



TELIX

PHARMACEUTICALS
LIMITED

ACN 616 620 369

PROSPECTUS

Telix Pharmaceuticals Limited

For the fully underwritten initial public offering of ordinary shares in Telix Pharmaceuticals Limited.

The Shares offered by this Prospectus should be considered speculative.

Joint Lead Managers



TAYLOR COLLISON

WILSONS

Australian Legal Adviser



clarendon
LAWYERS

The Offer

This Prospectus is issued by Telix Pharmaceuticals Limited (ACN 616 620 369) (**Company** or **Telix**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The offer contained in this Prospectus is an initial public offering to acquire fully paid ordinary shares (**Shares**) in the Company (**Offer**).

Lodgement and Listing

This Prospectus is dated 16 October 2017 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

The Company will apply to the Australian Securities Exchange (**ASX**) for admission of the Company to the official list and quotation of its Shares on the ASX within 7 days of the Prospectus Date. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

As set out in section 7.12.3, it is expected that the Shares will be quoted on the ASX, initially on a deferred settlement basis. The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Expiry Date

This Prospectus expires on the date that is 13 months after the Prospectus Date (**Expiry Date**) and no Shares will be issued on the basis of this Prospectus after the Expiry Date.

Note to Applicants

The information in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial circumstances, tax position or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider risk factors that could affect the performance of the Company and other information in this Prospectus. You should carefully consider these risks in light of your personal circumstances (including your investment objectives, financial circumstances and tax position) and seek professional guidance from your stockbroker, accountant, lawyer or other professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

This Prospectus includes information regarding the past performance of Telix. Investors should be aware that past performance is not indicative of future performance.

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company, the Joint Lead Managers or any other person in connection with the Offer. You should rely only on information contained in this Prospectus when deciding whether to invest in the Company.

Financial Information presentation

Section 4 sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation of that information.

The Financial Information included in section 4 has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**), which are consistent with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board and the accounting policies of the Company.

All financial amounts contained in this Prospectus are expressed in Australian currency and are rounded to the nearest \$100,000 (unless otherwise stated). Any discrepancies between totals and sums of components in tables and figures contained in this Prospectus are due to rounding. Tables and figures contained in this Prospectus have not been amended by the Company to correct immaterial summation differences that may arise from this rounding convention.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in section 4. Where Financial Information and metrics represent pro forma amounts, they have been labelled "pro forma".

Sales data and case studies

Sales data and case studies provided in this Prospectus are factual and are provided for illustrative purposes only. There is no certainty that Telix will generate a commercial product from the Portfolio and accordingly there is no guarantee that the Company will generate any revenue or be acquired by another company.

Forward-looking statements

This Prospectus contains forward-looking statements that are identified by words such as "may", "could", "believes", "estimates", "expects", "intends", "considers" and other similar words that involve known or unknown risks and uncertainties.

Any forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual results, performance, events or outcomes to differ materially from the results, performance, events or outcomes expressed or anticipated in these statements, many of which are beyond the control of the Company and the Directors. Such forward-looking statements are based on an assessment of present economic and operating conditions and a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place. The forward-looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in section 5 and other information contained in this Prospectus.

The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward-looking statements. Except where required by law, the Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

No forecast financial information

Given the fact that the Company is in an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of Telix. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in this Prospectus.

No offering where offering would be illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice and observe any such

restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, any person in the United States. In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state of the United States and may not be offered or sold in the United States unless the Shares are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act and applicable US state securities laws is available. See section 7.8 for more detail on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of the Prospectus (**Exposure Period**). The Exposure Period enables the Prospectus to be examined by market participants prior to the processing of Applications. The Exposure Period will expire on 23 October 2017. Applications received during the Exposure Period will not be processed by the Company and will not receive any preference.

Prospectus availability

During the Offer Period, a paper copy of this Prospectus is available free of charge to Australian resident investors by calling the Telix Offer Information Line on 1800 262 299 (within Australia) and +61 1800 262 299 (outside Australia) from 9.00 am to 5.00 pm (Melbourne time), Monday to Friday (excluding public holidays). This Prospectus is also available to Australian resident investors in electronic form at the Offer website, www.telixpharma.com/IPO.

The Offer constituted by this Prospectus in electronic form is available only to persons downloading or printing it within Australia and is not available to persons in any other jurisdiction (including the United States). Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

Applications

Applications may only be made during the Offer Period by completing an Application Form attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form, which must be downloaded in its entirety from the Offer website, www.telixpharma.com/IPO. By making an Application, you represent and warrant that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Definitions

Defined terms and expressions used in this Prospectus are explained in the Glossary at the end of this Prospectus. Unless otherwise stated or implied, references to times in this Prospectus are to the time in Melbourne, Victoria (**Melbourne time**).

Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to the Company and the Share Registry, which is contracted by the Company to manage Applications. The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. Some of this personal information is collected as required or authorised by certain laws including the *Income Tax Assessment Act 1997* (Cth) and the Corporations Act. If you do not provide the information requested in an Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, that it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australia law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. If you do not provide all the information requested, your Application Form may not be able to be processed.

The information contained in the Company's register of members must remain there even if a person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to access and correct the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law.

The Share Registry's complete privacy policy is available at the Share Registry's website: www.linkmarketservices.com.au. Queries regarding the Share Registry's privacy policy may also be emailed to privacy.officer@linkgroup.com.

Photographs and diagrams

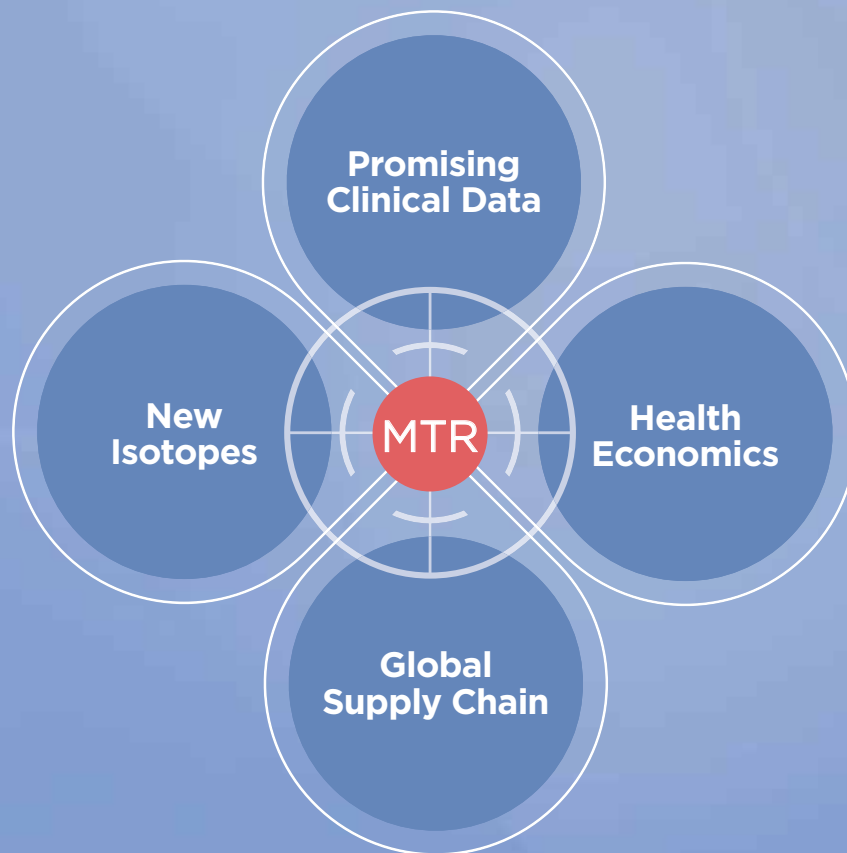
Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Questions

If you have any questions about how to apply for Shares, please call the Telix Offer Information Line on 1800 262 299 (within Australia) and +61 1800 262 299 (outside Australia) from 9.00 am to 5.00 pm (Melbourne time), Monday to Friday (excluding public holidays). Instructions on how to apply for Shares are set out in section 7 and on the Application Form. If you have any questions about whether to invest in the Company, you should seek professional advice from your stock broker, accountant, lawyer or other professional adviser.



TELIX
PHARMACEUTICALS



MOLECULARLY TARGETED RADIATION

KEY DRIVERS

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Key Dates	
Prospectus Date	16 October 2017
Retail Offer opens	24 October 2017
Retail Offer closes	8 November 2017
Settlement of the Offer	13 November 2017
Allotment of Shares (Completion of the Offer)	15 November 2017
Commencement of trading on ASX (on a deferred settlement basis)	15 November 2017
Expected dispatch of holding statements	16 November 2017
Expected commencement of trading of Shares on ASX on a normal settlement basis	17 November 2017

This timetable is indicative only. The Company, in consultation with the Joint Lead Managers, reserves the right to vary dates of the Offer (subject to the ASX Listing Rules and the Corporations Act) without prior notice, including to close the Offer early, extend the date the Offer closes, accept late Applications or withdraw the Offer and the issue of Shares (in each case without notifying any recipient of the Prospectus or any Applicant).

The Offer	
Offer Price	\$0.65 per Share
Total number of Shares offered under the Offer	77,000,000
Gross proceeds from the Offer	\$50,050,000
Total number of Shares on issue on Completion of the Offer	197,437,500
Indicative market capitalisation at the Offer Price ¹	\$128,334,375
Pro forma cash (as at 30 June 2017) before costs of the Offer ²	\$55,250,000

1. Calculated as the total number of Shares on issue on Completion of the Offer multiplied by the Offer Price.
2. Net cash of \$55,250,000 is calculated on a pro forma basis (as at 30 June 2017), assuming Completion of the Offer and is before any costs of the Offer.

16 October 2017

Dear Investor

On behalf of the Directors I am pleased to invite you to become a Shareholder of Telix.

Telix is an Australian oncology company that is developing targeted radiopharmaceuticals, also referred to as “molecularly-targeted radiation” (**MTR**). MTR is a novel therapeutic approach that selectively delivers radiation to cells that exhibit certain molecular profiles or “targets” that may be indicative of cancer. MTR may be of a diagnostic nature to facilitate medical imaging (to diagnose or stage a patient) or may be delivered as a therapeutic dose in order to treat a patient. The founders of Telix believe that radiopharmaceuticals have a much larger role to play in oncology both as diagnostic and therapeutic options.

Telix's Portfolio consists of an extensive pipeline of in-licensed, acquired and Company-originated intellectual property (**IP**) focused on three key disease areas:

- **TLX-250**: for the diagnosis and treatment of renal (kidney) cancer, which is the Company's lead program;
- **TLX-591**: for the treatment of prostate cancer; and
- **TLX-101**: for the treatment of glioblastoma (brain cancer).

Our IP confers broad coverage over our Portfolio, for commercially meaningful durations, and in the major territories in which Telix hopes to conduct its business activities.

In addition, Telix has formally established relationships with key isotope suppliers, manufacturing partners and clinical resources around the world to deliver on the potential of the Company's technology.

Telix's Portfolio was selected on the basis of:

- **clinical data** – each product has demonstrated significant clinical efficacy and utility in trials;
- **viability** – each product has the potential to be manufacturable at scale, with an established supply chain;
- **health economics** – each product has the potential to demonstrate a defensible cost-benefit to our overburdened healthcare systems; and
- **integration with standard care** – each product has the potential to offer clinical solutions that are relevant to patients and their carers.

Telix is led by an experienced management team and Directors with a demonstrated track record in the biopharmaceutical industry, and radiopharmaceuticals in particular, as well as corporate governance, mergers and acquisitions and equity capital markets. Telix is guided by a Scientific Advisory Board (**SAB**) which comprises a team of key global opinion leaders in the radiopharmaceutical industry.

This Prospectus contains detailed information about the Offer, the oncology industry, the Company's operations, financial position and performance, key personnel and Telix's IP rights. It also provides detailed information on the risks associated with an investment in Shares, which are set out in section 5. In particular, you should be aware that an investment in Shares should be considered speculative.

I encourage you to read this Prospectus carefully, in its entirety, before making your investment decision.

As Telix commences this important and exciting step in achieving its vision of improving the management and treatment of cancer, we look forward to welcoming you as a Shareholder.

Yours faithfully



H Kevin McCann, AM

Independent Non-Executive Chairman



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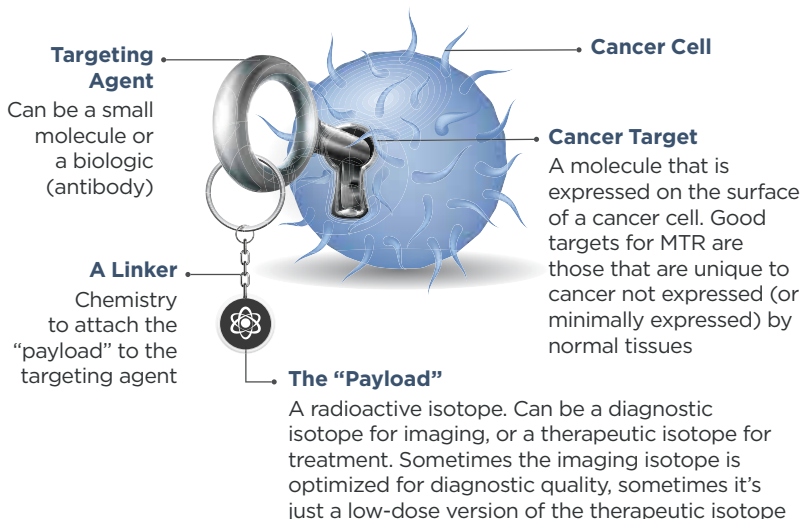


Section 01

INVESTMENT OVERVIEW

1.1 Introduction

Topic	Summary	For more information
What is Telix and what industry does it operate in?	Telix is an oncology company that operates in the radiopharmaceutical industry. Telix's Portfolio consists of an extensive pipeline of in-licensed, acquired and Company-originated IP that focuses on "targeted radiopharmaceuticals", also referred to as "molecularly-targeted radiation" (MTR). The Company's Portfolio comprises a pipeline of clinical-stage products for kidney, prostate and brain cancer that the Company believes have the potential to significantly impact the diagnosis and treatment of cancer, if planned clinical trials are successful. Telix was incorporated in January 2017 and is headquartered in Melbourne, Australia. Its technical team is spread across Australia, Germany, France and the United States.	Section 3.1
What are radiopharmaceuticals?	Radiopharmaceuticals are a class of pharmaceutical drugs where the mechanism of action is based on delivering radioactivity to diseased tissue. Radiopharmaceuticals can be either diagnostic or therapeutic in nature. Diagnostic radiopharmaceuticals rely on the use of medical imaging systems, which are a standard part of hospital care. Therapeutic radiopharmaceuticals deliver sufficient radioactivity to a disease site to confer a treatment benefit. Historically, radiopharmaceuticals had very simple pharmacology and typically reached diseased tissue in an organ-general way (eg. thyroid uptake, bone accumulation) or by direct delivery to a tumour. However, modern drug development techniques have enabled various radioactive isotopes to be attached to drugs that are extremely selective about where they deliver a radioactive payload. This approach is called "molecularly-targeted radiation" – or MTR.	Sections 2.3 and 2.4
What is MTR and how does it work?	MTR is a novel therapeutic approach that selectively delivers radiation to cells that exhibit certain molecular profiles or "targets" that may be indicative of cancer. This radiation may be of a diagnostic nature to facilitate medical imaging (to diagnose or stage a patient) or may be a therapeutic dose in order to treat a patient. MTR is a powerful clinical concept because patients can first be imaged to confirm the presence of the disease or target, and then treated in a highly personalised way. MTR is considered to be an application of precision medicine, whereby a patient is selected for treatment on the basis of a highly-specific diagnostic work-up. Figure 1 illustrates the mechanism of MTR.	Section 2.3

Topic	Summary	For more information
	Figure 1: How does molecularly targeted radiation work?  Targeting Agent Can be a small molecule or a biologic (antibody) A Linker Chemistry to attach the “payload” to the targeting agent Cancer Cell Cancer Target A molecule that is expressed on the surface of a cancer cell. Good targets for MTR are those that are unique to cancer not expressed (or minimally expressed) by normal tissues The “Payload” A radioactive isotope. Can be a diagnostic isotope for imaging, or a therapeutic isotope for treatment. Sometimes the imaging isotope is optimized for diagnostic quality, sometimes it's just a low-dose version of the therapeutic isotope	
What is the purpose of the Offer?	The Offer is being conducted to: • fund the planned development of the Portfolio, including development milestone payments to third parties; • pay the costs of the Offer; • provide Telix with a capital structure which, together with access to capital markets, will provide additional financial flexibility to pursue future growth opportunities; • provide a liquid market for the Shares; and • provide the Company with the added benefits of an increased profile that arises from being an ASX-listed entity.	Section 7.1.3
What is the Telix investment proposition?	Telix has been formed to develop and commercialise a series of MTR assets that the Company believes have significant clinical and commercial potential, but have been insufficiently developed to date and have not been developed with the end-game of building a pipeline of therapeutic assets that would generate commercial collaboration and partnering opportunities with leading radiation oncology and pharmaceutical companies. Due to the impressive data that is starting to emerge around MTR programs (including programs within the Portfolio) there has been a significant increase in “big pharma” attention in MTR over the past 24 months. This, combined with notable maturation of the global supply chain for key radioactive isotopes, means that the Company believes there is a unique window of opportunity to build a global leader in this field that can successfully address clinically and commercially important unmet needs in a number of important cancer treatment settings. The Company has assembled the Portfolio and possesses the expertise in order to deliver this objective.	Section 3

1.2 Key characteristics of the radiopharmaceutical industry

Topic	Summary	For more information
What is the nature and scale of the radiopharmaceutical industry?	The radiopharmaceutical industry is a global industry with a highly international supply chain. Because radiopharmaceutical products are based on isotopes that typically have a half-life (decay) of a week or less, the industry is characterised by sophisticated logistics and “just in time” manufacturing. The radiopharmaceutical market is estimated to generate approximately US\$5 billion of annual expenditures globally in 2017.³ Approximately 65% of use (50m annual procedures) is oncology-related.⁴ Belgium, the Netherlands, USA and Australia are significant medical isotope manufacturing and exporting countries.	Sections 2.1 and 2.2
What is the nature and scale of the MTR sector of the radiopharmaceutical industry?	The radiopharmaceutical industry is expected to reach between US\$15 billion and US\$25 billion of annual expenditure globally by 2030 (from approximately US\$5 billion in 2017).⁵ This is primarily expected to be driven by the therapeutic MTR segment, which is expected to represent 60% of the radiopharmaceutical market by 2030, a significant increase from ~10% today (25+% annual growth).⁶	Section 2.6
Who provides MTR products and what is Telix’s competitive landscape?	Telix has relatively few direct competitors for its products because the size of the MTR market is nascent, with few MTR products approved for commercialisation. However, industry sources have estimated that the global market for oncology drugs could generate approximately US\$145 billion in annual expenditure by 2018 (from US\$100 billion in 2014).⁷ It is a highly competitive market and MTR products will necessarily compete for market share against conventional pharmaceuticals in many disease areas, including diagnostic and treatment areas where Telix has product development focus.	Sections 2.1 and 2.6
What will drive demand for MTR products in the future?	Clinical growth drivers include an ageing population, an increase in the incidence and prevalence of cancer and wider use of nuclear medicine procedures across multiple indications. Against the backdrop of escalating healthcare costs, governments are seeking therapeutic interventions that are cost-effective and MTR products have a particularly strong cost-benefit profile. There have also been recent radiopharmaceutical successes that have captured physician and patient attention, such as Bayer’s (ETR: BAYN) Xofigo® product for metastatic prostate cancer and Advanced Accelerator Applications’ (NASDAQ: AAAP) Lutathera® MTR product for neuroendocrine tumours. These products have been widely accepted by the oncology community (and are now part of standard care in many countries). In general, new clinical data that demonstrates the efficacy of the MTR approach has increased the level of attention to the field.	Section 2.6.2

3. Telix management estimates based on estimated 2016 data contained in the MEDDraysintell Nuclear Medicine World Market Report and Directory (2017 edition).

4. MEDDraysintell Nuclear Medicine World Market Report and Directory (2017 edition).

5. As above.

6. As above.

7. IMS Institute for Healthcare Informatics (October 2015) <[http://www.imshealth.com/en/thought-leadership/quintilesims-institute/reports/ims-health-finds-global-cancer-drug-spending-crossed-\\$100-billion-threshold-in-2014-article](http://www.imshealth.com/en/thought-leadership/quintilesims-institute/reports/ims-health-finds-global-cancer-drug-spending-crossed-$100-billion-threshold-in-2014-article)>.

Topic	Summary	For more information
What is the development and commercialisation pathway for radiopharmaceutical products?	In order to commercialise an MTR product, it is necessary to validate both the isotope supply chain and the clinical safety and utility of the end-product. Somewhat like conventional pharmaceuticals, radiopharmaceutical products (including MTR products) typically follow a multi-stage development process of successive clinical trials, usually with end-points that are pre-agreed with regulatory agencies: • Phase I: Safety (and in the case of MTR products, radiation dosimetry). This is usually run in a small number of patients (<50). • Phase II: Efficacy. This is usually a larger study of between 50 and 200 patients to assess therapeutic benefit to the patient. • Phase III: Confirmation of efficacy and safety for product registration. Phase III trials can be 200 to 1000 patients, depending on the application area. Companies are typically able to apply for a marketing authorisation upon completion of one or more successful Phase III trials. The commercial success of an MTR product is dependent on its ability to capture market share for a disease indication, ease of use (including safety risks to physicians and technical staff), physician engagement and education, patient awareness, side-effect profile, standards adoption and – most critically – the extent to which governments and insurance companies (“payers”) are willing to reimburse for use.	Section 2.3.5
What are the development advantages of MTR products?	MTR products typically have a development advantage over conventional drugs in that the imaging capability typically associated with an MTR therapy can be used to select patients that are more likely to respond to treatment and, in some cases, accurately measure treatment efficacy. This means that more compact clinical trials can be run with a lower risk of failure.	Section 2.4
What role does government play in funding the cost of MTR access for patients?	Government impacts funding and access to MTR in three major ways: 1. Isotope production is often highly dependent on access to government (or at least highly regulated) facilities. As such, governments do impact the cost of producing an MTR product and, in certain instances, have even been responsible for supply chain interruptions due to policy and investment-related decisions. 2. Government investment in hospital infrastructure is important for the MTR field, particularly the installation of PET and SPECT cameras to enable imaging of patients, which is an important part of MTR product delivery. In many countries where there is either a socialised healthcare environment (Europe/Australia) or centralised policy around healthcare infrastructure provision (China/Japan), government investment decisions can significantly impact patient access and the general efficiency of delivery of MTR products. 3. In most countries, governments either directly or indirectly set reimbursement pricing and access policy for new diagnostic and therapeutic modalities, including MTR.	Section 2.8

1.3 The Company and its business model

Topic	Summary	For more information
What is Telix's history?	In November 2015, the co-founders of Telix, Dr Christian Behrenbruch and Dr Andreas Kluge, established a company to respond to a rapidly growing level of interest in the MTR field from the pharmaceutical industry. This was motivated in part by efficacy data around prostate and neuro-endocrine cancer, where MTR products significantly outperformed conventional drugs. In January 2017, Telix Pharmaceuticals Limited was formed as the corporate vehicle to finance and further develop the opportunity and hold the Portfolio assets. In January 2017, Telix successfully raised \$8.5 million from sophisticated and professional investors (including strategic partners). The founders of Telix are experienced executives and drug developers in the field of radiopharmaceuticals and believe that there is a unique industry consolidation opportunity. Typically the MTR sector has been characterised by small, physician-initiated studies and manufacturing processes that do not easily scale. The Telix team identified the opportunity to assemble a pipeline of some of the best performing clinical-stage assets and complete their development. Recent advancements in isotope technology, supply chain and manufacturing processes support the viability of this investment thesis.	Section 3.3
What is Telix's Portfolio?	Telix's Portfolio comprises the following MTR products: 1. TLX-250: diagnosis and treatment of renal (kidney) cancer. TLX-250 uses an antibody against a renal cancer target (carbonic anhydrase 9 (CA-IX)). The imaging application of TLX-250 has already completed a US Phase III trial (published 2013)⁸ and has received an SPA granted by the US FDA for a confirmatory Phase III trial. The therapeutic application of TLX-250 has completed a small academic Phase II study in Europe (published 2015)⁹ and the Company will conduct a larger Phase II trial to confirm efficacy. TLX-250 is considered to be the Company's lead program because the program is the closest to potential first revenue. 2. TLX-591: treatment of metastatic castrate-resistant prostate cancer. TLX-591 targets prostate specific membrane antigen (PSMA), an important and well-validated target in prostate cancer. TLX-591 is derived from an antibody called huJ591, which has been extensively clinically studied in 8 diagnostic and therapeutic MTR studies with a range of isotopes, including an academic Phase II study with ¹⁷⁷Lu (published 2016).¹⁰ TLX-591 imaging is used to confirm therapeutic targeting during treatment and to calculate the patient dose, however Telix is not developing a commercial imaging product based on TLX-591 as there are numerous other clinical solutions to diagnostically image PSMA either in development or early commercialisation.	Sections 3.6, 3.7 and 3.8

8. Povoski, S. et al (2013) Multimodal Imaging and Detection Strategy with 124 I-Labeled Chimeric Monoclonal Antibody cG250 for Accurate Localization and Confirmation of Extent of Disease During Laparoscopic and Open Surgical Resection of Clear Cell Renal Carcinoma Surgical Innovation 20(1): 59-69.
9. Muselaers, CH et al (2016) Phase 2 Study of Lutetium ¹⁷⁷-Labeled Anti-Carbonic Anhydrase IX Monoclonal Antibody Girentuximab in Patients with Advanced Renal Cell Carcinoma Eur Urol 69(5): 767-70 (Epub 23 Dec, 2015).
10. Teo, MY (2016) Prostate-Specific Membrane Antigen-Directed Therapy for Metastatic Castration-Resistant Prostate Cancer, Cancer J. 22(5): 347-352.

Topic	Summary	For more information
	3. TLX-101: treatment of glioblastoma (brain cancer). TLX-101 targets LAT-1, a promising target in numerous cancer settings, including glioblastoma. TLX-101 is a small molecule that rapidly crosses the blood-brain barrier. TLX-101 has been successfully evaluated as an imaging agent in over 100 cancer patients in the academic setting. However, a small pilot therapeutic study in 5 glioblastoma patients in Germany, conducted under compassionate use, indicated considerable therapeutic potential.¹¹ TLX-101 imaging is used to confirm therapeutic targeting during treatment and to calculate the patient dose, however Telix is not developing a commercial imaging product based on TLX-101 as there are numerous other clinical solutions to image glioblastoma.	
How did Telix select its Portfolio?	Telix's Portfolio was carefully selected on the basis of: • clinical data: each program has demonstrated significant clinical efficacy and utility in trials; • manufacturing viability: each program has the potential to be manufacturable at scale, with an established supply chain; • health economics: each program has the potential to demonstrate a defensible cost-benefit to our overburdened healthcare systems; • integration with standard care: each program is relevant to physicians, patients and their carers; and • late-stage development: in some instances opportunities were prioritised on the basis that they were closer to potential commercialisation.	Section 3
What is Telix's development program in respect of the Portfolio?	The Company is targeting four major product development milestones over a 24 month period. Subject to obtaining the appropriate regulatory and institutional approvals, the Company aims to: 1. Complete a confirmatory multi-centre Phase III trial for the imaging application of TLX-250 in renal cancer. This trial is expected to commence in late 2017. If this trial is successful, the Company could be in a position to apply for marketing authorisation ("product approval") for its first product within 24 months from the Prospectus Date. 2. Complete a multi-centre Phase II trial for the therapeutic application of TLX-250 in renal cancer. This trial is expected to commence in mid-2018. If this trial is successful, the Company would have sufficient clinical data to determine whether to proceed to a Phase III trial. A successful trial may also create new partnering and commercial opportunities. 3. Complete a multi-centre Phase II trial for the therapeutic application of TLX-591 targeting men with metastatic castrate-resistant prostate cancer that have failed androgen therapy, prior to chemotherapy. This trial is expected to commence in late 2018 following a manufacturing campaign and a human dosimetry study. If this trial is successful, the Company would have sufficient clinical data to determine whether to proceed to a Phase III trial. A successful trial may also create new partnering and commercial opportunities.	Section 3.6, 3.7 and 3.8

11. Baum, RP et al (2011) Systemic Endoradiotherapy with Carrier-Added 4-^[125I] Iodo-L-Phenylalanine: Clinical Proof of Principle in Refractory Glioma Nuci Med Mol Imaging 45(4): 299-307.

Topic	Summary	For more information
	4. Complete a Phase I/II trial for TLX-101 therapy in relapse glioblastoma patients, in conjunction with external beam therapy (EBT). This will be a 3 centre trial run in Europe and is expected to commence in early 2018 and take approximately 18 months to complete. If this trial is successful, the Company would have sufficient clinical data to determine whether to proceed to a Phase III trial. TLX-101 has orphan drug designation in Europe and the US, which may accelerate the scope of a Phase III trial. In addition, a successful Phase I/II study may support the compassionate use of TLX-101 in certain jurisdictions.	
Who are Telix's key business partners?	• Wilex AG (Deutsche Börse ETR: WL6). Wilex is a German publicly listed biotechnology company that was the original developer of the underlying antibody technology behind the TLX-250 program. Following the failed Phase III study of a "naked" (non-radioactive) antibody therapy program,¹² in 2014 Wilex elected not to continue to develop the technology and instead partner to develop the radioactive indications for the technology, which showed great promise (but for which Wilex had insufficient financial resources to progress). • Abzena PLC (LON: ABZA). Abzena is a leading UK-based biopharmaceutical service provider in the field of antibody and protein engineering. Abzena's subsidiary Antitope Limited is one of the pioneering firms in antibody humanisation. Telix works closely with Abzena on a number of protein engineering enhancements to our programs and Abzena has also licensed to Telix several innovative patents that form the basis of the TLX-591 portfolio. • Atlab Pharma SAS. Atlab is a privately held French biotechnology company based in Nantes, France. Atlab (which is short for "Astatine Lab") was formed around the ARRONAX cyclotron research cluster in Nantes, a leading global research centre for radiopharmaceutical drug development. Atlab licensed the huJ591 anti-PSMA antibody technology from Cornell (via BZL Biologics LLC, an IP holding company controlled by Dr Neil Bander) and has been collaborating with Cornell on several Phase II prostate cancer clinical trials, including a trial for the combination use of Androgen Deprivation Therapy and MTR. Through the Cornell/BZL relationship, Atlab has rights to several patents that are of interest to Telix for the combination use of TLX-591 and other important prostate cancer drugs. Telix and Atlab have a collaborative agreement around clinical data and manufacturing process development and Telix holds the Atlab Option. • Therapeia GmbH & Co KG. Therapeia was a privately held German pharmaceutical company that held and developed the background technology to TLX-101. Telix acquired Therapeia from Director Andreas Kluge in October 2017, delivering a promising program in brain cancer to the Portfolio. In addition to these key commercial relationships, Telix has numerous agreements with academic medical centres and universities, biotech service providers and CRO/CDMO firms.	Sections 3.6, 3.7 and 3.8

12. Wilex AG. Press Release (October 2012) <<http://www.wilex.de/press-investors/announcements/press-releases/20121016-2/>>.

Topic	Summary	For more information
How does Telix derive its interests in the Portfolio?	As is commonly the case in the biopharmaceutical industry, Telix has assembled its Portfolio through an extensive program of licensing, acquisition and partnering. The Company's major IP assets are as follows: 1. TLX-250: Kidney cancer <i>Wilex Licence Agreement:</i> exclusive global licence agreement with Wilex for the diagnostic and therapeutic radiopharmaceutical use of girentuximab, as well as access to extensive biological materials and a full regulatory package. <i>University of Melbourne Licence Agreement:</i> exclusive global licence agreement with the University of Melbourne for "next generation" linker technology for attaching isotopes to antibodies. <i>ITG Agreement:</i> global isotope supply agreement with ITG (member of the ITM group). 2. TLX-591: Prostate cancer <i>Abzena Licence Agreement:</i> exclusive global licence agreement with Abzena for the diagnostic and therapeutic radiopharmaceutical use of a library of "next generation" antibodies targeting PSMA, derived from huJ591. This licence includes two new patents that are embodied in TLX-591. <i>Atlab Agreement:</i> research collaboration and option agreement with Atlab. Atlab possesses the right to the huJ591 antibody for use with ¹⁷⁷Lu and certain other combination therapy rights. Telix is working collaboratively with Atlab to evaluate the manufacturing scale-up for huJ591 for the purpose of clinical comparability between huJ591 and TLX-591. The Atlab Agreement also grants Telix the option to acquire Atlab for an exercise price of US\$10 million on agreed terms (Atlab Option). <i>ITG Agreement:</i> global isotope supply agreement with ITG (member of the ITM group). 3. TLX-101 : Brain cancer (Glioblastoma) <i>Therapeia Purchase Agreement:</i> Telix has acquired Therapeia, the licensee of the core patents and know-how for TLX-101. Telix has also filed a new manufacturing-related patent application in relation to the TLX-101 program. Supporting these core licence agreements are a large number of manufacturing, supply chain, CRO, CDMO, academic and clinical service provider agreements in order to give commercial effect to the Company's IP.	Section 3.13
What is Telix's IP coverage?	Telix's Portfolio consists of 18 patent families with international coverage. Telix's Portfolio includes patent applications and granted patents in all the major commercial territories in which the Company intends to commercialise its products. The Portfolio has patent coverage for commercially meaningful durations: • TLX-250 (2035); • TLX-591 (2037); and • TLX-101 (2026 (2031 with extensions of term), with further regulatory extensions.)	Intellectual Property Report

Topic	Summary	For more information
What is the Atlab Option and when will Telix determine whether or not to exercise it?	Via a sublicense from BZL Biologics LLC (the licensor of the huJ591 technology originating from Weill Cornell Medical Centre), Atlab has the rights to IP that Telix believes may be beneficial to the future of the TLX-591 program, including certain potential partnering opportunities. Telix has entered into the Atlab Agreement, by which it is granted the Atlab Option. The Atlab Option entitles Telix to acquire Atlab for US\$10 million in cash or Shares or a combination of cash and Shares (at the Company's election) on or before 31 December 2017. Telix may extend the Atlab Option exercise period by 6 months by making a one-time payment of US\$200,000. Telix is currently evaluating this technology. As at the Prospectus Date, the Board has not resolved whether to exercise the Atlab Option. As at the Prospectus Date, the Company believes that it is able to commercialise the TLX-591 program without exercising the Atlab Option. The benefit of the Atlab Option is that Atlab has certain data and licensed patent rights that may enlarge the future commercial scope of TLX-591.	Sections 3.7.2 and 3.13.4
What will occur if Telix does not exercise the Atlab Option?	If Telix elects not to exercise the Atlab Option, then: - certain data and materials will need to be returned to Atlab that will introduce a delay of at least 6 months to the commencement of the next clinical trial for TLX-591; and - Telix may not be able to commercially offer the combination of TLX-591 and anti-androgen drugs. Telix anticipates that the first commercial embodiment of TLX-591 is not likely to be a combination therapy, however combination therapies with anti-androgens may be an important clinical application for TLX-591 in the future.	Section 3.13.4
What are Telix's key business and growth strategies?	Telix aims to deliver a return to Shareholders by successfully developing and commercialising a best-in-class suite of MTR-based products that address major unmet needs in the treatment of cancer. If successful, this will lead to partnering and commercial opportunities and enable the Company to generate revenue. The Company's growth strategy involves: Commercial collaboration and partnering with leading radiation oncology and pharmaceutical companies that have an active interest in Telix specifically, and the MTR space generally. Selectively expanding our Portfolio potentially through asset acquisition or additional partnerships, when it makes commercial and strategic sense to do so. Investigating indication expansion opportunities for assets within the existing Portfolio. The Company has multiple opportunities to collaborate with leading academic centres to explore the utility of its Portfolio in other disease areas (for example, TLX-250 in lung cancer)	Section 3.2
How will Telix generate revenue?	Telix is not yet a revenue-generating company. In order to generate revenue, Telix must complete the clinical and manufacturing development of one or more of its programs and seek product approvals from regulatory agencies in the various jurisdictions that it intends to sell product. Failing this, Telix will not generate any revenue and will operate at a loss. Assuming Telix can successfully complete the clinical development of one or more of its Portfolio products, the Company would typically expect to generate revenue from the following sources:	Section 3.2.2

Topic	Summary	For more information
	• selling products through manufacturing and distribution partners that specialise in radioactive diagnostic and therapeutic products; • entering into partnering and co-development arrangements with third party healthcare companies that have the scale and commercial reach to market and sell Telix's products; • out-licensing its products in certain territories; • asset disposal, to the extent that it makes commercial and strategic sense to do so; and • grants and non-dilutive funding sources.	
What are Telix's key costs?	Telix's major costs are expected to be: • product manufacturing at the high standard required to treat patients in clinical trials and, assuming successful trial outcomes and product approvals, commercial sale; • clinical trials and clinical operations. This includes the use of specialised service providers, advisers and clinical sites; • licensing costs to third parties, including royalties and milestone payments as a function of program acquisition and development; • employee costs; and • the typical operating expenses associated with an ASX-listed company, such as ASX fees, audit, legal, adviser and other professional fees.	Section 3.2.3
How will Telix fund its operations?	The Company will fund its operations from the proceeds of the Offer. The Company expects that the Offer proceeds, together with its current cash at bank, will fund its Portfolio development program as described in this Prospectus. In the event that the Company is successful in developing and commercialising a product or products, the Company will fund itself from future revenues.	Sections 1.6 and 7.1
Will the Company be adequately funded on Completion of the Offer?	The Directors are of the opinion that the Company will have sufficient working capital to carry out its stated objectives.	Section 7.1.5
When will dividends be paid on Shares?	The Directors have no current intention to declare and pay a dividend. It is the Directors' intention to utilise the Offer proceeds received by the Company in the development of the Portfolio. The ability of the Company to declare and pay a dividend depends on its success in developing and commercialising one or more products and there can be no certainty that this will occur. Accordingly, there can be no certainty that the Company will ever declare and pay a dividend.	Section 4.10
Why are there no financial forecasts in the Prospectus?	Given the fact that the Company's products have not yet received product approval in any jurisdiction, there are significant uncertainties associated with forecasting the future revenues and expenses of Telix. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in this Prospectus.	Sections 3.6, 3.7, 3.8 and 4.2

1.4 Key investment highlights

Topic	Summary	For more information
Telix is developing precision medicine products	All of the MTR products in the Portfolio are “precision medicine” products. MTR products confer a unique clinical benefit because they enable medical imaging (eg. using positron emission tomography – or PET) to determine the true extent of disease and evaluate whether the treatment target is present or not. Once the presence of the treatment target has been ascertained, an optimised therapeutic dose can be individualised to the patient in order to maximise the safety, efficacy and tolerability of therapy. MTR products are a true precision medicine product because the efficacy of therapy is able to be ascertained prior to treating the patient. This is a significant improvement over conventional drug treatment approaches that are typically less selective and may result in patients being treated with no benefit.	Section 2.3
MTR is expected to become a major oncology treatment modality	There have been numerous recent positive developments in the field of MTR, including: • promising efficacy results in recent MTR clinical trials; • the development of next-generation isotopes that are easier for physicians to use and have fewer side-effects for patients; • the establishment of a more robust global supply chain for diagnostic and therapeutic isotopes; • evidence that MTR products can have strong synergistic effects with the current standard of care, including in conjunction with conventional radiation oncology and immuno-oncology. This has led to recent increased clinical and commercial interest in MTR approaches.	Section 2.6
Telix has extensive clinical data and a clear regulatory strategy	Telix has extensive clinical data from over 1,000 patients across the Portfolio, that has been published in peer-reviewed medical journals. The Company has a clear regulatory strategy for each product. Our lead program (TLX-250 imaging) has been granted an SPA by the US FDA for a confirmatory Phase III trial, providing a clear indication of the product performance requirements necessary to achieve regulatory approval. The commercial and regulatory drivers for the TLX-591 program are supported by prior clinical experience with huJ591 as well as recent developments in the standard of care for the treatment of metastatic castration-resistant prostate cancer. The TLX-101 therapy program has received orphan drug designation in the US and EU, potentially paving the way for a faster and lower-cost product approval process.	Sections 3.6, 3.7 and 3.8
Telix has a diversified Portfolio	Telix has three major programs in clinical development, with the potential to expand the use of the Portfolio into other disease areas. The Company’s pipeline was deliberately selected to balance: • the potential for early revenue (TLX-250); • the significant market size and commercial opportunity of a prostate cancer therapeutic (TLX-591); and • the potential for an expedited development pathway of an orphan indication (TLX-101).	Sections 3.6, 3.7 and 3.8

Topic	Summary	For more information
If approved for marketing, Telix's products will have a large addressable market	The radiopharmaceutical industry is expected to reach between US\$15 billion and US\$25 billion of annual expenditure globally by 2030 (from ~US\$5 billion in 2017). This is expected to be largely driven by the therapeutic MTR segment, which is expected to represent 60% of the radiopharmaceutical market by 2030.¹³ If Telix completes the development of a product and obtains product approval in its target markets, Telix's Portfolio has the potential to participate in this multi-billion dollar addressable market opportunity. Over the next 12 months, the achievement of successful development milestones has the potential to generate partnering and co-development opportunities for the Company.	Section 2.6
Telix expects to raise sufficient funds to complete its planned development program	The Offer is expected to provide Telix with sufficient funds to complete its four major product development milestones over the next 24 months. Subject to clinical success and marketing approvals from relevant regulatory agencies, these development milestones could transition Telix from a development-stage biotechnology company to a revenue-stage company.	Section 7.1
Telix has an experienced management team, Board and Scientific Advisory Board	Telix's management team has extensive commercial and clinical experience, backed by an internationally-recognised Scientific Advisory Board. Our Board of Directors combines significant expertise in pharmaceutical product development, regulatory affairs, M&A and capital markets, areas which are necessary for Telix given the status of its Portfolio programs.	Sections 6.1, 6.2 and 6.4

13. MEDraysintell Nuclear Medicine World Market Report and Directory (2017 edition), including Telix management estimates based on sourced data.

