Operating License (OL) application in 2018. The submission of our OL application to the U.S. Nuclear Regulatory Commission is a critical milestone on the path to commercialization of our Production Facility. Our engineering and licensing teams have both dedicated long hours toward the development of this application over the past year. SHINE engineers have advanced structural and system designs and have conducted critical safety analyses to support the development of the application. SHINE licensing personnel have leveraged those designs and analyses to write the OL application and have also driven the development of programs and plans to support it.

INTERNAL OPERATIONS
Our internal operations spend in 2018 was focused primarily on financing-related activities. Major spend categories included professional fees, principal and interest payments to the Wisconsin Economic Development Corporation, intellectual property development, and operational expenses for our Headquarters and Building One.
COMMUNITY ENGAGEMENT

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.

When considering opportunities for engagement with the community, we prioritize opportunities that are at the intersection of:

1. Greatest need & effectiveness
2. Highest visibility
3. SHINE’s mission and interests:
   - Promote nuclear and STEM education
   - Protect and improve the environment
   - Complement our mission by helping to eradicate heart disease and cancer

NUCLEAR & STEM EDUCATION

In October, SHINE launched a student-driven design competition to create a 3D object to be used as an employee award of excellence, titled The Illuminator Award. The winner of this inaugural competition between four middle and high school teams will be announced in February 2019. SHINE’s generous employees also donated 47 scientific calculators for local students for their back-to-school supplies, and over 75 STEM and other toys to the Salvation Army for their Angel Tree Program.

SHINE SUPPORTED OR VOLUNTEERED FOR THESE ORGANIZATIONS IN 2018
This year, we formally recognized the importance of diversity and inclusion to SHINE’s success through adoption of a Diversity and Inclusion Statement of Commitment.

As a first-time sponsor of the Bert Blain Memorial Heart Walk, SHINE exceeded its fundraising goal by 146% to raise $4,383 with twenty-one walkers for Team SHINE. Employees received education on heart disease and stroke prevention during the month-long internal campaign.

In the spring, over 40 employees participated in the first annual “SHINE Up! Our Community Day” by rolling up their sleeves to help the nonprofit group, Friends of Riverside Park, with planting, painting and landscaping for the season.

SHINE was also proud to ILLUMINATE a local holiday favorite event as a first-time sponsor of the Rotary Botanical Gardens’ Holiday Light Show. This major fundraiser supports the Gardens’ year-long mission of enriching lives through natural beauty, education and the arts.
Mr. Gunnlaugsson joined SHINE’s Board of Directors in May 2018. Mr. Gunnlaugsson was employed at Marshall and Ilsley Corporation, an S&P 500 banking company, for thirty years, serving most recently as CFO and EVP and as a Director. Currently, he is a principal in Lakeview Equity Partners, a private equity firm in Milwaukee, Wisconsin. Mr. Gunnlaugsson’s other activities include serving as a director for a variety of other firms including West Bend Mutual Insurance Company, Fiduciary Management Mutual Funds, UAS Labs, and Renaissance Learning, Inc. He has also served as Chairman of several organizations such as the Milwaukee Economic Development Corporation, the Medical College of Wisconsin Cardiovascular Center Advisory Board, the Wisconsin School of Business Puelicher Center for Banking, and the Wisconsin School of Business Dean’s Advisory Board. He is a CPA and holds a BBA and MBA from the Wisconsin School of Business and is a recipient of their Distinguished Alumni Award.
LOOKING FORWARD

We look to 2019 with anticipation and excitement. We expect construction of the Production Facility to bring with it a new set of challenges, but the team has spent eight years of planning, design and analysis getting ready for this event. It will be immensely rewarding to see our vision to build the world’s largest medical isotope production facility take physical form in Janesville. We anticipate that once operational, this plant will produce tens of millions of doses each year and save countless lives.

In 2018, we started to explore the addition of new, life-saving therapeutic isotopes such as Lu-177 and Ac-225 to our product suite. These studies and discussions demonstrated that the market opportunity for these products is exciting and substantial, and we believe our core competencies will position us to become a global leader in their production. In 2019, we plan to solidify our position as a front runner in the production of these new products, which will expand and diversify our business case, and we believe lead to treatments and potentially cures for forms of cancer that are presently have no good treatment options.

Longer term, we are positioning SHINE to be one of the world’s most exciting nuclear technology companies. While our business will continue to focus on medical products over the next 5-10 years, we are building a team that is capable of inventing, developing, and delivering cost-effective solutions to difficult problems in the nuclear arena. We will continue to push into more ambitious applications, with the goal of SHINE playing a major role in solving some of humanity’s biggest challenges in medicine, environment, and energy.

We’d like to thank everyone involved with SHINE for your continued support this year. You’re doing great things to make this world a better place for everyone. Have a great 2019, and SHINE ON!