1.5 Key risks

Topic	Summary	For more information
Telix is a speculative investment	As at the Prospectus Date, Telix does not generate revenue and does not have any product that is capable of generating revenue without further clinical trials and regulatory approvals. Accordingly, an investment in Telix should be considered speculative and the Shares carry no guarantee with respect to the payment of dividends, return of capital or increase in Share price.	Section 5.2.1
Clinical trials may not succeed	Telix's ability to generate revenue and income will depend on the success of its clinical trials. Each development phase has a distinct risk of failure or delay. There is no guarantee that future clinical trials will demonstrate the commercial viability of a Portfolio product.	Section 5.2.2
Regulatory approvals may not be granted	Successful clinical development does not guarantee marketing authorisation. The Company will require marketing approval in each jurisdiction that it intends to market and sell a Portfolio product. There is no certainty that the Company will receive the requisite approvals with respect to any product in the Portfolio, or that such approvals can be obtained with the proceeds of the Offer.	Section 5.2.3
Product reimbursement is uncertain	There is no certainty that any of the Company's Portfolio will achieve a particular reimbursement profile if a Portfolio product approval is granted. This is because in most markets, product economics are regulated or determined by government authorities and healthcare providers. If actual attained selling prices and reimbursements for any approved Portfolio products happen to be lower than anticipated it could negatively impact future profitability.	Section 5.2.4
Telix's development program may be delayed	The Company may experience delay in achieving a number of critical milestones, including securing a commercial partner, completion of clinical trials, obtaining regulatory or reimbursement approvals, manufacturing, product launch and sales. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.	Section 5.2.5
The oncology industry is highly competitive	The oncology industry is highly competitive and acquisitive, particularly in the field of biopharmaceuticals. The field is also subject to rapid and substantial technological change. Many of the Company's competitors and potential competitors have substantially greater capital resources, research and development resources, regulatory and operational experience, manufacturing capacities and marketing capabilities.	Section 5.2.6
There are a limited number of isotope suppliers	Telix currently depends on third parties for the supply of certain critical materials necessary for the manufacture of its Portfolio products, particularly radioactive isotopes. A disruption in the isotope supply chain would require Telix to establish alternative suppliers in a highly specialised field. If the Company is unable to do this, its ability to develop products could be disrupted, which could have a material adverse effect on its operations.	Section 5.2.7

Topic	Summary	For more information
Telix is dependent on contract manufacturers	It is typical for small biopharmaceutical companies to outsource product manufacturing to a CDMO. Telix currently depends extensively on third party CDMOs for the manufacture of product candidates. Manufacturing MTR products and product candidates, especially in large quantities, is complex, difficult and relies on specialist firms that are generally in high demand.	Section 5.2.8
Telix may require additional capital, which it may be unable to raise	There is no assurance that the proceeds from the Offer will be sufficient for the Company to reach first revenue for a particular product. Accordingly, the Company may need to raise further capital through equity or debt financing, or from other sources such as co-development agreements, strategic alliances or development grants. If the Company is unable to generate adequate funds from its operations or from additional sources, and requires additional capital that it is unable to raise on commercially acceptable terms, then its business and financial condition may be materially and adversely affected.	Section 5.2.9
Telix relies on effective IP protection	Telix's success will depend in part on its ability to obtain and/or maintain commercially valuable patent claims and to protect its IP. As legal regulations and standards relating to the validity and scope of patents continue to evolve, the degree of future protection for the Company's IP is uncertain in some respects. The Company may incur significant costs in asserting any patent or intellectual property rights and in defending legal action against it relating to intellectual property rights. There is a risk that third parties may have intellectual property that is relevant to Telix's proposed activities which could prevent conducting these activities or may require Telix to license in the third party's intellectual property, find work-arounds for the third party intellectual property, or seek to challenge the third party intellectual property either at an administrative stage or through the courts.	Section 5.2.10
Telix relies on licence agreements for key products in the Portfolio	The Company is the licensee of certain core intellectual property assets and is, as a result, dependent on those licences (and any underlying licences on which they rely). All of the Company's licences carry a risk that the third parties do not adequately or fully comply with their respective contractual rights and obligations and that these contractual relationships may be terminated. In addition, if any licensor of any core intellectual property asset were to become subject to any insolvency process, there would be a potential risk that the office holder appointed in that insolvency process might seek to disclaim or otherwise set aside the licence(s) concerned. Any failure in respect of a relevant licence agreement may materially adversely affect the Company's legal rights to use and exploit the IP Rights comprising the Portfolio.	Section 5.2.11
Retention of key staff	Because of the specialised nature of Telix's business, Telix is highly dependent upon qualified, scientific, technical and managerial personnel. The loss of key members of Telix's management may adversely affect Telix's ability to develop its products and implement its stated commercial objectives.	Section 5.2.12

1.6 Key financial information, use of funds and capital structure

Topic	Summary	For more information																
What is the key financial information of Telix?	<i>Figure 2 sets out the pro forma financial position of Telix as at 30 June 2017 (ie. assuming completion of the Offer)</i>	Section 4																
	<table><tr><th></th><th>Pro forma 30 June 2017 \$m</th></tr><tr><td>Current Assets</td><td></td></tr><tr><td>Cash and cash equivalents</td><td>52.4</td></tr><tr><td>Other current assets</td><td>1.0</td></tr><tr><td>Total current assets</td><td>53.4</td></tr><tr><td>Total assets</td><td>53.4</td></tr></table>			Pro forma 30 June 2017 \$m	Current Assets		Cash and cash equivalents	52.4	Other current assets	1.0	Total current assets	53.4	Total assets	53.4				
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	Net assets (deficit)		52.6															

Topic	Summary	For more information																																																
How will the Offer proceeds be used?	The use of funds for the Portfolio development programs outlined above are expected to be incurred over a 2 year period from Listing.	Section 7.1.4																																																
	Figure 3: Source and use of funds																																																	
	<table><tr><th>Source of Funds \$m</th><th>Total</th></tr><tr><td>Estimated cash reserves at the Prospectus Date</td><td>5.2</td></tr><tr><td>Offer</td><td>50.0</td></tr><tr><td>Total</td><td>55.2</td></tr></table>		Source of Funds \$m	Total	Estimated cash reserves at the Prospectus Date	5.2	Offer	50.0	Total	55.2																																								
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The Board retains the right to vary these uses of funds, acting in the best interests of Shareholders and as the circumstances require.																																																		

Topic	Summary	For more information																																																		
Who are the Existing Shareholders and what will their interests be on Completion of the Offer?	The Existing Shareholders are the current owners of Telix as at the Prospectus Date. Figure 4 sets out the interests of the Existing Shareholders on the Prospectus Date, and their expected interests following Completion of the Offer (excluding any Shares applied for under the Offer)	Section 7.2																																																		
	<table><tr><th>Shareholder</th><th colspan="2">Shareholding on Prospectus Date</th><th colspan="2">Shareholding on Completion of the Offer</th></tr><tr><th></th><th>No.</th><th>%</th><th>No.</th><th>%</th></tr><tr><td>Christian Behrenbruch</td><td>24,675,000</td><td>20.5%</td><td>24,675,000</td><td>12.5%</td></tr><tr><td>Andreas Kluge</td><td>24,675,000</td><td>20.5%</td><td>24,675,000</td><td>12.5%</td></tr><tr><td>Board of Directors*</td><td>2,526,250</td><td>2.1%</td><td>2,526,250</td><td>1.3%</td></tr><tr><td>Oncidium Foundation#</td><td>7,050,000</td><td>5.9%</td><td>7,050,000</td><td>3.6%</td></tr><tr><td>SAB Members</td><td>5,640,000</td><td>4.7%</td><td>5,640,000</td><td>2.9%</td></tr><tr><td>Other Existing Shareholders^</td><td>55,871,250</td><td>46.4%</td><td>55,871,250</td><td>28.3%</td></tr><tr><td>Investors under the Offer</td><td>-</td><td>-</td><td>77,000,000</td><td>39.0%</td></tr><tr><td>Total</td><td>120,437,500</td><td>100%</td><td>197,437,500</td><td>100%</td></tr></table>	Shareholder	Shareholding on Prospectus Date		Shareholding on Completion of the Offer			No.	%	No.	%	Christian Behrenbruch	24,675,000	20.5%	24,675,000	12.5%	Andreas Kluge	24,675,000	20.5%	24,675,000	12.5%	Board of Directors*	2,526,250	2.1%	2,526,250	1.3%	Oncidium Foundation#	7,050,000	5.9%	7,050,000	3.6%	SAB Members	5,640,000	4.7%	5,640,000	2.9%	Other Existing Shareholders^	55,871,250	46.4%	55,871,250	28.3%	Investors under the Offer	-	-	77,000,000	39.0%	Total	120,437,500	100%	197,437,500	100%	
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* Excluding Christian Behrenbruch and Andreas Kluge. Certain Directors will also hold Options – refer to section 6.5 for further details.																																																				
# The Oncidium Foundation is a charitable foundation that was issued Shares for nominal cash consideration at the time of incorporation of Telix.																																																				
^ Other Existing Shareholders comprise participants in the Company’s capital raising undertaken in January and March 2017 and service providers to the Company who were issued Shares in consideration for the provision of their services.																																																				

1.7 Directors, management and Scientific Advisory Board

Topic	Summary	For more information
Who are the Directors?	• H Kevin McCann AM: Independent Non-Executive Chairman. Kevin is Chairman of Citadel Group Limited and the Sydney Harbour Federation Trust and is a former Chairman of Macquarie Group Limited and Macquarie Bank Limited, Origin Energy Limited, Healthscope Limited and ING Management Limited. Kevin practiced as a Commercial Lawyer as a Partner of Allens Arthur Robinson from 1970 to 2004 and was Chairman of Partners from 1995 to 2004. • Christian Behrenbruch PhD: Managing Director and Chief Executive Officer and co-founder of Telix. Christian has twenty years of healthcare entrepreneurship and executive leadership experience. He previously served in a CEO or Executive Director capacity at Mirada Solutions, CTI Molecular Imaging (now Siemens Healthcare), Fibron Technologies and ImaginAb, Inc and is currently a Director of Factor Therapeutics (ASX:FTT) and Amplia Therapeutics Pty Ltd. • Andreas Kluge MD PhD: Executive Director and Chief Medical Officer and co-founder of Telix. Andreas Kluge has 20 years of clinical research and development experience, including as founder, general manager and medical director for ABX CRO, a full service CRO, founder and former founding CEO of ABX GmbH (www.abx.de), one of the leading manufacturers of radiopharmaceutical precursors globally and founder, general manager and medical director for Therapiea (which was recently acquired by Telix). • Mark Nelson PhD: Independent Non-Executive Director. Mark is Chairman and co-founder of the Caledonia Investments Group, and a Director of The Caledonia Foundation. Amongst other roles, he is Governor of the Florey Neurosciences Institute and previously was a Director of The Howard Florey Institute of Experimental Physiology and Medicine, and served on the Commercialisation Committee of the Florey Institute. • Oliver Buck: Non-Executive Director. Oliver is a bio-physicist who has served as founder and Managing Director of several companies in the fields of manufacturing, technology, demilitarisation, pharmaceuticals and information technologies. Oliver is the co-founder of ITM Isotopen Technologien München AG (ITM), one of the largest isotope manufacturing and distribution companies in the world, founded with Technical University of Munich. Since 2012, Oliver continues to support the ITM group and has become a leader in next generation medical isotopes and theranostics	Section 6.1
Who are the key executives?	• Doug Cubbin: Chief Financial Officer • Michael Wheatcroft PhD: Director of Research & Development • Jyoti Arora PhD: Director of Operations	Section 6.2
Who are the members of the Scientific Advisory Board?	• Professor Rodney Hicks • Professor Jean-Francois Chatal • Professor Jason Lewis • Professor Klaus Kopka • Professor Neil Bander • Professor Chaitanya Divgi • Professor Samuel Samnick • Professor Richard Baum	Section 6.4

1.8 Significant interests of key people, escrow and related party transactions

Topic	Summary	For more information																																								
What will the Directors' Shareholdings be on Completion of the Offer?	<i>Figure 5 sets out the interests of the Directors on the Prospectus Date and on Completion of the Offer (excluding any Shares applied for under the Offer)</i> <table><tr><th>Director</th><th colspan="2">Shareholding on Prospectus Date</th><th colspan="2">Shareholding on Completion of the Offer</th></tr><tr><th></th><th>No.</th><th>%</th><th>No.</th><th>%</th></tr><tr><td>Kevin McCann AM*</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Christian Behrenbruch</td><td>24,675,000</td><td>20.5%</td><td>24,675,000</td><td>12.5%</td></tr><tr><td>Andreas Kluge</td><td>24,675,000</td><td>20.5%</td><td>24,675,000</td><td>12.5%</td></tr><tr><td>Mark Nelson*</td><td>1,468,750</td><td>1.2%</td><td>1,468,750</td><td>0.7%</td></tr><tr><td>Oliver Buck*</td><td>1,057,500</td><td>0.9%</td><td>1,057,500</td><td>0.5%</td></tr><tr><td>Total</td><td>51,876,250</td><td>43.1%</td><td>51,876,250</td><td>26.3%</td></tr></table> * The following Options have been granted to the Non-Executive Directors: • 990,000 Options have been granted to each of Kevin McCann and Mark Nelson; and • 495,000 Options have been granted to Oliver Buck. The Options are exercisable at a price of \$0.85 and expire 4 years after Listing. The Options are also subject to vesting conditions.	Director	Shareholding on Prospectus Date		Shareholding on Completion of the Offer			No.	%	No.	%	Kevin McCann AM*	-	-	-	-	Christian Behrenbruch	24,675,000	20.5%	24,675,000	12.5%	Andreas Kluge	24,675,000	20.5%	24,675,000	12.5%	Mark Nelson*	1,468,750	1.2%	1,468,750	0.7%	Oliver Buck*	1,057,500	0.9%	1,057,500	0.5%	Total	51,876,250	43.1%	51,876,250	26.3%	Section 6.5
Director	Shareholding on Prospectus Date		Shareholding on Completion of the Offer																																							
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Total	51,876,250	43.1%	51,876,250	26.3%																																						
What significant benefits and interests are payable to Directors and other persons connected with Telix or the Offer?	Dr Andreas Kluge is the Managing Director and principal owner of ABX CRO, a contract research organisation (CRO) that specialises in radiopharmaceutical product development. Telix has entered into a master services agreement with ABX CRO for the provision of clinical and analytical services (see section 10.4.6). Telix acquired Therapiea from Andreas Kluge in consideration of the payment of a nominal cash purchase price. On acquisition, Telix assumed a debt (for historical product development services) owed by Therapiea to ABX CRO for the amount of €701,615 (see section 10.4.1). Oliver Buck is a member of the Supervisory Board of ITM, a leading supplier of diagnostic and therapeutic isotopes for nuclear medicine. Telix has a global supply agreement with ITM for the procurement of ¹⁷⁷Lu (“lutetium”), a key raw material component of Telix’s therapeutic products. Non-Executive Directors receive remuneration for services and have been granted Options for nil cash consideration. Executive Directors (being the CEO and CMO) are entitled to remuneration and entitlements under the STI arrangements. Management (other than the Executive Directors) are entitled to remuneration and entitlements under the STI arrangements and the 2017 LTI Award. Advisers and other service providers are entitled to fees for services.	Section 6.5																																								

Topic	Summary	For more information																												
What escrow restrictions apply to the Existing Shareholders' Shares?	The Shares held by the Existing Shareholders will be subject to ASX-imposed escrow restrictions. In addition, certain of the Existing Shareholders have agreed to additional voluntary escrow restrictions. The combined effect of the mandatory and voluntary escrow restrictions on the Shares held by the Existing Shareholders are set out in the table below. On Listing, 120,437,500 Shares will be subject to mandatory or voluntary escrow, being 100% of the Shares on issue on the Prospectus Date. Further information on the specific mandatory and voluntary escrow restrictions is provided in sections 10.6.1 and 10.6.2. Figure 6: Escrow arrangements <table> <tr> <th>Class of Existing Shareholder</th><th>Shares subject to escrow</th><th>Escrow Period</th></tr> <tr> <td>Board of Directors</td><td>51,876,250</td><td>24 months from Listing</td></tr> <tr> <td>Oncidium Foundation</td><td>7,050,000</td><td>20% of total number of Shares held on the Prospectus Date permitted to be disposed of each year from Listing</td></tr> <tr> <td>SAB Members</td><td>5,640,000</td><td>24 months from Listing</td></tr> <tr> <td>Other Existing Shareholders (promoters, service providers)</td><td>7,402,500</td><td>24 months from Listing</td></tr> <tr> <td rowspan="2">Other Existing Shareholders*</td><td>1,013,846</td><td>3 months from Listing</td></tr> <tr> <td>2,857,779</td><td>24 months from Listing</td></tr> <tr> <td rowspan="2">Other Existing Shareholders#</td><td>11,678,462</td><td>3 months from Listing</td></tr> <tr> <td>32,918,663</td><td>12 months from Listing</td></tr> <tr> <td>Total</td><td>120,437,500</td><td></td></tr> </table> * Participants in the Company's capital raising undertaken in January and March 2017 who are related parties or promoters to the Company. # Participants in the Company's capital raising undertaken in January and March 2017 who are not related parties or promoters to the Company.	Class of Existing Shareholder	Shares subject to escrow	Escrow Period	Board of Directors	51,876,250	24 months from Listing	Oncidium Foundation	7,050,000	20% of total number of Shares held on the Prospectus Date permitted to be disposed of each year from Listing	SAB Members	5,640,000	24 months from Listing	Other Existing Shareholders (promoters, service providers)	7,402,500	24 months from Listing	Other Existing Shareholders*	1,013,846	3 months from Listing	2,857,779	24 months from Listing	Other Existing Shareholders#	11,678,462	3 months from Listing	32,918,663	12 months from Listing	Total	120,437,500		Section 10.6
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Other Existing Shareholders#	11,678,462	3 months from Listing																												
	32,918,663	12 months from Listing																												
Total	120,437,500																													

1.9 Overview of the Offer

Topic	Summary	For more information
What is the Offer?	The Offer is an initial public offering of 77.0 million Shares for issue at an Offer Price of \$0.65 per Share to raise \$50.0 million. The Shares being offered will represent approximately 39.0% of Shares on issue on Completion of the Offer.	Section 7.1.1
Who is the issuer of the Prospectus?	Telix Pharmaceuticals Limited, a company incorporated in Victoria, Australia.	Section 3.1.1
Will the Shares be quoted on ASX?	The Company will apply to the ASX for admission to the official list of the ASX and quotation of Shares on the ASX under the code 'TLX'. The application for admission will be made no later than 7 days after the Prospectus Date. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	Section 7.12
How is the Offer structured and who will be eligible to participate?	The Offer comprises: - the Retail Offer, comprising: - the General Public Offer, which is open to Australian resident retail investors and consists of an invitation to apply for Shares at the Offer Price; and - the Broker Firm Offer which is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia; and - the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares.	Section 7.1.2
Is the Offer underwritten?	Yes, the Offer is fully underwritten by the Joint Lead Managers.	Section 10.5
What is the allocation policy?	The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by agreement between the Joint Lead Managers and the Company. Under the Retail Offer, a proportion of Shares will be allocated to Broker Firm Applicants as part of the Broker Firm Offer. Brokers will decide as to how they allocate Shares that they are allocated to their retail clients. The General Public Offer may be subject to scaleback, having regard to the level of demand in the Retail Offer generally. The Company and Joint Lead Managers (by agreement) have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.	Sections 7.4.5 and 7.5.2
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 7.3

Topic	Summary	For more information
What are the tax implications of investing in Shares?	Given that the taxation consequences of an investment will depend upon the investor's particular circumstances, it is the obligation of the investors to make their own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course you should follow, you should consult your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser. An overview of the tax treatment for Australian resident investors is included in section 7.10.	Section 7.10
How can I apply for Shares?	If you are an eligible retail investor in Australia, you may apply for Shares under the General Public Offer either: • online, by visiting www.telixpharma.com/IPO and making your Application and paying your Application Monies using BPAY® or Direct Debit; or • by mailing your completed paper Application Form together with payment of your Application Monies by cheque or money order to the Share Registry. Broker Firm Applicants who have received a Broker Firm Offer may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus and submitting that form in accordance with the instructions received from their Broker.	Section 7.4
What is the minimum Application size under the Offer?	The minimum Application size is \$2,000, and multiples of \$1,000 thereafter.	Section 7.3
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 16 November 2017.	Sections 7.3
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the settlement of the Offer. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Sections 7.3 and 7.9
Contact	Should you wish to find out further information about the Offer you can call the Telix Offer Information Line on 1800 262 299 (within Australia) and +61 1800 262 299 (outside Australia) from 9.00 am to 5.00 pm, Monday to Friday (excluding public holidays).	Section 7.3

1.10 Naming conventions and key terminology

Topic	Summary	For more information
What is the Portfolio naming convention used in this Prospectus?	Each Portfolio program consists of TLX (“Telix”), followed by a three digit identifier (eg. TLX-250). Each disease focus area has its own numerical identifier: • 250: renal (kidney) cancer; • 597: prostate cancer; and • 101: brain cancer (glioblastoma). These identifiers are a numerical reference to the underlying targeting molecule for each MTR program. Where used in this Prospectus: • an “i” following the program code denotes a product variant that uses a diagnostic isotope (or a low dose of therapeutic isotope) for medical imaging use; and • a “t” following the program code denotes a product variant that uses a therapeutic isotope to treat the patient.	Not applicable
Common terminology	In this Prospectus, various industry-specific and technical terms are used. The key terms used in the Prospectus are defined below: • contract development and manufacturing organisation (CDMO): a third party contractor that is used to manufacture and distribute Telix’s products. • contract research organisation (CRO): a third party contractor that is used to design, submit documentation to regulators, run clinical trials and conduct data management and analysis activities on behalf of the Company. • glioblastoma: a type of highly heterogeneous brain tumour that is very aggressive. Patients treated with drugs and radiation therapy have a median survival of 15 months from diagnosis. • immuno-oncology: the study and practice of the role of the immune system in the evolution and treatment of cancer. • isotope: atoms with the same number of protons but that have a different number of neutrons and therefore exhibit different chemical (and radioactive) properties. • medical oncology: the practice of medicine to treat cancer, typically excluding radioactive/radiation-based approaches. • Molecularly-Targeted Radiation (MTR): the use of drugs or drug-like molecules that have an affinity for a particular cancer target, to deliver radiation (diagnostic or therapeutic) directly to a site of disease. Telix’s portfolio comprises MTR products. • orphan drug: a medicine, vaccine or in vivo diagnostic agent that is intended to treat, prevent or diagnose a rare disease, typically affecting less than 200,000 people (US). Orphan drug status may provide an accelerated pathway, allow smaller trials and grant additional regulator guidance that can de-risk clinical development. TLX-101t has orphan drug status in the US and EU. • pharmacoeconomics: the scientific discipline that compares the value of one pharmaceutical drug or drug therapy to another. It is a sub-discipline of health economics.	Not applicable

Topic	Summary	For more information
Common terminology (Continued)	• precision medicine: the tailoring of medical treatment to the individual characteristics of each patient. It depends on the ability to diagnostically sub-classify patients into populations that will respond to a particular treatment. Precision medicine is considered to be an important pharmacoeconomic concept because it should eliminate the situation where patients are unnecessarily treated, or treated with a therapy that will not give a durable response. • prostate-specific membrane antigen (PSMA): a target that is present on the surface of most prostate cancer cells. It is considered to be an important target for both imaging and treatment of prostate cancer. • radiation oncology: a medical speciality that involves the controlled use of radiation to treat cancer either for cure, or to reduce pain and other symptoms caused by cancer. • radionuclide: an atom that has excess nuclear energy, making it unstable. This excess energy can be either emitted from the nucleus as gamma radiation (for imaging), or create and emit from the nucleus a new particle (alpha particle or beta particle for therapy). • radiopharmaceuticals: radioactive compounds administered to the patient, and monitored via specific imaging devices, for diagnosis and therapeutic purposes. In some cases they can involve attaching the radioactivity to a drug that can target the radiation to a specific disease site – the concept of “Molecularly-Targeted Radiation”. • radiotherapies: therapies that may be administered either via external radiation sources (for example, a linear accelerator or a cyclotron) or via internal radiation, such as MTR. • Special Protocol Assessment (SPA): an SPA agreement indicates concurrence by the FDA with the adequacy and acceptability of specific critical elements of overall protocol design (eg. entry criteria, dose selection, endpoints, and planned analyses). These elements are critical to ensuring that the trial conducted under the protocol has the potential to support product approval. • staging: the process of determining the extent to which a cancer has developed by spreading around the body. Typically stages are denoted as I to IV for cancer, with I a localised tumour and IV being metastatic disease that has spread to other organs.	Not applicable



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Section 02

INDUSTRY OVERVIEW

Important Notes to this section 2:

This market data in section 1 and this section 2 primarily focuses primarily on available data from the United States rather than Australia or other commercial territories. This is because, when developing new healthcare products and services, the US healthcare market is a major focus due to the fact that it accounts for a significant proportion of global healthcare expenditure.¹⁴ For most of the oncology indications discussed in this Prospectus, Australia and New Zealand have comparable incidence and prevalence statistics to the US on a per capita basis.¹⁵

Unless otherwise indicated, numerical data relating to the prevalence/incidence of cancer and other statistics relating to the costs of cancer in this Prospectus are sourced from the following key public sources:

- the World Health Organisation Globocan Project (WHO GLOBOCAN) <<http://globocan.iarc.fr>>.
- the United States National Cancer Institute (NIH) <<https://www.cancer.gov/about-cancer/understanding/statistics>>.

Due to the technical nature of the scientific information in this Prospectus, extensive footnotes have been included.

2.1 Cancer

2.1.1 What is cancer?

Cancer is a disease that is characterised by unregulated cell growth. When cells fail to correctly repair genetic damage, the genes that regulate cell growth may become dysfunctional. Once cancer cells begin to grow and proliferate, they can metastasise (spread) and form tumours, which can compromise normal tissue and organs, causing serious health complications and mortality.

2.1.2 The health impact of cancer

Despite significant scientific advances in the treatment of cancer over the past three decades, cancer remains a major cause of death. According to the American Cancer Society, at least 21.7 million new cancer cases are expected to be diagnosed annually in the US by 2030, a 70% increase from 2012.¹⁶ In the United States, there were an estimated 1.6 million new cases of cancer in 2016, and 595,690 deaths caused by cancer.¹⁷

This increase is partially due to better technologies to detect and diagnose cancer sooner. Current projections consider population growth and ageing, but do not consider the further increase in number of cancer cases due to lifestyle choices that significantly increase cancer risk, including smoking, poor diet, and physical inactivity.¹⁸

Cancer incidence is on the rise, partially because we are diagnosing it sooner and partially because of the aging

population in many developed countries. However, therapy is also improving and the number of people living beyond a cancer diagnosis in the United States was almost 14.5 million in 2014, and is expected to grow to almost 19 million by 2024.

2.1.3 The cost of treating cancer

Cancer represents a major economic burden, with national expenditures for cancer care in the US expected to reach US\$156 billion by 2020. On a global basis, the oncology drug landscape is forecast to generate up to approximately US\$145 billion in annual expenditure by 2018 (from approximately US\$100 billion in 2014)¹⁹ with product offerings including chemotherapeutics, immunotherapies and targeted therapies.

Despite significant innovation, the cost burden of cancer drugs places a considerable strain on healthcare systems, with the cost of cancer accounting for about 13% of all healthcare costs and 5% of total drug costs. Direct costs related to the prevention and treatment of cancers, as well as the economic impact of lives lost and resulting disability has a global annual cost of US\$1.16 trillion.²⁰

14. OECD Healthcare Statistics 2017 <<http://www.oecd.org/els/health-systems/health-data.htm>>.

15. World Health Organization GLOBOCAN Project <<http://globocan.iarc.fr>>.

16. American Cancer Society (ACS) Global Cancer Facts & Figures <<https://www.cancer.org/research/cancer-facts-statistics/global.html>>.

17. US National Cancer Institute (NIH) Cancer Statistics <<https://www.cancer.gov/about-cancer/understanding/statistics>>.

18. NIH Cancer Facts & Figures (2015) <<https://www.cancer.org>>.

Because of improvements in early diagnosis and novel therapies associated with improved clinical outcomes, some forms of cancer are now effectively treated as a chronic disease instead of as a terminal illness. Although this trend is broadly beneficial for patients, the long-term cost of care increases substantially and therefore new approaches are required to make medicine more precise, patient-specific and cost-effective.

Almost every cancer drug approved in the last 5 years has an annual patient cost of over US\$100,000,²¹ with product costs further amplified in three distinct ways:

1. some forms of cancer therapies require multidrug combinations, increasing the already high costs of treatment to potentially untenable levels;
2. treatments usually progress into “continuous therapy” or “maintenance therapy”, which is a long-term financial burden; and
3. since the survival rates of patients diagnosed with some cancers have improved markedly, the cumulative costs over a patient’s lifetime have also increased.

2.2 Cancer treatment strategies

There are a range of strategies to treat cancer, including surgery, radiation and biopharmaceutical drug products (including chemotherapy). These different approaches are typically used in combination.²²

At the most fundamental level, surgical techniques are generally used when the cancer is highly localised and can be safely removed without damaging other organs or biological functions. Surgical techniques are increasingly sophisticated and use a wide range of advanced technologies including minimally-invasive approaches, robotics and image-guided techniques.

Radiation is used to treat both localised disease, as well as metastatic disease. In certain instances where there has been surgical resection, radiation is used to destroy any residual cancer cells that may have been missed from surgical resection, or to treat areas around the resection site to ensure that small metastases that are not surgically discernible, are also treated. As discussed in section 2.2.3, most radiation therapy today is delivered by External Beam Therapy (EBT).²³

Radiation is extremely effective at treating cancer and works by damaging DNA directly or by creating charged particles (free radicals) within the cells that, in turn, damage

the DNA and the internal cellular machinery of a tumour. Cancer cells with irreparable DNA damage stop dividing or die. When the damaged cells die, they are broken down and eliminated by the body’s immune system.²⁴ Therefore the use of radiation in cancer treatment has an important nexus with immunotherapy as it can potentially boost the efficacy of therapy.

The term “biopharmaceutical” is a commonly used catch-all term to encompass both traditional pharmaceuticals (chemistry) as well as new biotech approaches (proteins, cells). This reflects the fact that most modern pharmaceutical companies have embraced both types of therapeutic modalities. Historically, cancer therapies – or “Chemotherapies” (suggestive of their chemical origin) – were relatively unspecific. They were generally systemically toxic molecules that caused damage in fairly equal measure to cancer and normal cells, but usually because of the greater metabolic aggressiveness of cancer cells, preferentially killed the disease. This is why fast-growing healthy cells (for example hair follicle cells) are often part of the collateral damage of chemotherapy.

However, with the phenomenal growth in understanding of cancer biology, the biopharmaceutical industry has been able to develop extremely targeted drugs that hit specific molecular pathways and have relatively few off-target side-effects. In addition, our understanding of how the immune system plays a vital role in cancer therapy has resulted in transformative immune-directed therapies (see section 2.2.2).²⁵

Telix’s therapeutic approach is exciting precisely because it combines the modern targeted therapeutic approach with the use of radiation, resulting in new therapeutic strategies that are not only extremely effective at killing cancer, but also co-opt the body’s immune system in the process.

19. IMS Institute for Healthcare Informatics (October 2015) <[http://www.imshealth.com/en/thought-leadership/quintilesims-institute/reports/ims-health-finds-global-cancer-drug-spending-crossed-\\$100-billion-threshold-in-2014-article](http://www.imshealth.com/en/thought-leadership/quintilesims-institute/reports/ims-health-finds-global-cancer-drug-spending-crossed-$100-billion-threshold-in-2014-article)>.

20. American Society of Clinical Oncology (ASCO) <<https://www.asco.org/>>.

21. Prasad, V. et al. (2017) The high price of anticancer drugs: origins, implications, barriers, solutions, *Nature Reviews Clinical Oncology* 14, 381–390.

22. American Association for Cancer Research (AACR) Cancer Progress Report 2015 <http://www.aacr.org/Documents/CPR15_FULL_embargoed.pdf>.

23. American Cancer Society, Radiation Therapy Basics <<https://www.cancer.org/treatment/treatments-and-side-effects/treatment-types/radiation.html>>.

24. Baskar, R. et al. (2014) Biological response of cancer cells to radiation treatment *Front Mol Biosci.* 1:24.

25. Leavy, O (2015) A triple blow for cancer, *Nature Reviews Immunology* 15, 265.

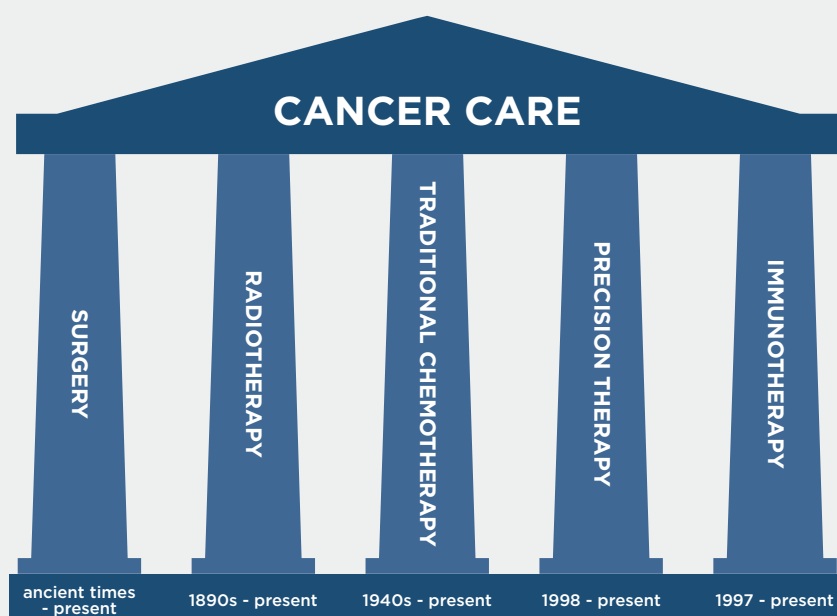
2.2.1 Key pillars for cancer care

Figure 7 illustrates the five key “pillars” of cancer care. These are understood to be the major strategies for treating cancer and are often used in concert as part of an integrated treatment strategy.

2.2.2 Immuno-oncology

Immunotherapy and precision-medicine approaches represent the vanguard of cancer care, and have resulted in important new patient management strategies and medicines that have had a notable impact on cancer treatment outcomes. The fundamental understanding of the role of the immune system in both the development and treatment of cancer represents one of the major advancements in the field.

Figure 7: More options for cancer care



Physicians often refer to the “pillars” of cancer treatment. For thousands of years, there was one treatment pillar: surgery. In 1896, a second pillar, radiotherapy, was added. The foundations for the third treatment pillar, traditional chemotherapy, were laid in the early 1940s when a derivative of nitrogen mustard was explored as a treatment for lymphoma. These three pillars - surgery, radiotherapy, and traditional chemotherapy -

continue to be mainstays of cancer care. In the late 1990s, the first precision therapeutics were introduced, leading to the fourth pillar, precision therapy, which continues to grow. Likewise, the late 1990s laid the groundwork for the fifth treatment pillar, immunotherapy. The number of anticancer therapeutics that form the most recent pillars of cancer care has increased dramatically in the last five years.

American Association for Cancer Research Cancer Progress Report 2015

Immunotherapy drugs restore the immune system's ability to discriminate between normal cells and cancer cells. This enables the immune system to be mobilised to attack and destroy cancer cells. Two key targets involved in shielding cancer cells from normal immune function are CTLA4 and PD-1/L1 (so-called "checkpoint" targets), both of which have yielded blockbuster drugs (Keytruda® and Opdivo®).²⁶

Despite their significant therapeutic success, immunotherapies only work in a subset of cancers, and within that, only in a percentage of patients (typically < 30%).²⁷ Therapeutic efficacy is highly variable across different cancer types, is difficult to predict and is generally poorer in solid tumours (eg. prostate, kidney, brain cancer) than blood cancers (eg. lymphoma and leukaemia). The individuality of the patient's immune system and patient's medical history or "treatment journey" greatly impacts the potential therapeutic impact of an immunotherapy and therefore individual responses vary widely. The use of radiation (both external beam and molecularly-targeted radiation) has a potentially very important role in boosting the response rates of immunotherapies because irradiating a tumour is an extremely effective way at recruiting immune cells to the site of disease.²⁸

2.2.3 Radiation oncology

External beam therapy (EBT) has traditionally represented the dominant share of the global radiation oncology market.

EBT involves the use of an external linear accelerator (or "linac") to deliver a beam of radiation to the patient's tumour and is a cornerstone therapeutic modality in oncology care. There have been significant advancements in the field of EBT, including image-guided therapy approaches and the development of sophisticated treatment planning systems that can greatly optimise the delivery of radiation to a patient's tumour, minimising collateral damage to healthy, normal tissues.

The global radiation oncology market size is approximately US\$6 billion and is expected to grow to US\$10 billion by 2025.²⁹ The field of EBT radiation oncology is dominated by a few leading companies such as Varian Medical Systems (which had a market capitalisation of approximately US\$9.7 billion in September 2017) and Elekta (which had a market capitalisation of approximately US\$4.3 billion in September 2017). However, growth in the sales of linac systems has somewhat flattened to single-digit rates (as a global average) and radiation oncology companies are seeking new growth engines such as the integration of diagnostic imaging, information technology solutions and – relevantly to Telix – alternative strategies for delivering highly targeted forms of radiation.

The major limitation of EBT is that generally only disease that can be localised ("seen") can be treated (either via imaging, or whole-organ exposure to contain the potential spread of cancer). Although image-guided EBT has become very popular, only fairly advanced, macroscopic disease (typically >1cm) can typically be detected and targeted with externally-delivered radiation.

2.3 A new approach to radiation oncology: Molecularly targeted radiation

2.3.1 What is MTR?

MTR involves using a molecule (a drug, or pharmacophore) as a targeting agent to carry radiation in the form of radioactive isotopes (radionuclides) directly to the tumour in a highly specific and selective way.

The MTR approach ensures that even very small tumours and tumour cells circulating in the blood stream are irradiated, considerably reducing the rate of disease spread and improving patient outcomes as a consequence. In addition, MTR approaches can deliver *diagnostic* radiation that can be imaged with conventional Positron Emission Tomography (PET) or Single Photon Emission Computed Tomography (SPECT) systems to allow very accurate detection and staging of cancer patients prior to therapy.

MTR is a high-growth area that is expected to deliver major new capabilities in radiation oncology because it effectively combines the best attributes of targeted biopharmaceuticals and radiation delivery.

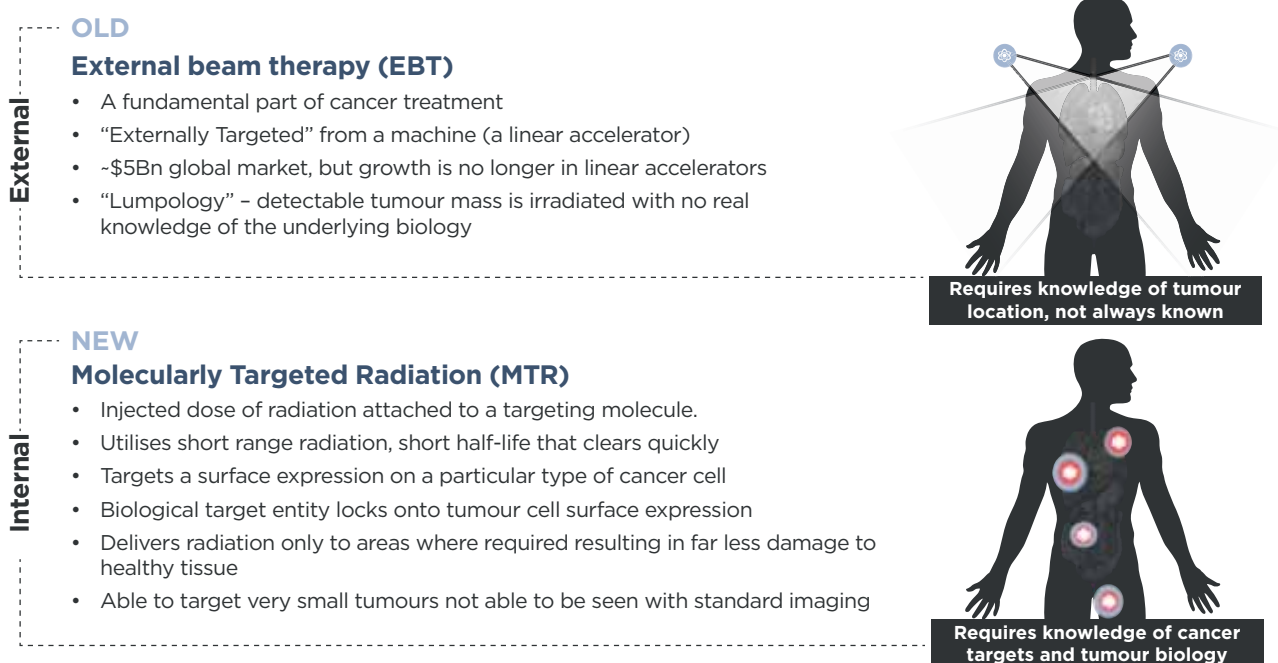
26. GlobalData (2016) <<https://www.thepharmaletter.com/article/multi-blockbuster-drugs-will-drive-immuno-oncology-market-to-34-billion-by-2024-report>>.

27. Kaiser, J. (2015) Why a powerful cancer drug only helps some patients, Science (online) <<http://www.sciencemag.org/news/2015/03/why-powerful-cancer-drug-only-helps-some-patients>>.

28. Weichselbaum, R. et al. (2017) Radiotherapy and immunotherapy: a beneficial liaison? Nature Reviews Clinical Oncology 14, 365–379.

29. Grand View Research (April 2017) Radiation Oncology Market Analysis By Product (External Beam Radiation Therapy, Brachytherapy, Systemic Beam Radiation Therapy), By Application, By Technology, By Region, And Segment Forecasts, 2014 – 2025.

Figure 8 illustrates how MTR works to image and treat cancer



2.3.2 Why is MTR unique?

MTR is a unique and powerful technology because it integrates three important areas of medicine:

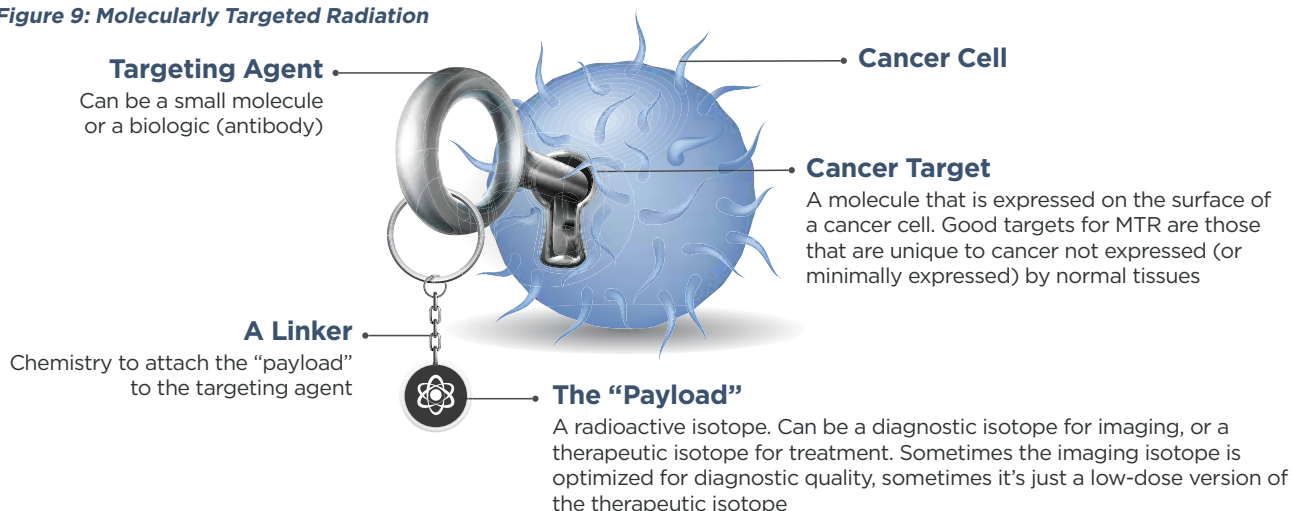
1. *precision medicine*: the use of diagnostics and imaging to optimally stage and manage a patient;
2. *radiation oncology*: a cornerstone treatment modality in cancer; and
3. *biopharmaceuticals*: injectable and implantable drug products for the treatment of cancer.

2.3.3 How does MTR work?

MTR products work by coupling or “linking” a radioactive isotope to a targeting molecule, which can be either a small molecule (chemical) or a protein (biologic/antibody). If the isotope payload is a diagnostic isotope (eg. ⁸⁹Zr or ¹²⁴I) then the MTR product works as an imaging agent (for PET or SPECT scanning) and does not deliver enough dose to the patient to be therapeutic. If the isotope payload is a therapeutic isotope (eg. ¹³¹I or ¹⁷⁷Lu) then the MTR product delivers enough targeted radiation to destroy tumour tissue in a highly precise way. Some isotopes (like ¹³¹I and ¹⁷⁷Lu) can be used as both an imaging and a therapeutic isotope, depending on the amount of radioactivity that is attached to the targeting molecule and are sometimes termed “theranostics” (the amalgamation of “therapeutic” and “diagnostics”). Depending on the application (diagnostic or therapeutic), isotopes can be produced in nuclear reactors or smaller radiation generating devices called cyclotrons.³⁰

30. IAEA (2015) Radiopharmaceuticals: Production and Availability. White Paper. <https://www.iaea.org/About/Policy/GC/GC51/GC51InfDocuments/English/gc51inf-3-att2_en.pdf>.

Figure 9: Molecularly Targeted Radiation



A defining feature of the MTR space is that products have a short shelf-life. Therefore highly precise manufacturing and distribution logistics are an important part of producing MTR products. In some cases an individual product dose is manufactured for a specific patient, to be administered at a specific time of the day.

2.3.4 How are MTR products regulated?

MTR products are radioactive injectable products and are extensively regulated by healthcare and regulatory bodies in each jurisdiction.

Relevant regulatory agencies include the FDA (US Food and Drug Administration), the EMA (European Medicines Agency) and the TGA (Therapeutic Goods Administration – Australia). Clinical trials are typically regulated by these agencies, but may also be influenced by professional bodies and national research guidelines.

MTR products may also be subject to transportation regulations (due to their radioactive nature) and quarantine regulations (due to their biological nature).

2.3.5 What is the development and commercialisation pathway for MTR products?

In order to commercialise an MTR product, it is necessary to validate both the isotope supply chain and the clinical safety and utility of the end-product. Somewhat like conventional pharmaceuticals, radiopharmaceutical products (including MTR products) typically follow a multi-stage development process of successive clinical trials, usually with end-points that are pre-agreed with regulatory agencies:³¹

- **Phase I:** Safety (and in the case of MTR products, radiation dosimetry). This is usually run in a smaller number of patients (<50).

- **Phase II:** Efficacy. This is usually a larger study of between 50 and 200 patients to assess therapeutic benefit to the patient.
- **Phase III:** Confirmation of efficacy and safety for product registration. Phase III trials can be 200 to 1000 patients (or more), depending on the application area.

Companies are typically able to apply for a marketing authorisation upon completion of one or more successful Phase III trials.

Trials for rarer diseases or “orphan indications” (usually also very serious diseases), typically feature a reduced number of patients required at each stage of development. This is because trial design is also guided by the potential benefit to the patient and, as such, the risk-benefit for life-threatening diseases is higher.³²

In some instances, it is possible to design trials that combine different phases into a single study (eg. Phase I/II). Generally, a product completes a phase of development when it meets pre-agreed endpoints that have been approved by the regulator (ie. the TGA, FDA). Regulatory approval is typically required to commence each stage of development based on a data review (safety, efficacy) and the manufacturing specifications for the product.

Commercial success of an MTR product is dependent on its ability to capture market share for a disease indication, ease of use (including safety risks to physicians and technical staff), physician engagement and education, patient awareness, side-effect profile, standards adoption and – most critically – the extent to which governments and insurance companies (“payors”) are willing to reimburse for use.

31. Australian Clinical Trials, Phases of Clinical Trials <<https://www.australianclinicaltrials.gov.au/what-clinical-trial/phases-clinical-trials>>.

32. FDA Guidance for Industry: Developing Products for Rare Diseases & Conditions <<https://www.fda.gov/ForIndustry/DevelopingProductsforRareDiseasesConditions>>.

2.4 What are the advantages of MTR?

With reference to the “pillars” of cancer care in Figure 7, MTR products are powerful because they cut across a number of key treatment modalities. As previously discussed, inherent to the MTR approach is the use of medical imaging to select patients for therapy and optimise the individual patient therapy plan (“Precision Therapy”). MTR represents a new way of delivering radiation in a highly specific and targeted way that builds on the foundation of traditional radiation oncology (“Radiotherapy”). The MTR approach also has an important future nexus with immunotherapy because it may enable existing immunotherapeutic strategies to deliver greater predictability, efficacy and durability.

The remainder of this section 2.4 provides further details on the clinical advantages of MTR.

2.4.1 MTR targets microscopic disease

The MTR approach ensures that even very small tumours that are not detectable with imaging, and tumour cells circulating in the blood stream, are irradiated. This can potentially impact the rate of disease spread and improve the durability of treatment.

2.4.2 MTR delivers precision medicine through diagnostic imaging

MTR approaches can deliver *diagnostic* radiation that can be imaged with conventional PET or SPECT systems (depending on the isotope used) to allow very accurate detection and staging of cancer patients prior to therapy. Typically modern PET and SPECT systems are coupled to a CT (computed tomography) or an MRI (magnetic resonance imaging) system to allow co-visualisation of the patient’s anatomy. These are imaging systems that are a standard part of oncology care and are available in most cancer hospitals (in the US there are over 2,100 PET/CT scanners deployed³³ and in Australia about 50 hospitals have PET/CT scanners – with 4 systems at the Peter MacCallum Cancer Centre alone).³⁴ The result is that imaging is able to be used to accurately diagnose and stage patients and provide a greater understanding of the extent of the disease.

Most importantly, imaging predicts the efficacy of therapy and enables a therapeutic strategy to be personalised to the individual patient. This approach can result in fewer biopsies, eliminate unnecessary surgeries, highly effective therapeutic regimens, and – as a consequence – positive cost-benefit to the healthcare system.

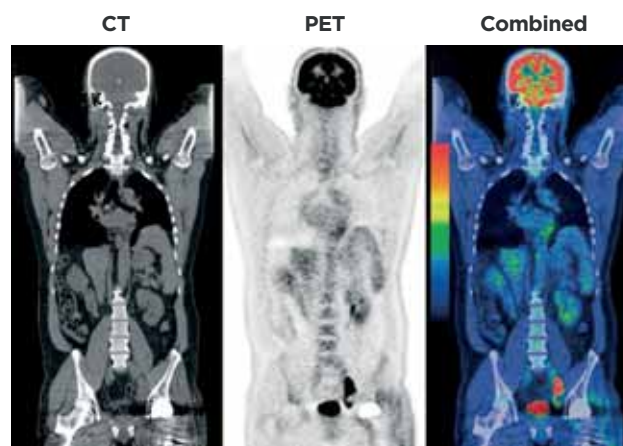
2.4.3 MTR is synergistic with EBT and immuno-oncology

The major limitation of EBT is that only disease that can be localised (“seen”) can be treated (either via imaging, or whole-organ exposure to contain the potential spread of cancer). Although image-guided EBT is effective, only fairly advanced, macroscopic disease (typically >1cm) can typically be detected and targeted with externally-delivered radiation. In contrast, MTR delivers radiation wherever a particular tumour target is present and, as such, can deliver a very complementary therapeutic effect with EBT ablating bulky disease and MTR treating microscopic disease. Both EBT and MTR radiation delivery approaches also have an important role to play in boosting the efficacy of immunotherapies (see section 2.2).

2.4.4 MTR can be used to measure treatment response

In the process of treating the patient, the precision-medicine nature of MTR also plays a vital role because the response to treatment can be very effectively measured and quantified through imaging. This not only has the ability to improve a treatment regime to better suit a patient’s specific circumstances but it also has the ability to rapidly determine whether a therapy is working, or whether a patient has relapsed and needs further therapy. This helps to manage treatment cost and ensure that patients are moved on quickly to other management strategies if necessary. Even with other treatments, the imaging component of MTR can continue to play a role in measuring treatment response.

Figure 10 shows the differences in imaging between CT, PET and combined



33. Buck, A.K. et al. (2010) Economic Evaluation of PET and PET/CT in Oncology: Evidence and Methodologic Approaches, JNMT 38:1, 6-17.

34. Department of Health, Australian Government <<http://www.health.gov.au/internet/main/publishing.nsf/Content/pet-nuclear-medicine-imaging>>.

2.4.5 MTR delivers quality of life

MTR therapy can be optimised to factor in a wide range of clinical considerations, ranging from the patient's basic level of health (often poor after prior therapy), previous treatment history and other medications being taken. The result is not only an effective therapy, but also the ability to carefully control the side-effect profile of the therapy. In late-stage patients, quality of life matters and MTR is typically well tolerated by patients. Patients go home and lead comparatively stable lives, unlike many chemotherapy and immunotherapy treatments.

2.5 Why has MTR not been commercially successful?

Telix is a new biopharmaceutical company that was created to focus on underdeveloped assets or IP rights that have been acquired from small, under-capitalised firms that failed to develop sufficient commercial momentum to be successful.

For example, TLX-250 is built on an antibody that has excellent clinical safety data, but failed to deliver efficacy as a "naked" (ie. non-radioactive) antibody drug therapy. Although the target is well validated (CA-IX – see section 3.6) and the antibody is safe and highly specific to cancer, it is only when radioactivity is added to the antibody that the true therapeutic impact can be realised.³⁵ In order to accomplish this innovation, new chemistry and manufacturing techniques need to be employed. This is Telix's core expertise.

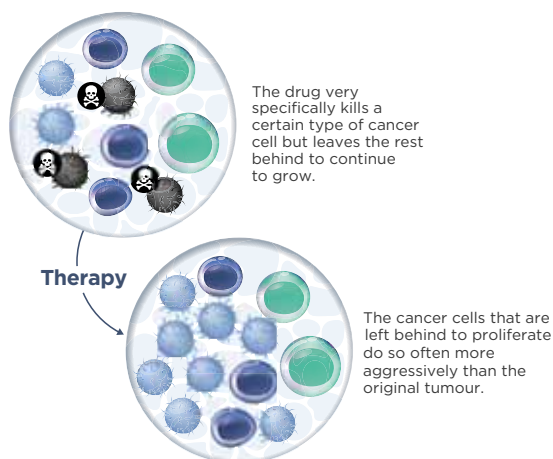
Established biopharmaceutical companies (aka "big pharma") have traditionally eschewed radioactive drugs precisely because they are complex to manufacture and distribute, and they had other technology options to explore. Over the last decade, the biopharmaceutical industry has invested billions of dollars in drug-conjugates (antibody-drug conjugates or ADCs, small-molecule conjugates, etc.) and created several industry champions (eg. Seattle Genetics – NASDAQ:SGEN, which had a market capitalisation of approximately \$7.5 billion in September 2017). ADCs are drugs that are formed by combining a targeting agent with a non-radioactive cytotoxic (chemo) agent and are essentially the non-radioactive equivalent to MTR. The problem is that non-radioactive cytotoxic agents have a relatively narrow therapeutic index and do not kill many surrounding cells when they target a cancer cell.³⁶ This is in direct contrast to radioactive ADCs (of the type being developed by Telix – ie. TLX-250, TLX-591) which have a very useful radiation "killing distance" and cause significant localised damage to the tumour.³⁷

This is illustrated in Figure 11 below.

Figure 11: Why is MTR Therapeutically Effective?

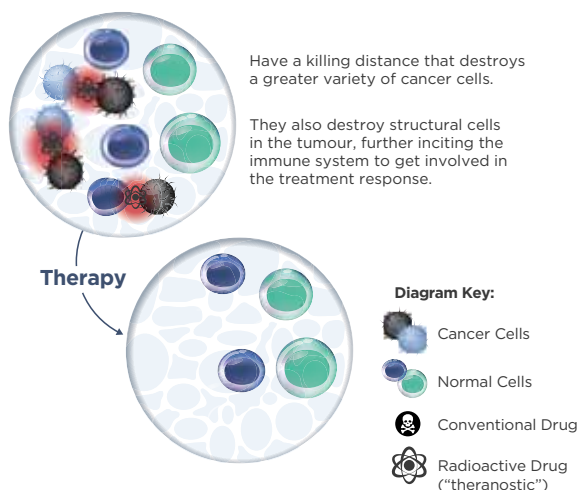
Conventional Targeted

Non-Radioactive Drugs



Molecularly Targeted Radiation

MTR Therapy



35. Wilex AG (2012) Press Release <<http://www.wilex.de/press-investors/announcements/press-releases/20121016-2/>>.

36. de Goeij, BECG et al. (2016) New developments for antibody drug conjugate-based therapeutic approaches, Curr Op Immunol 40: 14-23.

37. Najafi, M (2014) The Mechanisms of Radiation-Induced Bystander Effect, J Biomed Phys Eng 4(4): 163-172.

Because of the impressive clinical data and a growing recognition that the radioactive isotope supply chain has matured, “big pharma” is now taking another serious look at MTR. This is a relatively recent development. This is best evidenced by the fact that the Company estimates that there are at least 25 global pharmaceutical companies actively transacting and developing radiopharmaceutical cancer therapies (up from less than 10 companies in 2014).

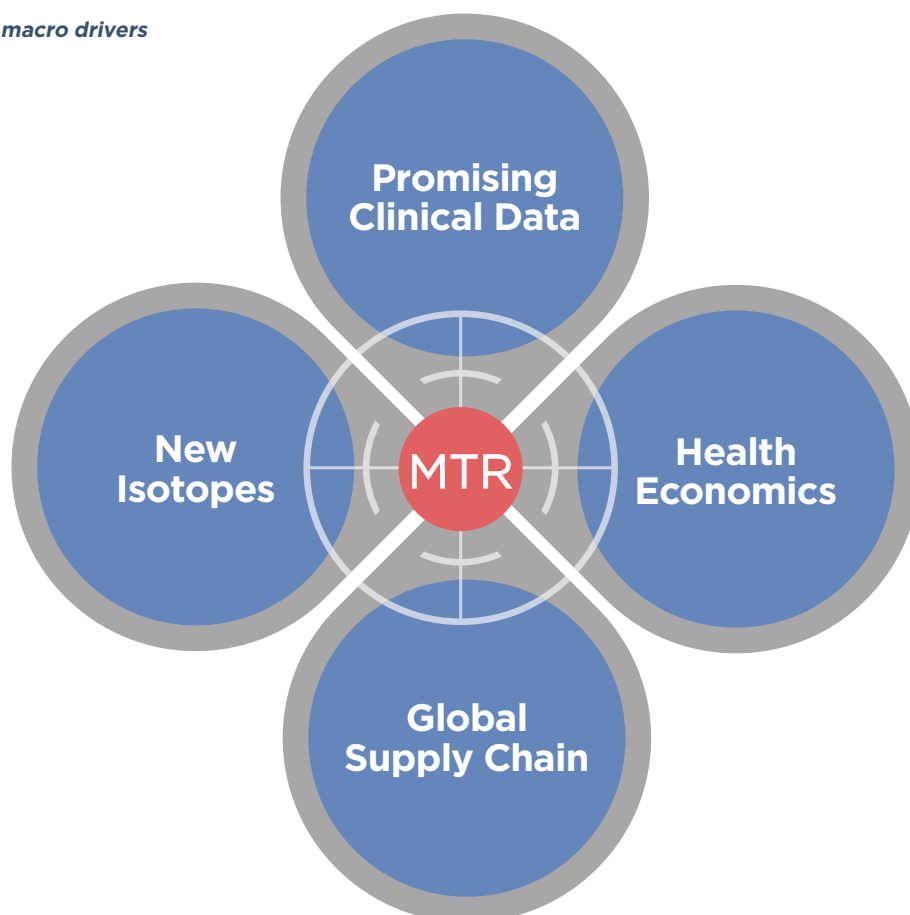
Therefore the Telix strategy has been to assemble a carefully selected Portfolio of underdeveloped assets (which have clinical data that have been published in peer-reviewed journals and demonstrate meaningful diagnostic and therapeutic potential) and leverage prior clinical experience to commercialise a Portfolio that the Company believes is capable of meeting the clinical, modern manufacturing and practical distribution expectations of the global biopharma industry as it starts to take a fresh look at the potential of MTR.

2.6 The MTR market: current status and expected growth drivers

2.6.1 Overview of the Market

The global nuclear medicine market, of which MTR is an increasingly important part, is expected to reach between US\$15 billion and US\$25 billion of annual expenditure by 2030 (from US\$5 billion in 2017), representing a CAGR of ~15%. Radiotherapeutics, especially those based on the concept of MTR, are expected to represent 60% of the nuclear medicine market by 2030, a significant increase from approximately 10% today. The MTR market is nascent but is expected to grow 25+% annually over this same period. Oncology is the main MTR therapeutic application area and of the ~50 million procedures, 65% are performed in oncology (33% are in cardiology, the second largest market segment).³⁸

Figure 12: MTR macro drivers



38. MEDraysintell Nuclear Medicine World Market Report and Directory (2017 edition), including Telix management estimates based on sourced data.

2.6.2 Drivers for increasing commercial interest in MTR

There has been a significant recent increase in investor and pharmaceutical interest in MTR therapeutics. Major pharmaceutical companies have started to take a serious look at the potential of radiopharmaceutical products, particularly MTR. The Company estimates that there are at least 25 global pharmaceutical companies actively transacting and developing radiopharmaceutical cancer therapies (up from less than 10 companies in 2014).

The macro drivers are illustrated in Figure 12 and described in further detail in sections 2.6.2.1 to 2.6.2.4 below.

2.6.2.1 MTR is likely to be cost-effective

The move towards value-based medicine is driving the need for more cost-effective therapies that utilise a precision-medicine strategy. The objective is to deliver the right therapy to the patient, rather than potentially wasting money on therapeutics that do not confer sufficient benefit.³⁹ The MTR approach is likely to be cost-effective in the treatment of cancer when compared to the current standard of care.

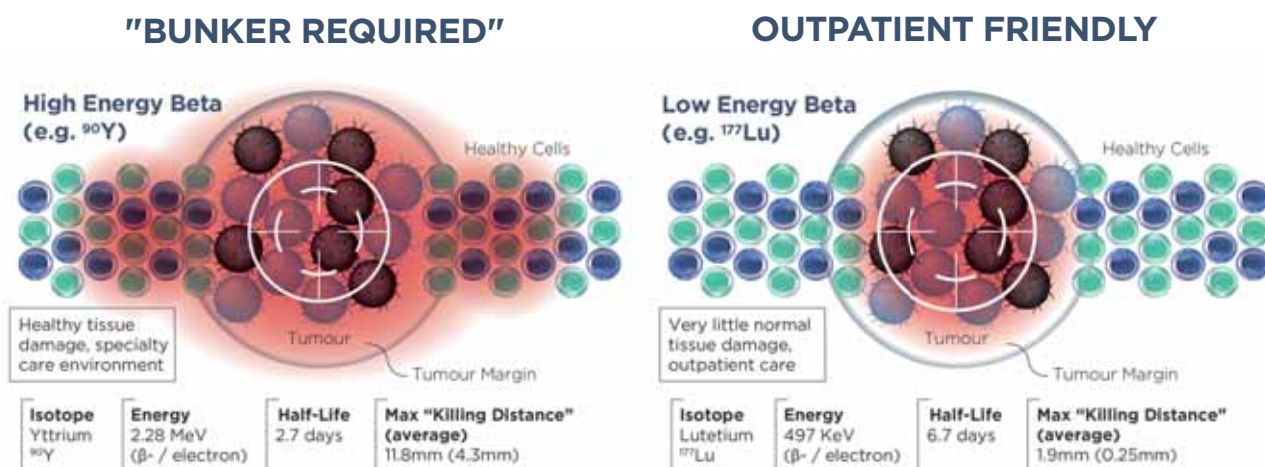
2.6.2.2 Global supply chains

For a new technology to be accepted by the global pharmaceutical industry, it needs to be readily available. Over the past decade, new supply chains have been established that are capable of delivering key isotopes anywhere in the developed world, every day.

2.6.2.3 Easier-to-use isotopes

The emergence of new radioisotopes such as ¹⁷⁷Lu has significantly contributed to the MTR momentum, with striking data in a number of disease settings including neuroendocrine disease and prostate cancer.¹⁷⁷Lu has become popular because it has a relatively short irradiation distance that is more amenable to out-patient use.⁴⁰ Previously, radiopharmaceutical products required specialised hospital “bunker” facilities to treat patients, although the precise infrastructure requirements vary greatly between jurisdictions.

Figure 13 illustrates the different characteristics of old (high energy beta) and new (low energy beta) radiopharmaceutical products



2.6.2.4 MTR clinical data outperforms standard care

New data has emerged for several promising programs in neuroendocrine cancer, prostate cancer and neuroblastoma that illustrates the efficacy of MTR approaches compared with standard care.⁴¹ The Lutathera® example is particularly illustrative because it demonstrates the clinical impact of adding a radioactive isotope to an existing treatment.

39. Bertier, G. (2016) Integrating precision cancer medicine into healthcare – policy, practice and research challenges, *Genome Medicine* 8: 108.

40. Pillar, AM (2015) Evolving Important Role of Lutetium-177 for Therapeutic Nuclear Medicine, *Curr Radiopharm* 8(2): 78-85.

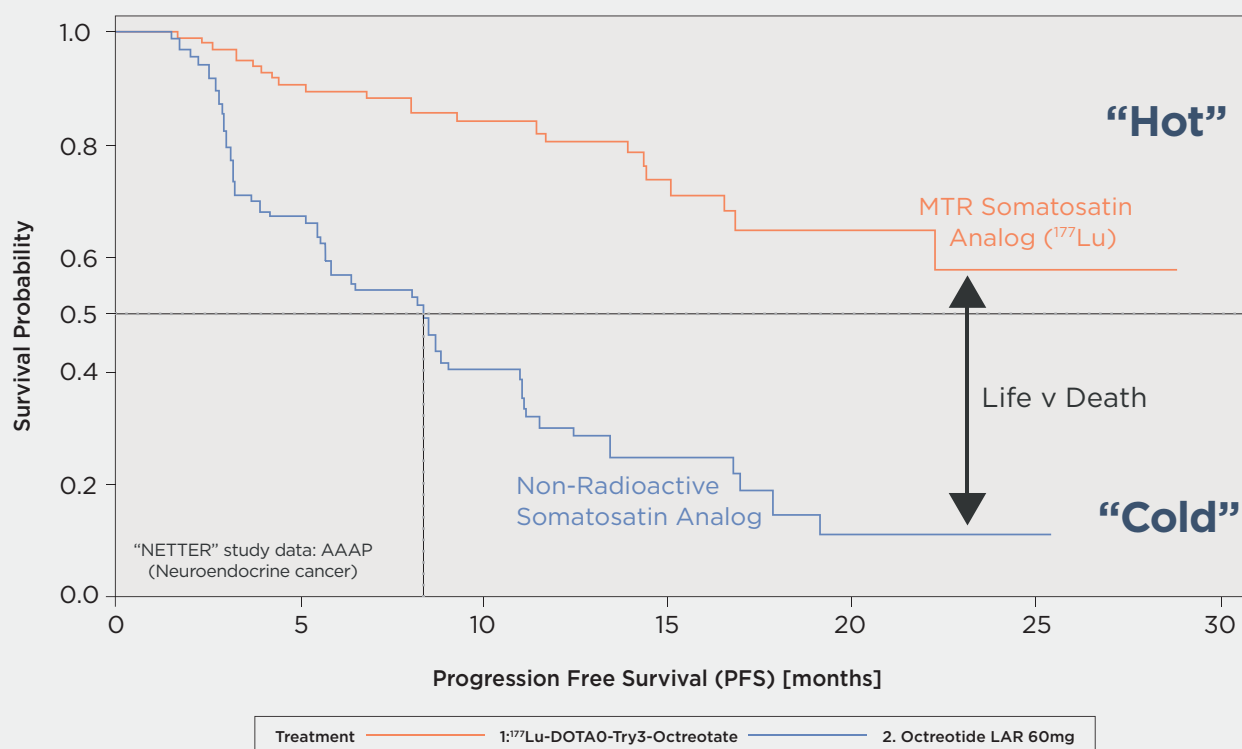
41. See eg., Strosberg J et al (2017) Phase 3 Trial ¹⁷⁷Lu-Dotatate for Midgut Neuroendocrine Tumours *N Engl J Med* 2017, 376:125-135 & Calopedos, RJS et al (2017) Lutetium-177-labelled-anti-prostate-specific membrane antigen antibody and ligands for the treatment of metastatic castrate-resistant prostate cancer: a systematic review and meta-analysis *Prostate Cancer and Prostatic Diseases* 20:252-360 & Ahmed, M. et al (2015) Humanized Affinity Matured Monoclonal Antibody 8H9 Patent Anti-Tumour Activity and Binds to FG Loop of B7-H3 *J Biol Chem* 290(50):300 18-29.

CASE STUDY: LUTATHERA®

Lutathera is an ^{177}Lu labelled somatostatin analogue (lutetium DOTA-octreotate) developed by Advanced Accelerator Applications Inc. (NASDAQ: AAAP).

Figure 14: NETTER trial data

The Phase III NETTER trial, published in early 2017, demonstrated superiority of an MTR therapeutic over the standard of care (see below), with essentially the only difference being the addition of the radioactive isotope.



The NETTER-1 trial evaluated Lutathera® combined with Sandostatin LAR (Octreotide) vs Sandostatin LAR alone in patients with inoperable, progressive, somatostatin-receptor-positive midgut neuroendocrine tumours. The primary endpoint was progression free survival (PFS), and the study also evaluated objective response rate, overall survival, time to tumour progression, safety, and quality of life metrics. The study showed a statistically significant improvement in the endpoint of PFS for patients on the Lutathera® drug. The PFS of patients treated with the current standard of care was 8.4 months, and the PFS for the Lutathera® arm was not reached, indicating that the Lutathera®-treated patients neither progressed nor died during the trial. Secondary endpoints showed an objective overall response rate of 19% for the Lutathera® drug, vs 3% for the standard of care arm.

WARNING REGARDING SALES DATA PROVIDED IN SECTION 2.7

The following section provides sales data of selected therapies used in the treatment of renal cancer, prostate cancer and glioblastoma at sections 2.7.1.4, 2.7.2.4 and 2.7.3.4. The sales data provided is provided for illustrative purposes only. There is no certainty that Telix will generate a commercial product from the Portfolio and accordingly there is no guarantee that the Company will generate any revenue from the Portfolio.

2.7 Clinical landscape: Telix Portfolio focus areas

Telix's clinical programs are currently focused on renal cancer (TLX-250), prostate cancer (TLX-591) and glioblastoma, a type of brain cancer (TLX-101), with the potential for indication expansion, as well as the potential in-licensing or acquisition of new products targeting other areas of oncology.

2.7.1 Renal cell carcinoma (RCC): TLX-250

2.7.1.1 Occurrence

There are about 60,000 new RCC patients diagnosed in the US and EU5 each year. About 75% of patients diagnosed with RCC present with localised disease. RCC is an aggressive disease – approximately 20-30% of patients present with metastatic disease, and 20-40% of patients with localised disease will relapse.⁴² Prognosis is poor for RCC patients, despite a broad array of available therapies. The five year survival for patients who are diagnosed with metastatic RCC is 12%.

2.7.1.2 Diagnosis

In the first instance, a CT scan is undertaken to determine whether RCC may be present. In the US, there are approximately 150,000 incidental CT findings per year (with similar numbers in EU5).⁴³ The current standard of care for the diagnosis of RCC after a CT scan has given an indication is a biopsy because imaging cannot reliably differentiate 20% of benign tumours from malignant RCCs. Biopsies are invasive and have limited efficacy because of the heterogeneous nature of tumours.⁴⁴

One in six patients who undergo a nephrectomy (removal of affected part of the kidney) for suspected RCC are

subsequently found to have benign disease, meaning that there are over 10,000 unnecessary surgeries per year in the US alone. The average cost of these unnecessary surgeries is US\$24,000 per patient.⁴⁵

Today there is no effective standard for imaging and staging renal cancer.⁴⁶

2.7.1.3 Treatment

Typically, patients with metastatic RCC have cytoreductive nephrectomy, followed by treatment (immunotherapies, antiangiogenic agents, TK inhibitors, mTOR inhibitors).⁴⁷ Median survival for patients who receive this line of treatment is about 19 months.

2.7.1.4 Current therapies

The first and second line therapeutic landscape in RCC is relatively crowded, with Tyrosine Kinase Inhibitors (**TKI**) (first and second line) and mTOR inhibitors (second line). Patients whose cancers progress while receiving first line TKI therapy can either use a second line TKI (eg. Inlyta®) or an mTOR inhibitor (eg. Afinitor®). The decision between Inlyta® and Afinitor® is usually based on the patient's response to the first line TKI. There is mixed data around whether a patient's response to a first line TKI is predictive of their response to a second line TKI, and there are no indicators to guide which therapeutic to use in these patients.⁴⁸ This is a major opportunity for Telix's TLX-250i, which may be able to use imaging to predict the response, an example of how MTR can integrate with the existing standard of care.⁴⁹

There are currently no MTR therapies for the treatment of RCC either in late stage clinical development or available in the market.

42. Chin AI, Lam JS, Figlin RA, Belldegrun AS. Surveillance Strategies for Renal Cell Carcinoma Patients Following Nephrectomy. *Reviews in Urology*. 2006;8(1):1-7.

43. Downs TM. et al. (2009) Renal Cell Carcinoma: Risk Assessment for Newly Diagnosed Patients, *Crit Rev Oncol Hematol* 70(1):59-70.

44. Herts, BR et al. (1995) The role of percutaneous biopsy in the evaluation of renal masses. *Semin Urol Oncol*. 13:254-261.

45. Fahy, K et al. (2015) Clinicians' Real World Perceptions of Pre-Nephrectomy Diagnostic Biopsy Performance as a Driver of Reduction in Unnecessary Surgeries in Renal Tumors, *J Kidney Cancer VHL* 2(1):1-14.

46. Farber, NJ et al. (2017) Renal cell carcinoma: the search for a reliable biomarker, *Transl Cancer Res* 6(3): 620-632.

47. Molina AM and Motzer, RJ (2011) Clinical Practice Guidelines for the Treatment of Metastatic Renal Cell Carcinoma: Today and Tomorrow, *Oncologist* 16(Suppl 2):45-50.

48. Ishihara, H. et al. (2017) Time to progression after first-line tyrosine kinase inhibitor predicts survival in patients with metastatic renal cell carcinoma receiving second-line molecular-targeted therapy, *Urol Oncol* 35(9):542.e1-542.e9.

49. Zhao, Z. et al. (2014) Prognostic Value of Carbonic Anhydrase IX Immunohistochemical Expression in Renal Cell Carcinoma: A Meta-Analysis of the Literature, *PLoS One* 9(11):e114096.

Benchmark sales information for selected RCC therapies are set out in figure 15

Therapy	Global Sales (USD)	Details
Sutent® (Sunitinib, Pfizer)⁵⁰ <i>Note: global sales are measured across all indications, including renal cancer.</i>	2016: \$1.09 billion	Oral tyrosine kinase inhibitor that inhibits signalling through platelet-derived growth factor receptor (PDGFR), KIT, FLT3, and VEGFR. It was approved in January 2006.
Votrient® (Pazopanib, Novartis)⁵¹	2016: \$729 million	Oral, once-daily angiogenesis inhibitor targeting multiple tyrosine kinases including VEGFR, PDGFR and c-kit. Pazopanib has demonstrated comparable efficacy to sunitinib in a head-to-head trial, but may offer a preferable side effect profile.
Avastin⁵² Bevacizumab (Roche/Generic) <i>Note: global sales are approximately \$7 billion across all indications, including renal cancer. Management estimates that approximately \$500 million of sales are attributable to renal cancer.</i>	2016: \$7 billion	Humanised monoclonal antibody that targets circulating VEGF-A. Bevacizumab was approved for use in RCC in Europe in 2007 and was approved by the FDA in August 2009. Both approvals were for the first line treatment of metastatic RCC in combination with IFN-α.
Nexavar® (Sorafenib, Amgen/Bayer)⁵³ <i>Note: global sales are measured across all indications, including renal cancer.</i>	2016: \$990 million	Small-molecule, orally available inhibitor of VEGFR, PDGFR and the Raf kinase that was approved for advanced kidney cancer and is recommended for use in select patients with relapsed or unresectable disease.
Afinitor® (Everolimus, Novartis)⁵⁴ <i>Note: global sales are measured across all indications, including renal cancer.</i>	2016: \$1.5 billion	Oral mTOR inhibitor - it became the first drug approved for sunitinib/sorafenib failures in March 2009.

*Telix estimate based on Roche's aggregated reported -USD \$7B sales of Avastin® in 2016.

2.7.1.5 RCC therapies under development

Figure 16 sets out key RCC therapies currently under development

Therapy	Company	Clinical Stage	Notes
Entinostat⁵⁵	Syndax	Phase Ib/II complete	Phase Ib/II showed improvement in patients with mRCC in combination with IL-2.
Atezolizumab- Humanised⁵⁶	Roche	Phase III	Ongoing Phase III trial in conjunction with Bevacizumab. Topline data expected in 2018.

50. Pfizer Annual Report (2016) <https://s21.q4cdn.com/317678438/files/doc_financials/Annual/2016/2016-financial-report.pdf>.

51. Novartis Annual Report (2016) <<https://www.novartis.com/sites/www.novartis.com/files/novartis-annual-report-2016-en.pdf>>.

52. Roche Annual Report (2016) <https://static.roche.com/annual-report-2016/_downloads/roche_full_financial_report16.pdf>.

53. Stanton, T (2017) Bayer's hefty 2016 pharma growth underlines danger of neglecting R&D for Monsanto buy <<http://www.fiercepharma.com/pharma/bayer-s-hefty-2016-pharma-growth-underlines-danger-neglecting-r-d-for-monsanto-buy>>.

54. Novartis Annual Report (2016) <<https://www.novartis.com/sites/www.novartis.com/files/novartis-annual-report-2016-en.pdf>>.

55. Pili, R. et al. (2016) Immunomodulation by HDAC inhibition: Results from a phase II study with entinostat and high-dose interleukin 2 in metastatic renal cell carcinoma patients (CTEP#7870), JCO 34, no. 15_suppl: 4560-4560.

56. Clinical Trial: NCT02420821 <<https://clinicaltrials.gov/ct2/show/NCT02420821>>.

2.7.1.6 Key areas of unmet need in RCC

The Company believes that the key areas of unmet clinical need in RCC are:

- an effective adjuvant treatment for operable disease;
- effective imaging tools to stage disease aggressiveness; and
- treatment for advanced disease because the median survival benefit to patients with standard care remains under 3 years for mRCC patients receiving systemic therapy.

2.7.2 Prostate cancer: TLX-591

2.7.2.1 Occurrence

While the incidence of prostate cancer has declined, due in part to prostate-specific antigen (PSA) screening,⁵⁷ 220-250,000 new cases are diagnosed in the US and EU5 each year. Across the US and EU5, over 4 million men are living with diagnosed prostate cancer. In Australia, approximately 17,000 men are diagnosed each year and there are approximately 100,000 men living with diagnosed prostate cancer.⁵⁸ The incidence of prostate cancer is likely to be underreported in Asian countries because national PSA screening programs tend to not be carried out. The adoption of a “western” lifestyle is also contributing to an increase in prostate cancer (among other likely factors) in Asian countries.⁵⁹

Approximately 30% of patients with high-risk disease will relapse after prostatectomy⁶⁰ and for men that progress to metastatic disease (cancer that has spread to distant lymph nodes, bone or other organs) the relative 5 year survival rate is about 29%.⁶¹

2.7.2.2 Diagnosis

There are several approved and near-approved prostate imaging options.⁶² Current prostate cancer imaging methods based on “conventional” imaging modalities include transrectal ultrasound, CT imaging and high resolution magnetic resonance imaging (**MRI**).

Despite the incidence of prostate cancer, standard diagnostic imaging techniques used for the detection and monitoring of therapy have traditionally been inadequate. Fludeoxyglucose (**FDG**) PET scans typically fail to detect early stage, hormonally-sensitive tumours, and non-castration-resistant cancers. While bone scans and CT imaging have traditionally been used to measure radiographic progression, each modality has its limitations.

However, the field is evolving rapidly. The recent approval of Axumin® (May 2016) is a promising progression toward a prostate imaging agent that demonstrates acceptable performance in detecting small prostate metastases.⁶³ Small molecule PSMA imaging agents are under development in both the academic and commercial settings.⁶⁴ Due to the relatively congested nature of the prostate imaging space and a number of promising programs entering late-stage clinical trials, Telix has elected to integrate its prostate cancer therapeutic MTR program with existing solutions rather than develop its own program.

57. Herget KA, Patel DP, Hanson HA, Sweeney C, Lowrance WT. Recent decline in prostate cancer incidence in the United States, by age, stage, and Gleason score. *Cancer Medicine*. 2016;5(1):136-141. doi:10.1002/cam4.549.

58. Cancer Australia, Prostate Cancer Statistics <<https://prostate-cancer.canceraustralia.gov.au/statistics>>.

59. Baade, PD et al. (2013) Epidemiology of prostate cancer in the Asia-Pacific region, *Prostate Int* 1(2):47-58.

60. Grossfeld, GD et al. (2003) Predicting recurrence after radical prostatectomy for patients with high risk prostate cancer, *J Urol* 169(1):157-63.

61. American Cancer Society, Prostate Cancer Statistics <<https://www.cancer.org/cancer/prostate-cancer/detection-diagnosis-staging/survival-rates>>.

62. Sarkar, S et al. (2016) A Review of Imaging Methods for Prostate Cancer Detection, *Biomed Eng Comput Biol* 7(Suppl 1):1-15.

63. Castellucci, P. (2012) PET/CT in prostate cancer: non-choline radiopharmaceuticals, *Q J Nucl Med Mol Imaging* 56(4):367-374.

64. Maurer, T. et al. (2016) Current use of PSMA-PET in prostate cancer management, *Nature Reviews Urology* 13, 226-235.

2.7.2.3 Treatment

Prostate cancer is a highly heterogeneous disease that typically goes through several stages from initial detection of localised disease in the prostate, to recurrence in the pelvic region following prostatectomy (surgical removal of the prostate and, in high risk patients, surrounding tissue), to metastatic castration-resistant prostate cancer (**mCRPC**).⁶⁵

Locally-advanced prostate cancer can be cured with surgery or radiation, if detected in its initial stages. The current standard of care for patients with mCRPC is second or third line hormonal (anti-androgen) agents followed by chemotherapy and bone-seeking radiopharmaceuticals (mostly for pain management).

2.7.2.4 Current therapies

Anti-androgens (“hormone therapy”) are the major first-line treatment modality associated with the long-term treatment of metastatic prostate cancer. This is because most prostate cancer is hormone dependent and blocking the androgen axis has a significant disease-stabilising effect. Second-line anti-androgen drugs such as Xtandi® and Zytiga® are important once initial hormone therapy has failed but confer a relatively short survival benefit (~4 months).⁶⁶ Once a patient is no longer responsive to anti-androgens (ie. is castration resistant) there are few options left other than end-of-life chemotherapy and palliation.

Benchmark sales information for selected prostate cancer therapies are set out in Figure 17

Therapy	Global Sales (USD)	Details
Xtandi® (Medivation/Astellas) ⁶⁷	2016: ~\$2.52 billion	Novel androgen synthesis inhibitor
Zytiga® (Abiraterone, JNJ) ⁶⁸	2016: \$2.26 billion	Novel androgen synthesis inhibitor. Requires co-administration of prednisone, which can have tolerability issues in the long-term.
Xofigo® (²²³Ra dichloride) (Bayer) (Radiopharmaceutical) ⁶⁹	2016: \$390 million	Alpha-particle emitter approved for end-stage mCRCP patients with bone metastases.

65. Rosenberg, MT et al. (2010) Biology and natural history of prostate cancer and the role of chemoprevention, IJCP 64:1746-1753.

66. Gartrell, BA et al. (2015) Abiraterone in the management of castration-resistant cancer prior to chemotherapy, Ther Adv Urol 7(4): 194-202.

67. Astellas Annual Report (2016) <https://www.astellas.com/en/ir/ar2016/pdf/2016AR_41_en.pdf>.

68. Johnston & Johnston Annual Report (2016) <<https://jnj.brightspotcdn.com/88/3f/b666368546bcab9fd520594a6016/2017-0310-ar-bookmarked.pdf>>.

69. Bayer Annual Report (2016) <http://www.annualreport2016.bayer.com/servicepages/downloads/files/bayer_ar16_print_version.pdf>.

2.7.2.5 Therapies under development

There is significant activity in the MTR therapy space for prostate cancer. Following the success of the Xofigo® product (a bone-seeking radiopharmaceutical), there has been much interest in the potential role of radionuclide therapy in the treatment of prostate cancer. There are numerous programs targeting PSMA, both with radioactive solutions as well as conventional cytotoxic drugs.

However, it is the Company's belief that none of the competing PSMA MTR programs have a clear commercial strategy and, in many instances, have clinical attributes that make them less competitive to TLX-591.

Figure 18 summarises selected prostate therapies currently under development

Compound	Company	Clinical Stage	Notes
ODM-201 ⁷⁰	Bayer	Phase III in progress.	Estimated completion date is March 2018.
PROSTVAC ⁷¹	Bavarian Nordic	Phase III in progress	Trial reported in 2017 – missed its primary end-point.
ARN-509	JNJ	Various Phase II studies in progress	Broadly expected to be a follow-on therapy to Abiraterone.
PSMA-617 (MTR)	Otsuka/ABX and Academia	Phase II	Currently in ad-hoc development, mostly in academia in Europe. In-licensed by Endocyte (NASDAQ:ECYT).
MIP-1095 ⁷² (MTR)	Progenics	Phase I	Radiolabelled glutamate-urea-lysine analogue, selectively binds PSMA. Not moving fast.
MEDI3726 ⁷³	AstraZeneca/ADC Therapeutics	Phase I	PSMA antibody/drug conjugate with a novel cytotoxin.

2.7.2.6 Key areas of unmet need

The key therapeutic opportunity for prostate cancer is in late-stage metastatic prostate cancer patients, where patients have few treatment options. Some key issues in this area include the following:

- approximately 30-40% of prostate cancer patients do not receive optimum care, and are subject to either over or under treatment, reflecting a lack of effective tools for staging patients from early biochemical recurrence to castration resistant disease; and
- despite significant advances in treatment options, effectively all patients relapse once they have completed first and second-line hormone therapy. Therefore, there remains a significant need for cost-effective and well-tolerated therapeutics in the late-stage setting, particularly prior to chemotherapy.

2.7.3 Brain cancer (Glioblastoma): TLX-101

2.7.3.1 Prevalence of the disease

Glioblastoma (Glioblastoma Multiforme or **GBM**) is the most frequently diagnosed brain tumour in adults, with an annual incidence of around 2 to 3 per 100,000 people. GBM is one of the most challenging brain tumours to treat. It is rapidly fatal, and the median survival is typically less than 1 year from diagnosis. 90% of patients relapse after initial treatment and virtually all patients relapse after subsequent (second-line) therapy. GBM accounts for around half of all malignant brain tumours.

70. Clinical Trial NCT02200614 <<https://clinicaltrials.gov/ct2/show/NCT02200614>>.

71. Clinical Trial NCT01322490 <<https://clinicaltrials.gov/ct2/show/NCT01322490>>.

72. Clinical Trial NCT03030885 <<https://clinicaltrials.gov/ct2/show/NCT03030885>>.

73. Clinical Trial NCT02991911 <<https://clinicaltrials.gov/ct2/show/NCT02991911>>.

2.7.3.2 Diagnosis

Glioblastoma is almost always symptomatically diagnosed and confirmed with imaging. By the time glioblastoma is diagnosed, it is typically already advanced disease. Most GBM is inherently metastatic in the sense that there is usually microscopic disease (does not appear in imaging) as well as bulk tumours.

2.7.3.3 Treatment

The current standard of care for GBM is maximum surgical removal (resection) of the tumour, followed by radiotherapy and chemotherapy. This combination treatment regimen increases median overall survival from 12 months (with radiotherapy alone) to ~15 months. With triple surgery-radiation-temozolomide (chemotherapy), the percentage of patients alive at 2 years increases from 10.4% to 26.5%.⁷⁴ While temozolomide is effective, it is administered at highly toxic doses, resulting in significant side-effects.⁷⁵

2.7.3.4 Current therapies

Avastin was approved in 2014 as a second line treatment for glioblastoma,⁷⁶ although its efficacy is contentious.⁷⁷

More recently, Novocure's Optune system appears to have demonstrated clinical utility. Optune delivers intra-cranial electric fields to selectively disrupt mitosis of glioblastoma cells. It is used in combination with temozolomide for newly diagnosed, supratentorial glioblastoma after debulking surgery, and completion of radiation therapy with concomitant standard of care chemotherapy. It is also intended for treatment of recurrent GBM after chemotherapy. The device is intended to be used as a monotherapy, and is intended as an alternative to medical therapy for GBM after surgical and radiation options have been exhausted.⁷⁸

There are no currently approved MTR therapies for GBM.

Benchmark sales information for selected GBM therapies are set out in Figure 19

Therapy	Global Sales (USD)	Details
Temozolomide (Generic) ⁷⁹	2016: \$176 million	First line, oral therapeutic agent for the treatment of adults with newly diagnosed glioblastoma multiforme concomitantly with radiotherapy, and then as maintenance treatment.
Optune® (Novocure) ⁸⁰ <i>Note: This is a device that delivers electric fields, not a drug.</i>	2016: \$82.9 million	Used in combination with temozolomide for newly diagnosed, supratentorial glioblastoma after debulking surgery, and completion of radiation therapy with concomitant standard of care chemotherapy. It is also indicated for recurrent GBM after chemotherapy.
Bevacuzimab/Avastin® (Generic) ⁸¹ <i>Note: global sales are approximately \$7 billion across all indications, including glioblastoma. Management estimates approximately between \$150 million and \$200 million of sales are attributable to glioblastoma.</i>	2016: less than \$200 million	Single agent for glioblastoma adult patients with progressive disease following prior therapy.

74. Preusser, M. et al. (2011) Current concepts and management of glioblastoma, *Ann Neurol* 70(1):9-21.

75. Kaul, D. et al. (2016) Accelerated hyperfractionation plus temozolomide in glioblastoma, *Radiation Oncology* 11:70.

76. National Cancer Institute, FDA Approvals for Bevacizumab <<https://www.cancer.gov/about-cancer/treatment/drugs/fda-bevacizumab>>.

77. Yu, Z. et al. (2016) Efficacy and safety of bevacizumab for the treatment of glioblastoma, *Exp Ther Med* 11(2): 371-380.

78. Stupp R. et al. (2012) NovoTTF-100A versus physician's choice chemotherapy in recurrent glioblastoma: a randomised phase III trial of a novel treatment modality, *Eur J Cance* 48(14):2192-220.

79. Mylan Press Release <<http://newsroom.mylan.com/2016-07-11-Mylan-Launches-Generic-Temodar-Capsules>>.

80. Novocure Annual Report (2016) <<https://www.novocure.com/novocure-reports-fourth-quarter-and-full-year-2016-financial-results-and-provides-company-update/>>.

81. Roche Annual Report (2016) <<https://www.roche.com/dam/jcr:058da003-204c-41a6-a137-1c1bb9acd06c/en/inv-update-2017-02-01-e.pdf>>.

2.7.3.5 Therapies under development

GBM is an active area of research for immuno-oncology drugs (ie. Nivolumab, Ipilumab), however efficacy demonstrated to date has been very limited. There are a very large number of clinical trials running in glioblastoma for combination therapies of existing drugs and treatment combinations. Although there are a number of novel therapeutic strategies (vaccines, cell therapies, fractionated radiation, new surgical tools) that are under development, there are relatively few examples of new drug development that are specifically targeted at the biology of GBM.

Figure 20 sets out the key GBM therapies currently under development

Compound	Company	Clinical Stage	Notes
VB-111⁸²	VBL Therapeutics	Phase III	Replication-deficient adenovirus carrying Fas gene, to disrupt blood vessel growth.
Nivolumab⁸³	Bristol-Myers Squibb	Phase III	CheckMate 498 study: Phase III evaluating Nivolumab vs Temozolomide, in combination with radiation therapy, for newly-diagnosed patients with glioblastoma. Estimated completion late 2019.

2.7.3.6 Key areas of unmet need

There remains a significant unmet need for novel glioblastoma treatments to improve survival for GBM patients. The Company believes that a major opportunity for GBM therapy is to further improve the efficacy of radiation therapy, a key treatment modality of GBM, through the combination use of EBT and MTR to treat microscopic disease that is not evident from imaging.

82. Clinical Trial NCT02511405 <<https://clinicaltrials.gov/ct2/show/NCT02511405>>.

83. Clinical Trial NCT02617589 <<https://clinicaltrials.gov/ct2/show/NCT02617589>>.

2.8 Reimbursement

2.8.1 Overview

The US healthcare system represents by far the largest homogeneous market for both the diagnostic and the therapeutic forms of Telix's products. US reimbursement has disproportionate influence on the commercial success of new products (and therefore dominates Telix's commercialisation strategy). As a general guide, pharmaceutical products sold into the EU and the UK (and other territories, such as Australia) achieve 30-50% lower pricing compared with the US.

2.8.2 Reimbursement: Therapy

According to the US Society of Nuclear Medicine and Molecular Imaging, there is a longstanding history of inadequate reimbursement for therapeutic radiopharmaceuticals.⁸⁴ Bexxar® and Zevalin® faced pricing and reimbursement issues, which were one (out of many) factors that contributed to a lack of clinical adoption of those products, despite purported efficacy. This was especially the case in the US.⁸⁵

More recently, Bayer's Xofigo® product has somewhat improved the perception and commercial trajectory of radionuclide based therapies. Xofigo® is reimbursed at US\$69,000 in the US (on average) for a course of treatment.⁸⁶ Xofigo® was able to attract reasonable reimbursement and demonstrate clinical and commercial traction because adequately sized and powered clinical trials were executed (particularly in Phase III), which demonstrated efficacy. This is a key lesson learned for MTR product development and was a key failing of Bexxar® and Zevalin®.

2.8.3 Reimbursement: Imaging

In September 2013, US coverage for new imaging radiopharmaceuticals (particularly for PET imaging) underwent a significant change. Previously, new imaging radiopharmaceuticals were required to undergo national coverage determination in order to be eligible for Medicare reimbursement, a lengthy process resulting in coverage with evidence study requirements. These processes usually took at least 9-12 months following FDA approval. This significant change allowed medical administrative contractors (**MACs**) in local (state) healthcare jurisdictions to independently determine coverage. This, in turn, has enabled manufacturers to request coverage directly from local MACs upon FDA approval, cutting months and sometimes years off the time from FDA approval to Medicare beneficiary access.

US-based Centres for Medicare and Medicaid Services have also enabled faster coverage for new imaging radiopharmaceuticals, allow imaging providers to bill for certain new or unclassified products with specific coding to all types of payers. This assists the commercialisation of MTR products because imaging is effectively a "cost of goods sold" of MTR therapy and some of these generic codes are expected to support the early commercialisation of Telix's products (particularly TLX-250i).

84. Cannon, H (2007) Policy and Regulatory News from SNM, Capitol Hill, and Beyond, JNM 48(7).

85. Timmerman, L (2013) Why Good Drugs Sometimes Fail: The Bexxar Story <<http://www.xconomy.com/national/2013/08/26/why-good-drugs-sometimes-fail-in-the-market-the-bexxar-story>>.

86. Norum, J. et al. (2016) Health Economics and Radium-223 (Xofigo®) in the Treatment of Metastatic Castration-Resistant Prostate Cancer (mCRPC): A Case History and a Systematic Review of the Literature, Global Journal of Health Science 8(4).



Section 03

COMPANY OVERVIEW

3.1 Introduction to Telix Pharmaceuticals Limited

3.1.1 What is Telix?

Telix is an Australian oncology company that is developing a pipeline of MTR products for unmet needs in cancer care.

Telix is particularly focused on urologic malignancies (such as kidney and prostate cancer), and neuro-oncology (glioblastoma), although the Portfolio has a number of indication expansion opportunities beyond these initial focus areas.

The Company is headquartered in Melbourne, Australia and its technical team is spread across Australia, Germany, France and the US.

3.1.2 What are MTR products?

As discussed in sections 2.3, 2.3.5 and 2.6, MTR products use a targeting molecule to deliver radioactive isotopes to the site of disease in a very specific and selective fashion. This has the benefit of only delivering therapy to where it is needed, with minimal impact on healthy tissue. Through the careful selection of both targets and isotopes that are highly specific to cancer cells, MTR products are able to safely deliver significant therapeutic benefit to patients with few side-effects.

MTR products are unique in that they fundamentally embrace the concept of precision medicine by also emitting radiation that can be detected with imaging systems (PET/SPECT). This is important because it means that before an MTR therapy is administered, it is possible to determine whether the target is sufficiently present to be able to treat the patient, and the individual dose can be optimised for maximum efficacy.

Figure 21: TLX-101 case study



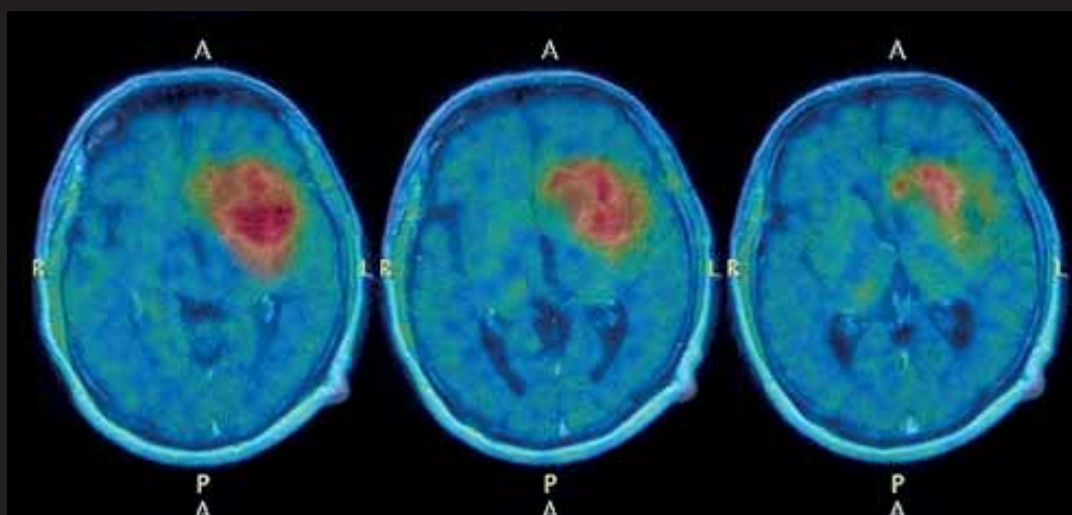
CASE STUDY: MALE, 45 YEARS OLD

- Multiple radiotherapies
- Surgery not available
- Progressive disease

Treatment: with 2GBq ^{131}I -TLX-101 single dose I.V.

Safety: no acute, sub-acute or delayed toxicity.

Efficacy: continuous tumour regression over 10 months. Patient remained professionally active for 24 months. Survived >40 months (with further therapy).



Baseline

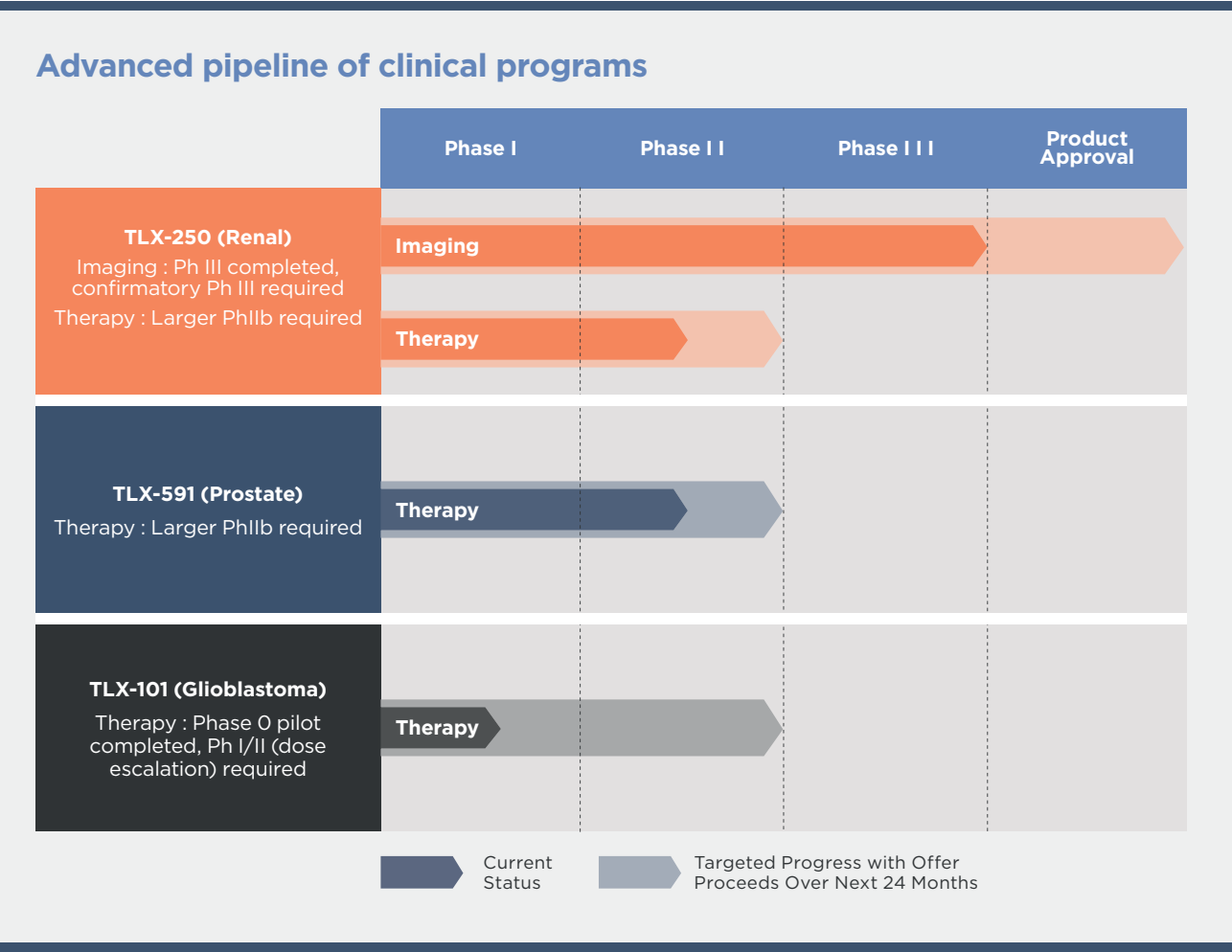
6 months
post-injection

12 months
post-injection

3.1.3 What is Telix’s Portfolio?

Telix’s products are all clinical-stage programs with extensive human data. Over 1,000 patients have been imaged or treated with the technology under development by Telix. The Company’s asset selection criteria balances clinical risk-benefit with important fundamental considerations such as manufacturability and production costs.

Figure 22 shows the trial status of the products in the Telix Portfolio



Detailed information regarding each product in the Portfolio is set out at sections 3.6 (TLX-250), 3.7 (TLX-591) and 3.8 (TLX-101).

3.2 Telix's business model

3.2.1 What is Telix's business model?

Telix aims to deliver a return to Shareholders by successfully developing and commercialising a best-in-class suite of MTR-based products that address major unmet needs in the treatment of cancer. This will lead to partnering and commercial opportunities and enable the Company to generate revenue.

3.2.2 How will Telix generate revenue?

Telix is not yet a revenue-generating company.

In order to generate revenue, Telix must complete the clinical and manufacturing development of one or more of its programs and seek product approvals from regulatory agencies in the various jurisdictions that it intends to sell products. Failing this, Telix will not generate any revenue and will operate at a loss.

Assuming Telix can successfully complete the clinical development of one or more of its Portfolio products, the Company would typically expect to generate revenue from the following sources:

- selling products through manufacturing and distribution partners that specialise in radioactive diagnostic and therapeutic products;
- entering into partnering and co-development arrangements with third party healthcare companies that have the scale and commercial reach to market and sell Telix's products;
- out-licensing its products in certain territories;
- asset disposal, to the extent that it makes commercial and strategic sense to do so; and
- grants and non-dilutive funding sources.

3.2.3 What are Telix's key costs?

Telix's major costs are expected to be:

- product manufacturing at the standard required to treat patients in clinical trials and, assuming successful trial outcomes and product approvals, commercial sale;
- clinical trials and clinical operations. This includes the use of highly specialised service providers, advisers and clinical sites;
- licensing costs to third parties, including royalties and milestone payments as a function of program acquisition and development;
- employee costs; and
- the typical operating expenses associated with an ASX-listed company, such as ASX fees, audit, legal and adviser fees.

3.2.4 What is Telix's growth strategy?

The Company's growth strategy involves:

- **Commercial collaboration and partnering** with leading radiation oncology and pharmaceutical companies that have an active interest in Telix specifically, and the MTR space generally.
- **Selectively expanding our Portfolio** potentially through asset acquisition or additional partnerships, when it makes commercial and strategic sense to do so.
- **Investigating indication expansion opportunities** for assets within the existing Portfolio. The Company has multiple opportunities to collaborate with leading academic centres to explore the utility of its Portfolio in other disease areas (for example, TLX-250 in lung cancer).

3.3 Corporate history

3.3.1 Background

Telix was co-founded by Dr Christian Behrenbruch (Chief Executive Officer) and Dr Andreas Kluge (Chief Medical Officer) in response to a rapidly growing level of interest in the MTR field from the pharmaceutical industry. This was motivated in part by efficacy data around prostate and neuro-endocrine cancer, where MTR products significantly outperformed conventional drugs.⁸⁷ In late 2015, the founders began to work with a select group of potential clinical and commercial partners to create a new company in order to consolidate certain MTR assets in the field, establish clinical and operational critical mass, and finance a pipeline of highly promising assets.

3.3.2 Incorporation of Telix

Telix Pharmaceuticals Limited and its wholly-owned subsidiary, Telix International Pty Ltd (**TIPL**), were incorporated in January 2017 to finance and further develop the opportunity and hold the Portfolio assets. Telix successfully raised \$8.5 million from sophisticated and professional investors (including strategic partners) on 16 January 2017.

3.3.3 Corporate Structure of the Telix Group

Telix Pharmaceuticals Limited is the parent company of the Telix Group. The legal structure of the Telix Group is shown at section 10.3. The Telix Group structure will be subject to change as new acquisitions, licences and strategic partnerships are entered into. The capital structure of Telix is summarised in section 10.3.2.

3.3.4 “Telix”: What’s in a name?

Telix is the amalgamation of the words “Target” and “Helix”, a reference to the conventional understanding that a principal mechanism of action in radiation oncology is double-strand DNA damage, which in turn leads to cell apoptosis (death). As such, the Company’s name is pronounced “Tee-Lix”. This concept is also embodied in our logo, which is intended to suggest molecules disrupting a DNA helix and cleaving a cell.

The Telix Logo



3.4 The Telix founding team and Scientific Advisory Board

Dr Behrenbruch is an experienced biopharma executive with several commercial successes in the nuclear medicine field. Dr Kluge is a physician and the owner and CEO of ABX CRO, an accomplished CRO that specialises in radiopharmaceutical drug development. Dr Behrenbruch and Dr Kluge have developed over 30 nuclear medicine products between them, ranging from 510(k) and CE Mark approvals for software and hardware systems, to INDs/NDAs for diagnostic imaging and therapeutic products (Phase 0 to Phase III).

Telix has also benefitted greatly from the strategic and commercial advice from the two founder Directors, Mr Oliver Buck and Dr Richard Zimmermann (who retired from the Board on 17 September 2017, but remains an adviser to the Board). Mr Buck is co-founder and member of the Supervisory Board of Isotopen Technologien München AG, one of the world’s leading isotope technology companies and a supplier to Telix. Dr Richard Zimmermann was formally Vice President of Research & Development at IBA Molecular, a global radiopharmaceutical company and the owner of MEDraysintell, a boutique market intelligence firm that specialises in the radiation biology field.

Finally, Telix’s ambition to be a leading cancer company could not be realised without clinical and technical advice from some of the best minds in the radiopharmaceutical industry. Telix’s Scientific Advisory Board (see section 6.4 for biographies) represents a cross-section of global thought leadership that is instrumental to effective product development and clinical decision-making. The Scientific Advisory Board consists of many of the innovators behind the intellectual repository of technical and clinical knowledge of our pipeline. The Company considers its SAB members to also be founders of the Company and they have made a considerable intellectual contribution to Telix.

87. Strosberg, J et al. (2017) Phase 3 Trial of ¹⁷⁷Lu-Dotatate for Midgut Neuroendocrine Tumours, NEJM 376:125-135.

3.5 Key Accomplishments

Since November 2015, Telix has made significant progress across each product in the Portfolio, including:

- in-licensing or acquiring a significant IP portfolio that is supportive of value retention and barriers to competition for Telix's products beyond 2030 (TLX-101: 2031 (with extensions of term), TLX-591: 2035, TLX-250: 2037). This includes both core intellectual property (such as patents and trademarks) as well as extensive biological resources, cell lines, reagents and proprietary production processes (see section 3.13 for more details);
- re-engineering the various programs, applying modern chemistry and biological process and demonstrating manufacturing enhancements required to up-scale the Portfolio programs for commercial use. The Company has started to file its own patent applications that are reflective of these innovations;
- obtaining GMP manufactured material for the TLX-101 and TLX-250 programs (the TLX-591 production remains in progress) and qualifying and in some cases contracting manufacturing sites in the US, EU and Australia for delivering doses to our clinical programs;
- establishing a world-class SAB and engaging with key clinical sites in the US, Europe and Australia;
- engaging the appropriate regulatory advisory and clinical support to review our regulatory documentation in preparation for new investigational studies;
- preparing a complete set of clinical protocols for our planned trials; and
- successfully engaging in extensive business and commercial development activities that have the potential to lead to significant commercial partnership opportunities in the future.

Telix has built a team and implemented an appropriate corporate structure (see section 3.3.3) to give effect to its international operations.

3.6 Program overview: TLX-250 (renal cancer)

3.6.1 Description

The TLX-250 program is based on Girentuximab, a monoclonal antibody (**mAb**) targeting carbonic anhydrase 9 (**CA-IX**). CA-IX (see section 3.6.3) is a cell surface target that is almost ubiquitously expressed by clear cell renal cell carcinoma (**ccRCC**), the most prevalent (90%+) and aggressive form of renal cancer.

TLX-250i is used to image the expression of CA-IX and has been studied in the clinic with both ¹²⁴I and ⁸⁹Zr (discussed later in this section 3.6).

TLX-250t is labelled with ¹⁷⁷Lu to deliver a therapeutic dose of targeted radiation. The clear cell cancer phenotype is an aggressive subtype seen in many forms of cancer and so there is considerable potential applicability of both TLX-250i and TLX-250t in areas other than renal cancer.⁸⁸

88. van Kuijk SJA et al. (2016) Prognostic Significance of Carbonic Anhydrase IX Expression in Cancer Patients: A Meta-Analysis, Front Oncol 6:69.

3.6.2 Asset origins

Girentuximab is an anti-CA-IX mAb developed by the Ludwig Institute for Cancer Research (**LICR**) and Memorial Sloan Kettering Cancer Centre (**MSKCC**). Girentuximab is a re-engineered (chimeric) form of G250 (**cG250**), a mouse mAb that was originally published in 1986 when the CA-IX target was first discovered.⁸⁹ From 2004 to 2007 a series of publications presented the use of radiolabelled forms of cG250 in animals and early human experience. However, the early therapeutic exploration of cG250 was primarily as a “naked” antibody (non-radioactive) as an immune-directed therapy for ccRCC.

Wilex AG (Deutsche Börse ETR: WL6) (**Wilex**), in-licensed the cG250 mAb in 1999 with the objective of developing it as an antibody drug for renal cancer (branded RENCAREX®). Following positive survival data in a Phase II study of RENCAREX® in early 2004, Wilex proceeded with a Phase III (ARISER) study that commenced in 2004. This was a significant outcome study that completed in 2008 and read out in 2011/12 with the Phase III “naked” mAb therapy failing to meet its primary therapeutic end-point. This work was largely conducted before the current understanding of immuno-oncology and today it is likely that a different patient selection strategy would be considered.

In parallel to development of the “naked” Girentuximab for therapy, Wilex also developed the ¹²⁴I-labelled version of Girentuximab for imaging with PET (branded REDECTANE®) for the purpose of patient selection. The concept was that if PET imaging with REDECTANE® elucidated a high expression of CA-IX (as a “hot spot”) in the image, then the patient would be suitable for RENCAREX® therapy.

This was an early example of a precision-medicine approach using molecular imaging.

Wilex chose to co-develop the imaging program with IBA Molecular (**IBA**) (a leading radiopharmaceutical manufacturer, now Curium Pharma following the merger with Mallinckrodt Nuclear Medicine) and the REDECT Phase III trial was conducted in 196 patients at several leading cancer centres in the US. The REDECT study was run in patients that were being prepared for nephrectomy (kidney surgery) so that the results of the imaging could be compared with histology. The study conclusively demonstrated that REDECTANE® both outperformed conventional imaging and that it was as effective as a pre-surgical biopsy. The results were published with considerable clinical attention in late 2012.

Figure 23 summarises the results of the REDECT trial

		Central Pathology			
		ccRCC	Non-ccRCC	Total	
PET/CT	ccRCC	123	7	130	PPV=95%
	Non-ccRCC	20	46	66	NPV=70%
	Total	143	53	196	
		Sensitivity=86%	Specificity=87%		Accuracy=86%

1st Phase III “REDECT” Study Results

PPV (positive predictive value) NPV
(negative predictive value)

89. Oosterwijk, E (1986) Monoclonal antibody G 250 recognizes a determinant present in renal-cell carcinoma and absent from normal kidney, Int J Cancer 38(4):489-94.

The FDA held an Oncology Drug Advisory Committee meeting in July 2012, where the clinical usefulness of REDECTANE® was voted 16 to 0 in favour of approval. Despite this favourable outcome, the design of the study was statistically under-powered: the number of non-ccRCC patients included in the study (for analysis purposes) was 10 patients too few (53 vs 63). As such, on this technicality the FDA declined to approve REDECTANE® and required that Willex and IBA conduct a confirmatory Phase III study.

An SPA was negotiated in late 2013 that confirms the FDA requirements for a confirmatory Phase III trial in order to grant a product approval.

With a regulatory setback for both the therapy (naked mAb and RENCAREX®) and the imaging program (REDECTANE®), Willex made the decision not to further pursue both programs. The IBA-Willex partnership was terminated in 2014 and in 2015, IBA decided to divest their molecular imaging business. In 2014 Dr Behrenbruch commenced discussions with Willex about potentially completing the development work for REDECTANE® due to the belief that there was still an overwhelming unmet need for better tools to diagnose and stage ccRCC.

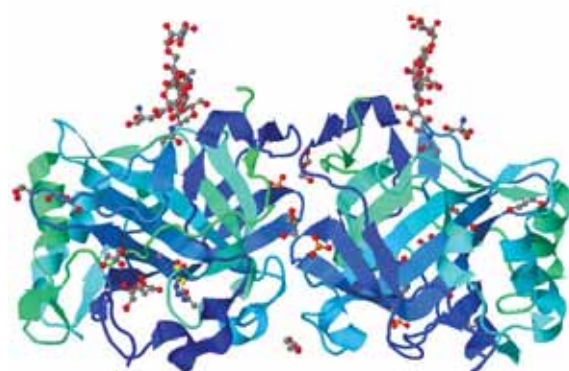
Dr Behrenbruch negotiated a term sheet with Willex in 2015 that was signed in early 2016. Originally the parties negotiated a worldwide licence to develop the REDECTANE® imaging indication. However in December 2015 promising clinical data was published in the Journal of the European Association of Urology, detailing a Phase II study with ¹⁷⁷Lu-Girentuximab in a therapeutic study run at Radboud University Medical Centre (RUMC) in the Netherlands.⁹⁰ On the basis of this data, the Willex term sheet was re-negotiated to include both diagnostic and therapeutic pharmaceutical rights and a definitive licence agreement was executed by Telix in January 2017 concurrent with seed financing.

3.6.3 TLX-250 Target: CA-IX

Carbonic Anhydrase 9 (CA-IX) is a membrane protein that catalyses the reversible hydration of carbon dioxide to form bicarbonate. CA-IX is involved in various biological roles involving pH regulation including tumour growth and metastases.⁹¹ Normal CA-IX tissue distribution is limited to minimal expression in the large bile duct and stomach mucosal cells⁹² but is highly expressed in a range of cancers including renal, lung, cervical, ovarian, oesophageal, and breast carcinomas.⁹³

As such, CA-IX exhibits ideal characteristics for both a diagnostic and therapeutic target for MTR drug development with effectively no expression in healthy kidneys but high levels in renal cell carcinomas (RCC). Indeed CA-IX is almost ubiquitous in clear cell RCC, which is the most prominent and aggressive subtype of RCC the disease. Moreover, the level of expression correlates to clinical outcome in which high CA-IX levels equate to a favourable prognosis and a greater likelihood of response to treatment.⁹⁴

Figure 24: The Structure of CA-IX⁹⁵



3.6.4 Mechanism of action

TLX-250 is a “classic” MTR program, both in terms of the imaging and therapeutic components. The mechanism of action is predominantly the delivery of a radionuclide payload to the tumour.

For both TLX-250i and TLX-250t, a very small mass dose is used (~10mg) to deliver the MTR effect. This is one of the advantages of MTR, both in terms of clinical safety and also cost of goods.

3.6.5 Clinical experience

Imaging: Between commercial and academic studies, approximately 400 patients have been imaged using various radiolabelled forms of Girentuximab, including a gold standard comparison to histology. This is a validated and safe procedure with no appreciable side-effects or patient risks.

90. Muselaers, CH et al. (2016) Phase 2 Study of Lutetium ¹⁷⁷-Labeled Anti-Carbonic Anhydrase IX Monoclonal Antibody Girentuximab in Patients with Advanced Renal Cell Carcinoma, Eur Urol 69(5):767-70 (Epub 23 Dec, 2015).

91. Gut MO et al. (2002) Gastric hyperplasia in mice with targeted disruption of the carbonic anhydrase gene Car9. Gastroenterology;123(6):1889-903.

92. Oosterwijk E et al. (1995) The use of monoclonal antibody G250 in the therapy of renal-cell carcinoma. Semin Oncol;22(1):34-41.

93. Pastorekova, S. et al. (2004) Cancer Therapy 2, 245-262.

94. Bui MH et al. (2004) Prognostic value of carbonic anhydrase IX and Ki67 as predictors of survival for renal clear cell carcinoma. J Urol; 171:2461-6 .

95. Alterio, V. et al. (2009) Crystal structure of the catalytic domain of the tumor-associated human carbonic anhydrase IX. Proc.Natl.Acad.Sci.USA 106: 16233-16238 .

Therapy: Approximately 1,000 patients have been treated with Girentuximab, in both “hot” and “cold” forms. Willex’s Phase III ARISER study alone recruited 864 patients who received extensive repeat dosing over a 24 week period. The antibody itself has an excellent safety profile and is well tolerated.

3.6.6 Development strategy - Imaging

Due to the late-stage nature of the Girentuximab imaging program developed by Willex, including preparation of a Biologics License Application manufacturing package for REDECTANE®, Telix’s intent is to proceed as quickly as possible to a product approval for TLX-250i. A key part of the Telix strategy is to implement a commercially viable production method for our products. To this end, the Company has made important manufacturing modifications to the program.

Telix is currently preparing regulatory submissions to both the FDA and EMA in parallel and, subject to FDA and EMA approval of those submissions, this program is expected to proceed with a (confirmatory) Phase III trial within 6 months.

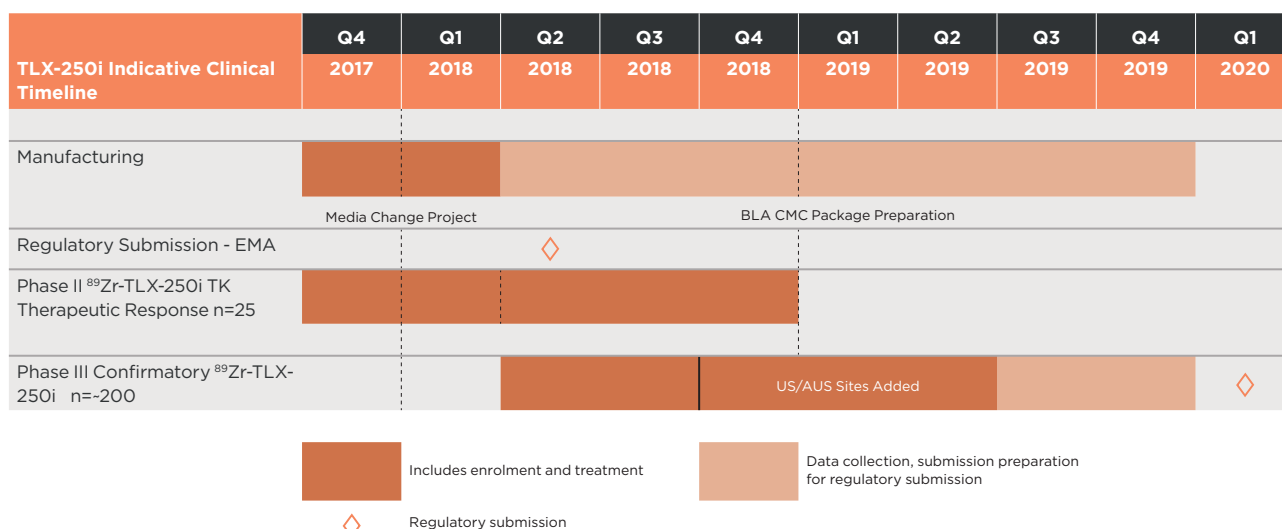
TLX-250i is a significant commercial focus for Telix, based on a progressive set of indications:

1. The first indication (for the confirmatory Phase III trial) will be for patients with suspected or confirmed primary ccRCC to confirm the diagnostic accuracy, medical utility and pharmacoeconomic impact of TLX-250i PET and CT Imaging in patients scheduled for surgical procedure. The size of the study is expected to be approximately 200

patients, and it is expected to run across 8-10 centres in the US, EU and Australia. This indication represents an opportunity to access around 70,000 patients in the US and EU5, based on radiographically indeterminate renal findings from abdominal CT alone.

2. If product approval is obtained, the Company has the opportunity to run several small data-gathering studies to support indication expansion. The first indication expansion will be for staging suspected or confirmed recurrence and metastatic patients. This would provide access to an additional 30,000 patients within the US and EU5 for the product.
3. As discussed in section 2.7.1.4, the standard of care in the treatment of ccRCC are tyrosine kinase inhibitors. Telix has agreed to collaborate with MSKCC to study the effect of imaging with TLX-250i pre and post-TKI therapy in order to measure treatment response. This is an example of where the aggressiveness of the disease may warrant the use of imaging to rapidly transition patients onto an alternative therapy if an initial drug regime is shown to be ineffective.
4. The target that is imaged by TLX-250i – CA-IX – is an important cell surface target in many cancers, not just ccRCC, and there is significant room for indication expansion beyond RCC. There are other cancers for which conventional imaging, for a variety of reasons, is not sufficiently sensitive or specific to detect disease or correctly stage patients. There is a valid scientific rationale for TLX-250i imaging in testicular, ovarian and lung cancer.

Figure 25 sets out Telix’s indicative timeline for TLX-250i

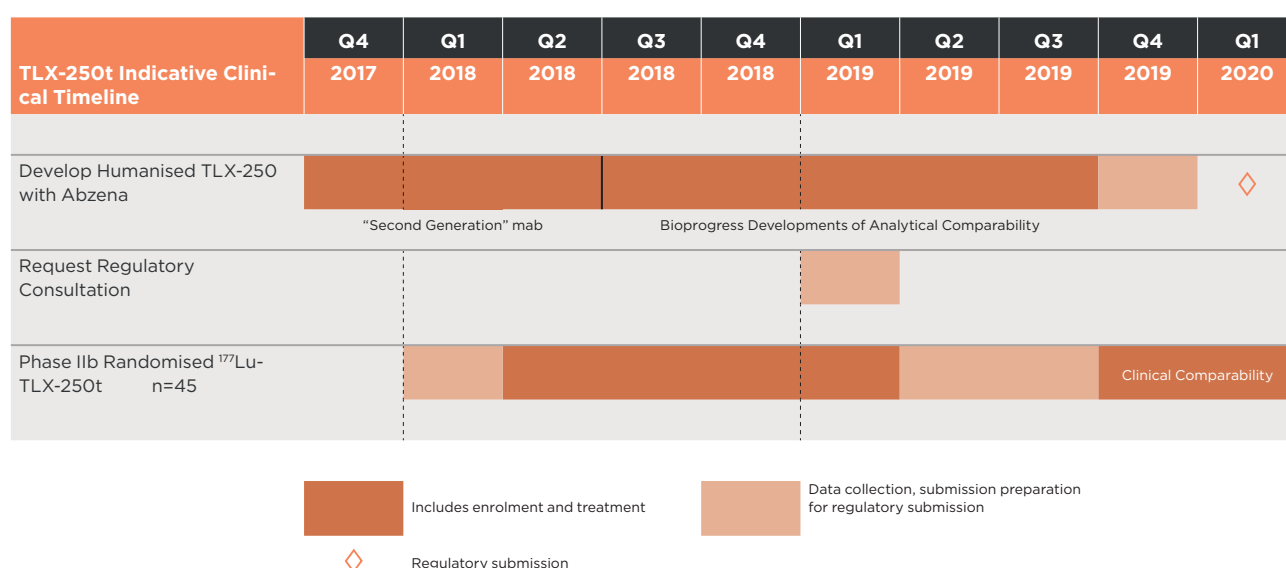


3.6.7 Development strategy – therapy

The therapeutic focus for the TLX-250t program is solely ccRCC at this time. Telix has obtained sufficient GMP material to be able to conduct a highly focused study in approximately 45 subjects at 5-6 centres. The trial will be structured as a multi-arm Phase II study to optimise the dosing of TLX-250t, as well as evaluate the combination use with immuno-oncology drugs.

Telix is in active discussions with clinical and commercial collaborators for this study given the interest around radiation-induced antigen release and its potential importance to immuno-oncology. Although a comparatively small study, it is expected to produce sufficient clinical data (combined with existing data) to evaluate the feasibility of a Phase III development strategy for the program.

Figure 26 sets out Telix's indicative timeline for TLX-250t



3.6.8 Regulatory status

The ¹²⁴I variant of the TLX-250 imaging program has previously been granted an SPA from the FDA. Telix has developed a clinical protocol for the TLX-250t therapy program and is preparing the requisite package for consultation with the FDA, planned for early 2018.

3.6.9 Potential for indication expansion

As discussed in the imaging development plan, CA-IX is a very promising target in a number of cancers because it is commonly expressed in late-stage disease and high expression is believed to be correlated with poor prognosis. Therefore TLX-250i is a natural patient selection tool to study the potential of TLX-250t in a range of other malignancies.

The imaging program lends itself to indication expansion once approved. Relatively simple studies, even investigator-initiated studies and collaborations, can be used to capture data for new indications at relatively low cost and risk.

Once a product is approved, investigator experimentation in other non-indicated disease areas is very common for new products and may also help to build a repository of clinical knowledge around other clinical application areas.

For TLX-250t, the Company's resources will be focused on the impact of therapy on ccRCC in combination with the current standard of care because it believes that the data obtained to date with both "naked" antibody (RENCAREX®) and ¹⁷⁷Lu academic studies warrant further clinical evaluation. A growing understanding of the potential role of MTR in combination with immuno-oncology therapies also supports the potential clinical utility of TLX-250t. Once it is able to obtain a more robust set of efficacy data, Telix will also be in a better position to determine other indications that could be considered for this technology.

3.7 Program overview: TLX-591 (prostate cancer)

3.7.1 Description

The TLX-591 program is based on a radiolabelled humanised mAb targeting PSMA, a cell surface target that is almost ubiquitously expressed on the surface of prostate cancer cells, virtually irrespective of the disease stage.⁹⁶ TLX-591 is derived from huJ591, perhaps the most widely studied anti-PSMA mAb in the clinic, with 13 clinical trials in total. However, TLX-591 has a number of protein modifications to the huJ591 antibody that improve both its biological properties and its manufacturability, however from a regulatory vantage they are very similar proteins. Both TLX-591 and huJ591 bind to the dimer form of PSMA receptor and do not have a discernible signalling or antibody-dependent cell-mediated cytotoxicity effect. This, combined with relatively fast clearance for an intact mAb, makes huJ591 (and therefore TLX-591 by extension) a promising vehicle for MTR.

3.7.2 Asset origins

The original huJ591 mAb was developed by Dr Neil Bander at Weill Cornell Medical Centre (**WCMC**) in New York.⁹⁷ Dr Bander is an internationally recognised urologic oncologist who has pioneered the field of targeted PSMA therapy. Dr Bander is a principal of BZL Biologics, LLC (**BZL**), which has in-licensed a suite of PSMA-related technology from WCMC (and other commercial partners). Dr Bander is a member of Telix's SAB.

In 2001, BZL completed a development deal with Millennium Pharmaceuticals (now Takeda) (**Millennium**) to develop a non-radioactive cytotoxic antibody drug conjugate. This technology pre-dated the type of stable linker technology subsequently developed by companies such as Seattle Genetics (NASDAQ: SGEN) and was not a clinical success. As part of the Millennium deal, a cross-licence agreement was implemented with Medarex (now Bristol Myer Squibb) for a set of PSMA patents (the "Israeli Patents" – see section 9). The program was returned to BZL in 2006, including the cross-licence.

Meanwhile, Dr Bander commenced development of the radioactive forms of huJ591 in an academic setting – exploring various diagnostic (¹¹¹In, ⁸⁹Zr) and therapeutic (⁹⁰Y, ¹⁷⁷Lu) isotopes. The first Phase I data with ¹⁷⁷Lu-huJ591 was published in 2005 and showed promising anti-tumour effects. This was followed by a number of years of academic

clinical research to understand the therapeutic efficacy, notably a number of dose-escalation and fractionation studies to characterise dose-limiting toxicity. This culminated in a Phase II "single shot" dose escalation study published in 2013 and a fractionated dose study in 2016.⁹⁸

In 2011, BZL out-licensed the rights to huJ591 for use with ¹⁷⁷Lu and ²¹¹At (Astatine) to Atlab Pharma SAS (**Atlab**).

Atlab was co-founded by Professor Jean-Francois Chatal, a colleague of Dr Bander's (and a highly respected pioneer in the field of MTR), and Dr Jean-Marc Le Doussal, a biotechnology entrepreneur. Atlab raised approximately €3.4M in seed funding from sophisticated investors and received several industry-academia development grants to conduct clinical studies in Europe, in particular in collaboration with the University of Nantes. Professor Chatal is a member of Telix's SAB.

However, development progressed slowly at Atlab due to a lack of funding. In late 2014, a Phase IIb protocol was developed by Atlab that could be executed in the US and France, subject to financing. In early 2015, Dr Behrenbruch commenced discussions with Dr Le Doussal to bring the Atlab ¹⁷⁷Lu-huJ591 program into Telix.

In parallel, the Telix team started to plan a number of modifications to the huJ591 program that would achieve two objectives. Firstly, at high doses, ¹⁷⁷Lu-huJ591 demonstrated a significant percentage of grade 3/4 hematologic toxicities and although the therapy at other doses is very well tolerated, there are a number of engineered improvements to the mAb that could be implemented to improve kinetics and reduce toxicity, particularly bone marrow toxicity. Secondly, the huJ591 production process, like that of the Girentuximab (TLX-250) program, was outdated and in need of modernisation.

As part of discussions with vendors that could accomplish a number of these tasks for the Company, Telix became aware of two new pieces of IP developed by Abzena PLC (**Abzena**). Abzena, formerly Antitope Ltd, was the company that had performed the original humanisation of J591 (a mouse monoclonal antibody) to huJ591. Abzena continued to use J591 as an in-house reference standard as further humanisation technology was developed. As a consequence, Abzena patented several useful modifications to huJ591 that accomplished part of Telix's product improvement objectives. These were in-licensed to Telix in July 2017 along with a concluded master services agreement to make further protein engineering enhancements to huJ591.

96. Kasperzyk, JL et al. (2013) Prostate-specific membrane antigen protein expression in tumor tissue and risk of lethal prostate cancer, *Cancer Epidemiol Biomarkers Prev.* 22(12): 2354–2363.149.

97. Nanus, DM et al. (2003) Clinical use of monoclonal antibody HuJ591 therapy: targeting prostate specific membrane antigen. *J Urol* 70(6 Pt 2):S84-8.

98. Teo, MY (2016) Prostate-Specific Membrane Antigen-Directed Therapy for Metastatic Castration-Resistant Prostate Cancer, *Cancer J.* 22(5): 347–352 & Tagawa ST et al. (2013) Phase II study of Lutetium-177-labeled anti-prostate-specific membrane antigen monoclonal antibody J591 for metastatic castration-resistant prostate cancer, *Clin Cancer Res* 19(18):5182–91 & Tagawa ST et al. (2016) Final results of 2-dose fractionation of ¹⁷⁷Lu-J591 for progressive metastatic castration-resistant prostate cancer (mCRPC), *Journal of Clinical Oncology* 34, no. 15.

Through a combination of the in-licensed Abzena IP and a research collaboration with Atlab, Telix has an extensive set of pre-clinical, clinical and manufacturing data to de-risk a major product development for an antibody-based ^{177}Lu -PSMA therapy. As discussed in section 10.4.3, Telix also has the right to acquire Atlab (via the Atlab Option) should it wish to include certain IP rights in relation to combination therapies in the Company's long-term development roadmap.

3.7.3 TLX-591 target: PSMA

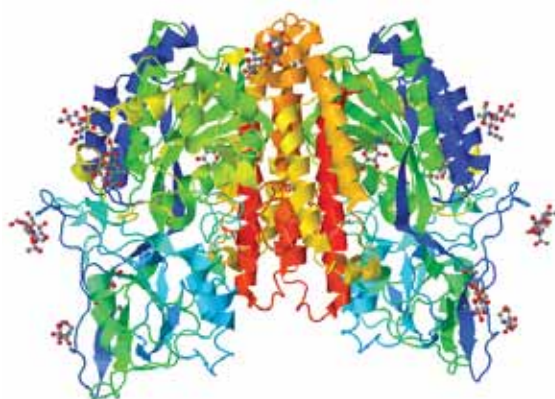
PSMA is almost ubiquitously expressed in prostate cancer, and is also expressed, to a much lesser extent, in other tissues such as kidneys (in the renal proximal tubules), salivary and lacrimal glands, lungs, small intestine, and brain (in astrocytes).⁹⁹ However, these healthy tissues express PSMA at levels 2–3 orders of magnitude lower than those observed in more than 95% of clinical prostate cancer samples and are not biologically accessible to antibodies.¹⁰⁰

PSMA is also expressed in the neovasculature (newly formed blood vessels) of numerous other solid tumours, including bladder, pancreas, lung, and kidney cancers, but is not expressed by healthy blood vessels.¹⁰¹ In addition to a high degree of discrimination for cancer tissue, the level of PSMA expression in prostate cancer tissue samples also correlates with tumour aggressiveness, metastatic potential and likelihood of recurrence. The specificity to prostate cancer tissue and correlation of expression with the severity of disease makes PSMA a highly suitable target for the detection and treatment of primary and metastatic prostate cancer.

3.7.4 Mechanism of action

TLX-591t delivers a therapeutic dose of ^{177}Lu to prostate cancer cells that are over-expressing PSMA. While a number of groups are developing ^{177}Lu -labelled small molecule and peptides targeting PSMA, the antibody-based approach chosen by Telix has several advantages. Normal tissue PSMA sites are highly polarised to the apical or luminal aspect of the benign prostatic glands, renal tubules and small bowel, basement membrane and epithelial tight junctions, and as such are effectively inaccessible to circulating antibodies. PSMA expression by astrocytes is similarly sequestered behind the blood-brain barrier. Consequently, antibodies to PSMA are functionally tumour-specific, whereas small molecule PSMA ligands excreted via the renal tubular lumen are not. Small molecule and peptide therapies targeting PSMA, with various therapeutic isotopes, have demonstrated serious off-target effects, such as pancreatitis, latent nephrotoxicity and salivary or lacrimal gland ablation.¹⁰²

Figure 27: Crystal Structure of a PSMA dimer¹⁰³



99. Lee, F et al. (2014) Expression of prostate-specific membrane antigen (PSMA) on circulating tumor cells (CTCs) in castration-resistant prostate cancer, *Journal of Clinical Oncology* 32, no. 4_suppl:266.

100. Holland JP et al. (2010) ^{89}Zr -DFO-J591 for immunoPET imaging of prostate-specific membrane antigen (PSMA) expression in vivo, *J Nucl Med* 51(8): 1293–1300.

101. Milowsky, MI et al. (2007) Vascular Targeted Therapy With Anti-Prostate-Specific Membrane Antigen Monoclonal Antibody J591 in Advanced Solid Tumors, *Journal of Clinical Oncology* 25, no. 5:540–547.

102. Hohberg, M et al. (2016) Lacrimal Glands May Represent Organs at Risk for Radionuclide Therapy of Prostate Cancer with [^{177}Lu]DKFZ-PSMA-617, *Mol Imaging Biol* 18(3):437–45.

103. Davis, MI et al. (2005) Crystal structure of prostate-specific membrane antigen, a tumor marker and peptidase, *PNAS* 102(17): 5981–5986.

3.7.5 Clinical experience

Several hundred patients have been dosed with huJ591 (in various forms) and it has proven to be a safe and well tolerated antibody. TLX-591t, derived from huJ591, is expected to be similarly safe and well tolerated and will require a comparability (and dosimetry) study with ¹⁷⁷Lu-huJ591 prior to commencing Phase II. To date, approximately 165 patients have been treated with ¹⁷⁷Lu-huJ591 MTR therapy over a wide range of doses and fractionation programs. At 40-45mCi/m² doses, ¹⁷⁷Lu-huJ591 therapy has a similar hematologic toxicity profile to small molecule/peptide ¹⁷⁷Lu-PSMA therapy at the 2-4GBq range, with approximately 15% of patients experiencing grade 3/4 hematologic toxicity, requiring a platelet transfusion. The stand-out attribute of ¹⁷⁷Lu-huJ591 therapy is its therapeutic efficacy. From a pooled analysis of 67 patients

treated with low- and high-dose therapy in Phase I and Phase II studies (open label and uncontrolled) for a comparable patient population to that studied in the Phase III ALSYMPCA study for Xofigo® (Bayer/Algeta), including a comparable percentage of patients that were classified as chemo-naïve, ¹⁷⁷Lu-huJ591 demonstrated >30 month median survival benefit. This is compared with a 3.6 month survival benefit for Xofigo®. Although there is a need to run controlled trials to validate this survival advantage, and to validate the manufacturing improvements embodied in TLX-591t, the background data is highly supportive of further development of an antibody-based approach.¹⁰⁴ In contrast, the most recently reported survival benefit of PSMA peptide therapy (in similarly conducted clinical trials) was 30-40 weeks (around 25% of the treatment duration robustness of comparable antibody-directed MTR therapy).¹⁰⁵

Figure 28 shows a comparison between the standard care Xofigo® and anti-PSMA antibody therapy (on which TLX-591 is based) in a comparable patient population

The antibody-directed therapy suggests approximately 10x the survival benefit, although this needs to be verified by Telix in a larger patient population.

	Xofigo® (²²³ Ra Salt)	TLX-591 (¹⁷⁷ Lu-huJ591)
Source	NEJM 2013, July 2013	Clinical Cancer Research 2013, ASCO 2013/2015
Study	Phase III ALSYMPCA Drug (n=614) vs placebo (n=307) Randomized	Phase I & II Studies High Dose Fractionated (n=26) vs Low Dose (n=41) Non-Randomized
Population	M+ CRPC 43% Docetaxel Naïve	M+ CRPC 50% Docetaxel Naïve
30% PSA Decline	16% vs 6%	44% vs 5%
50% PSA Decline	NA	32% vs 5%
Median PSA PFS Months	2.4 vs 2.1 (HR=0.7, p<0.001)	3.2 vs 1.4 (HR=0.3, p<0.001)
Median OS Months	14.9 vs 11.3 (HR=0.7, p<0.001)	47.8 vs 15.3 (HR=0.22, p<0.001)
Alive at 2 Year (%)	30% vs 18% (estimated)	80% vs 20% (estimated)
Mechanism of Action	Bone Irradiation	Targeted Radiation to Cancer Cells
Indication	Bone Mets Only	All Tumours (Bone and Soft Tissue)

104. Parker, C et al. (2013) Alpha emitter radium-223 and survival in metastatic prostate cancer N Engl J Med. 18;369(3):213-23.

105. Yadav, MP et al. (2017) ¹⁷⁷Lu-DKFZ-PSMA-617 therapy in metastatic castration resistant prostate cancer: safety, efficacy, and quality of life assessment, Eur J Nucl Med Mol Imaging 44:81-91.

3.7.6 Development strategy — imaging

In terms of developing a precision-medicine strategy for TLX-591t, Telix does not intend to develop an imaging program in-house. This is because there are a significant number of prostate imaging programs that are in late-stage development or even recently commercialised (discussed in section 2.7.2.2). ¹⁷⁷Lu has a gamma emission component that is suitable for SPECT imaging but the images are not of diagnostic quality and are only really suitable for patient dosimetry. Given the product congestion in the prostate imaging space, Telix believes that the best approach is to partner with existing PSMA imaging technologies that are readily accessible to Telix and are currently engaging in discussions regarding such partnerships.

3.7.7 Development strategy — therapy

The LATITUDE clinical results presented by Johnson & Johnson for Abiraterone (Zytiga®) at ASCO in 2017¹⁰⁶ means that “second generation” anti-androgen drugs are likely to become front-line treatment for mCRPC (in patients with rising PSA following hormone therapy). The trial data suggests that using Zytiga® in front-line mCRPC significantly improves both discussion progression and overall survival, for at least a year. This will impact the future characteristics of the metastatic patient population and this needs to be factored into the development plan. Androgen deprivation therapy is a cornerstone of prostate cancer treatment and it is common for patients to be switched from one anti-androgen (eg. Abiraterone/Zytiga®) to another (eg. Enzalutamide/Xtandi®) in order to prolong androgen deprivation before switching to other treatments.¹⁰⁷ End-stage chemotherapy can bring benefit to patients but it is a severe treatment regimen and is generally a last resort in terms of patient burden and side-effect profile.

As such, Telix intends to run a Phase IIb TLX-591t study in men with mCRPC that are transitioning between different androgen deprivation therapies. This is a significant and clearly identifiable patient population, with a relatively short prolongation of androgen deprivation (typically 3-4 months). Although the trial will capture overall survival in follow-up, time-to-progression is a meaningful end-point for a Phase II study and can be captured by both PSA rise and imaging studies. With time-to-progression as the primary end-point, this can be a relatively fast study to complete and the Company expects to be able to be concluded within 18 months from commencement. The study is planned to enrol around 120 patients from 10-12 clinical sites.

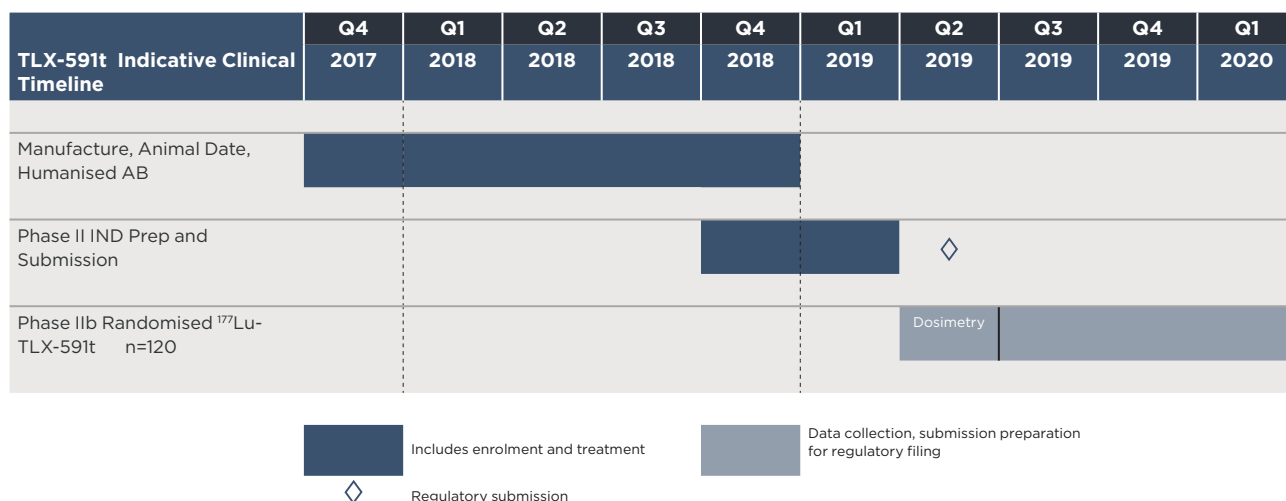
There are several market dynamics that favour the approach of TLX-591t:

- Changes to patient management based on important studies such as LATITUDE will likely prolong survival for men on androgen deprivation therapy, but will also ultimately create a larger pool of relapse mCRPC patients that will require image-based monitoring and therapeutic options other than end-life chemotherapy. MTR potentially presents an attractive alternative for those patients.
- Earlier use of “advanced” androgen therapy will have a significant long-term impact on the cost of healthcare because of the duration of treatment. This will give a boost to the pharmacoeconomic profile of ¹⁷⁷Lu-TLX-591 therapy, for which a short and cost-effective course of treatment has the potential to give very durable results, especially in chemo-naïve patients.
- The prostate cancer treatment landscape includes several drugs that are off-patent, including abiraterone (Zytiga®). This will create a driver for new commercial opportunities to boost the franchise value of prostate cancer drug portfolios. Our Phase IIb study will explore how TLX-591t potentially integrates with the current standard of care, including anti-androgen drugs such as Zytiga®, potentially paving the way for new approaches to combination therapy.

106. Fizazi, K et al. (2017) Abiraterone plus Prednisone in Metastatic, Castration-Sensitive Prostate Cancer, *N Engl J Med* 377:352-360.

107. Sartor, O et al. (2014) Treatment sequencing in metastatic castrate-resistant prostate cancer, *Asian J Androl*. 16(3): 426-431.

Figure 29 sets out Telix's indicative development timetable for TLX-591t



3.7.8 Regulatory status

Telix is preparing for a manufacturing run of clinical material for the next set of clinical trials. Of the three lead pipeline programs, TLX-591 is the only program for which the Company does not currently have manufactured material ready to commence clinical studies. A complete analytical and validation package is a pre-requisite for filing an investigational new drug (IND) application. The Company will seek a meeting with the FDA to discuss the clinical strategy and present initial comparability data for TLX-591t (with huJ591) around mid-2018.

3.7.9 Potential for indication expansion

PSMA is a neovascular target that is expressed in many other cancers. Although Telix has no immediate investment plans to explore PSMA therapy in any indications outside of prostate cancer, there may be collaborative opportunities – either commercially or academically – to do so.

3.8 Program overview: TLX-101 (Glioblastoma)

3.8.1 Description

The TLX-101 platform is based on 4-L-iodo-phenylalanine, a small molecule that targets the LAT-1 transporter (see section 3.8.3). It is a very versatile iodinated synthetic amino acid that can be labelled with ¹²⁴I for PET imaging, ¹²³I for SPECT imaging and ¹³¹I for therapy, using the same basic chemistry. Through both imaging and therapeutic studies, it has shown promise in the management and treatment of GBM.¹⁰⁸

3.8.2 Asset origins

Several academic groups have experimented with various forms of iodinated phenylalanine, mostly as an imaging agent. Compared to other LAT-1-targeting small molecules such as ¹⁸F-FACBC (marketed as Axumin® by Blue Earth Diagnostics), it was found to have slower kinetics (wash-out) which produced lower contrast images.¹⁰⁹ Based on the pharmacology of TLX-101, mostly gleaned from studying patients with SPECT imaging, Professor Samuel Samnick (University of Würzburg, Germany) began to experiment with therapeutic forms labelled with ¹³¹I (TLX-101t). The new IP captured through these experiences was licensed to Therapie GmbH & Co KG (Dresden, Germany) (Therapeia). Therapie is a company that was owned by Dr Kluge and has been acquired by Telix.

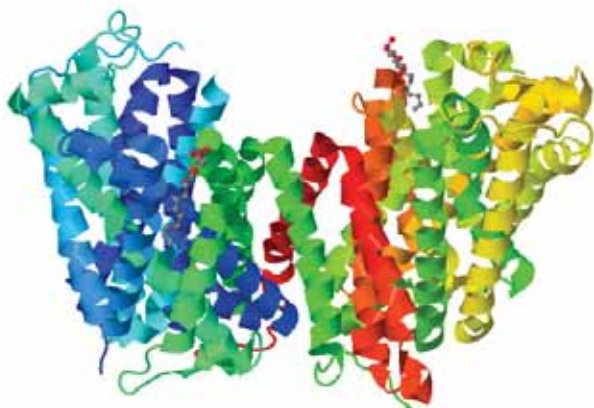
108. Hellwig, D. et al. (2005) Validation of brain tumour imaging with p-[¹²³I]iodo-L-phenylalanine and SPECT, Eur J Nucl Med Mol Imaging 32(9):1041-9 & Baum, RP et al. (2011) Systemic Endoradiotherapy with Carrier-Added 4-[¹³¹I]iodo-L-Phenylalanine: Clinical Proof-of-Principle in Refractory Glioma, Nucl Med Mol Imaging 45(4): 299-307.

109. Turkbey, B et al. (2013) Localized prostate cancer detection with ¹⁸F FACBC PET/CT: comparison with MR imaging and histopathologic analysis, Radiology 270(3):849-56.

3.8.3 TLX-101 target: LAT-1

The large-neutral amino acid transporter 1 (**LAT-1**) is a sodium-independent exchanger protein highly expressed in the blood-brain barrier and various types of cancer, where it mediates the transport of large-neutral amino acids (eg., tyrosine and phenylalanine) and thyroid hormones across the cell membrane.¹¹⁰ LAT-1 expression levels are increased in many types of cancer, including non-small cell lung cancer, multiple myeloma, prostate and GBM.¹¹¹ LAT-1 has a high (>90%) correlation with high-grade glioma tissue and is therefore especially useful for GBM imaging.¹¹² Its expression also increases with advancing disease progression, resulting in higher expression levels in high-grade tumours and metastases (ie. more aggressive diseases).¹¹³ LAT-1 plays an important role in cancer development by supplying tumours with essential amino acids, promoting cellular proliferation, angiogenesis, and mTOR pathway signalling as well as mediating drug and nutrient delivery across the blood-brain barrier, making it a highly promising drug target.¹¹⁴ Importantly, LAT-1 overexpression is also observed in tumour neovasculature.

Figure 30: Structural Homologue of LAT-1¹¹⁵



3.8.4 Mechanism of action

TLX-101t has a triple mechanism of action:

1. a cytostatic effect (slows down cancer growth) likely by reducing the metabolic activity of the cell;
2. a significant radiosensitisation effect, boosting both the effect of the radioactive drug, as well as any concurrently administered EBT (see standard of care information for glioblastoma in section 2.7.3); and
3. is made therapeutically active by labelling it with radioactive iodine (¹³¹I).

TLX-101t is administered via an intravenous (IV) injection and rapidly crosses the blood-brain-barrier.

3.8.5 Clinical experience

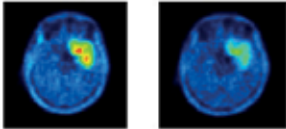
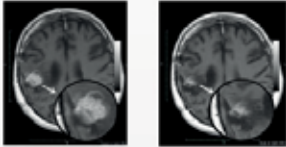
Imaging: 100 patients with clinical and MRI suspicion of low-grade glioma or glioblastoma were imaged with I-TLX-101 /SPECT at the University of Homburg/Saar. The patients were imaged with a 250MBq dose at 0.5, 3 and 25 hours post-injection and compared with the MRI results. Imaging with TLX-101 was determined to have a sensitivity of 88% and a specificity of 95% with no radiation safety concerns (3.3 mSv/test). Some preliminary experience with I-TLX-101 in a small number of patients indicates similar performance with PET. Because of the better image quality, it has been determined that TLX-101i will use I, although this product will only be used as a patient selection and management tool, not sold as a “stand alone” diagnostic (ie. in the course of therapy).

110. Kanai Y. et al. (1998) Expression cloning and characterization of a transporter for large neutral amino acids activated by the heavy chain of 4F2 antigen (CD98). *J Biol Chem.* 273(37):23629.
111. Kobayashi K. et al. (2008) Enhanced tumor growth elicited by L-type amino acid transporter 1 in human malignant glioma cells. *Neurosurgery* 62(2):493-503.
112. Nawashiro, H. et al. (2006), L-type amino acid transporter 1 as a potential molecular target in human astrocytic tumors. *Int. J. Cancer*, 119: 484-492.
113. Kaira K. et al. (2008) L-type amino acid transporter 1 and CD98 expression in primary and metastatic sites of human neoplasms. *Cancer Sci.* 99(12):2380-6.
114. Roberts L.M. et al. (2008) Subcellular localization of transporters along the rat blood-brain barrier and blood-cerebral-spinal fluid barrier by in vivo biotinylation. *Neuroscience* 155(2):423-38.
115. Geier E. et al. (2008) Structure-based ligand discovery for the Large-neutral Amino Acid Transporter 1, LAT-1 *Proc Natl Acad Sci U S A.* 2013 Apr 2; 110(14): 5480-5485 & Gao, X et al. (2010) Mechanism of substrate recognition and transport by an amino acid antiporter, *Nature* 463: 828-832.

Therapy: In an investigator-initiated pilot investigation conducted by Professor Richard Baum at Zentralklinik Bad Berka (Germany), 5 patients with a mixture of low-grade and high-grade glioblastoma – including two repeat dosings – were evaluated with TLX-101t, in some cases combined with EBT. PET imaging was used to measure objective responses in 4/7 cycles (3/5 patients were responders), with two particularly significant patient responses that lasted in excess of 40 months (published, with histologic confirmation in one patient indicating complete tumour eradication). Based on the pilot study there are no appreciable safety concerns for this therapy, including no evidence of bone marrow depletion (0.24 mGy/MBq dose to the bone marrow). The main side-effects experienced were from the glucocorticoid co-medication (resulting in GI bleeding and infections) and not from TLX-101t itself. Although this is a very preliminary study, the data clearly strongly supports further clinical investigation.

Figure 31 below represents the therapeutic experience to date in 5 patients as part of a pilot study conducted in Germany by Dr Richard Baum.

Figure 31: TLX-101t therapeutic experience to date

Subject ID	Dose/GBq	Diagnosis	Outcome	Comment	
2009-1	2.0	Rec LGG	Response >10M	+ (surv.40 M)	 Baseline SUV 6.6 F/U month 10 SUV 3.3
2011-1	4.0	Rec LGG	Response 3M	Alive > 54 M	
2009-1r	6.6	Rec LGG	Progression	As Above	 Post Tx Biopsy (month 4): No evidence of viable tumour tissue in 5 specimens (TU Munich)
2011-2	6.4+ EBT	Prim GBM	Response (tumour clearance)	+ (GI bleeding)	
2011-3	4.4	Prim GBM	Progression	+ (pneumonia)	 Baseline F/U month 4
2011-4	5.9	Rec GBM	Progression	+ >11	
2011-1r	4.5 + EBT	Rec LGG	Response (Progression after > 3M)	As above	

Terminology:

BGq: gigabecquerel
Rec: recurrent
Prim: primary
M: months

LGG: low grade glioma
GBM: glioblastoma
GI: gastrointestinal
SUV: standard uptake value

3.8.6 Development strategy

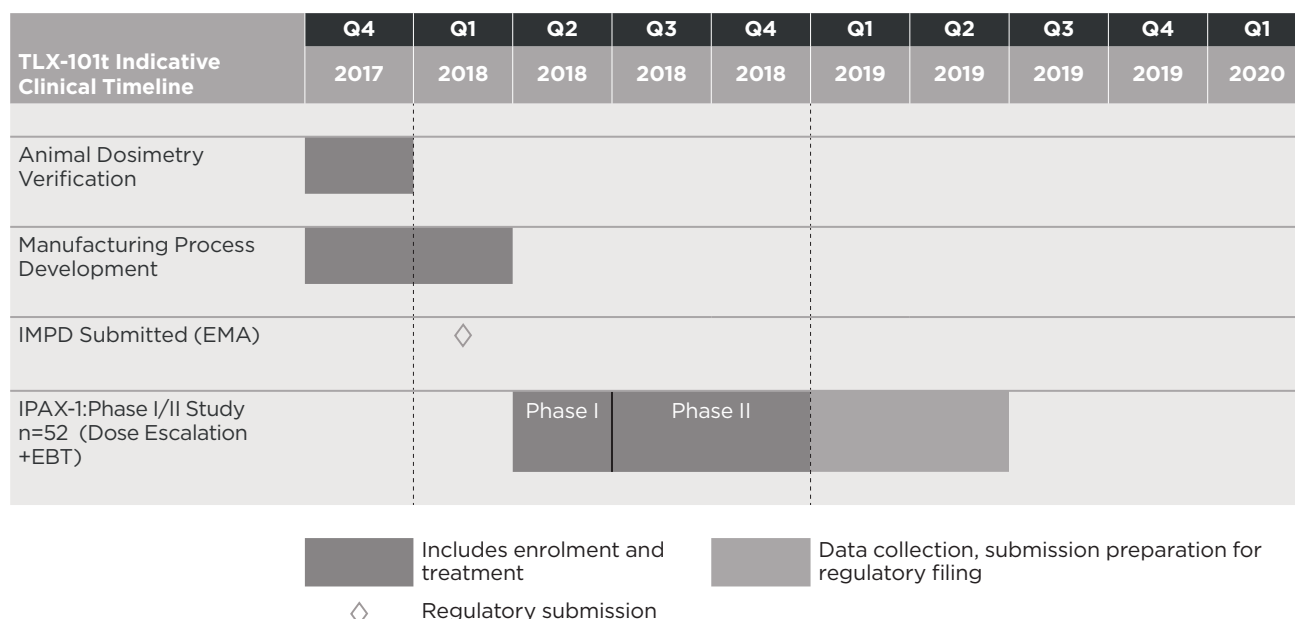
Telix has a good understanding of the pharmacology of this molecule that has been particularly well elucidated by the kinetics information obtained from SPECT and PET imaging. The pilot study has clearly indicated the potential of TLX-101 to significantly prolong life in glioblastoma patients, with the caveat that this study only involved a small number of patients. The therapeutic pilot also hints at the combination benefit of EBT.

With the use of proceeds from the Offer, Telix will conduct an open-label, single-arm, dose-finding Phase I/II study to evaluate safety, tolerability, dosing schedule and preliminary efficacy of TLX-101t, administered as single or repetitive injections in patients with recurrent GBM, concomitantly to second-line external radiation therapy. The study will be referred to as “IPAX-1” (IPA + eXternal beam radiation). The study will include up to 52 patients and will be initially conducted at three clinical sites in the Netherlands, Austria and France – with the possibility of adding a US site and an Australian site at the commencement of Phase II. The Phase I/II study is expected to take approximately 24 months to

complete (subject to regulatory approval in the relevant jurisdictions).

The Company has elected to use a single-arm study because comparator studies in such a medically serious patient population are difficult to justify if there is a genuine belief that the investigational product will add meaningful survival benefits. The primary end-point of the IPAX-1 study will be safety and health-related quality of life scores (based on European Organisation for Research and Treatment of Cancer EORTC-C30 and EORTC-BN20 questionnaires), but secondary endpoints will include survival (PFS/overall survival), changes in radiographic or imaging presentation and dosimetry analysis. In this patient population Telix will be looking for clear evidence of efficacy, even in a Phase I/II study.

Figure 32 sets out Telix’s indicative development timetable for TLX-101t



3.8.7 Regulatory status

A complete clinical protocol has been developed for IPAX-1 and an investigational medicinal product dossier is in preparation. The Company is currently conducting animal dosimetry optimisation studies at the Vrije Universiteit of Brussels to be able to provide regulatory authorities further supporting evidence for the MTR dose, in addition to the German pilot human data. Concurrently, the production radiochemistry is being validated. The Company is expecting to be able to commence the clinical trial by late Q4, 2017 or early Q1, 2018 (subject to regulatory approval).

TLX-101t for GBM has been granted orphan drug designation in the US and EU. This confers a number of benefits to the program, including a higher level of assistance from regulatory authorities, enhanced marketing rights (US: 7 years, EU: 10 years), financial subsidies and tax incentives, and the potential to run smaller (lower cost) clinical trials to achieve product approval.

3.8.8 Potential for indication expansion

As previously discussed, LAT-1 is a meaningful target in a wide range of cancers because it is essential for tumour cell viability. As such the TLX-101 program has a special role in the Telix pipeline because it not only has broad indication expansion potential into other areas of cancer, but it also has the potential to augment the therapeutic effect of the entire pipeline as a combination therapy (either “cold” or “hot”).

There are two areas of indication expansion that the Company intends to pursue over the next 24 months in collaboration with key clinical and commercial collaborators:

1. TLX-101t for multiple myeloma (MM). LAT-1 is a high value target in MM and although the therapeutic landscape for MM has progressed substantially over the last decade, there remains a high proportion of relapse patients for whom there are few treatment options. Telix is currently planning pre-clinical studies in transgenic mouse models to demonstrate proof-of-concept, which may lead to an investigator-initiated study in Europe.

2. TLX-101t to enhance the effect of Selective Internal Radiation Therapy (SIRT) or “microsphere” therapy for ablating liver tumours. LAT-1 is a target that is highly expressed in hepatocellular carcinoma (HCC)¹¹⁶ and the Company believes that the combination of TLX-101t and SIRT could have a significant improvement on treatment durability by further sensitising tumour cells in the liver to radiation. In addition, the use of PET imaging with TLX-101i should be further explored as a staging and treatment planning tool for HCC patients.

3.9 Portfolio synergies

Telix's Portfolio has been selected to implement three major strategic synergies that it believes will significantly enhance the Company's product development:

1. **Technology synergies.** All of Telix's MTR programs have similar development and clinical considerations, and build on a core set of expertise around radiochemistry product development. This is a unique expertise and is scalable to multiple products, both in the human capital Telix employs and in its cost-effective use of specialist service providers.
2. **Commercial synergies.** Telix deliberately chose to develop both a renal (kidney) cancer program and a prostate cancer program, because they ultimately will reach the same clinical stakeholders. Because our renal program is late stage (particularly the imaging component) and highly differentiated, this potentially affords us the opportunity to build a dialogue with urologists and urologic oncologists about prostate MTR in advance of our competition. The Company considers this to be a significant strategic advantage and an opportunity to build awareness of Telix in a fundamental way.
3. **Pipeline clinical synergies.** Telix has an interest in MTR technology that may ultimately benefit the entire product pipeline in a synergistic way. In particular, the TLX-101 program has the potential to be used in combination with TLX-250 and TLX-591 for additional clinical benefit. Once the Company has a more confident understanding of the optimal dosing regimen for TLX-101, it expects to start evaluating its potential as an adjuvant therapy across the entire pipeline.

116. Lu, J et al. (2013) The impact of L-type amino acid transporter 1 (LAT1) in human hepatocellular carcinoma, *Tumour Biol.* 34(5):2977-81.

3.10 Manufacturing strategy and isotope supply chain

Our current approach to manufacturing product for both clinical trials and targeted commercialisation is to use CDMOs. This includes CDMO partners for the pre-cursors (eg. small molecules and antibodies) used in our products, as well as end-stage CDMOs that will incorporate the radionuclides and prepare unit doses for shipment. In the radiopharmaceutical and MTR space, it is typical to use a CDMO or distribution partner because the manufacturing and logistics infrastructure for radioactive products is unique. Telix has no plans at this stage to build or buy manufacturing infrastructure, although this will be strategically reviewed on an ongoing basis as the Portfolio is developed.

Telix has executed manufacturing and supply chain agreements with established companies that are able to provide access to isotopes and manufacturing capacity both for clinical development and planned commercialisation.

3.11 Growth market strategy

Telix has a significant opportunity to deliver differentiated products to several growth markets (outside of the US and EU). For MTR therapies, Japan represents the second largest homogenous market after the US (EU5 is larger but has some variability in healthcare systems and regulation of MTR products). However, Japan has historically been slow to adopt advanced nuclear medicine approaches due to restrictions on importing nuclear material. Nonetheless, recent healthcare policy development in Japan has recognised the cost-effectiveness of MTR technology and there is significant momentum to develop domestic capacity and infrastructure to address Japan's growing cancer patient population.

China is also a major opportunity for Telix and the Company has already started to engage with several leading Chinese healthcare companies in the radiopharmaceutical industry. The Portfolio products have a clear fit with the Chinese Central Politburo's recent healthcare policy implementation around molecular medicine and molecular diagnostics that will likely result in the deployment of a large number of new PET and CT scanners across the country over the next 5-7 years. This explosion in the use of MTR imaging will, in turn, create new commercial opportunities for "companion therapeutics".

3.12 Human capital strategy

Telix has a philosophy of keeping its management team small and dynamic while accessing international expert advice or practical know-how as required. Currently the Company has 5 team members working out of the Melbourne head office, 5 team members under contract through the University of Nantes and a small number of contractors and advisers in Germany and the US.

The Company expects the Melbourne team to grow to approximately 15 employees within 12 months and expects to add 2-3 team members in each of Europe and the US as part of its pre-commercialisation efforts and to liaise with CROs for its clinical activities.

The Company expects to recruit a senior executive position in the EU, US and Japan within 6 months from the Prospectus Date.

3.13 Intellectual property

Telix's success depends in part on our ability to obtain and maintain proprietary protection for our products, product candidates, technology and know-how, to operate without infringing the proprietary rights of others and to prevent others from infringing our proprietary rights.

Telix has an extensive IP portfolio principally held through in-licensing arrangements with Telix's key licensing, development and manufacturing partners (described above).

The Company engaged FPA Patent Attorneys to conduct an independent review of the registered intellectual property associated with Telix, including all patents and patent applications that have been in-licensed from third parties. The Intellectual Property Report of the Patent Attorney is included as section 9.

3.13.1 Radiopharmaceuticals IP overview

Radiopharmaceuticals are comparatively complex to manufacture and handle and the management of isotope supply chains has a significant impact on market dynamics, including market share.¹¹⁷ Radiopharmaceuticals can weather "patent cliffs" somewhat more effectively than traditional biologics or small molecules, and there are examples of radiopharmaceuticals that have become generic but the overall value of the product market has remained stable or even increased.¹¹⁸ Although proprietary IP protection is important, as reflected by Telix's IP strategy, the Company's commercial strategy (through our development, manufacturing, supply and distribution chain) is also key to developing and maintaining market exclusivity for our planned Portfolio products.

117. Ballinger JR (2010) Short- and long-term responses to molybdenum-99 shortages in nuclear medicine, Br J Radiol 83(995):899-901.

118. Avista Capital's very successful acquisition of the radiopharmaceutical division of BristolMyerSquibb, despite the pending expiration of the Cardiolite® patents: <<http://www.healthimaging.com/topics/molecular-imaging/avista-capital-acquire-bristol-myers-medical-imaging>>.

3.13.2 Telix's IP strategy

Most of Telix's IP originates from world-class US and European institutions, and some of our more recent technology acquisitions reflect high-quality Australian innovation. Australian universities and research institutions (including CSIRO and the Australian Nuclear Science and Technology Organisation) have been very active in the radionuclide space, reflecting a capable talent pool that is accessible to the Company.

Telix's IP captures a considerable amount of registered and unregistered IP rights necessary for the ongoing development, manufacture and commercialisation of our core products. Telix's IP portfolio includes not only the basic chemistry, biology and clinical science behind our pipeline, but proprietary rights to synthetic routes, clinical data and manufacturing optimisations that contribute to market exclusivity.

An overview of the classes of IP that are relevant to the Company is set out at Figure 33 below

IP	Summary
Patents	A patent is a limited term monopoly (generally for 20 years), granted by the government of a country to the owner of an invention, which gives its owner the right to prevent others from making, using or selling the invention while the patent is in force. Patent term extensions are available in a number of countries to extend the life of patents on expiry. Telix has rights over 18 patent families.
Know-how	Radiopharmaceutical production is a niche area of manufacturing that combines complex biology (such as targeting agents and cancer signalling pathways), chemistry (conjugation chemistry and formulation) and physics (isotope production and distribution). It takes a highly skilled interdisciplinary team to develop and commercialise products and the integration of a diverse range of scientific principles results in products and processes that are often proprietary. A significant part of our product know-how is not captured in patents, but in detailed and validated processes, which are designed to ensure optimisation in production.
Clinical Data	In the process of consolidating our Portfolio, the Company has acquired a significant amount of clinical data, for example through the various clinical trials that have been completed to date. Some of this data has been published in peer-reviewed journals but much of it has not. One of Telix's operational objectives is to build a highly characterised and indexed database of all the imaging, dosimetry and allied clinical data for both the diagnostic and therapeutic applications of our Portfolio. This will enable the Company to mine the data for hundreds of patients to potentially determine new and innovative ways of designing clinical trials, reducing the risk of trial failure and optimising dose delivery to maximise diagnostic and therapeutic efficacy. This data is expected to be a valuable asset of the Company.
Biological Resources	Most of the Portfolio uses biologics-based approaches (eg. antibodies and proteins) to deliver targeted radiation. Unlike chemistry-based approaches, the commercialisation of biologics depends heavily on the validation of biological materials (eg. genetic constructs, cells and reference materials) that are typically proprietary in nature. This validation is analytically complex and involves managing biological resources under strictly controlled and monitored conditions, which is naturally a barrier to competition. Several of Telix's material licence agreements relate not only to patents but to cell lines and other biological resources that are necessary to effectively manufacture and commercialise the Portfolio products. Telix has rights to use a number of existing resources or manufacture its own resources for its own use. The resources are difficult and time-consuming to re-implement and validate, and thus also represent a significant barrier to entry for potential competition.

IP	Summary
Trademarks	Trademarks are a way of identifying a unique product or service and protecting it through branding. Telix's trademark portfolio is limited, mainly because it is typical for biotechnology companies to brand products at a very late stage in clinical development. Moreover, it is necessary to engage closely with regulators in the branding process to ensure that there are no perceptual or prescribing ambiguities associated with product branding. To date, the Company's trademark capture has focused on the Company name and logo. The Company expects to invest in branding and trademarks as programs enter late-stage development.

Telix's strategy is to protect its existing IP rights through maintaining, defending and enforcing existing patents and trademarks that it owns or has exclusive rights to in Australia, Europe, the US and various other foreign jurisdictions and rely on its other rights to develop and maintain its proprietary position. The Company will rely on patent term extensions and other regulatory market exclusivities (described further below) where possible to enhance exclusivity within the market and seek to ensure that its Portfolio rights remain within the ownership and control of the Telix Group through its licensing arrangements with third parties.

The Company will also monitor IP developments of its Portfolio products and those of its competitors. Telix will actively seek to file additional patent applications as warranted by its research and development activities and potentially acquire rights to complementary assets through additional licensing or acquisition activity. Telix has identified certain key areas where either filing IP or acquiring access to third party platform technologies is expected to durably protect its Portfolio products.

3.13.3 Renal (TLX-250) Portfolio

IPR	Summary
Background Rights	Wilex Telix has an exclusive worldwide licence from Wilex, with freedom to sublicense, to use Wilex IP to develop and commercialise "Girentuximab" labelled with any radioactive isotope for diagnostic and therapeutic use. A small subset of European countries are excluded from the exclusive therapeutic use licence that the Company does not consider to be an impediment to generally commercialising the therapy in Europe. University of Melbourne Telix has an exclusive worldwide licence from the University of Melbourne, with freedom to sublicense, to use University of Melbourne IP patents for the use of zirconium squarate conjugated to biological molecules as imaging agents for radiodiagnostic purposes.

IPR	Summary
Patents	Wilex Various patents have been in-licensed on an exclusive basis from Wilex (both owned and in-licensed). The core patent family is protected out to 2022, and various complementary patents and patent applications extend this timing out until beyond 2030. The patents provide coverage in major jurisdictions such as US, EU, Japan, Australia and China. University of Melbourne The University of Melbourne patent family is protected until beyond 2035. The patents provide coverage in major jurisdictions such as US, EU, Japan, Australia and China.
Know-how and clinical data	Wilex Telix has considerable know-how in-licensed from Wilex on an exclusive basis, reflective of development for late stage diagnostic and therapeutic assets. This includes all technical, regulatory and clinical information, know-how, processes, procedures, methods, formulae, protocols, techniques, software, data and other IP and information that is necessary or useful for the research, development, manufacture and commercialisation of TLX-250. Telix will hold proprietary rights in respect of all improvements to such know-how generated by or on behalf of Telix. University of Melbourne Telix has a non-exclusive licence from the University of Melbourne, with freedom to sublicense, to use all associated know-how relating to the University of Melbourne patent family.
Biological Resources	Wilex In addition to the patents and know-how, Telix has exclusive rights to use certain existing GMP physical antibody materials from cell lines licensed by Wilex, in addition to all new GMP antibody material produced by Telix based on IP licensed from Wilex. University of Melbourne At this stage there are no biological resources incorporating the University of Melbourne IP as this is new technology.
Trademarks	Wilex Telix has access through Wilex to important trademarks that are relatively recognised in our industry, including Lutarex® (¹⁷⁷Lu-Dota-Girentuximab) and REDECTANE® (¹²⁴I-Girentuximab). The Company has not yet determined if it will use these trademarks in its product branding strategy. University of Melbourne No current trademarks, however Telix will consider whether any separate trademarks will be used to market University of Melbourne IP and whether to seek trademark protection, if commercialisation is achieved.

3.13.4 Prostate (TLX-591) Portfolio

IPR	Summary
Background Rights	Abzena Telix has an exclusive worldwide licence, with freedom to sublicense, to use Abzena IP in order to use Abzena's antibody technology in relation to anti-PSMA applications.
	Atlab and the Atlab Option Atlab has exclusive rights to develop and commercialise huJ591 radiolabelled with ¹⁷⁷Lu (program termed ATL101) and radiolabelled with Astatine-211 (termed ATL201) (and any other derivatives or fragments thereof), pursuant to Atlab's licence arrangements with BZL. Of particular interest to Telix is specific Atlab intellectual property around the combination use of anti-PSMA agents and anti-androgen drugs. Telix is entitled to use all IP owned and licensed by Atlab for product development purposes in accordance with the Atlab Agreement until exercise or expiry of the Atlab Option (refer to section 10.4.3). Telix will acquire all such rights if it exercises the Atlab Option. Telix is currently evaluating Atlab's IP. As at the Prospectus Date, the Board has not resolved whether to exercise the Atlab Option. As at the Prospectus Date, the Company believes that it is able to commercialise the TLX-591 program without exercising the Atlab Option. The benefit of the Atlab Option is that Atlab has certain data and licensed patent rights that may enlarge the commercial scope of TLX-591 in the future. Decision not to exercise the Atlab Option If Telix elects not to exercise the Atlab Option, then: - certain data and materials will need to be returned to Atlab that will introduce a delay of at least 6 months to the commencement of the next clinical trial for TLX-591; and - Telix may not be able to commercially offer the combination of TLX-591 and Atlab's anti-androgen drugs. Telix anticipates that the first commercial embodiment of TLX-591 is not likely to be a combination therapy, however combination therapies with anti-androgens may be an important clinical application for TLX-591 in the future.
Patents	Abzena The Abzena patent family is protected until 2037. The patents in this family are at an early stage in their life cycle and so have not been filed worldwide as yet. They have the potential to provide coverage in major jurisdictions such as US, EU, Japan, Australia and China. Atlab The core Atlab patent family for huJ591 is protected until 2022 (with patent term extensions available upon regulatory approval) and various complementary patents and patent applications extend the timing of this protection out until beyond 2030 in most relevant jurisdictions. The patents provide coverage in major jurisdictions such as US, EU, Japan and Australia. Telix will not acquire the right to commercialise these patents unless it exercises the Atlab Option.

IPR	Summary
Know-how and clinical data	Abzena Telix is entitled (under license) to all know-how and information controlled by Abzena which relates to the Abzena patent family. Atlab Considerable know-how is owned or in-licensed on an exclusive basis, reflective of the development of late stage diagnostic and therapeutic assets. This includes all technical, regulatory and clinical information, know-how, processes, procedures, methods, formulae, protocols, techniques, software, data and other IP and information that is necessary or useful for the research, development, manufacture and commercialisation of TLX-591.
Biological Resources	Abzena At this stage there are no biological resources incorporating the Abzena IP as this is new technology, however Telix expects to manufacture new GMP antibody material based on the Abzena IP for use in development and commercialisation of TLX-591. Atlab Telix will acquire all new GMP antibody material manufactured and funded by Telix under the Atlab Agreement prior to exercise or expiry of the Atlab Option (regardless of whether the Atlab Option is exercised).
Trademarks	Abzena No current trademarks. Atlab There are no current trademarks in the Atlab IP.

3.13.5 Glioblastoma (TLX-101) Portfolio

IPR	Summary
Background Rights	Telix holds all IP rights through Therapeia (which it wholly owns), which has exclusive rights to develop and commercialise TLX-101 through IP owned and in-licensed by Therapeia.
Patents	Various patents and patent applications are owned and in-licensed on an exclusive basis. The Therapeia patent family is protected out until 2026 (with patent term extensions available upon regulatory approval) and has coverage across major jurisdictions such as US, Europe, Japan and Australia.

IPR	Summary
Know-how and clinical data	Therapeia owns all know-how relevant to TLX-101, including all technical, regulatory and clinical information, know-how, processes, procedures, methods, formulae, protocols, techniques, software, data and other IP and information that is necessary or useful for the research, development, manufacture and commercialisation of TLX-101. Although TLX-101 is at an early stage of its development compared to Telix's other assets, Therapeia has already developed considerable know-how and data as it prepares for the next stage of clinical trials for diagnostic and therapeutic uses of TLX-101.
Biological Resources	At this stage, there are no biological resources in relation to this program because it is a small molecule (ie. chemistry) program.
Trademarks	No current trademarks, however Telix will consider which trademarks will be used to market TLX-101, and whether to seek trademark protection, if commercialisation is achieved.

3.13.6 Market extensions for biologics

The cost and manufacturing complexity of biologics (such as Telix's MTR products) is higher than for small molecules and so in many jurisdictions, longer market exclusivities are granted for biologics. In the US and EU, patent term extensions can provide up to an additional 5 years, with data and market exclusivities to protect the developer from biosimilar products 10 years in the EU and 12 years in the US. It should be noted that patent term extensions remain a future risk and may be subject to revision – see section 5.2.9 for further details.

3.13.7 Orphan designations

Orphan designation is also of commercial significance to Telix. Many countries, including commercially important jurisdictions like the US and EU, offer an "orphan disease" product classification for rare conditions that would otherwise not attract the attention of the pharmaceutical industry without certain incentives such as tax subsidies, expedited approval processes and extended market protection. The Portfolio has the potential to address multiple orphan oncology indications and our glioblastoma program (TLX-101) already has orphan designation by the US FDA and the EMA.

Orphan designation confers a market exclusivity (post-approval) of 7 years in the US and 10 years in Europe.

3.14 Corporate social responsibility: The Oncidium Foundation

Telix aspires to be a responsible corporate citizen, and believes that corporate responsibility means conducting its business so that it meets its financial, social and environmental responsibilities in an aligned way. The Company's priority is to fully integrate corporate responsibility, including best practice governance, into its business model.

The Oncidium Foundation was issued Shares for nominal consideration on incorporation of Telix on 3 January 2017. On Completion of the Offer, The Oncidium Foundation will hold 7,050,000 Shares, which will represent approximately 3.6% of the Company's issued shares. The Oncidium Foundation has entered into escrow arrangements with respect of its Shares by which it is permitted to dispose of up to 20% of its Shareholding (as at Completion of the Offer) over each 12 month period from Listing – see section 10.6 for further details.

The Oncidium Foundation is a not-for-profit that is also a key stakeholder in the radiopharmaceutical industry. Its objectives are to:

- promote the awareness of the field of nuclear medicine, particularly the potential of MTR, to physicians and patients;
- invest in research and scholarship to further develop the field; and
- support clinical best practice in terms of quality, safety and environmental sustainability.

Dr Richard Zimmerman, a former Director, is the president of the board of The Oncidium Foundation and Dr Christian Behrenbruch (CEO) is a former member of the board of The Oncidium Foundation.

The Company believes that the issue of shares to The Oncidium Foundation is a demonstration of the Company's core set of values, including integrity, leadership, accountability and results.

Telix expects that The Oncidium Foundation will use the proceeds of the sale of Shares – in accordance with its agreed escrow arrangements – to partially fund its philanthropic activities.



Section 04

FINANCIAL INFORMATION

4.1 Overview of Financial Information

The financial information for Telix contained in this section 4 includes:

- actual historical financial information for Telix, being the:
 - » actual income statement for the six months ended 30 June 2017 (**H1 CY17**);
 - » actual operating cash flows for H1 CY17; and
 - » actual balance sheet as at 30 June 2017,

(together, the **Actual Historical Financial Information**); and

- pro forma historical financial information for Telix, being the:
 - » pro forma income statements for the years ended 31 December 2015 (**CY15**), 31 December 2016 (**CY16**), the six months ended 30 June 2016 (**H1 CY16**) and H1 CY17;
 - » pro forma operating cash flows for CY15, CY16, H1 CY16 and H1 CY17; and
 - » pro forma balance sheet as at 30 June 2017,

(together, the **Pro Forma Historical Financial Information**).

The Pro Forma Historical Financial Information assumes Completion of the Offer. Telix operates on a financial year ended 31 December.

The Actual Historical Financial Information and the Pro Forma Historical Financial Information together form the **Financial Information**.

Also summarised in this section are:

- the basis of preparation of the Financial Information (section 4.2);
- explanation of certain non-International Financial Reporting Standards (**IFRS**) financial measures (section 4.3);
- forthcoming changes to Australian Accounting Standards (**AAS**) (section 4.9); and
- the dividend policy (section 4.10).

All amounts disclosed in section 4 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest \$1,000. Tables in this section have not been amended to correct immaterial summation differences that may arise from this rounding convention.

The information in this section 4 should be read in conjunction with the risk factors set out in section 5 and other information contained in this Prospectus.

The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagement involving Fundraising and/or Prospective Financial Information by PricewaterhouseCoopers Securities Limited (**PwC Securities**) whose Investigating Accountant's Report is contained in section 8. Investors should note the scope and limitations of that report.

4.2 Basis of preparation and presentation of the Financial Information

The Directors of Telix are responsible for the preparation and presentation of the Financial Information.

Given the fact that Telix is in an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of Telix. On this basis the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in this Prospectus.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and balance sheet of Telix.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles prescribed in the AAS (including the Australian Accounting interpretations), issued by the Australian Accounting Standards Board (**AASB**) and the accounting policies adopted by Telix.

Compliance with the AAS ensures that the Financial Information complies with the recognition and measurement principles of IFRS as adopted by the International Accounting Standards Board.

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by the AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

Accounting policies have been consistently applied by Telix throughout the periods presented and are set out on www.telixpharma.com.

4.2.1 Preparation of historical financial information

On 3 January 2017, Telix was established and on 16 January 2017 entered into the Therapeia Option Deed. On 2 October 2017, Telix exercised its option to acquire Therapeia and the acquisition was completed on 10 October 2017.

The Pro Forma Historical Financial Information presented in the financial section has been based on financial statements of Therapeia for the years ended 31 December 2015 and 31 December 2016, the reviewed financial statements for the six months ended 30 June 2017, and the audited financial statements of Telix for the six months ended 30 June 2017.

The Financial Information has been prepared on both an actual and pro forma basis and has been prepared solely for the inclusion in this Prospectus.

The Actual Historical Financial Information has been derived from the audited financial statements of Telix for H1 CY17. The historical financial statements for H1 CY17 have been audited by PwC Securities, which issued an unmodified opinion in respect of this period.

The Pro Forma Historical Information has been prepared for the purpose of inclusion in this Prospectus. It has been derived from the audited and reviewed financial statements of Therapeia and the Actual Historical Financial Information

with pro forma adjustments made to reflect the intended capital structure following Completion of the Offer as set out in sections 4.4 and 4.5.

The historical financial statements of Therapeia for the years ended 31 December 2015 and 31 December 2016 have been audited by PwC Securities, which issued unmodified opinions with an emphasis of matter paragraph included due to the significant uncertainty of the company's ability to continue as a going concern in respect of these periods. The financial statements for the six months ended 30 June 2017 were reviewed by PwC Securities which issued an unmodified review opinion with an emphasis of matter paragraph included due to the significant uncertainty of the company's ability to continue as a going concern. The financial statements have been prepared under IFRS.

Investors should note that the past results do not guarantee future performance.

4.3 Explanation of certain non-IFRS financial measures

Telix uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to in this section 4 as 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- EBITDA is earnings before interest, income tax, depreciation and amortisation expense.
- Research and development capitalised expenditure relates to costs incurred on the design and testing of new or

improved products not yet released to the market which have not yet generated any revenue.

- Working Capital is defined as the total current trade and other receivables, other current assets, trade and other payables and provisions.

As non-IFRS measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which Telix calculates these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non-IFRS financial information and ratios and should consider them as supplemental to the measures calculated in accordance with the AAS and not as a replacement for them.

4.4 Pro forma historical income statements

Table 1 sets out a summary of Telix's actual income statement for H1 CY17 and summary pro forma historical income statements for CY15, CY16, H1 CY16 and H1 CY17. The pro forma historical income statements are reconciled to the actual historical income statement in section 4.4.1.

The pro forma historical profit and loss statement presents the historical financial performance of Telix on the assumption it acquired Therapeia on 1 January 2015.

No adjustment has been made in the pro forma historical profit and loss statements for corporate costs associated with Telix operating as a listed company. However, the Directors estimate incremental costs associated with being a listed company of approximately \$740,000 per annum. These costs exclude the expenses associated with Telix's proposed employee share plan.

Table 1: Actual income statement for H1 CY17 and summary pro forma historical income statements for CY15, CY16, H1 CY16 and H1 CY17

	Pro forma Historical Results				Historical Results
	CY15	CY16	H1 CY16	H1 CY17	H1 CY17
\$'000s					Audited
Revenue	0	0	0	0	0
Other income and expenses	0	0	0	5	5
Research & development costs	(62)	(10)	0	(811)	(802)
Administration & consulting costs	(54)	(20)	(2)	(566)	(559)
Employment costs	0	0	0	(216)	(216)
EBITDA	(116)	(30)	(2)	(1,589)	(1,572)
Finance costs	(16)	(14)	(6)	(8)	(0)
Loss before tax	(132)	(44)	(8)	(1,596)	(1,572)
Tax	0	0	0	0	0
Net loss after tax	(132)	(44)	(8)	(1,596)	(1,572)

Note: The pro forma historical results represent the historical results of Therapeia for all periods presented, with Telix included from H1 CY17 when the business was incorporated.

4.4.1 Pro forma adjustments to the income statements

Table 2 sets out the pro forma adjustments that have been made to Telix's actual historical results to derive the pro forma historical results.

Table 2: Pro forma adjustments to the actual historical results

	Notes	Historical Results			
		CY15	CY16	H1 CY16	H1 CY17
\$'000s					
Net loss after tax		0	0	0	(1,572)
Inclusion of Therapeia operating loss	1	(132)	(44)	(8)	(24)
Pro forma net loss after tax		(132)	(44)	(8)	(1,596)

Notes:

- Incremental public company costs have not been included in the historical financial information; however, are expected to be approximately \$740,000 per annum post listing. This includes board costs, ASX related costs as well as increased audit fees associated with being a public company.
- In addition Telix is planning to issue 6.6 million Options to employees and Directors with an exercise price of \$0.85 and an estimated expense of \$1.6 million to be recognised over the respective vesting periods for the Options issued. This results in an expense of \$0.2 million in 2017, \$0.9 million in 2018, \$0.4 million in 2019 and \$0.1 million in 2020. There is no employee option expense included in the historical financial information presented.
- Inclusion of the Therapeia operating loss as taken from the actual accounts of Therapeia.

4.5 Pro forma historical balance sheet

The pro forma historical balance sheet as at 30 June 2017 as set out in Table 3 is derived from the actual balance sheet of Telix as at 30 June 2017, adjusted to reflect the impact of the Offer and the balance sheet of Therapeia as if it was acquired on 30 June 2017.

The pro forma historical balance sheet is provided for illustrative purposes and is not represented as being necessarily indicative of Telix's view of its balance sheet upon Completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is contained in section 7.1.4.

Table 3: Statutory historical balance sheet and pro forma balance sheet as at 30 June 2017

Notes:	(1)	(3)	(4)		
\$'000s	Audited 30 June 2017	Therapeia balance sheet	Payment of related party amounts	Estimated impact of the Offer	Pro forma 30 June 2017
Current assets					
Cash and cash equivalents	5,902	14	(745)	47,250	52,421
Other current assets	5	1,024	7	0	1,031
Total current assets	6,926	21	(745)	47,250	53,452
Non-current assets					
Intangibles	2	0	1,082	0	1,082
Total non current assets	0	1,082	0	0	1,082
Total assets	6,926	1,103	(745)	47,250	54,534
Current liabilities					
Trade and other payables	458	30	0	0	488
Related party payables	0	645	(317)	0	328
Borrowings	0	428	(428)	0	0
Total current liabilities	458	1,103	(745)	0	816
Total liabilities	458	1,103	(745)	0	816
Net assets	6,468	0	0	47,250	53,718
Equity					
Issued share capital	8,039	0	0	47,250	55,289
Retained earnings	(1,571)	0	0	0	(1,571)
Total equity	6,468	0	0	47,250	53,718

Notes:

1. Represents the actual balance sheet of Therapeia at 30 June 2017 extracted from the reviewed financial statements. The cash payment of €900 (\$1,337) to acquire Therapeia has been offset against the cash balance. The intangible arising on acquisition has also been recognised as part of this adjustment such that the net asset impact is nil.
2. Telix exercised its option to acquire Therapeia on 2 October 2017 and completed the acquisition on 10 October 2017 for consideration of €900 (paid on 11 October 2017) and repayment of Therapeia related party balances in accordance with Note 3 below. With regard to the acquisition of Therapeia, no amounts have been recognised for the fair values of acquired assets and liabilities in accordance with AASB 3 Business Combination. Accordingly, the Pro Forma Historical Financial Information does not necessarily contain all of the adjustments to the reported amounts of assets and liabilities that will be required to reflect their final fair values and in particular does not necessarily recognise the final fair value of identifiable intangible assets separately recognised to goodwill. For presentation purposes, all intangible assets arising on acquisition have been recorded as a single line in the pro forma balance sheet. In addition, the pro forma historical income statements do not necessarily reflect the pro forma depreciation and amortisation charges that would be required had the final fair value amounts been recognised.
3. This relates to the repayment of related party balances assumed by Telix on completion of the acquisition of Therapeia pursuant to the Therapeia Purchase Agreement. Telix (via Therapeia) is required to make payments totalling €701,615 to ABX CRO in the following tranches:
 - \$223,500 (€150,000) paid on 11 October 2017;
 - \$521,500 (€350,000) payable on the earlier of Listing and 30 September 2018; and
 - \$300,000 (€201,615) related to the related party balance payable on the earlier of the first anniversary of Listing and 30 September 2019. The pro forma adjustment of \$745,000 represents payment of the first two tranches.
4. Cash and issued share capital increase reflecting the equity raised through proceeds of the Offer of \$50.05 million less the costs of the Offer of \$2.8 million.
5. Other current assets relate to GST receivable and prepayments, the prepayments relate primarily to research and development activities to be undertaken in future periods.

4.6 Borrowings and Therapeia related party balances

Table 4 summarises actual and pro forma borrowings and Therapeia related party balances at 30 June 2017.

Table 4: Actual and pro forma borrowings and Therapeia related party balances at 30 June 2017

\$'000s	Notes:	Audited 30 June 2017	Therapeia balance sheet	Estimated impact of the Offer	Pro forma 30 June 2017
Related party payables	1	0	645	(317)	328
Related party borrowings	2	0	428	(428)	0
Total		0	1,073	(745)	328

Notes:

1. Represents related party payables by Therapeia to ABX CRO.
2. This represents a related party loan agreement between Therapeia and ABX CRO, and will be settled in line with the tranche payments noted in section 4.5.

4.7 Contractual obligations and commitment

Telix has no contingent liabilities or commitments as of 30 June 2017, other than the outstanding amounts in relation to the final tranche payment to ABX CRO noted in section 4.5.

4.8 Pro forma historical statement of cash flows

Table 5 sets out a summary of the pro forma historical statement of cash flows for CY15, CY16, H1 CY16 and H1 CY17. The pro forma historical statement of cash flows is reconciled to the actual historical statement of cash flows in section 4.8.1.

Table 5: Summary pro forma historical statement of cash flows

\$'000s	Pro forma Historical Results				Historical Results
	CY15	CY16	H1 CY16	H1 CY17	H1 CY17 Audited
EBITDA	(116)	(29)	(2)	(1,589)	(1,572)
Less non-cash items in EBITDA	1	0	0	0	0
Total non-cash items in EBITDA	1	0	0	0	0
Movement in working capital	66	0	(3)	(401)	(416)
Net operating cash flows	(49)	(29)	(5)	(1,990)	(1,988)

Notes:

- The pro forma historical statement of cash flows represents the historical results of Therapeia for all periods presented, with Telix included from H1 CY17 when the business was incorporated.

4.8.1 Pro forma adjustments to historical statement of cash flows

Table 6 sets out the pro forma adjustments that have been made to Telix's actual historical statement of cash flows, actual starting point being cash flows from operating activities in Telix's actual accounts, to derive the pro forma historical statement of cash flows.

Table 6: Pro forma adjustments to the historical statement of operating cash flows

\$'000s	Notes	Historical			
		CY15	CY16	H1 CY16	H1 CY17
Net cash flow from operations before financing and taxation		0	0	0	(1,988)
Inclusion of Therapeia's net operating cash flows		(49)	(29)	(5)	(2)
Pro forma net cash flow		(49)	(29)	(5)	(1,990)

4.9 Forthcoming changes to the AAS

AASB 15 – Revenue from contracts with customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a client – so the notion of control replaces the existing notion of risks and rewards.

The new standard is effective for all reporting periods commencing 1 January 2018. Management therefore expect to fully implement the standard in the reporting period for the year ended 30 June 2018 (**CY18**), accompanied with a reconciliation from the old standard to the new standard for CY18 in line with the requirements of the standard. As Telix is yet to generate revenue from sale of goods or licensing, management does not expect the changes to have a significant impact.

AASB 16 – Leases

In February 2016, the AASB issued AASB 16 Leases. The standard provides a single lessee accounting model, requiring lessees to recognise an asset (the right to use the leased item) and a financial liability to pay rentals. The only exemptions are where the lease term is 12 months or less, or the underlying asset has a low value. Lessor accounting is substantially unchanged under AASB 16.

The new standard is effective for all reporting periods commencing 1 January 2018 and therefore applicable from 1 January 2018 for Telix.

Management does not expect the changes to have a significant impact on Telix's financial statements.

AASB 9 – Financial Instruments

The standard addresses the classification, measurement and derecognition of financial instruments. For financial liabilities that are measured under the fair value option, entities will need to recognise the part of the fair value change that is due to changes in their own credit risk in other comprehensive income rather than profit or loss. New hedge accounting rules align hedge accounting more closely with common risk management processes. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure

requirements and changes in presentation. In December 2014, the AASB introduced a new impairment model. The new impairment model is an expected credit loss model which may result in the earlier recognition of credit losses.

The new standard is effective for all reporting periods commencing 1 January 2018 and therefore applicable from 1 January 2018 for Telix. Management does not expect the above changes to significantly impact Telix's financial statements.

4.10 Dividend policy

The Directors have no current intentions of declaring or paying dividends in the foreseeable future. The Directors will review this policy as appropriate and the declaration and amounts of any dividends are at the sole discretion of the Telix Board. In making a decision concerning dividends, the Telix Board will take into account Telix's earnings for the period, future capital requirements and other relevant factors such as the outlook for the Company.



Section 05

KEY RISKS

5.1 Introduction

This section 5 describes the potential risks associated with the Company's business and risks associated with an investment in Shares. It does not list every risk that may be associated with the Company or an investment in Shares now or in the future, and the occurrence or consequences of some of the risks described in this section 5 are partially or completely outside the control of the Company, the Directors and the senior management team.

The selection and order of risks has been based on an assessment of a combination of the probability of the risk occurring and impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the Prospectus Date. There may be other risks which Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operation or the valuation and performance of the Shares. The importance of different risks may change and other risks may emerge in the future.

Before applying for Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and should consider whether the Shares are a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in the Shares, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

5.2 Risks specific to an investment in the Company

Telix's ability to achieve profitability is dependent on a number of factors, including its ability to complete successful clinical trials, obtain regulatory approval for its product candidates, and successfully commercialise those product candidates or technologies. The Company is also dependent on commercially attractive markets remaining available to it.

5.2.1 Speculative nature of investment

As at the Prospectus Date, Telix does not generate revenue and does not have any product that is capable of generating revenue without further clinical trials and regulatory approvals. Accordingly, an investment in Telix should be considered speculative and the Shares carry no guarantee with respect to the payment of dividends, return of capital or increase in Share price.

To become and remain profitable, the Company must succeed in developing and eventually commercialising products that generate revenue. This will require the Company to be successful in a range of challenging activities, including completing clinical trials of the Company's products, obtaining regulatory approval for these product candidates and manufacturing, marketing

and selling any products for which the Company may obtain regulatory approval. The Company is only in the preliminary stages of these activities. The Company may never succeed in these activities and, even if it does, may never generate revenue that is significant enough to achieve profitability or declare any dividends.

5.2.2 Clinical trials may not succeed

Telix's ability to generate revenue and income will depend on the success of its clinical trials and there is no guarantee that any future clinical trials will demonstrate that the Company's products are successful or appropriate for commercialisation.

The development of radiopharmaceuticals involves significant uncertainty, and failure may occur at any stage during development and after marketing approvals have been received, due to safety or clinical efficacy issues. Drug development at the clinical stage involves moving drug candidates through three distinct phases (I, II and III) with the aim to elucidate the safety and efficacy of a drug candidate before an application for marketing authorisation can be filed with the health authorities. Each individual development step is associated with the risk of failure, hence an early stage drug candidate carries a considerably higher risk of failure than a later stage candidate. Further, the commencement and completion of clinical trials may be delayed by several factors, including unforeseen safety issues, issues related to determination of dose, lack of effectiveness during clinical trials, slower than expected patient recruiting, inability to monitor patients adequately during or after treatment, inability or unwillingness of medical investigators to follow the proposed clinical protocols and termination of licence agreements necessary to complete trials. If the Company's planned clinical trials are delayed or fail, the Company's ability to deliver Shareholder returns would be significantly adversely affected.

5.2.3 Regulatory approvals may not be granted

The Company will need approvals from the FDA to market products in the US and from the EMA to market in Europe, as well as equivalent regulatory authorities in other foreign jurisdictions to commercialise in those regions. There is no assurance that the Company will receive the regulatory approvals necessary to commercialise any products that are successfully trialled by the Company.

Regulatory approvals may be denied, delayed or limited for a number of reasons, as different regulatory authorities around the world have different requirements for approving pharmaceuticals. The authorities have wide discretion in their drug approval process and may request further testing before approval or post marketing. Delays in obtaining regulatory approvals may delay commercialisation and the ability to generate revenues from product candidates, impose extra costs on the Company, diminish competitive advantages and, after product approval, safety or efficacy issues may emerge during post-marketing surveillance which may result in withdrawal or restriction of the product approval.

5.2.4 Acceptable pricing of products subject to reimbursement approval process

In most markets, drug prices and reimbursement levels are regulated or influenced by government authorities and other healthcare providers. Furthermore, the overall healthcare costs to society have increased considerably over the last few decades, resulting in increased regulation by governments. If a Portfolio product is granted product approval, there can be no guarantee that the Company's drugs will obtain the selling prices or reimbursement levels targeted by the Company. If actual prices and reimbursement levels granted to the Company's products happen to be lower than anticipated this could have a negative impact on the profitability and/or marketability of its products.

5.2.5 Telix's development program may be delayed

The Company may experience delay in achieving a number of critical milestones, including securing a commercial partner, completion of clinical trials, obtaining regulatory or reimbursement approvals, manufacturing, product launch and sales. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.

5.2.6 The oncology industry is highly competitive

The oncology industry is highly competitive with many large corporations and is subject to rapid and substantial technological change, particularly in the field of biopharmaceuticals. The Company's drug candidates may not gain the market acceptance required to be profitable even if they successfully complete initial and final clinical trials and receive approval for sale by the relevant regulatory authorities. Many of the Company's competitors and potential competitors have substantially greater capital resources, research and development budgets, regulatory and operational experience, manufacturing and marketing experience and production facilities. There is no guarantee that the Company's competitors will not succeed in developing alternative products that are safer, more effective or commercially superior to those being developed by the Company, or which could otherwise render the Company's products obsolete or otherwise uncompetitive. This would result in adverse effects to the Company's planned future revenue, margins and profitability.

5.2.7 There are a limited number of isotope suppliers

The Company currently depends on third parties for the supply of certain critical materials necessary for the manufacture of its product candidates that it does not manufacture in its own facilities. These third parties include suppliers of radioisotopes, consumable and vial suppliers, suppliers of certain precursor elements of radiopharmaceuticals and sterility subcontractors. A disruption in the availability of such materials or services from these and other suppliers could require the Company to qualify and validate alternative suppliers. If the Company is unable to locate or establish alternative suppliers it may

be unable to develop its product candidates, which could lead to delays in its clinical trials. Any of these events could be costly to the Company and otherwise have a material adverse effect on the Company's business, financial condition and results of operations.

5.2.8 Telix is dependent on CDMOs

Telix currently depends on third parties for the manufacture of its product candidates. Manufacturing MTR products and product candidates, especially in large quantities, is complex and the CDMOs are generally in high demand. The products and product candidates must be made consistently and in compliance with a clearly defined manufacturing process such as current Good Manufacturing Processes. The products and product candidates must also be delivered in accordance with local and international regulations applicable to the delivery of radioactive materials. Problems may arise during manufacturing for a variety of reasons, including problems with raw materials, equipment malfunctions and failures to follow specific protocols and procedures. Failure to correctly store materials (eg. insufficient refrigeration, contamination) can also significantly impact operations. In addition, slight deviations anywhere in the manufacturing process, including obtaining materials, filling, labelling, packaging, storage, shipping and quality control testing, may result in lot failures or manufacturing shut-downs, delays in the release of product batches, product recalls, spoilage or regulatory action. Such deviations may require Telix to revise its manufacturing processes or change suppliers or delivery mechanisms and may take significant time and resources to resolve. If unresolved, such deviations may affect manufacturing output and could cause delays in Telix's clinical trials and result in litigation or regulatory action against the Company.

By virtue of the half-life of radionuclides, MTR products have a short shelf-life (typically less than a week). This means that establishing effective production logistics, either directly or with third parties, is critical for commercial success. These logistical arrangements are time-consuming and costly to establish and any failure in product supply logistics could adversely affect the Company's operations.

5.2.9 Telix may need to raise additional capital

There can be no assurance that the proceeds from the Offer will be sufficient for the Company to achieve first revenue for a particular product. Accordingly, the Company may need to raise future capital through equity or debt financings or from other sources, such as co-development arrangements, strategic alliances or development grants. If the Company is unable to generate adequate funds from its operations or from additional sources, and requires additional capital that it is unable to raise on commercially acceptable terms, then its business and financial condition may be materially and adversely affected.

5.2.10 Telix relies on effective IP protection

The Company's success will depend in part on its ability to obtain and/or maintain commercially valuable patent claims

and to protect its IP. Accordingly, the Company and its research partners face the following risks and uncertainties with respect to the licensed patents and any other patents subsequently licensed or issued to the Company:

- lodged patent applications may not result in issued patents or may take longer than expected for patents to be issued;
- the claims of any patents that are issued may not provide meaningful protection;
- patent term extensions may not be granted or, if granted, may be subject to revision;
- the Company and its research partners may not be able to develop additional proprietary technologies that are patentable;
- patents issued to the Company or its industry partners may not provide a competitive advantage;
- governments may change data and market exclusivity provisions;
- other companies may challenge issued patents;
- other companies may independently develop similar or alternative technologies to those of the Company or duplicate the Company's technology;
- other companies may design around the Company's technologies;
- other companies may hold patents that are relevant to the Company's technology or activities; and
- if letters patent do not issue in respect of a licensed patent, then the value of the Company's intellectual property rights may be significantly diminished. Further, any information contained in the licensed patents will become part of the public domain, so that it will not be protected as confidential information.

As legal regulations and standards relating to the validity and scope of patents continue to evolve around the world, the degree of future protection for the Company's proprietary rights is uncertain. The Company may incur significant costs in asserting any patent or intellectual property rights and in defending legal action against it relating to intellectual property rights. Such disputes could delay the Company's product development or commercialisation activities. Parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing discoveries or commercialising products. In addition, in the event a successful claim of infringement is made out against the Company, it may be required to pay damages and obtain one or more licences from the prevailing third party. If the Company is not able to obtain these licences at a reasonable cost, if it all, it may encounter delays and lose substantial resources while seeking to develop alternative products.

There is a risk that third parties may have intellectual property that is relevant to Telix's proposed activities which could prevent conducting these activities or may require

Telix to licence in the third party's intellectual property, find work-arounds for the third party intellectual property, or seek to challenge the third party intellectual property either at an administrative stage or through the courts.

The Company may need to acquire or license intellectual property from third parties to develop and commercialise its own pipeline of intellectual property and products. There is no guarantee such acquisition or licence can be obtained or, if obtained, that it will be on reasonable commercial terms.

There can also be no assurance employees, consultants or third parties will not breach confidentiality, infringe or misappropriate the Company's intellectual property, which could cause material loss to the Company.

5.2.11 Telix relies on licence agreements for key products in the Portfolio

Like many other companies in the biopharmaceuticals industry, the Company is the licensee of certain core intellectual property assets and is, as a result, dependent on those licences (and any underlying licences on which they rely). All of the Company's licences carry a risk that the third parties do not adequately or fully comply with its or their respective contractual rights and obligations and that these contractual relationships may be terminated. This could adversely affect the Company's rights to IP in the Portfolio, which could materially adversely affect the Company's operations, financial position and prospects.

In the event that the Company breaches a licence agreement, the Company may be liable for damages and the other party may be entitled to terminate the agreement.

In addition, if any licensor of any core intellectual property asset were to become subject to any insolvency process, there would be a potential risk that the office holder appointed in that insolvency process might seek to disclaim or otherwise set aside the licence(s) concerned, not to honour one or more, or any, of the provisions of the licence(s) and seek to sell the intellectual property assets to a third party, potentially without disclosing the existence of the licence(s) concerned. Whether any of these risks could apply would depend on the facts of the particular scenario and the laws and rules that would apply in that context, but the effect could be that the Company has limited recourse against the licensor or office holder, with significant consequence to the Company.

5.2.12 Retention of key personnel and contract researchers

Because of the specialised nature of the Company's business, the Company is highly dependent upon attracting and retaining qualified, scientific, technical and managerial personnel. A failure to do so could harm the Company's R&D programs and materially and adversely affect its business, operating results and financial prospects. Further, there is significant competition to recruit these personnel, which can lead to increased labour costs.

5.2.13 Dependence on commercial partnering

The Company will need to enter into one or more commercial partnering agreements to launch the marketing

and sales of any successful Portfolio products. These agreements may require the Company or its partners to undertake or fund certain R&D activities, make payments on achievement of certain milestones and pay royalties or make profit-sharing payments if a product is sold. As such, these agreements will be important to the Company's ability to derive revenue and the timing of those revenues in respect of any product that may receive marketing authorisation.

The success of the Company's partnering arrangements may depend on the resources devoted to them by itself or its industry partners. Collaborative agreements may be terminable by the Company's partners. Non-performance, suspension or termination of agreements would have a material and adverse impact on the Company's business, financial condition and results of operations.

5.2.14 Risks associated with the use of nuclear medicine

MTR products use radioactive materials, which generate medical and other regulated wastes. The possession and disposal of these materials and waste products present the risk of accidental environmental contamination and physical injury. The design of the manufacturing and storage processes for radioactive compounds may not completely eliminate the risk of exposure of employees and others to radioactive materials and may need to be reworked in order to remain in compliance with national radio-protection laws in the jurisdictions in which the Company operates. The Company cannot completely eliminate the risk of accidental contamination or injury from these hazardous materials and could be held liable for any resulting damages. Any liability could exceed the limits of, or fall outside, the Company's insurance cover.

5.2.15 Changes to the regulatory landscape and the grant of R&D concessions

Pharmaceutical drug development is subject to laws, regulatory restrictions and certain government directives, recommendations and guidelines relating to, amongst other things, occupational health and safety, laboratory practice, use and handling of hazardous materials, prevention of illness and injury and environmental protection. Any changes to such laws, policies and regulations may increase the cost of compliance in the future.

The Telix Group is eligible for R&D tax concessions in several of the jurisdictions that it operates, including Australia. However, such concessions and grants are subject to policy review and discretion and there can be no guarantee that any concession or grant will be awarded to the Company.

5.2.16 Product liability

The targeted future development and sale of the Company's products will involve a risk of product liability claims being brought against the Company. This is inherent in the research and development, manufacturing, commercialisation and use of the Company's intended future products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of the regulatory approval for the relevant products

and/or monetary damages being awarded against the Company.

5.2.17 Information technology systems and security arrangements may fail

The Company relies on its information systems to perform key functions. The Company's information technology system is vulnerable to damage or interruption from a number of sources, including:

- earthquakes, fires, floods, other natural disasters, terrorist attacks and similar events;
- power losses, computer systems failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events; and
- computer viruses, penetration by hackers seeking to disrupt operations or misappropriate information and other breaches of security.

Any damage or interruption to the Company's information systems could significantly curtail, directly and indirectly, the Company's ability to conduct its business and could result in significant costs being incurred, for example to rebuild internal systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties.

5.2.18 Loss or misuse of personal information

The Company's operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in its computer systems and networks. The Company's facilities and systems may be vulnerable to privacy and security incidents, security attacks and breaches, acts of vandalism or theft, computer viruses, emerging cybersecurity risks, misplaced or lost data, programming and/or human errors or other similar events.

Any security breach involving the misappropriation, loss or other unauthorised disclosure or use of confidential information, including protected health information, financial data, commercially sensitive information, or other proprietary data, whether by the Company or a third party, could have a material adverse effect on the Company's business, reputation, financial condition, cash flows, or results of operations. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems, potential liability and regulatory action or liability under privacy and security laws, all of which could have a material adverse effect on the Company's financial position and results of operations and harm the Company's business reputation.

5.2.19 Insurance risk

The Company intends to obtain insurance where it is considered appropriate for its needs. However, the Company would not expect to be insured against all risks, either if appropriate cover is not available or because the Directors consider the required premiums to be excessive having

regard to the benefits that would accrue. Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs losses or liabilities for which it is uninsured, the value of the Company's assets may be at risk.

5.2.20 Limited operating history

The Company has a short history and has never operated as a listed entity. It is currently developing the information reporting resources and financial and internal control systems necessary to effectively operate as a listed entity. The development of the Company's management information reporting systems and financial and internal controls may require unexpected levels of management attention, which could distract management from enabling the Company's business to grow until the systems and controls are settled.

5.2.21 Release from escrow

The Existing Shareholders will be subject to escrow requirements that are designed to protect the integrity of the market. At the end of the applicable escrow periods, these Shares will be released from escrow, which may impact the Share price of the Company if material numbers of Shares are sold at the same time. Alternatively, the absence of such a sale by Existing Shareholders may diminish or contribute to a diminution in the liquidity of the market for the Shares.

5.2.22 Exchange rate risk

The Australian value of foreign currency denominated costs will be affected by changes in currency exchange rates. The Company undertakes various transactions in foreign currencies, in particular the US dollar, and is consequently exposed to fluctuations in exchange rates. Any adverse exchange rate volatility would have an adverse effect on the Company's future financial performance and position.

5.2.23 Foreign operations

The Company has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes. This gives rise to risks relating to labour practices, foreign ownership restrictions, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to communications licensing, taxation and foreign investment) and other issues in foreign jurisdictions in which the Company operates (for example, practices of government and regulatory authorities).

5.3 General risks

5.3.1 Share market conditions

The Shares may trade on ASX following Listing at a price higher or lower than the Offer Price. The price at which the Shares trade following Listing will be affected by the financial performance of the Company and by external factors unrelated to the operating performance of the

Company, including movements on international share markets, the level of interest rates and exchange rates, general domestic and international economic conditions and government policies relating to taxation and other matters.

5.3.2 Risk of Shareholder dilution

In the future, the Company may elect to issue new Shares or engage in fundraisings to fund or raise proceeds for investments or balance sheet strength. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue, Shareholders may be diluted as a result of such issues of Shares and fundraisings.

5.3.3 Changes to taxation law may negatively impact the Company

There is the potential for changes to taxation law and changes to the way taxation law is interpreted that may negatively impact the Company's future profitability. Any change made to the tax regime by the government of any jurisdiction in which the Company operates or is resident for tax purposes and/or to the current rate of tax imposed on the Company or a subsidiary (including foreign jurisdictions to which the Company and its subsidiaries are exposed) may negatively impact future returns to Shareholders.

In addition, an investment in the Shares involves tax considerations which may differ for each individual Shareholder – see section 7.10. Each prospective Shareholder is encouraged to obtain professional tax advice in connection with any investment in the Company.

5.3.4 Australian Accounting Standards may change

AAS are set by the AASB and are outside the control of the Company. The AASB regularly introduces new or refined AAS, which may affect future measurement and recognition of key statement of profit and loss and balance sheet items, including revenue and receivables.

There is also a risk that interpretations of existing AAS, including those relating to the measurement and recognition of key statement of profit and loss and balance sheet items, may differ. Changes to AAS issued by the AASB, or changes to commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.



Section 06

KEY PEOPLE, INTERESTS AND BENEFITS

6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including industry knowledge, financial management and corporate governance experience.

The Board comprises five Directors: an independent non-executive Chair, a Managing Director, an Executive Director, an independent Non-Executive Director and a non-independent Non-Executive Director.

H Kevin McCann, AM BA LLB (Hons) LLM (Harvard) Life Fellow AICD **Independent, non-executive Chair**

Mr Kevin McCann is Chairman of Citadel Group Limited and the Sydney Harbour Federation Trust. He is a member of the Male Champions of Change, a Pro Chancellor and Fellow of the Senate of the University of Sydney, Co-Vice Chair of the New Colombo Plan Reference Group, a Director of the US Studies Centre, Director and member of the Advisory Board of Evans and Partners and Chair of the National Library of Australia Foundation. Kevin is a former Chairman of Macquarie Group Limited and Macquarie Bank Limited, Origin Energy Limited, Healthscope Limited and ING Management Limited. Kevin practiced as a Commercial Lawyer as a Partner of Allens Arthur Robinson from 1970 to 2004 and was Chairman of Partners from 1995 to 2004.

Kevin has a Bachelor of Arts and Law (Honours) from Sydney University and a Master of Law from Harvard University. He was made a Member of the Order of Australia for services to the Law, Business and the Community in 2005 and is a Life Fellow of the Australian Institute of Company Directors.

Kevin was appointed to the Board on 17 September 2017.

Christian Behrenbruch, B.Eng (Hons) D.Phil (Oxon) MBA (TRIUM) JD (Melb) FIEAust GAICD **Managing Director and Chief Executive Officer**

Dr Christian Behrenbruch has twenty years of healthcare entrepreneurship and executive leadership experience. He has previously served in a CEO or Executive Director capacity at Mirada Solutions, CTI Molecular Imaging (now Siemens Healthcare), Fibron Technologies and ImaginAb, Inc. He is a former Director of Momentum Biosciences LLC, Siemens Molecular Imaging Ltd, Radius Health Ltd (now Adaptix) and was the former Chairman of Cell Therapies Pty Ltd (a partnership with the Peter MacCallum Cancer Centre). Christian is currently a Director of Factor Therapeutics (ASX:FTT) and Amplia Therapeutics Pty Ltd.

Christian is Chairman of the Monash Engineering and IT Foundation Board and is an Adjunct Professor at Monash University. Christian holds a D.Phil (PhD) in biomedical engineering from the University of Oxford, an executive MBA jointly awarded from New York University, HEC Paris and the London School of Economics (TRIUM Program) and a Juris Doctor (Law) from the University of Melbourne. He is a Fellow of Engineers Australia in the management and biomedical colleges and a Graduate of the Australian Institute of Company Directors.

Christian is the co-founder of Telix and was appointed to the Board on the date the Company was incorporated, 3 January 2017.

Andreas Kluge, MD PhD **Executive Director and Chief Medical Officer**

Dr Andreas Kluge has 20 years of clinical research and development experience, including as Founder, General Manager and Medical Director for ABX CRO, a full service CRO for Phase I-III biological, radiopharmaceutical and anticancer trials based in Dresden, Germany. He is also founder and was founding CEO of ABX GmbH (www.abx.de), one of the leading manufacturers of radiopharmaceutical precursors globally.

Andreas is further founder, General Manager and Medical Director for Therapiea, an early-stage development company in the field of neuro-oncology which was acquired by Telix. Andreas has extensive experience in the practice of nuclear medicine and radiochemistry, molecular imaging and the clinical development of novel radionuclide-based products and devices. He is the author of numerous patents and publications in the field of nuclear medicine, neurology, infection and immunology. Andreas is a registered physician and holds a doctorate in Medicine from the Free University of Berlin.

Andreas is the co-founder of Telix and was appointed to the Board on the date the Company was incorporated, 3 January 2017.

Mark Nelson, B.Sc (Hons) (Melb), M.Phil (Cantab), Ph.D (Melb) **Non-Executive Director**

Dr Mark Nelson is Chairman and Co-Founder of the Caledonia Investments Group, and a Director of The Caledonia Foundation. He is Vice President of the Board of Trustees of the Art Gallery of New South Wales, Deputy Chairman of Art Exhibitions Australia, a Director of Kaldor Public Art Projects and serves as a Governor of the Florey Neurosciences Institute. Previously Mark was a Director of The Howard Florey Institute of Experimental Physiology and Medicine, and served on the Commercialisation Committee of the Florey Institute. Mark was educated at the University of Melbourne and University of Cambridge (UK).

Mark was appointed to the Board on 17 September 2017.

Oliver Buck, Dipl. - Phys. (Theoretical Biophysics, Technical University of Munich) **Non-Executive Director**

Mr Oliver Buck is a bio-physicist who has spent his professional career in a variety of entrepreneurial and management positions in industrial companies. Oliver has served as founder and Managing Director of several companies in the fields of manufacturing, technology, demilitarisation, pharmaceuticals and information technologies. Oliver is the co-founder of ITM Isotopen Technologien München AG, one of the largest isotope manufacturing and distribution companies in the world, founded with Technical University of Munich. Since 2012,

SECTION 06 KEY PEOPLE, INTERESTS AND BENEFITS

Oliver has acted as senior advisor to the CEO in a role that continues to support the ITM group as it has become a leader in next generation medical isotopes and theranostics.

Oliver holds a graduate degree in theoretical physics from the Technical University of Munich and is an alumnus of the German National Academy for Security Policy and the “Young Leaders Program” of the Atlantik Brücke/American Council on Germany.

Oliver was appointed to the Board on 16 January 2017, shortly after the Company was incorporated.

Director confirmations

Each Director has confirmed to Telix that he anticipates being available to perform his duties as a Non-Executive or Executive Director, as the case may be, without constraint from other commitments.

6.2 Senior Management Team

Profiles of key members of the Company’s management team are set out below.

Christian Behrenbruch, B.Eng (Hons) D.Phil (Oxon) MBA (TRIUM) JD (Melb) FIEAust GAICD

Managing Director and Chief Executive Officer

See section 6.1.

Andreas Kluge, MD PhD

Executive Director and Chief Medical Officer

See section 6.1.

Douglas Cubbin, FCPA GAICD

Chief Financial Officer

Mr Douglas Cubbin is a Certified Practising Accountant (CPA) with thirty years of experience in finance and executive roles in a diversity of industry sectors, including healthcare, financial services, building, transport/logistics and telecommunications. Doug is a fellow of the Australian Society of CPAs and a Graduate of the Institute of Company Directors. Doug has spent the last eleven years in CFO, COO, commercial and business development roles in companies in the nuclear medicine sector. Prior to that Doug was the Group CFO of DHL (Australia-Pacific). From 2013 to 2016, Doug was the Chairman of Australian Nuclear Science and Technology Organisation (ANSTO) Nuclear Medicine Pty Ltd and the General Manager of Business Development at ANSTO.

Doug was appointed as CFO on 22 May 2017.

Michael Wheatcroft, BSc (Hons) PhD (Cantab)

Director of Research and Development

Dr Michael Wheatcroft is the Director of Research and Development at Telix. After completing a PhD in the Department of Biochemistry, Cambridge University, Mike worked at Cambridge Antibody Technology (now Medimmune, UK), a technology leader in the area of antibody engineering and protein sciences. After moving to Melbourne in 2010, Mike oversaw the pre-clinical

development of several engineered antibody drug conjugates and clinical translation of novel antibody fragment in prostate and ovarian cancer, including radioimmunoconjugates. Since then Mike has worked in senior development roles at Medicines Development Limited, Hatchtech Pty Ltd and Starpharma Limited where he performed in a variety of managerial roles related to GMP production, clinical study support and nonclinical studies for a range of pharmaceutical and medical device products.

Mike joined the Telix team on 4 May 2017.

Jyoti Arora, BappSc (Hons) PhD

Director of Operations

Dr Jyoti Arora has extensive experience in project management, operations and GMP manufacturing. She holds a PhD in Medical Science and Radiopharmaceutical Chemistry from RMIT University (Melbourne, Australia) and has been involved in both a technical and commercial capacity in a range of translational research projects for novel healthcare technologies. Jyoti also completed a post-doctoral research fellowship at the Peter MacCallum Cancer Centre where she developed and translated novel nanoparticle based-imaging technology. Prior to joining Telix, Jyoti was a Senior Project Manager at Cell Therapies Pty Ltd, with responsibility for overseeing product development of several advanced cell and gene therapy technologies. Jyoti’s role extended to integrating the use of medical imaging technology in monitoring therapeutic responses of cell based therapies.

Jyoti joined Telix on 10 April 2017.

6.3 Company Secretary

Melanie Farris, BComm AGIA ACIS

Ms Melanie Farris is an experienced governance, communications and operations executive. Melanie is currently Chair for Synapse Australia Limited, and in governance and operations roles with Factor Therapeutics Limited (ASX:FTT) and Invion Limited (ASX:IVX). Melanie’s previous roles include with HRH The Prince of Wales’s Office, Global Asset Management, Imperial Cancer Research Fund, and The Prince’s Foundation. Melanie holds a Bachelor of Communication (Public Relations), and a Graduate Diploma in Applied Corporate Governance. She is an Associate of the Governance Institute of Australia and an Associate of the Institute of Chartered Secretaries (UK).

Melanie was appointed as Company Secretary on 1 March 2017.

6.4 Scientific Advisory Board

Telix’s ambition to be a leading oncology company could not be realised without clinical and technical advice from some of the best minds in the radiopharmaceutical industry. Our Scientific Advisory Board represents a cross-section of global thought leadership that is instrumental to effective product development and clinical decision-making. Our Scientific Advisory Board consists of many of the innovators behind the intellectual repository of technical and clinical

knowledge of our Portfolio. The Company considers the SAB Members to also be founders of the Company and they have made a considerable intellectual contribution to our firm.

Each SAB Member holds 705,000 Shares, all of which are subject to mandatory escrow for a period of 2 years from Listing.

Rodney Hicks, MBBS MD

Professor Rodney Hicks is Professor of Medicine and Radiology at the University of Melbourne, Director of the Centre for Cancer Imaging at the Peter MacCallum Cancer Centre, and Co-Chair of the Neuroendocrine Service. Rodney's group, with its strong focus on translational research and drug development, established the first pre-clinical PET imaging facility in Australia. Rodney is Editor-in-Chief of Cancer Imaging, and serves on eight other editorial boards including Endocrine-Related Cancer.

Rodney has over 400 peer-reviewed publications, and holds numerous national and international research grants including a major translational research grant from the Victorian Cancer Agency to develop new diagnostic and therapeutic approaches for this group of diseases. Rodney received a prestigious National Health and Medical Research Council Program Grant in 2013 and an NHMRC Practitioner Fellowship in 2015. Rodney was also inducted as a Fellow of the Australian Academy of Health and Medical Science in 2015.

Jean-François Chatal, MD PhD

Professor Jean-François Chatal is a Distinguished Professor of Nuclear Medicine at the University of Nantes, France. Jean-François has written 203 original papers and presented more than 150 invited lectures in his career, which began with the creation of a research team devoted to diagnostic and therapeutic use of radiolabelled monoclonal antibodies in oncology. He served as head of Nuclear Medicine Departments at the University Hospital and Cancer Centre in Nantes. Jean-François's collaboration with Immunotech in Marseille saw the pre-clinical and clinical application of an original and innovative pre-targeting technology based on the use of unlabelled bispecific antibody and radiolabelled bivalent hapten, which led to a 2006 paper published in the Journal of Clinical Oncology that reported, for the first time, a survival benefit of pre-targeted radioimmunotherapy in an advanced solid tumour (medullary thyroid carcinoma). With two colleagues at the University of Nantes, Jean-François initiated the installation of a high energy/high intensity cyclotron, termed ARRONAX, for the production of innovative radionuclides for nuclear medicine. Jean-François also contributed to the creation of Atlab, a company dedicated to the industrial development of radiolabelled antibodies for radioimmunotherapy. In 2013, he was honoured in Paris by the "Antoine Beclere medal" granted for his work in Nuclear Medicine development.

Jason Lewis, BSc MSc PhD

Professor Jason Lewis serves as Vice Chair for Research and Chief of the Radiochemistry & Imaging Sciences Service in Memorial Sloan Kettering's Department of Radiology, and Director of Memorial Sloan Kettering's Radiochemistry and Molecular Imaging Probe Core Facility. Jason is a member in Memorial Sloan Kettering, head of a laboratory in the Sloan Kettering Institute's Molecular Pharmacology Program, and a Professor at the Gerstner Sloan Kettering Graduate School of Biomedical Sciences. Jason has published over 160 papers, books, book chapters, and reviews in the field of cancer imaging.

Jason serves on grant review panels for the National Institutes of Health/National Cancer Institute and on a number editorial boards, and holds a PhD from The University of Kent (UK).

Klaus Kopka, PhD

Professor Klaus Kopka holds a full Professorship (W3) at the Ruprecht-Karls-University of Heidelberg, Germany, and is head of the Division of Radiopharmaceutical Chemistry of the German Cancer Research Centre (dkfz) Heidelberg, Germany. His research focuses on radiopharmaceutical sciences with focus on radiopharmaceutical drug development in combination with medicinal chemistry, in recent years directed to the development of novel theranostic radiotracers targeting the PSMA. Since 2012 Klaus has been the Chairman of the Working Group Radiochemistry/Radiopharmacy Committee of the German Association of Nuclear Medicine. He was honoured with the Young Molecular Cardiovascular Imaging Award of the North Rhine-Westphalian Academy of Sciences (Dusseldorf).

Klaus is author and co-author of more than 120 publications and inventor and co-inventor on more than 10 published patents, primarily dealing with the development of new PET tracers and radiopharmaceuticals for endoradiotherapy. Currently, Klaus is the radiopharmaceutical coordinator of the prospective multi-centre clinical trial of the German Cancer Consortium (DKTK) 68Ga-PSMA-11 in high-risk prostate cancer. This endeavour, dealing with accurate prostate PET imaging, is recognised as one of the defined DKTK highlight projects.

Neil Bander, MD PhD

Dr Neil Bander is a physician-scientist trained in urological oncology and tumour immunology at Memorial Sloan-Kettering Cancer Centre (NY). After joining the faculty of Cornell University Medical College (now Weill Cornell Medical College) and New York-Presbyterian Hospital, he has directed both a laboratory effort and translational clinical research program to discover and clinically develop monoclonal antibodies for targeted cancer imaging and therapy. He currently holds the Bernard and Josephine Chaus Chair in Urological Oncology and is Director of Urological Oncology Research at Weill Cornell where he is a tenured Professor and a Member, Department of Surgery (Urology) at Memorial Sloan-Kettering Cancer

Centre. Neil's team has the world's largest experience in antibody discovery and clinical development in urological oncology. His group developed the first series of monoclonal antibodies to PSMA that could target and bind viable prostate cancer cells. In large part as a result of Neil's efforts, PSMA has become recognised as the most prostate-cancer specific cell surface antigen known and a target of significant interest in academia and bio-pharma.

Neil's team and collaborators have developed PET imaging agents as well as radiolabelled and drug-conjugated antibodies that have entered Phase I and II clinical trials now extending to a dozen leading academic medical centres in the US and Europe. Neil's collaborations extend beyond academia and he has served, and continues to serve, as a consultant and Advisory Board member to several bio-pharmaceutical companies. He is a past member of the Weill Cornell-Pfizer Centre for Technological Innovation Joint Steering Committee. Antibodies developed in Neil's lab have been licensed to multiple bio-pharma companies for further development and commercialisation. Neil has authored approximately 175 peer-reviewed publications, and he is an inventor on approximately 100 US and foreign issued and pending patents. He has served on, and chaired, multiple study sections and grant review panels.

Chaitanya Divgi, MS MBBS

Dr Chaitanya Divgi is a former Director of Nuclear Medicine and PET and Vice-Chair of Research in the Department of Radiology at Columbia University. After graduating from St. John's Medical College in Bangalore, India, Chaitanya joined the Radiation Medicine Centre at the Bhabha Atomic Research Centre in Bombay, where he obtained a Diploma in Radiation (Nuclear) Medicine. He joined the University of Pennsylvania as Chief of Nuclear Medicine and Clinical Molecular Imaging in May 2006, where he was awarded a NCRR high-end instrumentation grant for an isotope production cyclotron. Chaitanya joined Columbia University in 2011, where he has rejuvenated the PET/CT program and instituted a comprehensive university-wide Investigational New Drug centre that has successfully obtained approval for numerous agents used in neuroscience and oncology research.

Chaitanya is involved in educational and policy initiatives, in particular the successful integration of diverse Investigational New Drug applications into one centre, under his supervision, that was responsible for all Investigational New Drug applications utilising radiopharmaceuticals at Penn and Columbia.

Samuel Samnick, PhD

Professor Samuel Samnick is the Head of the Interdisciplinary PET Centre and Radiopharmacy at the Department of Nuclear Medicine of the University Würzburg (Germany). Upon completion of an engineering degree (1988) at the University of Applied Sciences Nuremberg, Samuel obtained his Diploma in Bio-organic chemistry at the University of Osnabrück (1991), and a PhD on the development and validation of specific radiotracers for addressing receptors in neurological diseases using

PET and SPECT (1994) at the Department of Nuclear Medicine of the University Münster, Germany. He pursued his post-doctoral studies (1994-1997) at the Centre for Radiopharmaceutical Sciences, Paul Scherrer Institute, Villigen/Zurich, Switzerland, and at the Ludwig Institute for Cancer Research, Melbourne, Australia.

In 1997 he joined the Department of Nuclear Medicine at the University of Saarlandes (Germany) as head of the radiopharmaceutical research and accomplished his habilitation (2001) in Experimental Nuclear Medicine and Radiopharmaceutical Chemistry, followed by an appointment as Assistant Professor in Radiopharmaceutical Sciences (2001) and as Apl. Professor (2005) at the University Medical School, Homburg/Saar (Germany). In 2007, he was appointed as Full Professor for Experimental Nuclear Medicine and Radiopharmacy and Head of the Interdisciplinary PET-Centre at the Julius-Maximilians University Würzburg (Germany).

Richard Baum, MD PhD

Professor Richard Baum is Professor of Nuclear Medicine at the University of Frankfurt/Main Germany and Chairman and Clinical Director of the Department of Nuclear Medicine/Center for PET/CT, Zentralklinik Bad Berka. Richard was appointed "Visiting Professor" of the FM Medical University (Tandu Hospital) in Xi'an, Shaanxi, China where he initiated a project on Ga-68 imaging and PRRNT for the first use in China of theranostics. Richard was honoured by the Society of Nuclear Medicine for his "Life Time Contribution to The Field of Nuclear Medicine".

Richard is a referee of many scientific journals and has had 227 original papers in peer reviewed journals and 114 papers in proceedings books. He is Editorial Board Member of several journals including Journal of Nuclear Medicine, European Journal of Nuclear Medicine, International Journal of Biological Markers Tumor Targeting Radiation Oncology, and has served as Member of the Executive Committee of the World Radiopharmaceutical Council of the World Federation of Nuclear Medicine and Biology.

6.5 Interests and benefits

This section 6.5 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of Telix;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of Telix; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Telix;
- property acquired or proposed to be acquired by Telix in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such person for services in connection with the formation or promotion of Telix or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of Telix.

6.5.1 Executive remuneration

The Company's philosophy on remuneration is that executive and key employee remuneration should be aligned with Shareholder interests by providing levels of fixed remuneration and 'at risk' pay sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's business strategy. It aims to

achieve this by ensuring 'at risk' remuneration is contingent on outcomes that grow and/or protect Shareholder value and by aligning the interests of executives and Shareholders by ensuring a suitable proportion of remuneration is received as a share-based payment.

To ensure that the Company continues to attract, retain and motivate talented staff at a competitive cost, the Company will aim to align total fixed remuneration to the median rate of the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits.

The Nomination and Remuneration Committee recommends to the Board the remuneration packages for the executive team. It is intended that these will be reviewed annually. The Nomination and Remuneration Committee may seek external advice to determine the appropriate level and structure of the remuneration packages.

6.5.1.1 Christian Behrenbruch, Managing Director and Chief Executive Officer

Term	Description
Employer	Telix Pharmaceuticals Limited.
Total employment cost	Dr Behrenbruch is entitled to receive a base salary of \$280,000 per annum plus statutory superannuation for a total employment cost of \$306,600.
Short term incentive (STI)	Dr Behrenbruch is eligible to participate in the Company's STI arrangements whereby he may — at the absolute discretion of the Board, and on achievement of certain KPIs — receive a cash bonus up to a ceiling percentage of base remuneration on an annual basis. Under the STI arrangements, Dr Behrenbruch is eligible to receive up to 30% of his base salary on the following terms: • To be determined within 30 days of the end of each financial year. • To be awarded within 90 days of the end of each financial year. • The Company may exercise discretion to pay in equity rather than cash (subject to any necessary Shareholder approvals). KPI targets will be agreed by the Board and will be set as 100% corporate objectives.
Long term incentive (LTI)	Dr Behrenbruch is eligible to participate in the Company's equity incentive plan. Further information on the Plan is contained in section 6.5.2. No grant under the 2017 LTI Award was made to Dr Behrenbruch. Any issue of securities to Dr Behrenbruch is subject to Shareholder approval.
Other benefits	Nil.
Termination	3 months' notice of termination by either party. All payments on termination will be subject to the termination benefits cap under the Corporations Act. Shareholder approval was obtained prior to Listing for the provision of benefits on cessation of employment.
Restraints	Six month non-compete and non-solicit restraints. Restricted area: Australia, United Kingdom, European Union, United States.

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KEY PEOPLE, INTERESTS AND BENEFITS

6.5.1.2 Andreas Kluge, Executive Director and Chief Medical Officer

Term	Description
Employer	Telix Pharmaceuticals Limited.
Total employment cost	Dr Kluge is entitled to receive a base salary of up to \$250,000 per annum on a full time equivalent (FTE) basis. Dr Kluge is currently contracted to work on a 0.5 FTE basis.
Short term incentive (STI)	Dr Kluge is eligible to participate in the Company's STI arrangements whereby he may — at the absolute discretion of the Board, and on achievement of certain KPIs being met — receive a cash bonus up to a ceiling percentage of base remuneration on an annual basis. Under the STI arrangements, Dr Kluge is eligible to receive up to 20% of his base salary on the following terms: • To be determined within 30 days of the end of each financial year. • To be awarded within 90 days of the end of each financial year. • The Company may exercise discretion to pay in equity rather than cash (subject to any necessary Shareholder approvals). KPI targets will be agreed by the Board and will be set at 75% corporate objectives and 25% personal objectives.
Long term incentive (LTI)	Dr Kluge is eligible to participate in the Company's equity incentive plan. Further information on the Plan is contained in section 6.5.2. No grant under the 2017 LTI Award was made to Dr Kluge. Any issue of securities to Dr Kluge is subject to Shareholder approval.
Other benefits	Nil.
Termination	3 months' notice of termination by either party. All payments on termination will be subject to the termination benefits cap under the Corporations Act. Shareholder approval was obtained prior to Listing for the provision of benefits on cessation of employment.
Restraints	Six month non-compete and non-solicit restraints. Restricted area: Australia, United Kingdom, European Union, United States.

6.5.1.3 Douglas Cubbin, Chief Financial Officer

Term	Description
Employer	Telix Pharmaceuticals Limited
Total employment cost	Mr Cubbin is entitled to receive a base salary of \$220,000 per annum plus statutory superannuation for a total employment cost of \$240,900 on an FTE basis. Mr Cubbin is currently contracted to work on a 0.8 FTE basis.
Short term incentive (STI)	Mr Cubbin is eligible to participate in the Company's STI arrangements whereby he may – at the absolute discretion of the Board, and on achievement of certain KPIs being met – receive a cash bonus up to a ceiling percentage of base remuneration on an annual basis. Under the STI arrangements, Mr Cubbin is eligible to receive up to 25% of his base salary on the following terms: • To be determined within 30 days of the end of each financial year. • To be awarded within 90 days of the end of each financial year. • The Company may exercise discretion to pay in equity rather than cash (subject to any necessary Shareholder approvals). KPI targets will be agreed by the Board will be set at 75% corporate objectives and 25% personal objectives.
Long term incentive (LTI)	Mr Cubbin is eligible to participate in the Company's equity incentive plan. Further information on the Plan is contained in section 6.5.2. A grant was made to Mr Cubbin under the 2017 LTI Award – see section 6.5.2.3.
Other benefits	Nil.
Termination	3 months' notice of termination by either party. All payments on termination will be subject to the termination benefits cap under the Corporations Act. Shareholder approval was obtained prior to Listing for the provision of benefits on cessation of employment.
Restraints	Six month non-compete and non-solicit restraints. Restricted area: Australia, United Kingdom, European Union, United States.

6.5.1.4 Melanie Farris, Company Secretary

Melanie Farris has been engaged as Company Secretary through a consultancy agreement between the Company and New Cavendish, of which Ms Farris is principal.

New Cavendish charges Telix approximately \$48,000 (ex GST) per year for the provision of Ms Farris' services. Further amounts may be charged by New Cavendish on an hourly basis for work undertaken outside the specified scope of the consultancy agreement.

The consultancy agreement commenced on 1 March 2017 and continues for an initial term of six months. Thereafter, it may be terminated by either party giving to the other party 30 days' prior written notice and may be terminated by either party in the case of certain events.

Ms Farris is eligible to participate in the Company's equity incentive plan. Further information on the Plan is contained in section 6.5.2.

A grant was made to Ms Farris under the 2017 LTI Award – see section 6.5.2.3.

6.5.2 Executive and employee incentive arrangements

Telix has established a number of incentive arrangements to enable attraction, motivation and retention of management, employees and key contractors of Telix.

For the executive team, the remuneration packages will consist of:

- fixed remuneration;
- cash-based short term incentives (**STI**); and
- long-term equity incentives (**LTI**).

Both the cash-based STI and the equity-based LTI are subject to achievement of performance criteria or hurdles set and assessed by the Board.

6.5.2.1 Short Term Incentives

The key components of the cash-based STI are:

- participants are entitled to receive a percentage of their fixed remuneration as an annual cash bonus;
- to be eligible for an annual cash bonus, participants must be employees in good standing of Telix at the date on which the bonus is payable;
- payment of annual cash bonuses is discretionary and determined by the Board based on individual measures and business performance against key performance indicators; and
- key performance indicators are set each year and tested at the end of each year and may include such measures as the Board thinks fit.

6.5.2.2 Long term incentive

The Company has established an equity incentive plan (**Plan**) in order to facilitate remuneration arrangements for Telix's senior management and enhance the alignment of their interests with those of Shareholders.

The rules of the Plan (**Plan Rules**) provide the framework under which the Plan and individual grants will operate. The key features of the Plan are outlined below.

Term	Description
Eligibility	Offers may be made at the Board's discretion to employees of the Company (including the Executive Directors) and any other person that the Board determines to be eligible to receive a grant under the Plan.
Types of securities	The Plan Rules provide flexibility for the Company to grant one or more of the following securities as incentives, subject to the terms of individual offers: • performance rights, which are an entitlement to receive Shares upon satisfaction of applicable conditions; • options, which are an entitlement to receive Shares upon satisfaction of applicable conditions and payment of the applicable exercise price; and • restricted shares, which are Shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions.
Offers under the Plan	The Board may make offers at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer performance rights, options and restricted shares in individual offer documents. Offers must be accepted by the employee and can be made on an opt-in or opt-out basis.
Plan limit	Where an offer is made in reliance on ASIC Class Order 14/1000, the total number of Shares issued (or in the case of performance rights and options, the total number of Shares which would be issued if those performance rights or options were exercised) must not exceed 5% of the total number of Shares on issue.
Issue price	Unless the Board determines otherwise, no payment is required for a grant of a performance right, option or restricted share under the Plan.
Vesting	Vesting of performance rights, options and restricted shares under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Options must be exercised by the employee and the employee is required to pay the exercise price before Shares are allocated. Subject to the Plan Rules and the terms of the specific offer document, any performance rights, options or restricted shares will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.
Cessation of employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if the participating employee ceases employment.

Term	Description
Clawback and preventing inappropriate benefits	The Plan Rules provide the Board with broad “clawback” powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
Change of control	The Board may determine that all or a specified number of a participant’s performance rights, options or restricted shares will vest or cease to be subject to restrictions on a change of control event in accordance with the Plan Rules.
Reconstructions and corporate actions	The Plan Rules include specific provisions dealing with rights issues, bonus issues and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions.
Restrictions on dealing	Prior to vesting, the Plan Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the Securities Dealing Policy.
Other terms	The Plan contains customary and usual terms of dealing with administration, variation, suspension and termination of the Plan.

6.5.2.3 2017 LTI Award

The Plan will be used to deliver LTI awards.

Telix has granted Options to certain employees (but not to any Executive Directors) as long term incentives under the Plan (2017 LTI Award).

Term	Description
Participants	Awards have been made to certain members of the Telix team, as follows: • Jyoti Arora has been granted 1,579,500 Options; • Michael Wheatcroft has been granted 1,579,500 Options; • Douglas Cubbin has been granted 790,000 Options; and • Melanie Farris has been granted 200,000 Options. LTI awards are not being made to any Directors.
Grant date	Options were granted under the 2017 LTI Award on 15 October 2017.
Grant of Options	The Options represent an entitlement to receive Shares upon satisfaction of applicable conditions and payment of the applicable exercise price. The exercise price of the Options is \$0.85 and the Options expire 48 months from the date of their grant. The Options, or any Shares issued on exercise of the Options, must be held for a minimum of 3 years from the date of their grant (or until termination of employment if earlier).
Conditions and vesting	The Options lapse unless Listing is achieved within 12 months from the date of their grant. 33.3% of the Options granted will vest on each anniversary from the date of their grant.
Rights associated with Options	The Options do not attract dividends, voting rights or any capital distributions until exercised.
Cessation of employment	If the participant ceases employment for death, permanent disability or is otherwise determined to be a “good leaver” by the Board, unvested Options will vest as determined by the Board. If the participant ceases employment in any other circumstances, all unvested Options will lapse (unless otherwise determined by the Board).

The total implied value of Options granted under the 2017 LTI Award is \$954,270, calculated using the Black Scholes formula.

SECTION 06 KEY PEOPLE, INTERESTS AND BENEFITS

6.5.3 Non-Executive Director remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for their services as a Director of Telix. However, under the Constitution and the ASX Listing Rules, the total aggregate amount provided to all Non-Executive Directors for their services as Directors must not exceed in any financial year the aggregate amount approved by Shareholders at the Company's general meeting. This amount has been fixed at \$400,000 per annum.

As at the Prospectus Date, the annual Non-Executive Directors' fee agreed to be paid by Telix to:

- the Chair is \$120,000; and
- each of the other Non-Executive Directors is \$65,000.

Directors will not receive additional fees for being a member of a Board Committee.

The fees paid to Non-Executive Directors are inclusive of statutory superannuation. The remuneration of Directors must not include a commission on, or a percentage of profits or operating revenue.

Each of the Non-Executive Directors has also received a one-off grant of Options. See section 6.5.6 for further information.

6.5.4 Deeds of Indemnity, Access and Insurance for Directors

Telix has entered into a deed of indemnity, access and insurance with each Director which confirms the Director's right of access to books and records of the Company and its related bodies corporate while they are a Director and for a period of seven years after the Director ceases to hold office. The deeds of indemnity, access and insurance also require Telix to indemnify the Director, on a full indemnity basis and to the full extent permitted by law, against all liabilities (including all reasonable legal costs) incurred by the Director as an officer of Telix or of a related body corporate.

Pursuant to the Constitution, the Company may to the extent permitted by law, purchase and maintain insurance or pay or agree to pay a premium for insurance for each

Director against any liability incurred by a Director as an officer of Telix or a related body corporate. Under the deeds of indemnity, access and insurance, Telix must maintain a directors and officers insurance policy insuring a Director against liability as a Director and officer of Telix and its subsidiaries until seven years after a Director ceases to hold office as a Director of Telix or a related body corporate or the date any relevant proceedings commenced (and notified by the Director to Telix) during the seven year period have been finally resolved.

6.5.5 Expense reimbursement and other remuneration arrangements

The Directors are entitled to be paid all travelling and other expenses they incur in attending to Telix's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. Such amounts will not form part of the aggregate remuneration for Directors.

Any Director who performs extra services, makes any special exertions for the benefit of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Non-Executive Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company. Any amount paid will not form part of the aggregate remuneration for Non-Executive Directors.

There is no retirement benefit scheme for Non-Executive Directors, other than statutory superannuation contributions.

6.5.6 Directors' interests: Shares and Options

6.5.6.1 Director Shareholdings

Directors are not required under the Constitution to hold any Shares in Telix. The Directors (and their associates) are entitled to apply for Shares in the Offer.

The interests of the Directors (either directly or through beneficial interests or entities associated with the Director) on the Prospectus Date and on Completion of the Offer (excluding any Shares applied for under the Offer) are as follows.

Director	Shareholding on Prospectus Date		Shareholding on Completion of the Offer	
	No.	%	No.	%
Kevin McCann AM*	-	-	-	-
Christian Behrenbruch	24,675,000	20.5%	24,675,000	12.5%
Andreas Kluge	24,675,000	20.5%	24,675,000	12.5%
Mark Nelson*	1,468,750	1.2%	1,468,750	0.7%
Oliver Buck*	1,057,500	0.9%	1,057,500	0.5%
Total	51,876,250	43.1%	51,876,250	26.2%

*Each of these Directors has been granted Options.

6.5.6.2 Options

Overview

Options have also been granted to the Non-Executive Directors, as follows:

- 990,000 Options have been granted to Kevin McCann;
- 990,000 Options have been granted to Mark Nelson; and
- 495,000 Options have been granted to Oliver Buck.

The Options were granted for nil cash consideration on 15 October 2017 and are exercisable at a price of \$0.85. The Options expire 4 years after the date of their grant and are not transferrable.

The Options lapse unless Listing is achieved within 12 months from the date of their grant.

The Options are also subject to vesting conditions: 33.3% of the Options granted will vest on each anniversary from the date of their grant.

The total implied value of Options granted to Non-Executive Directors is \$569,250, calculated using the Black Scholes formula.

Rationale for the grant of Options

Telix made the grant of Options to maintain cash reserves for its operations whilst providing cost effective consideration to the Non-Executive Directors for agreeing to join the Board (in the case of Directors McCann and Nelson) and rewarding their commitment and contribution to the Company (in the case of Director Buck).

The Company considered the grant of Options reasonable given the experience and reputation of the Non-Executive Directors, the relationship between the Option exercise price and the Offer Price, the implied value of the Options and current market practices.

The grant of Options was approved by Shareholders at an extraordinary general meeting held on 13 October 2017.

6.5.7 Directors' interests: contracts and business dealings with the Company

6.5.7.1 Andreas Kluge

Dr Andreas Kluge is the principal owner and Geschäftsführer (Managing Director) of ABX CRO, a CRO that specialises in radiopharmaceutical product development. Dr Andreas Kluge was formerly the Geschäftsführer of Therapiea, which was acquired by the Company pursuant to the Therapiea Purchase Agreement.

Telix has entered into the following material contracts, each of which are on arm's length terms:

- a master service agreement with ABX CRO for the provision of clinical and analytical services to Telix – see section 10.4.6; and
- the Therapiea Option Deed and Therapiea Purchase Agreement with Dr Andreas Kluge – see 10.4.1.

6.5.7.2 Oliver Buck

Mr. Oliver Buck is a member of the Supervisory Board of ITM, a leading supplier of diagnostic and therapeutic isotopes for nuclear medicine. Oliver has a material personal interest in ITM.

Telix has entered into the ITG Supply Agreement with ITM for the procurement of ¹⁷⁷Lu, a key component of Telix's therapeutic products – see section 10.4.7 for further details.

6.5.8 Interests of advisers

The Company has engaged the following professional advisers:

- each of Taylor Collison Limited and Wilsons Corporate Finance Limited has acted as Joint Lead Manager to the Offer. The Company has paid, or agreed to pay, the Joint Lead Managers the fees described in section 10.5 for these services. In addition, Taylor Collison Limited has previously acted as financial adviser to the Company, in consideration of which 1,762,500 Shares were issued to entities associated with Taylor Collison Limited and 1,762,500 Shares were issued to entities associated with certain employees of Taylor Collison Limited. Further, entities associated with Taylor Collison Limited and certain of its employees (and their families) also participated in the Company's capital raising in January 2017;
- Clarendon Lawyers has acted as Australian legal adviser to the Company in relation to the Offer (excluding in relation to taxation, stamp duty and intellectual property matters). The Company has paid, or agreed to pay, \$350,000 (excluding GST and disbursements) for these services up to the date of this Prospectus. Further amounts may be paid to Clarendon Lawyers in accordance with its time-based charge-out rates;
- FPA Patent Attorneys Pty Limited has acted as Patent Attorney to the Company in relation to the Offer and has prepared the Intellectual Property Report which is included in this Prospectus. The Company has paid, or agreed to pay, \$170,000 (excluding GST) for these services to the date of this Prospectus. Further amounts may be paid to the Patent Attorney in accordance with its normal time-based charge-out rates; and
- PricewaterhouseCoopers Securities Ltd has prepared the Investigating Accountant's Report on the Pro Forma Historical Consolidated Financial Information. The Investigating Accountant has also performed due diligence enquiries in relation to the pro forma historical consolidated financial information. The Company has paid, or agreed to pay, \$110,000 (excluding GST) for these services to the date of this Prospectus. Further amounts may be paid to the Investigating Accountant in accordance with its normal time-based charge-out rates.

The amounts, and other expenses of the Offer, will be paid by Telix out of the funds raised under the Offer or available cash. See section 7.1.4 for further information on the use of proceeds of the Offer.

6.6 Corporate governance

This section explains the main corporate governance policies and practices adopted by the Company. The Board is responsible for the overall corporate governance of Telix. It is accountable to the Company's members as a whole and must act in the best interests of the Company. The Board monitors the financial position and performance of Telix and oversees its corporate strategy, including approving the strategic objectives and budgets of the Company. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of Telix.

In conducting business with these objectives, the Board seeks to ensure that Telix is properly managed to protect and enhance Shareholder interests, and that Telix, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing Telix, including adopting prudent and effective internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for Telix's business and which are designed to promote the responsible management and conduct of Telix.

The main policies and practices adopted by Telix, which will take effect from Listing, are summarised below. In addition, many governance elements are contained in the Constitution. Details of Telix's key policies and the charters for the Board and each of its committees are available at www.telixpharma.com/governance.

6.7 ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

Telix is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its ASX Corporate Governance Principles and Recommendations 3rd edition (**ASX Recommendations**) for entities listed on the ASX in order to promote investor confidence and to assist companies to meet stakeholder expectations.

The ASX Recommendations are not prescriptions, but guidelines. Under the ASX Listing Rules, Telix will be required to provide a statement in its annual report on its website disclosing the extent to which it has followed the ASX Recommendations during each reporting period. Where Telix does not follow an ASX Recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

Telix intends to comply with all of the ASX Recommendations from the time of Listing, with the following exception of ASX Recommendation 2.4. Recommendation 2.4 provides that a majority of the board of a listed entity should be independent directors. On Listing, two of the Directors will be independent Directors and three of the Directors will be non-independent Directors. While the Company consists of a majority of Non-Executive Directors, Oliver Buck is considered to be non-independent (see section 6.8). The Board considers

that each Director, including Oliver Buck, will add significant value given their considerable skills and experience and will bring objective and independent judgment to the Board's deliberations.

6.8 Board composition

The Board is currently made up of five Directors, comprising two independent, Non-Executive Directors, one non-independent Non-Executive Director and two Executive Directors.

Detailed biographies of the Directors are provided above in section 6.1.

The Board considers a Director to be independent where he or she is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. The Nomination and Remuneration Committee will assess the independence of each Non-Executive Director in light of interests disclosed by them at least annually on a case-by-case basis. Each Non-Executive Director must provide the Board with all relevant information for this purpose.

The Telix Board Charter sets out guidelines and thresholds of materiality to assist in considering the independence of Directors, and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that each of Kevin McCann and Mark Nelson is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment and is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

Christian Behrenbruch and Andreas Kluge are not currently considered by the Board to be independent Directors given their executive roles with the Company and, in the case of Andreas Kluge, his ownership of ABX CRO (a material supplier to the Company) and his position as the vendor of Therapiea.

Oliver Buck is not currently considered to be an independent Director given his role with, and ownership interest in, ITM. ITM is a material supplier to Telix pursuant to the ITG Supply Agreement.

If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market in a timely manner.

6.9 Board Charter

The Board has adopted a Board Charter and Relationship with Management to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged. The Board Charter includes an overview of:

- the Board's composition;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management;

- the authority delegated by the Board to management and Board Committees; and
- the Board's process.

The Board's role is to:

- represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- protect and optimise the Company's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure Shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

The Board, together with the Remuneration and Nomination Committee, determines the size and composition of the Board. Under the Board Charter, the Board should have a majority of independent Non-Executive Directors and an independent Non-Executive Director as Chair of the Board. As at the Prospectus Date the Company does not satisfy its Board independence objectives due to the non-independent status of Christian Behrenbruch and Andreas Kluge as Executive Directors and Oliver Buck as Non-Executive Director. This is a matter that will be addressed as the Company continues to develop its corporate governance functions.

The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by other officers to whom the management function is properly delegated by the CEO). Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate. The Board collectively, and each Director individually, has the right to seek independent professional advice at the Company's expense, subject to the approval of the Chair of the Board.

6.10 Board Committees

The Board may from time to time establish committees to streamline the discharge of its responsibilities. The permanent standing Committees of the Board are the Audit and Risk Committee and the Remuneration and Nomination Committee. The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis. Directors are entitled to attend Board Committee meetings and receive Board Committee papers, and the Chair of each Board Committee will report back on committee meetings at Board meetings.

6.10.1 Audit and Risk Committee

Under its charter, the Audit and Risk Committee should have at least three members, all of whom must be Non-Executive Directors, a majority of independent Directors and an independent Chair who is not Chair of the Board. At least one member of the Audit and Risk Committee should have formal qualifications and experience relevant to the Committee's functions. Membership of the Audit and Risk Committee is as follows: Mark Nelson (Chair), Kevin McCann and Oliver Buck.

The Committee's key responsibilities and functions are to:

- oversee the preparation of financial statements and reports;
- maintain and continually improve the quality, accuracy and integrity of the Company's external financial reporting and financial statements;
- oversee the appointment, remuneration, independence and effective performance of the Company's external auditors;
- oversee the Company's relationship with its external auditors;
- ensure that the Company applies and maintains appropriate accounting and business policies and procedures;
- oversee the effectiveness of the Company's legal and regulatory compliance framework;
- oversee the effectiveness of the Company's risk management framework and internal controls; and
- manage the process of identification and management of risk.

Non-committee members, including members of management and the external auditor, may attend meetings of the Committee at the invitation of the Committee Chair. The Committee has rights of access to management and to auditors without management present, and rights to seek explanations and additional information from management and auditors.

6.10.2 Remuneration and Nomination Committee

Under its charter, the Remuneration and Nomination Committee should have at least three members, all of whom must be Non-Executive Directors, a majority of independent Directors and an independent Director as Chair. Membership of the Remuneration and Nomination Committee is as follows: Kevin McCann (Chair), Mark Nelson and Oliver Buck.

The role of the Committee is to assist and advise the Board on:

- Board succession planning generally;
- succession planning for the CEO and other direct reports to the CEO;
- continuing professional development programs for Directors;

- the development and implementation of a process for evaluating the performance of the Board, its committees and Directors;
- the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment; and
- the appointment and re-election of Directors,

with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

The Committee also assists and advises the Board on remuneration policies and practices for the Board, the CEO, the CFO, senior executives and other persons whose activities, individually or collectively, materially affect the operations of the Company. The Committee also provides recommendations regarding remuneration-related reporting in the Company's financial statements and remuneration reports.

Non-Committee members, including members of management, may attend meetings of the Committee at the invitation of the Committee Chair.

6.11 Corporate Governance Policies

The Board has adopted the following corporate governance policies, each having been prepared having regard to the ASX Recommendations and which will be made available on Telix's website at www.telixpharma.com/governance.

6.11.1 Continuous Disclosure Policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Company is aware of its obligation to keep the market fully informed of any information the Company becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company has adopted a Continuous Disclosure Policy and a Media Relations Policy and established a Disclosure Committee (comprising the Chair of the Board, CEO and Company Secretary, or their delegates) to ensure compliance with these requirements. The Continuous Disclosure Policy applies to all Directors, officers, employees and consultants of the Company.

6.11.2 Communication with Shareholders

The Company aims to communicate all important information relating to the Company to its Shareholders. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. To achieve this, the Company communicates information regularly to Shareholders and other stakeholders through

a range of forums and publications, including the Company website, at the annual general meeting, through the Company's Annual Report and ASX announcements.

6.11.3 Securities Dealing Policy

The Company has adopted a Securities Dealing Policy which is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and explain the Company's policy and procedure for the buying and selling of securities that protects the Company, Directors and employees against the misuse of unpublished information which could materially affect the price or value of securities. The policy applies to Directors, officers, senior management and other employees, consultants and contractors of the Telix Group (collectively, **Employees**).

The policy provides that Employees must not:

- deal in the Company's securities when they are aware of confidential information that is materially price sensitive or 'inside' information;
- deal in the Company's securities when the Company has notified Employees that they must not do so;
- deal in the Company's securities on a speculative or short-term trading basis;
- hedge unvested Company securities acquired under an employee, executive or Director equity plan or Company securities that are subject to a holding lock or restriction on dealing under the terms of any employee, executive or Director equity plan operated by the Company; and
- deal in securities in another company where they are aware of 'inside' information in relation to that company.

In addition, Directors, key management personnel and other persons who have been advised by the Company Secretary that they are subject to special restrictions (collectively, **Restricted Persons**) and their connected persons must not deal in the Company's securities during any of the following blackout periods (except in exceptional circumstances with approval):

- the period from the close of trading on the ASX on 31 December each year until the day following the announcement to ASX of the Company's half-year results;
- the period from the close of trading on the ASX on 30 June each year until the day following the announcement of the full-year results;
- for so long as the Company is subject to an obligation to release quarterly results to the market under the ASX Listing Rules, the period from the close of trading on the balance date for each relevant quarterly period until the day following the announcement to ASX of the quarterly results; and
- any other period that the Board specifies from time to time.

- Otherwise, trading by Restricted Persons and their connected persons will only be permitted with prior approval. Restricted Persons and their connected persons must also not engage in margin lending activities in respect of the Company's securities or deal in financial products issued over Company securities by third parties, unless the Company securities form a component of a listed portfolio or index product.

In all instances, dealing in the Company's securities is not permitted at any time by any person who possesses 'inside' information.

6.11.4 Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Conduct which outlines how the Company expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All employees of the Company (including temporary employees, contractors, Company Directors, officers, consultants and other persons that act on behalf of the Company) must comply with the Code of Conduct.

The objective of the Code of Conduct is to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the policy.

6.11.5 Diversity Policy

The Board has formally adopted a Diversity Policy, which sets out Telix's vision for diversity, incorporating a number of different factors including gender, ethnicity, age and educational experience. The Diversity Policy has been approved in order to actively facilitate a more diverse and representative management and leadership structure.

The Board will include in its annual report each year a summary of the Company's progress towards achieving the measurable objectives set under the Diversity Policy and the Company's most recent "Gender Equality Indicators" as defined by the *Workplace Gender Equality Act 2012* (Cth) (the **Act**) or, where the Company is not required to comply with the Act, the proportion of women employees, senior executives and Board members.

The Board acknowledges that the Company at its current stage of development does not presently demonstrate best practice in terms of diversity of the Board and management team. This is a focus area for improvement over the next 12 months and beyond.



Section 07

DETAILS OF THE OFFER

7.1 Introduction

7.1.1 The Offer

The Offer is an initial public offering of 77.0 million Shares at the Offer Price of \$0.65 per Share to raise \$50.0 million. The Shares to be issued in the Offer will represent approximately 39.0% of the Shares on issue on Completion of the Offer. Accordingly the "free float" (for the purposes of ASX Listing Rule 1.1) will be 39.0% of the Shares on issue at Listing.

The Shares are fully paid ordinary shares and will, once issued, rank equally with the Shares on issue as at the date of this Prospectus. A summary of the rights attaching to the Shares is set out in section 7.13.

7.1.2 Structure of the Offer

The Offer comprises:

- the Retail Offer, comprising:
 - the General Public Offer, which is open to Australian resident retail investors and consists of an invitation to apply for Shares at the Offer Price; and
 - the Broker Firm Offer which is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia; and
- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares.

The Offer is fully underwritten by the Joint Lead Managers. A summary of the Underwriting Agreement, including the events which would entitle a Joint Lead Manager to terminate the Underwriting Agreement, is set out in section 10.5.

7.1.3 Purpose of the Offer

The Offer is being conducted to:

- fund the planned development of the Portfolio, including milestone payments to third parties;
- pay the costs of the Offer;
- provide Telix with a capital structure which, together with access to capital markets, will provide additional financial flexibility to pursue future growth opportunities;
- provide a liquid market for the Shares; and
- provide the Company with the added benefits of an increased profile that arises from being an ASX-listed entity.

7.1.4 Sources and uses of funds

The Offer is expected to raise gross proceeds of \$50 million. Assuming Completion of the Offer occurs on 15 November 2017 this amount, together with existing cash at bank, will be applied as follows.

Figure 34: Sources and uses of funds

Source of Fund \$m	Total
Estimated cash reserves at the Prospectus Date	5.2
Offer	50.0
Total	55.2

Use of Funds \$m	TLX-250	TLX-591	TLX-101	Unallocated	Total
Clinical studies	11.6	14.8	4.4	-	30.8
Manufacturing and CMC	3.8	5.2	0.9	-	9.9
Non-Clinical Studies	1.1	1.5	0.7	-	3.3
General Manufacturing and Platform technology development				1.3	1.3
Working Capital (24 months)				7.1	7.1
Costs of the Offer				2.8	2.8
Total	16.5	21.5	6.0	11.2	55.2

The use of funds for the Portfolio development programs outlined above are expected to be incurred over a 2 year period from Listing.

No funds have been allocated to the acquisition of Atlab because, as at the Prospectus Date, the Board has not resolved whether to exercise the Atlab Option.

The Board retains the right to vary these uses of funds, acting in the best interests of Shareholders and as the circumstances require.

7.1.5 Potential effect of the Offer on the future of the Company

The Directors believe that following Completion of the Offer, the Company will have sufficient working capital to carry out its stated business objectives.

7.2 Shareholding structure and control of the Company

7.2.1 Shareholding structure

The Company expects that its key Shareholders will have the following Shareholdings on the Prospectus Date, and following Completion of the Offer, as set out in Figure 35 below.

Figure 35: Shareholding structure

Shareholder	Shares on Prospectus Date		Shares on Completion of the Offer	
	Shares	%	Shares	%
Christian Behrenbruch	24,675,000	20.5%	24,675,000	12.5%
Andreas Kluge	24,675,000	20.5%	24,675,000	12.5%
Board of Directors*	2,526,250	2.1%	2,526,250	1.3%
The Oncidium Foundation#	7,050,000	5.9%	7,050,000	3.6%
SAB Members	5,640,000	4.7%	5,640,000	2.9%
Other Existing Shareholders^	55,871,250	46.4%	55,871,250	28.3%
Investors under the Offer	-	-	77,000,000	39.0%
Total	120,437,500	100%	197,437,500	100%

* Excluding Christian Behrenbruch and Andreas Kluge.

The Oncidium Foundation is a charitable foundation that was issued Shares for nominal cash consideration at the time of incorporation of Telix.

^ Other Existing Shareholders comprise participants in the Company's capital raising undertaken in January and March 2017 and service providers to the Company who were issued Shares in consideration for the provision of their services.

7.2.2 Options

Directors Kevin McCann, Mark Nelson and Oliver Buck also hold Options – refer to section 6.5 for further details.

7.2.3 Share capital

As at the Prospectus Date, and on Completion of the Offer, the only classes of securities on issue are Shares and Options.

7.2.4 Control of the Company

The Directors do not expect that any single Shareholder will control the Company on Completion of the Offer.

7.3 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the Shares?	A description of the Shares, including the rights and liabilities attaching to them, is set out in section 7.13.
What is the consideration payable for each Share?	The Offer Price is \$0.65 (65 cents) per Share.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out in the Key Dates on page 6 of this Prospectus. No Shares will be issued on the basis of this Prospectus later than the Expiry Date. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Melbourne time. The Company, in consultation with the Joint Lead Managers, reserves the right to vary any and all of the times and dates without notice (subject to the ASX Listing Rules and the Corporations Act), including to close the Offer early, extend the Offer, or to accept late Applications (either generally or in particular cases), or to cancel or withdraw the Offer before settlement of the Offer.
What are the cash proceeds to be raised under the Offer?	\$50.0 million will be raised from investors under the Offer.
How is the Offer structured?	The Offer comprises: - the Retail Offer, comprising: - the General Public Offer, which is open to Australian resident retail investors and consists of an invitation to apply for Shares at the Offer Price; and - the Broker Firm Offer which is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia; and - the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares.
What is the allocation policy?	The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by agreement between the Joint Lead Managers and the Company. Under the Retail Offer, a proportion of Shares will be allocated to Broker Firm Applicants as part of the Broker Firm Offer. Brokers will decide as to how they allocate Shares that they are allocated to their retail clients. The General Public Offer may be subject to scaleback, having regard to the level of demand in the Retail Offer generally. The Company and Joint Lead Managers (by agreement) have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.
What is the minimum and maximum Application size under the Offer?	The minimum Application size is \$2,000, and multiples of \$1,000 thereafter. There is no maximum Application. The Joint Lead Managers, together with the Company, reserve the right to reject any Application or to allocate a lesser number of Shares than applied for.

Topic	Summary
Will the Shares be quoted?	The Company will apply to the ASX for admission to the official list of the ASX and quotation of Shares on the ASX under the code 'TLX'. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.
When are Shares expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about 15 November 2017, initially on a deferred settlement basis until the Company has advised ASX that holding statements have been dispatched to Shareholders. It is expected that initial holding statements will be dispatched by standard post on or about 16 November 2017. Normal settlement trading is expected to commence on or about 17 November 2017. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.
Is the Offer underwritten?	Yes, the Offer is fully underwritten by the Joint Lead Managers. Details are provided in sections 7.6 and 10.5.
Are there any escrow arrangements?	Yes. Details are provided in section 10.6.
Has any ASIC relief or ASX waiver or confirmation been obtained?	Yes. Details are provided in section 10.7.
How can I apply?	If you are an eligible retail investor in Australia, you may apply for Shares under the General Public Offer either: • online, by visiting www.telixpharma.com/IPO and making your Application and paying your Application Monies using BPAY® or Direct Debit; or • by mailing your completed blue paper Application Form together with payment of your Application Monies by cheque or money order to the Share Registry. Broker Firm Applicants who have received a Broker Firm Offer may apply for Shares by completing a valid yellow paper Application Form attached to or accompanying this Prospectus and submitting that form in accordance with the instructions received from their Broker.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post on or about 16 November 2017.
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.

Topic	Summary
What are the tax implications of investing in the Shares?	Given that the taxation consequences of an investment will depend upon the investor's particular circumstances, it is the obligation of each investor to make their own enquiries concerning the taxation consequences of an investment in Telix. If you are in doubt as to the course you should follow, you should consult your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser. An overview of the tax treatment for Australian resident investors is included in section 7.10
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the cancellation or withdrawal of the Offer.
Where can I find more information about this Prospectus or the Offer?	If you have any questions about this Prospectus or how to apply for Shares, please call the Telix Offer Information Line on 1800 262 299 (within Australia) and +61 1800 262 299 (outside Australia) from 9.00 am to 5.00 pm (AEST), Monday to Friday (excluding public holidays). If you are unclear or uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your lawyer, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest in Shares.

7.4 Retail Offer

7.4.1 General Public Offer

7.4.1.1 Who can apply in the General Public Offer?

The General Public Offer is open to retail investors who are Australian residents and who are not Broker Firm Applicants.

7.4.1.2 How to apply for Shares under the General Public Offer

Applicants under the General Public Offer can apply online or by using a blue Application Form.

If you are applying online, please visit www.telixpharma.com/IPO and follow the instructions.

If you are applying using a paper Application Form, please complete a blue Application Form and send it, together with an accompanying cheque or money order for the Application Monies, to the Share Registry so that it is received before 5.00pm (Melbourne time) on 8 November 2017 at:

Mailing address

Telix Pharmaceuticals Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235

Hand Delivery

Telix Pharmaceuticals Limited
 C/- Link Market Services Limited
 1A Homebush Bay Drive
 Rhodes NSW 2138

(do not use this address for mailing purposes).

7.4.1.3 How to pay

Applicants under the General Public Offer who are applying for Shares online can only pay for Shares using BPAY® or Direct Debit by following the instructions.

If you are using a paper Application Form, the blue Application Form must be accompanied by a cheque or money order for an amount corresponding to your Application. The cheque or money must be made payable to Telix Pharmaceuticals Limited IPO, crossed "Not Negotiable" and delivered to the address specified in the Application Form (and at section 7.4.1.2 above) by no later than 5pm (Melbourne time) on 8 November 2017.

Your Application must be for a minimum of \$2,000 and multiples of \$1,000 thereafter.

You must ensure that cleared funds are held in the relevant account(s) to cover the amount of your cheque, money order, direct debit or BPAY® payment. If the amount of cleared funds received by the Share Registry is less than the Application Monies specified on your Application, you will be taken to have applied for such lower number of Shares as your cleared Application Monies will pay for (and to have specified that amount in your Application Form), or your Application Form will be rejected.

If the amount of cleared funds received is greater than the amount of the Application Monies specified on your Application, you will be taken to have applied for such higher number of Shares as your cleared payment will pay for (and to have specified that amount in your Application Form).

7.4.2 Broker Firm Offer

7.4.2.1 Who can apply in the Broker Firm Offer?

The Broker Firm Offer is open to persons who have received an invitation from a Broker to acquire Shares and who have a registered address in Australia. Investors who have been offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation.

Investors should contact their Broker to determine whether they may be allocated Shares under the Broker Firm Offer. The Broker Firm Offer is not a general public offer and is not open to persons in the United States.

7.4.2.2 How to apply for Shares under the Broker Firm Offer

Applications for Shares may only be made on a yellow Application Form attached to or accompanying this Prospectus or any replacement or supplementary prospectus. Broker Firm Applicants must complete and lodge their yellow Application Form with the Broker from whom they received their invitation. Application Forms must be completed in accordance with the instructions given to you by the Broker and the instructions set out on the Application Form.

Broker Firm Applicants should contact their Broker about the minimum and maximum Application amount. The Company and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

Broker Firm Applicants must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive an allocation of Shares. Applicants under the Broker Firm Offer must not send their Application Forms to the Share Registry.

7.4.2.3 How to pay

Broker Firm Applicants must pay their Application Monies in accordance with instructions from their Broker.

7.4.3 Offer Period

The Retail Offer opens at 9.00 am (AEST) on 24 October 2017 and is expected to close at 5.00 pm (AEST) on 8 November 2017. The Company and the Joint Lead Managers may elect to close the Retail Offer early, extend the Retail Offer or any part of it, or accept late Applications either generally or in particular cases. Your Broker may impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible.

7.4.4 Applications and refunds

The Company reserves the right to decline any Application and all Applications in whole or in part, without giving any reason. Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their

Application Monies, as applicable. Interest will not be paid on any Application Monies refunded.

7.4.5 Allocation policy under the Retail Offer

Under the Retail Offer, a proportion of Shares will be allocated to Broker Firm Applicants as part of the Broker Firm Offer. Brokers will decide as to how they allocate Shares that they are allocated to their retail clients.

If the Retail Offer is oversubscribed, the Company retains the right to scale back Applications at its absolute discretion.

7.4.6 Announcement of basis of allocation

On or around 13 November 2017, the Company will announce the basis of allocation of Shares to all successful Applicants.

Applicants may also call the Telix Offer Information Line to obtain information on their allocation of Shares.

Investors who sell Shares before confirming their allocation do so at their own risk.

7.4.7 Declaration

By making an Application under the Retail Offer, you declare that you were given access to this Prospectus or any replacement Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

7.5 Institutional Offer

7.5.1 Invitations to Bid

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares. The Joint Lead Managers have separately advised Institutional Investors of the Application procedures for the Institutional Offer.

7.5.2 Allocation policy under the Institutional Offer

The allocation of Shares between the Institutional Offer and the Broker Firm Offer is determined by the Company in agreement with the Joint Lead Managers. The Company, in agreement with the Joint Lead Managers, has absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer are advised of their allocation of Shares, if any, by the Joint Lead Managers. The allocation policy is influenced by the following factors:

- number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following Listing;
- the Company's desire to establish a wide spread of institutional Shareholders;
- overall level of demand under the Retail Offer and Institutional Offer;

- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long term Shareholders; and
- any other factors that the Company and the Joint Lead Managers consider appropriate.

7.6 Underwriting arrangements

The Offer is fully underwritten by the Joint Lead Managers. The Joint Lead Managers and the Company have entered into an Underwriting Agreement under which the Joint Lead Managers have been appointed as arrangers, managers and underwriters of the Offer. The Joint Lead Managers agree, subject to certain conditions and termination events, to underwrite Applications for all Shares under the Offer.

The Underwriting Agreement is subject to a number of conditions precedent and sets out a number of circumstances under which a Joint Lead Manager may terminate the Underwriting Agreement and its underwriting obligations. A summary of certain terms of the Underwriting Agreement is provided in section 10.5.

7.7 Ownership restrictions

The sale and purchase of Shares in the Company is regulated by Australian laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This section contains a general description of these laws.

7.7.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply.

The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company.

7.7.2 Foreign Acquisitions and Takeovers Act

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (substantial interest), or 40% or more by two or more unassociated foreign persons and their associates (aggregate substantial interest). Where an acquisition of a substantial interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Federal Government's Foreign Investment Policy or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a substantial interest or an aggregate substantial interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement

of non-objection or expiry of a statutory period without objection, has occurred.

7.8 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and may not be offered, sold, pledged or transferred in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act laws and any other applicable laws.

This Prospectus may only be distributed in Australia and, outside Australia, to persons to whom the Offer may be lawfully made in accordance with the laws of the applicable jurisdiction, provided that this Prospectus may not be distributed in the United States.

The Offer is not an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- it is not in the United States;
- it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

7.9 General acknowledgments

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;

- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company, the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

7.10 What are the taxation considerations?

The following comments provide a general summary of Australian tax issues for Australian tax resident investors who acquire Shares under this Prospectus.

The categories of investors considered in this summary are limited to individuals, certain companies, trusts, partnerships and complying superannuation funds, each of whom hold their shares on capital account.

This summary does not consider the consequences for non-Australian tax resident investors, or Australian tax resident investors who are insurance companies, banks, investors that hold their shares on revenue account or carry on a business of trading in shares or investors who are exempt from Australian tax.

This summary also does not cover the consequences for Australian tax resident investors who are subject to Division 230 of the *Income Tax Assessment Act 1997* (Cth) (the Taxation of Financial Arrangements or “TOFA” regime). This summary is based on the law in Australia in force at the

Prospectus Date. This summary does not take into account the tax law of countries other than Australia.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal of the Shares will depend upon each investor’s specific circumstances.

Investors should obtain their own advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

7.10.1 Dividends on a Share for Australian tax resident Shareholders

Individuals and complying superannuation entities

Where dividends on a Share are distributed, those dividends will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year they derive the dividend, together with any franking credit attached to that dividend if they are a “qualified person” (refer further comments below). Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a “qualified person” or where the investor receives less than \$5,000 in franking credits from all sources for the income year. The tax offset can be applied to reduce the tax payable on the investor’s taxable income. Where the tax offset exceeds the tax payable on the investor’s taxable income in an income year, such investors should be entitled to a tax refund. Where a dividend paid is unfranked, the investor will generally be taxed at their prevailing tax rate on the dividend received with no tax offset.

Corporate investors

Corporate investors are required to include both the dividend and associated franking credit in their assessable income subject to being a “qualified person”. A tax offset is then allowed up to the amount of the franking credit on the dividend. An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate investors can then pass on the benefit of the franking credits to their own investor(s) on the payment of dividends. Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

Trusts and partnerships

investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in their assessable income in determining the net income of the trust or partnership. Subject to being a “qualified person”, the relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary’s or partner’s share of the franking credit received by the trust or partnership.

7.10.2 Shares held at risk

The benefit of franking credits can be denied where an investor is not a “qualified person” in which case the investor will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an investor must satisfy the holding period rule including, if necessary, the related payment rule.

The holding period rule requires an investor to hold the Shares “at risk” for more than 45 days continuously, measured as the period commencing the day after the investor acquires the Shares and ending on the 45th day after the Shares become ex-dividend. Any day on which an investor has a materially diminished risk or loss of opportunity for gain (through transactions such as granting options or warrants over Shares or entering into a contract to sell the Shares) will not be counted as a day on which the investor held the Shares “at risk”. This holding period rule is subject to certain exceptions. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where an investor or their associate passes on the benefit of the franking credit to another person. The related payment rule requires the investor to have held the Shares at risk for a period commencing on the 45th day before, and ending on the 45th day after the day the Shares become ex-dividend. Practically, this should not impact investors who do not pass the benefit of the dividend to another person. Investors should obtain their own tax advice to determine if these requirements have been satisfied.

Dividend washing rules can apply such that no tax offset is available (nor is an amount required to be included in assessable income) for a dividend received. Investors should consider the impact of these rules having regard to their own personal circumstances.

7.10.3 Disposal of Shares by Australian tax resident Shareholders

The disposal of a Share by an investor will be a capital gains tax (CGT) event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus any transaction costs). In the case of an arm’s length on-market sale, the capital proceeds will generally be the cash proceeds from the sale.

A CGT discount may be applied against the net capital gain where the investor is an individual, complying superannuation entity or trustee, the Shares have been held for more than 12 months and certain other requirements have been met. Where the CGT discount applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half after offsetting current year or prior year capital losses. For a complying superannuation entity, any net capital gain may

be reduced by one third, after offsetting current year or prior year capital losses.

Where the investor is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Investors that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the investor in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

7.10.4 Goods and Services Tax (GST)

Investors should not be liable for GST in respect of their investment in Shares. Investors may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by investors in this respect.

7.10.5 Stamp duty

Investors should not be liable for stamp duty in respect of their holding of Shares, unless they acquire, either alone or with an associated/related person, an interest of 90% or more in Telix. Under current stamp duty legislation, no stamp duty would ordinarily be payable by investors on any subsequent transfer of Shares. Investors should seek their own advice as to the impact of stamp duty in their own particular circumstances.

7.10.6 Tax File Numbers

Resident investors may, if they choose, notify the Company of their TFN, ABN or a relevant exemption from withholding tax with respect to dividends. In the event the Company is not so notified, tax will automatically be deducted at the highest marginal rate (including applicable levies such as the Medicare Levy) from unfranked dividends and/or distributions.

Resident investors may be able to claim a tax credit or rebate (as applicable) in respect of any tax withheld on dividends in their income tax returns

7.11 Discretion regarding the Offer

The Company reserves the right not to proceed with the Offer at any time before the issue and transfer of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.

The Company and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid,

or allocate to any Applicant or bidder fewer Shares than applied or bid for.

7.12 ASX Listing, registers and holding statements, deferred settlement trading

7.12.1 Application to the ASX for listing of Telix and quotation of shares

The Company will apply to the ASX for admission to the official list of the ASX and quotation of the Shares on the ASX. The Company's ASX code will be 'TLX'.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the official list is not to be taken as an indication of the merits of Telix or the Shares offered for issue.

If permission is not granted for the official quotation of the Shares on the ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies received by the Company will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

7.12.2 CHESS and issuer sponsored holdings

The Company will apply to participate in the ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister.

For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Share certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations

Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring Broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. Telix and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.12.3 Deferred settlement trading and selling Shares on market

It is expected that trading of the Shares on the ASX (on a deferred basis) will commence on or about 15 November 2017. Trading will be on a deferred settlement basis until the Company has advised ASX that holding statements have been despatched to Shareholders, which is expected to occur on 16 November 2017.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from your firm allocation through a Broker.

Shares are expected to commence trading on the ASX on a normal settlement basis on or about 17 November 2017.

7.13 Constitution and rights and liabilities attaching to the Shares

7.13.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of the ASX.

7.13.2 Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held (with adjusted voting rights for partly paid shares). If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to his or her deliberative vote.

7.13.3 Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

7.13.4 Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and decide the method of payment.

7.13.5 Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Share, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, *Corporations Regulations 2001* (Cth) and ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register, or prevent registration of, a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

7.13.6 Issues of further Shares

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

7.13.7 Winding up

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them. If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of Shareholders.

7.13.8 Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. A marketable parcel of shares is defined in the ASX Listing Rules and is generally, a holding of shares with a market value of not less than \$500.

7.13.9 Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those rules were adopted by the Company or the date those rules were last renewed in accordance with the Corporations Act.

7.13.10 Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of Shares, the rights attached to any class of Shares may be varied:

- with the written consent of the holders of 75% of the Shares of the class; or
- by a special resolution passed at a separate meeting of the holders of Shares of the class.

7.13.11 Directors – Appointment and retirement

Under the Constitution, the Board is comprised of a minimum of three Directors and a maximum of nine Directors, unless the Company resolves otherwise at a general meeting. Directors are elected or re-elected at general meetings of the Company.

No Director (excluding the CEO) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director either as an addition to the existing Directors or to fill a casual vacancy, who will then hold office until the conclusion of the next annual general meeting of the Company following his or her appointment.

7.13.12 Directors – Voting

Questions arising at a meeting of the Board must be decided by a majority of votes cast by the Directors present and entitled to vote on the matter. If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote in which case the chairperson of the meeting does not have a second or casting vote and the proposed resolution is taken as lost. A Director may attend and vote by proxy at a meeting of the Board if the proxy is a Director, and has been appointed in writing by the appointer.

7.13.13 Directors – Remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director but the total aggregate amount provided to all Non-Executive Directors of the Company for their services as Directors must not exceed in any financial year the amount fixed by the Company in a general meeting. The remuneration of a Director (who is not the CEO or an Executive Director) must not include a commission on, or a percentage of, profits or operating revenue. The current maximum aggregate sum of Non-Executive Director remuneration is set out in section 6.5.1. Any change to that maximum aggregate amount needs to be approved by Shareholders.

Directors are entitled to be paid for all travelling and other expenses they incur in attending to the Company's affairs,

including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. Any Director who performs extra services, makes any special exertions for the benefit of the Company or otherwise performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Non-Executive Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company. Directors' remuneration is discussed in section 6.5.1.

7.13.14 Powers and duties of Directors

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the power of the Company and that are not by the Constitution or by law directed or required to be done by the Company in general meeting.

7.13.15 Preference Shares

The Company may issue preference Shares including preference Shares which are, or at the option of the Company or holder are, liable to be redeemed or convertible into ordinary shares. The rights attaching to preference Shares are those set out in the Constitution or have been otherwise approved by special resolution of the Company.

7.13.16 Indemnities

The Company must indemnify each officer on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the officer as an officer of the Company.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each officer of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

7.13.17 Access to records

The Company may enter into contracts with a Director or former Directors agreeing to provide continuing access for a specified period after the Director ceases to be a Director to Board papers, books, records and documents of the Company which relate to the period during which the Director or former Director was a Director on such terms and conditions as the Board thinks fit. The Company may procure that its subsidiaries provide similar access to board papers, books, records or documents.

7.13.18 Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of the Company.



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Section 08

INVESTIGATING ACCOUNTANT'S REPORT



The Directors

Telix Pharmaceuticals Limited
55 Flemington Road
North Melbourne VIC 3051

16 October 2017

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on Telix Pharmaceuticals Limited historical and pro forma historical financial information and Financial Services Guide

We have been engaged by Telix Pharmaceuticals Limited (the **Company**) to report on the historical financial information and pro forma historical financial information of the Company for inclusion in the prospectus dated on or about 16 October 2017 and relating to the issue of fully paid ordinary shares in the capital of the Company and the listing of the Company on the Australian Securities Exchange (the **Prospectus**).

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

Historical Financial Information

You have requested PricewaterhouseCoopers Securities Ltd to review the following historical financial information of the Company (the responsible party) included in the Prospectus (**Actual Historical Financial Information**):

- the actual income statement for the six months ended 30 June 2017 (H1 CY17);
- the actual balance sheet as at 30 June 2017; and
- the actual operating cash flows for H1 CY17.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting

***PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of
Australian Financial Services Licence No 244572***

***2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au***

Standards and the Company's adopted accounting policies. The H1 CY17 Historical Financial Information has been extracted from the financial report of the Company for the six months ended 30 June 2017 which was audited by PricewaterhouseCoopers Securities ("PwCS") in accordance with the Australian Auditing Standards. PwCS issued an unmodified audit opinion in respect of this period. The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

You have requested PricewaterhouseCoopers Securities Ltd to review the following pro forma historical financial information of the Company included in the Prospectus (**Pro Forma Historical Financial Information**):

- the pro forma income statements for the years ended 31 December 2015 (CY15), 31 December 2016 (CY16), the six months ended 30 June 2016 (H1 CY16) and H1 CY17;
- the pro forma balance sheet as at 30 June 2017; and
- the pro forma operating cash flows for CY15, CY16, H1 CY16 and H1 CY17.

The Pro Forma Historical Financial Information has been derived from the Actual Historical Financial Information of the Company, after adjusting for the effects of pro forma adjustments described in section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Actual Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 4 of the Prospectus, as if those events or transactions had occurred as at the date of the Actual Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and/or cash flows.

Directors' responsibility

The directors of the Company are responsible for the preparation of the Actual Historical Financial Information and Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the Actual Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.



A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Actual Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Actual Historical Financial Information of the Company, as described in section 4 of the Prospectus, and comprising:

- the actual balance sheet as at 30 June 2017;
- the actual income statement for the six months ended 30 June 2017 (H1 CY17), and
- the actual operating cash flows for H1 CY17

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial information of the Company as described in section 4 of the Prospectus, and comprising:

- the pro forma income statements for the years ended 31 December 2015 (CY15), 31 December 2016 (CY16), the six months ended 30 June 2016 (H1 CY16) and H1 CY17;
- the pro forma balance sheet as at 30 June 2017; and
- the pro forma operating cash flows for CY15, CY16, H1 CY16 and H1 CY17

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Actual Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 4 of the Prospectus, as if those events or transactions had occurred as at the date of the Actual Historical Financial Information.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 4 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully



Robert Silverwood
Authorised Representative of
PricewaterhouseCoopers Securities Ltd



Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 16 October 2017

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) (**PwC Securities**) has been engaged by Telix Pharmaceuticals Limited (**the company**) to provide a report in the form of an Independent Limited Assurance Report on the Company's historical and pro forma historical financial information (**the Report**) in relation to the proposed issue and sale of Shares in the Company and listing of the Company on the Australian Securities Exchange, for inclusion in the prospectus dated on or about 16 October 2017.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on an hourly basis and as at the date of this Report amount to \$90,000 (excluding disbursements and GST) for the above services up until the Prospectus Date.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business. In relation to Telix Pharmaceuticals Limited, PricewaterhouseCoopers is the auditor.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("FOS"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.



8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Robert Silverwood
Authorised Representative
PricewaterhouseCoopers Securities Ltd

2 Riverside Quay
SOUTHBANK VIC 3006
GPO Box 1331
MELBOURNE VIC 3001



Section 09

INTELLECTUAL PROPERTY REPORT

16 October 2017

Dr Christian P Behrenbruch
Chief Executive Officer
Telix Pharmaceuticals Limited

FPA ref: M50161623:DAS:mc
Principal: Damian Slizys

Dear Dr Behrenbruch

Intellectual Property Report of Telix Pharmaceuticals Limited

We have been instructed by the Board of Telix Pharmaceuticals Limited (**Telix**) to prepare a report on the registered intellectual property associated with Telix. The report has been prepared for inclusion in a prospectus for lodgement at the Australian Securities and Investment Commission for the purpose of raising funds through the issue of securities and to seek listing on the Australian Securities Exchange.

1. Executive Summary

Telix has in-licensed registered intellectual property associated with its key products TLX-591, TLX-250 and TLX-101. Telix has also filed its own applications for registered intellectual property in respect of its key products.

Section 2 references the Telix patent portfolio set out in Schedule A.

Sections 3 to 7 explain general aspects of the patent system and the limitations associated with patent protection.

Section 8 explains general aspects of the trade mark system and references Telix's trade mark portfolio which is set out in Schedule B. Section 9 outlines the limitations associated with trade mark protection.

Section 10 provides an overview of data and market exclusivities for pharmaceutical products.

Schedules A and B are a set of tables outlining details of the patent and trade mark portfolio respectively.

2. The Patent Portfolio

The details of patents and patent applications which Telix has an interest in, either by in-licensing, by ownership, or by other means, are annexed as Schedule A. Schedule A also indicates whether patent term extensions (**PTE**) or supplementary protection certificates (**SPC**), described further in Section 4 below, might be available in respect of the relevant patents.

In respect of patents and patent applications that have been in-licensed from third parties, we have reviewed the chain of documentation by which Telix has assumed rights in each of these patents and patent applications and confirm that we have not identified any issues.

3. Patent Protection

Patents are granted by national and regional intellectual property offices in accordance with the corresponding national laws. Granted patents provide a right to prevent use, sale, importation or other unauthorised exploitation of the invention. The protection is generally limited to actions in or relating to the countries in which protection is obtained, and enforcement is generally by litigation.

The scope of protection is defined by the terms of the claims. Patents are (in broad terms) infringed when another party takes all of the elements of one or more of the claims in the patent. Patents generally have a maximum term of 20 years, subject to the payment of renewal fees in all the relevant countries.

In the field of pharmaceuticals (such as Telix's key products), patent term extensions or supplementary protection certificates may extend the term of a patent beyond 20 years in certain jurisdictions. Examples of important jurisdictions where these regimes are available are the USA, Europe, Japan and Australia.

Many of the patents and patent applications which are in-licensed or owned by Telix may be able to be extended under the patent term extension or supplementary protection certificate regimes (in jurisdictions where these regimes are available) once the key products have been the subject of regulatory approval as the claims are directed to pharmaceutical products and their uses. The extensions in term are typically up to 5 years in duration and are often related to the delay between filing the patent and regulatory approval of the pharmaceutical product.

4. Requirement for Patentability

The requirements for patentability differ in detail from country to country. However, in general terms the main requirements are that the invention relate to patentable subject matter; that the invention is novel and has an inventive step; and that the patent contain an adequate disclosure of performing or making the invention.

In order to be new, the invention must not have been disclosed in writing or otherwise in public, or offered for sale, before the priority date. The requirement of inventive step is, in general terms, that the invention must go beyond what the skilled worker in the field would arrive at as a matter of course when attempting to address the same problem as the invention.

5. Procedure for Obtaining Patent Protection

Patents are granted on a national basis. International patent protection is based upon a system of well-established and widely adopted international conventions. The first application for a patent for an invention is called the basic application, and its filing date is known as the priority date. If patent applications in other countries are filed within a year from the priority date, then (in accordance with the Paris Convention, WTO Treaty and bilateral agreements) they retain the effective filing date of the priority date for the purpose of assessing novelty and inventive step.

There are three different types of patent application of relevance. A provisional application acts as a filing to obtain a priority date. It does not proceed to grant; rather, a later application must be filed within a year of the priority date to claim the benefit of that filing. Provisional applications are not examined by the patent authorities.

A national filing is a regular patent application in a particular country or region. It will be examined in most cases by the local or regional patent authorities. Applications can be filed directly in the country or region, or using another convention called the Patents Cooperation Treaty (PCT).

The PCT allows for a single application to be filed in a single patent office, designating all the member states, obtain a preliminary search and opinion, and delay filing into the national and regional intellectual property offices for a period of 30 months from the priority date. The PCT currently has 148 members, including all OECD member countries. At the end of this period, national filings must be made in the countries of interest.

The patent application is examined in each country (or in some cases regional offices), according to its national laws and procedures.

6. Potential Limitations of Patent Protection

Certain limitations are inherent in the patent system. In all relevant countries it is possible to challenge the validity of a patent even after it has been granted by the intellectual property office. This may be possible by administrative processes at the relevant patent office, court procedures, or both. A successful challenge to validity will result in the patent being narrowed in scope, or completely revoked.

Patent offices do not guarantee the validity of patents granted. Because of the limited scope of material searchable by the patent office, compared to the potential to use any document or act before the priority date to attack validity, there is a risk that presently unknown material relevant to patentability will be discovered at a later time, with consequent risks to validity.

The scope of a granted patent may be significantly different to a pending application, and so it is not possible to advise with certainty in relation to infringement of a pending application.

Pending patent applications may never proceed to be granted patents. It is not generally possible to commence litigation based on a pending application, it is necessary to obtain a granted patent. However, damages in some instances and in some jurisdictions may be backdated for part of the period of pendency.

Our review shows that none of the patents and patent applications in-licensed or owned by Telix are presently the subject of a challenge by a third party. EP0956506 has previously been challenged in opposition proceedings before the European Patent Office but the opposition was successfully dismissed.

7. Proprietorship

It is a requirement for validity of patents in Australia and other jurisdictions that there be a clear chain of title from the inventor to the applicant or owner. Challenges to proprietorship can be a basis for revocation of patents. We have not been made aware of any issues in relation to the proprietorship of the patents and patent applications listed in Appendix A. In addition, we note that each of the licence agreements that we have reviewed includes a warranty from the licensor that inventorship has been correctly determined.

8. Trade Marks

Registered trade marks protect indications which serve to distinguish the goods or services of one competitor from those of others, and provide the owner with the exclusive right to use or authorise others to use the trade mark in relation to the goods and services for which it is registered.

Trade marks are granted generally on a national or regional basis. International filings are governed by international treaties, in a similar manner to patents, but with a six month priority period. The intellectual property offices in each country in most cases conduct searches and examination prior to registration. Applications are typically pending for a period of 6 months to 2 years prior to grant.

Schedule B includes a list of the registered trade marks and trade mark applications that have been in-licensed to Telix or are owned by Telix. We note in particular that Telix has commenced the process of seeking registration of its name and logo as trademarks in US, Canada, Europe, China, Australia and Japan.

In respect of trade marks and trade mark applications that have been in-licensed from third parties, we have reviewed the chain of documentation by which Telix has assumed rights in each of these trade marks and trade mark applications and confirm that we have not identified any issues.

9. Potential limitations of Trade Mark Protection

Trade marks are subject to challenge by third parties in each jurisdiction before and after grant, using administrative and/or court based processes on various grounds.

Our review shows that none of the trade marks and trade mark applications in-licensed or owned by Telix are the subject of a challenge by a third party.

10. Data and Market Exclusivity Provisions

Data and market exclusivity provisions exist in each jurisdiction. Relevantly for Telix, they relate to the regulatory approval of pharmaceutical products *inter alia*. The provisions provide periods within which a competitor is limited in their ability to obtain regulatory approval for a follow-on product.

Data exclusivity relates to the period in which information relating to the safety and efficacy of a product, provided to a regulatory authority for the purposes of obtaining regulatory approval, remains confidential, or cannot be relied upon by the regulatory authority or a 3rd party in order to obtain regulatory approval of a follow-on product.

Data exclusivity is separate from other forms of exclusivity, such as the monopoly provided by patents. In some instances, the period of data exclusivity may extend beyond the term of any patent which protects the same product.

Market exclusivity refers to a period where a party wishing to sell a follow-on product is prohibited from doing so, even if regulatory approval has been obtained.

As the key Telix products are pharmaceutical products, they will have the benefit of periods of data and market exclusivity available in each jurisdiction following regulatory approval. These are typically 5 years or more in duration (and 8 years data exclusivity plus 2 years market exclusivity for European jurisdictions).

TLX-101t has been granted orphan designation in the US and Europe for the use of ¹³¹I-L-phenylalanine in the treatment of glioma. Once TLX-101t has received marketing authorisation for this indication then TLX-101t will have the benefits of orphan designation in these jurisdictions which include 7 years of market exclusivity in the US and 10 years of market exclusivity in Europe.

Yours sincerely



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Schedule A

Patent Portfolio

A. TLX-591

Patents in-licensed from Abzena plc

The patent applications in-licensed from Abzena plc are directed to monoclonal antibodies which are re-engineered variants of the huJ591 monoclonal antibody generally described in the patent families of WO98/03873 and WO2002/098897 that expire in 2017 and 2022 respectively. Telix has in-licensed each of these patent families to the extent that there are any unexpired rights.

- Patent family of PCT/GB2017/051638 entitled “Antibodies, uses thereof, and conjugates thereof” (Priority date: 6 June 2016).** This patent application is generally directed to anti-PSMA antibodies having improved properties. In particular, antibodies having improved stability over huJ591.

As this patent application is at an early stage in its lifecycle, it is not yet necessary to decide the countries in which it will proceed. It can proceed in all key jurisdictions being the jurisdictions defined below in note 1.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
PCT	PCT/GB2017 /051638	Pending	6 June 2037	Yes in jurisdictions that have this regime and subject to granted claim scope.

- Patent family of GB1614162.4 entitled “Antibodies, uses thereof, and conjugates thereof” (Priority date: 18 August 2016)**

This patent application is generally directed to antibodies having improved properties. In particular, antibodies having improved binding affinity to PSMA over huJ591.

As this patent application is at an early stage in its lifecycle, it is not yet necessary to decide the countries in which it will proceed. It can proceed in all key jurisdictions being the jurisdictions defined below in note 1.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
United Kingdom	1614162.4	Pending	18 August 2037	Yes in jurisdictions that have this regime and subject to granted claim scope.

Patents in-licensed from Atlab Pharma SAS

3. Patent family of WO2002/098897 entitled “Modified Antibodies to Prostate-Specific Membrane Antigen and Uses thereof” (Priority date: 1 June 2001)

These patents and patent applications are generally directed to the anti-PSMA antibody huJ591.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	2002318169	Granted	30 May 2022	Yes
Canada	2477695	Granted	30 May 2022	No such regime in Canada
Europe Registered in UK, Germany and France	1392360	Granted	30 May 2022	Yes
Europe Registered in UK, Germany and France	2277542	Granted (divisional of EP1392360)	30 May 2022	Yes
Japan	4619651	Granted	30 May 2022	Yes
USA	7045605	Granted	26 January 2023	Yes
USA	7514078	Granted	6 June 2024	Yes
USA	7666414	Granted	6 June 2024	Yes
USA	20170037142	Pending	30 May 2022	Yes
USA	15/615631	Pending	30 May 2022	Yes

4. Patent family of WO2004/098535 entitled “Modified Antibodies to Prostate-Specific Membrane Antigen and Uses thereof” (Priority date: 3 March 2003)

These patents are directed to treatment of prostate cancer using huJ591 coupled to ¹⁷⁷Lu.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Europe Registered in UK, Germany & France	1599228	Granted	3 March 2024	Yes

5. Patent family of WO2009/046294 entitled “Treatment of Proliferative Disorders Using Antibodies to PSMA” (Priority date: 3 October 2007)

These patents and patent applications are directed to specific methods of treatment of proliferative diseases (particularly prostate cancer) using antibodies to PSMA in combination with other therapies, including hormone therapy.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Canada	2700410	Granted	3 October 2028	No such regime in Canada
Europe	2740490	Pending	3 October 2028	Yes (subject to granted claim scope)
Japan	5951929	Granted	3 October 2028	Yes (subject to granted claim scope)
Japan	5969446	Granted	3 October 2028	No
Japan	6054557	Granted	3 October 2028	Yes
USA	20150056135	Pending	3 October 2028	Yes (subject to granted claim scope)

6. Patent family of WO2010/096486 entitled “Methods and kits for diagnosis of cancer and predictions of therapeutic value” (Priority date: 17 February 2009)

These patents and applications are directed to methods of identifying a patient for cancer therapy by using a labelled binding agent and then selecting a patient for administering a therapeutic dose of a second binding agent where the patient exhibits a response to the first binding agent.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Canada	2752510	Pending	17 February 2030	No such regime in Canada
Europe	2398504	Pending	17 February 2030	No
Japan	5906090	Granted	17 February 2030	No
USA	2010209343	Pending	17 February 2030	No

7. Patent family of WO99/47554 entitled “Monoclonal Antibodies Specific for The Extracellular Domain of Prostate-Specific Membrane Antigen” (Priority date: 18 March 1998)

These patents are directed to a number of specific antibodies that bind to PSMA.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	768558	Granted	18 March 2019	Yes (subject to granted claim scope)
Canada	2323096	Granted	18 March 2019	No such regime in Canada
Europe Registered in Spain, France, UK, Germany and France	1064303	Granted	18 March 2019	Yes (subject to granted claim scope)
Japan	4229591	Granted	18 March 2019	Yes (subject to granted claim scope)

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
USA	7476513	Granted	29 April 2019	Yes

B. TLX-250

Patents in-licensed from Wilex AG

1. Patent family of WO2002/062972 entitled “Hybridoma cell line G250 and its use for producing monoclonal antibodies” (Priority date: 7 February 2001)

These patents and patent applications are generally directed to cell lines for producing the monoclonal anti-CA-IX antibody G250.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	2002238537	Granted	7 February 2022	Yes (subject to granted claim scope)
Australia	2006230697	Granted	7 February 2022	Yes (subject to granted claim scope)
Canada	2435683	Granted	7 February 2022	No such regime in Canada
Europe Registered in Germany, France, Italy, Spain and UK	1358318	Granted	7 February 2022	Yes (subject to granted claim scope)
Europe Registered in Germany, France, Spain and UK	1733736	Granted	7 February 2022	Yes (subject to granted claim scope)
Japan	4263485	Granted	7 February 2022	Yes (subject to granted claim scope)
USA	9605075	Granted	7 February 2022	Yes (subject to granted claim scope)

2. Patent family of WO2004/002526 entitled “Co-administration Of CG250 And IL-2 Or IFN- α For Treating Cancer Such As Renal Cell Carcinomas” (Priority date: 1 July 2002)

These patents and patent applications are generally directed to combination therapies using anti-CA-IX antibodies and IL-2 or IFN-Alpha.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Japan	5408833	Granted	23 June 2023	Yes (subject to granted claim scope)
USA	7632496	Granted	25 September 2023	Yes (subject to granted claim scope)
USA	8828381	Granted	6 April 2024	Yes (subject to granted claim scope)

3. Patent family of WO2006/002889 entitled “Improved Adjuvant Therapy of G250-Expressing Tumors” (Priority date: 2 July 2004)

These patents and patent applications are generally directed to treatment of a G250-expressing tumor (eg renal cell carcinoma) using an anti-CA-IX antibody following surgery where the tumour is not metastatic.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	2005259481	Granted	29 June 2025	Yes (subject to granted claim scope)
Canada	2566950	Pending	29 June 2025	No such regime in Canada
China	101052416	Granted	29 June 2025	No such regime in China
Europe Germany, Great Britain, France	2497497	Grant of patent intended	29 June 2025	Yes (subject to granted claim scope)

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
USA	7691375	Granted	12 April 2026	Yes (subject to granted claim scope)

**4. Patent family of WO2009/056342 entitled “Binding epitopes for G250 antibody”
(Priority date: 2 November 2007)**

These patents and patent applications are generally directed to specific amino acid sequences which have been determined to be target epitope for antibodies, in particular, for a G250 (anti-CA-IX) antibody.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
USA	8492520	Granted	26 September 2029	No

5. Patent family of WO2011/032973 entitled “Selective Detection of Bone Metastases in Renal Clear Cell Carcinoma” (Priority date: 15 September 2009)

These patents and patent applications are generally directed to the detection of bone metastases in renal cell carcinoma (RCC) and suitable reagents therefore using a 124 I-labelled antibody or antigen-binding fragment thereof directed against CA-IX.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	2010297311	Granted	15 September 2030	No
Canada	2771316	Pending	15 September 2030	No such regime in Canada
Europe (Germany, France, Spain, Italy, UK)	2477661	Granted	15 September 2030	Yes (subject to granted claim scope)

6. Patent family of WO2014/128258 entitled “CAIX Stratification based Cancer Treatment” (Priority date: 22 February 2013)

These patents applications generally relate to use of TLX-250 to quantify CAIX expression as well as the determination of a CAIX score based on the CAIX expression. They relate further to a method for diagnosing, predicting and/or classifying a cancer disease comprising quantifying CAIX expression, and the determination of a CAIX score.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	2014220705	Pending	21 February 2034	No
Canada	2901531	Pending	21 February 2034	No such regime in Canada
China	105377295	Pending	21 February 2034	No such regime in China
Europe	2958589	Pending	21 February 2034	Yes
Japan	2016511766	Pending	21 February 2034	Yes
Korea	20150119406	Pending	21 February 2034	Yes
USA	2016002350	Pending	21 February 2034	Yes

Patents in-licensed from The University of Melbourne

7. Patent family of WO2016/058056 entitled “Novel imaging composition and uses thereof” (Priority date: 16 October 2014)

These patents applications generally relate to use of zirconium squarate conjugated to biological molecules as imaging agents.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	2015333599	Pending	16 October 2035	Yes
Europe	15850792.1	Pending	16 October 2035	Yes

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Japan	2017-521145	Pending	16 October 2035	Yes
New Zealand	731966	Pending	16 October 2035	No such regime in NZ
USA	15/518333	Pending	16 October 2035	Yes
China	201580069071.X	Pending	16 October 2035	No such regime in China

C. TLX-101

1. Patent Family of WO2007/060011 entitled “Therapy of Malignant Neoplasias” (Priority date: 25 November 2005)

These patents and patent applications are generally directed to 3-iodo-L-phenylalanine or 4-iodo-L-phenylalanine for the preparation of a pharmaceutical composition for the treatment of malignant neoplasia.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	2006316781	Granted	27 November 2026	Yes
Canada	2630848	Granted	27 November 2026	No such regime in Canada
Europe Registered in France, Germany, UK, Spain and Italy	1962822	Granted	27 November 2026	Yes
Japan	5108781	Granted	27 November 2026	Yes
Korea	20080074193	Pending	27 November 2026	Yes
USA	8268888	Granted	28 August 2028	Yes

**2. US 11/602463 entitled “Therapy of Malignant Neoplasias”
(Priority date: 25 November 2005)**

This patent is directed to a method of treating malignant glioma by administering L-phenylalanine conjugated to a radioisotope such as iodine-124 or astatine-211.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
USA	9682158	Granted	4 March 2031	Yes
USA	15/581916	Pending	20 November 2026	Yes

3. AU 2017902209 entitled “Theranostic and/or multi-modal therapeutic radiopharmaceuticals” (Priority date: 9 June 2017)

This patent is directed to a method of producing compositions which incorporate two or more radioisotopes, each of which having different functions. It particularly applies to compositions comprising TLX-101. The claims are also directed to the compositions themselves and their use in therapy.

As this patent application is at an early stage in its lifecycle, it is not yet necessary to decide the countries in which it will proceed. It can proceed in all key jurisdictions being the jurisdictions defined below in note 1.

Country	Patent/ Publication No.	Current Status	Expiry Date	Availability of PTE/SPC
Australia	2017902209	Filed	9 June 2038	Yes in jurisdictions that have this regime and subject to granted claim scope.

Notes:

1. A substantial part of the Telix patent portfolio is in-licensed. We have verified the status of each in-licensed patent and patent application as follows:
 - a. using publically available registers and databases to confirm ultimate ownership of the relevant patents in key jurisdictions (being Australia, Canada, Europe (Germany, France, UK, Spain and Italy), China, Korea and the United States of America – the independent verification of in-licensed patents and patent applications outside these key jurisdictions is beyond the scope of this review; and
 - b. reviewing the license and sub-license arrangements under which Telix licenses the relevant patents and patent applications to confirm Telix has a valid right to use the rights claimed – we have not identified any issues with respect to the license of the patents and patent applications referred to in this report.
2. The statuses of the patents and applications listed in each table are correct as of 13 October 2017 for Australia, the USA, New Zealand, Canada and Europe. They are correct as of 3 August 2017 for China, Japan and Korea.

Schedule B

Trade Mark Portfolio

1. Willex AG Trademarks
(Licensed to Telix Pharmaceuticals)

REDECTANE (Word Mark)

Registered

DE 3020130516303/05

IR 1190259 (EM)

IR 1190259 (US)

IR 978629 (US)

LUTAREX (Word Mark)

Registered

IR 1 029 282 (EM, US)

2. Telix Pharmaceuticals Trademarks

Mark	Country	Application No	Classes	Filing Date	Priority Date
TELIX PHARMACEUTICALS	Australia	1845880	5, 10, 35, 42, 45	23 May 2017	23 May 2017
	Canada	1,840,076	5, 10, 35, 42, 45	31 May 2017	23 May 2017
	Madrid (designating China, Europe, Japan, United States of America)	1360421	5, 10, 35, 42, 45	30 May 2017	23 May 2017
TELIX logo (no name)	Australia	1846673	5, 10, 35, 42, 45	23 May 2017	23 May 2017
	Canada	1,840,077	5, 10, 35, 42, 45	31 May 2017	23 May 2017
	Madrid (designating China, Europe ² , Japan, United States of America)	1357319	5, 10, 35, 42, 45	30 May 2017	23 May 2017



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Section 10

ADDITIONAL INFORMATION

10.1 Registration

The Company was registered in the State of Victoria, Australia on 3 January 2017 as a public company limited by shares.

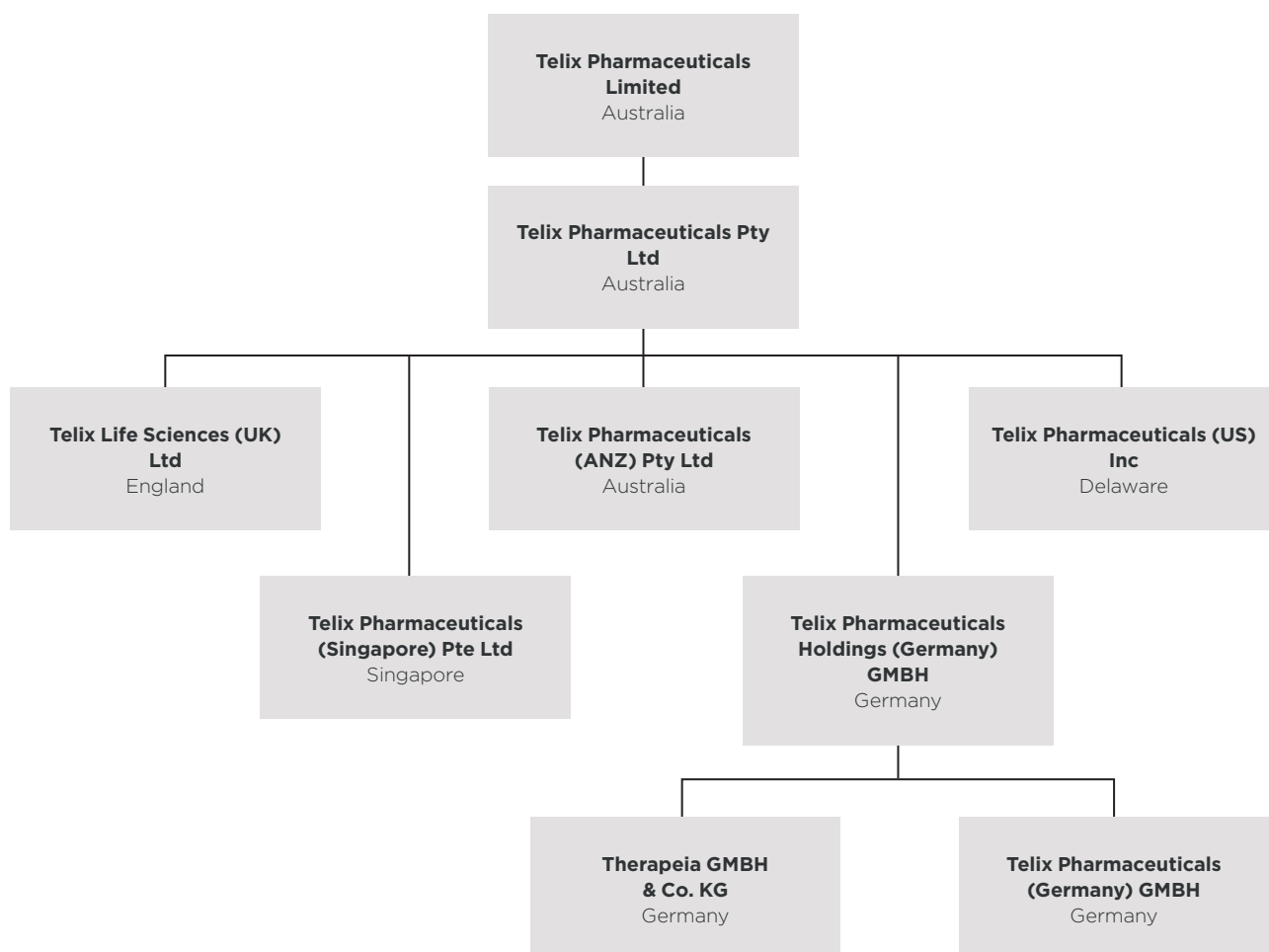
10.2 Company tax status

The Company will be taxed in Australia as a public company. The accounts of the Company and the Telix Group will have a 31 December year end.

10.3 Corporate and capital structure

10.3.1 Telix corporate structure

The legal structure of the Telix Group is shown in **Figure 36** below.



All of the entities comprising the Telix Group undertake the business of the Company as described in this Prospectus.

10.3.2 Capital structure of Telix

The Company was incorporated on 3 January 2017 with an initial share capital of 1,500,000 ordinary shares issued at \$0.0001 each. The foundation Shareholders were:

- Dr Christian Behrenbruch and Dr Andreas Kluge, who were each issued 525,000 Shares held through corporate vehicles;
- The Oncidium Foundation, a charitable foundation, was issued 150,000 Shares to hold for a charitable purpose (see section 3.14);
- the eight members of the Scientific Advisory Board were each issued 15,000 Shares for a total of 120,000 Shares;
- 75,000 Shares were issued to Shareholders associated with Taylor Collison Limited, a Joint Lead Manager, in consideration for corporate finance and advisory services provided to the Company;
- 22,500 Shares were issued to each of Richard Zimmerman and Director Oliver Buck; and
- 60,000 Shares were issued to three service providers to the Company.

A private capital raising to sophisticated and professional investors was subsequently completed in two tranches, as follows:

- 1,000,000 Shares were issued at \$8.00 each on 16 January 2017 to complete an initial capital raise of \$8 million; and
- 62,500 Shares were issued at \$8.00 each on 6 March 2017 to certain investors to raise an additional \$500,000.

On 15 October 2017, the Company undertook a Shareholder-approved share split, by which its 2,562,500 Shares on issue were converted into 120,437,500 Shares (ie. one existing Share converted into 47 new Shares).

Accordingly, as at the Prospectus Date, the Company had on issue 120,437,500 Shares. The Company also had on issue 6,624,000 Options.

Certain of the Company's Shareholders were party to a shareholders' deed that governed the operation and management of the Company. The shareholders' deed will terminate on Listing.

10.4 Material contracts

10.4.1 Therapeia Purchase Agreement (TLX-101)

Telix acquired Therapeia from Andreas Kluge on 10 October 2017 pursuant to a Sales and Purchase Agreement dated 10 October 2017 (Therapeia Purchase Agreement) which was entered into pursuant to a Share Purchase Option Deed dated 16 January 2017 (**Therapeia Option Deed**).

Therapeia is the intellectual property holding entity for TLX-101, a theranostic imaging modality and treatment for

glioblastoma and multiple myeloma. Therapeia has licensed certain patents on an exclusive basis from Professor Samuel Samnick (a member of the Scientific Advisory Board) (**Therapeia Licensed Patents**) under which, following commercialisation of the Therapeia Licensed Patents, a low single-digit royalty is payable on sales of therapeutic and diagnostic products reliant on Therapeia Licensed Patents.

The Therapeia Option Deed and Therapeia Purchase Agreement each contained various standard warranties given in favour of Telix related to the shares, assets and operations of Therapeia and the Therapeia Licensed Patents. The purchase price payable to complete the acquisition was €900, which has been paid in full.

On acquisition of Therapeia, Telix assumed responsibility for an outstanding loan and an account payable totalling €701,615 that was owed by Therapeia to ABX CRO, a CRO controlled by Andreas Kluge. The loan and account payable funded substantially all of the development work at Therapeia from 2008 to its acquisition by Telix on 10 October 2017.

After payment of €150,000 which was paid on 11 October 2017, the amount of €551,615 is repayable to ABX CRO in the following tranches:

- €350,000 is payable on the earlier of Listing and 30 September 2018; and
- €201,615 is payable on the earlier of the first anniversary of Listing and 30 September 2019.

As Therapeia was owned and controlled by Andreas Kluge, the Therapeia Option Deed, the Therapeia Purchase Agreement and the transactions contemplated by it constitutes a related party arrangement. At the time of entry into the Therapeia Option Deed, the then-current Directors of Telix determined that the terms of the Therapeia Option Deed were reasonable in the circumstances and for the benefit of Telix, with the parties dealing at arm's length in negotiating the related party arrangement.

A waiver and confirmation has been obtained from ASX in relation to ASX Listing Rule 1.1, Condition 11, to permit the cash payment and assumption and repayment of the loan and account payable balances in connection with the Therapeia Option Deed as described above. Please refer to section 10.7 for further details.

10.4.2 Willex Licence Agreement (TLX-250)

Telix entered into a Licence Agreement on 16 January 2017 with Willex, a public biopharmaceutical company based in Munich and listed on the Frankfurt Stock Exchange (**Willex Licence Agreement**). Willex has exclusive rights to develop and commercialise "Girentuximab" labelled with any radioactive isotope (**TLX-250**) for diagnostic and therapeutic use (**Willex Licensed Products**). Under the Willex Licence Agreement, Willex has agreed to grant Telix a worldwide exclusive licence, with freedom to sublicense, to use intellectual property rights held by Willex (comprising certain patents and know-how) to develop and commercialise the Willex Licensed Products for diagnostic and therapeutic use. A small subset of European countries

are excluded from the exclusive therapeutic use licence. The intellectual property rights licensed under the Willex Licence Agreement include patents and trademarks owned by Willex and certain patents registered in the name of third parties licensed to Willex, which Willex is permitted to sublicense to Telix.

Telix is responsible for product development, including revalidation of the existing processes, regulatory activities and commercialisation of the Willex Licensed Products under the Willex Licence Agreement. The agreement will remain in effect for so long as Telix or its affiliates, sublicensees, successors and assigns is selling the Willex Licensed Products or offering them for sale. On expiry of the term, Willex grants Telix a royalty free, non-exclusive, worldwide right and licence to use, assign or transfer all remaining Willex Licensed Products.

Following commencement of the sale of products using the Willex Licensed Products, Willex is entitled to certain royalty payments in respect of sales of therapeutic and diagnostic products by Telix and its sublicensees. The amount of royalties depends on whether Telix's improved processes are used and certain other factors. In respect of diagnostic products, a low double-digit royalty is payable on net sales of diagnostic products. In respect of therapeutic products, a low single-digit royalty is payable on net sales of therapeutic products. Telix may be required to pay certain pass-through royalties based on the amounts required to be paid to third party licensors by Willex.

10.4.3 Atlab Development and Option Agreement (TLX-591)

Telix entered into a Product Development and Option Agreement (**Atlab Agreement**) on 16 January 2017 with Atlab and the majority shareholders of Atlab (**Atlab Majority Shareholders**). Atlab has the exclusive right to develop and commercialise ATL101 radiolabelled with a therapeutic isotope (**Atlab Licensed Products**). These rights principally arise under licence arrangements with BZL (**BZL Licences**) under which certain milestone payments are payable (on reaching relevant development milestones) and royalties are payable following commercialisation of the Atlab Licensed Products.

The Atlab Agreement will remain in effect until the later of expiry of the option exercise period (described below) and (if Telix has exercised the option) completion of the acquisition. The Atlab Agreement may be terminated by: (i) Telix on 90 days' notice; (ii) either party following a material breach by the other party, or on the other party suffering an insolvency event; or (iii) Atlab on Telix discontinuing its business (other than in the context of a business combination) or Telix or its affiliates challenging the validity of intellectual property rights that comprise the Atlab Licensed Products. If the Atlab Agreement is terminated (except pursuant to option exercise or material breach or insolvency/bankruptcy of Atlab), Atlab may purchase manufactured materials funded by Telix for an amount equal to costs of acquisition plus 15%. If Atlab does not complete the purchase within 6 months, Telix is free to sell such materials to a third party.

Under the Atlab Agreement, Telix has agreed to pay Atlab to fund certain development costs and manufacturing costs of Atlab and secured an option to purchase Atlab from it's the Atlab Majority Shareholders (**Atlab Option**), which must be exercised before the earlier of 30 days after Atlab receives regulatory approval to commence a Phase II trial and 12 months of the date of the Atlab Agreement (ie. 15 January 2018) (**Exercise Period**). Telix can extend the Exercise Period by a further 6 months by paying an additional US\$200,000.

The exercise price of the Atlab Option is US\$10 million which, following Listing, Telix can elect to satisfy in scrip (based on the then-current trading price) or cash, or a mix of scrip and cash. On exercise of the Atlab Option, Telix, Atlab and each Atlab Majority Shareholder must act in good faith and take all action required to agree the terms of a binding contract for sale (with a standard suite of warranties and indemnities consistent with the term sheet set out in the agreement) and ensure all third party consents are obtained to complete the sale.

Atlab has also granted a licence of the Atlab intellectual property rights to Telix, in order to exercise its rights and comply with its responsibilities to assist in development of the Atlab Licensed Product. Telix is free to sublicense its rights under the agreement, subject to the terms of the BZL Licences.

Atlab remains responsible for manufacture and development of and all regulatory activities in relation to the Atlab Licensed Product at all times. Telix is responsible for commercialisation activities and takes ownership of manufactured materials funded by Telix (which it may sell back to Atlab or to a third party if the contract is terminated).

Prior to exercise of the Atlab Option, certain cost reimbursements are required to be paid by Telix to Atlab, as follows: (i) a one-time payment of US\$1 million to fund certain manufacturing costs, upon execution of a manufacturing agreement with a third party manufacturer for materials for clinical trials, with further reimbursement of manufacturing costs up to a total amount of US\$4 million (which includes the initial US\$1 million); (ii) reimbursement of Atlab's reasonable operational and compliance costs of up to US\$150,000 per year; and (iii) Telix may also be required to reimburse Atlab, in the event that Atlab is required to make a one off payment to BZL in accordance with the terms of the BZL Licences (under which certain milestone payments apply). All spending must be approved by the steering committee which gives Telix discretion over project expenditure.

Subject always to the terms of the binding contract for sale, following option exercise, Telix (or its nominee) will, by acquiring Atlab, inherit the rights and liabilities of Atlab, including the exclusive licence arrangements with BZL. The terms of these arrangements, under which certain milestone payments, royalty and profit share arrangements apply, must not be varied without the approval of Telix. Exercise of the option will be subject to completion of necessary due diligence enquiries by and on behalf of Telix.

10.4.4 Abzena Licence Agreement (TLX-591)

Telix entered into a Licence Agreement on 18 July 2017 with PolyTherics Limited (**Abzena**) a wholly owned subsidiary of Abzena PLC, a UK life sciences group listed on the Alternative Investment Market of the London Stock Exchange (**Abzena Licence Agreement**).

Abzena has exclusive rights to intellectual property and proprietary know-how in relation to certain “anti-PSMA antibodies” comprising antibodies relating to glutamate carboxypeptidase II, also known as PSMA, and any improvements in relation to these antibodies (**Abzena Licensed Rights**).

Under the Abzena Licence Agreement, Abzena has agreed to grant Telix a worldwide exclusive licence, with freedom to sublicense, to use the Abzena Licensed Rights to develop and commercialise a radioimmunoconjugate designed for or capable of use in humans (**Abzena Licensed Products**).

Telix is responsible for product development, including regulatory activities and commercialisation of the Abzena Licensed Products under the agreement including: (i) carrying out toxicology studies of at least one Abzena Licensed Product within 2 years; (ii) administering the Abzena Licensed Product through clinical trial phases (within 5 years from the commencement date); and (iii) ultimately launching an Abzena Licensed Product in a major market.

An annual licence fee of US\$50,000 is payable by Telix to Abzena under the Abzena Licence Agreement. Various milestone payments are payable on Telix achieving certain development milestones, including conducting clinical trials in respect of Abzena Licensed Products and the receipt of licence applications, however these are dependent on Telix's decisions to pursue certain clinical development activities and then proceeding to commercialise Abzena Licensed Products. No such payments are likely to occur before 30 June 2018. Following commencement of the sale of products, a low single-digit royalty is payable on net sales of products for years 1-10 after the first sale.

10.4.5 University of Melbourne Licence Agreement (TLX-250)

Telix entered into a License Agreement on 29 September 2017 with the University of Melbourne (**University of Melbourne Licence Agreement**). The University of Melbourne has exclusive rights to patent applications and proprietary know-how relating to the use of zirconium squarate conjugated to biological molecules as imaging agents (**University Patent**).

Under this agreement, the University of Melbourne has agreed to grant a worldwide exclusive licence, with freedom to sublicense, to use the University Patent for radiodiagnostic purposes and a non-exclusive licence, with freedom to sublicense, to use all associated know-how. Telix is responsible for product development, including regulatory activities and commercialisation of the University Patent under the agreement including: (i) first-in-human study of a Telix product using the University Patent (**University**

Licensed Product) within 2 years; (ii) first marketing authorisation for a University Licensed Product within 5 years; and (iii) ultimately launching a University Licensed Product in a major market within 6 years.

An annual licence fee of \$25,000 is payable by Telix to the University of Melbourne under this agreement. Various milestone payments are payable on Telix achieving certain development milestones, including ‘first patient in’ and ‘first commercial sale’ for relevant University Licensed Products, however these are dependent on Telix's decisions to pursue certain clinical development activities and then proceeding to commercialise the University Licensed Products. No such payments are likely to occur before 30 June 2018. Following commencement of the sale of products, a low single-digit royalty is payable on net sales of products (on a country-by-country and product-by-product basis) from first commercial sale until the patent expires. The University of Melbourne is also entitled to a share of sublicense revenue generated by Telix.

10.4.6 ABX CRO Services Agreement (all programs)

Telix has appointed ABX CRO under a preferred master services agreement to provide contract research services to Telix. The agreement is for 1 year commencing 1 September 2017, subject to Telix being entitled to terminate the agreement on 60 days' prior written notice to ABX CRO. All services to be provided by ABX CRO will be agreed between Telix and ABX CRO under a separate statement of work, pursuant to the terms of this agreement and (for major projects only) ABX CRO has a right to participate in any tender processes undertaken by Telix and match third party service offerings (subject to meeting certain criteria). There are no statements of work currently in place.

As mentioned above, ABX CRO is the contract research organisation owned and controlled by Andreas Kluge. This arrangement constitutes a related party agreement for the purposes of this Prospectus and the Offer.

10.4.7 ITG Supply Agreement (TLX-250 and TLX-591)

Telix has appointed ITG as the exclusive supplier of ¹⁷⁷Lu to Telix. The agreement is for 3 years commencing 8 June 2017, subject to Telix being entitled to terminate the agreement on 90 days' prior written notice to ITG. No take or pay arrangements apply under this agreement. ITG is a subsidiary of ITM and part of the ITM group, which is a privately held group of companies co-founded by Oliver Buck, who holds Shares and Options in the Company (directly or through his controlled entities). Oliver Buck is also a Non-Executive Director of the Company. Udo Vetter (chairman of the ITM board) also holds shares in ITM and Shares in the Company (directly or through his controlled entities).

This arrangement constitutes a related party agreement for the purposes of this Prospectus and the Offer.

10.5 Underwriting agreement

The Company and the Joint Lead Managers have entered into an Underwriting Agreement dated 16 October 2017, pursuant to which each Joint Lead Manager has agreed to underwrite the Offer. Pursuant to the Underwriting Agreement, the Company has also appointed the Joint Lead Managers to act as exclusive managers of the Offer and to allocate the Shares by agreement with the Company. The following is a summary of the principal provisions of the Underwriting Agreement.

10.5.1 Fees and expenses

Telix has agreed to pay Taylor Collison an advisory fee of 1.0% (exclusive of GST) of the Offer proceeds on settlement of the Offer, which is expected to occur on 13 November 2017.

On the Settlement Date, the Company must pay the Joint Lead Managers in equal proportions:

- a management fee of 1.0% of the Offer proceeds; and
- an underwriting fee of 3.0% of the Offer proceeds plus \$90,000,

except to the extent that the Offer proceeds were raised from certain specified investors (some of whom are Existing Shareholders), in which case the Company is required to pay Taylor Collison on the Settlement Date:

- a management fee of 1.0% of the Offer proceeds raised from the specified investors; and
- in certain cases, an underwriting fee of 3.0% of the Offer proceeds raised from the specified investors.

The Company has agreed to reimburse the Joint Lead Managers for reasonable costs and expenses of, and incidental to, the Offer (including legal fees of up to \$20,000).

10.5.2 Termination events

A Joint Lead Manager may, at any time from the date of execution of the Underwriting Agreement until the Settlement Date, terminate its obligations under the Underwriting Agreement (without any cost or liability to the Joint Lead Manager) by notice to the Company, if any of the events set out below occur and the Joint Lead Manager believes, acting reasonably, that the occurrence of the relevant event:

- has had or is likely to have a materially adverse effect on:
 - the marketing, outcome, success or settlement of the Offer or the ability of the Joint Lead Managers to market, promote or settle the Offer;
 - the willingness of investors to subscribe for Shares; or
 - the likely price at which the Shares will trade on ASX; or
- has given or would be likely to give rise to a liability for the Joint Lead Manager under, or a contravention by the Joint Lead Manager, of the Corporations Act or any applicable laws.

The relevant termination events are as follows:

- (a) any part of the Prospectus or any other document issued in connection with the Offer (**Offer Document**), or any aspect of the Offer, does not comply with the Corporations Act (including if a statement in any part or parts of an Offer Document is or becomes materially misleading or deceptive, or a matter required to be included is omitted from an Offer Document), the ASX Listing Rules or any other applicable law or regulation;
- (b) the Company issues or, in the reasonable opinion of a Joint Lead Manager, becomes required to issue a supplementary prospectus to comply with section 719 of the Corporations Act, or the Company lodges a supplementary prospectus with ASIC in a form that has not been approved by the Joint Lead Managers;
- (c) certain reports and other information made available by or on behalf of the Company to the Joint Lead Managers in relation to the Telix Group or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission;
- (d) there occurs a new circumstance that arises after the Prospectus is lodged, that would have been required to be included in the Prospectus if it had arisen before lodgement;
- (e) the S&P/ASX 300 closes for a business day at a level that is 90% or less of the level as at the close of trading on the date prior to the date of the Underwriting Agreement;
- (f) there is introduced or there is announced a proposal to introduce into the Parliament of Australia or any State of Australia or any state or province of in which the Company conducts any activity, a new law or the Reserve Bank of Australia or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which was announced before the date of the Underwriting);
- (g) there occurs a contravention by Telix of the Corporations Act, the Constitution or any of the ASX Listing Rules;
- (h) an insolvency event occurs in relation to the Telix Group;
- (i) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
 - (i) Telix's admission to the official list of ASX on or before Completion of the Offer; or
 - (ii) the quotation of the Shares on ASX or for the Shares to be cleared through CHESS on or before Completion of the Offer,
 or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld or ASX indicates to the Company that approval is likely to be withdrawn, qualified or withheld;
- (j) an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of the Underwriting Agreement, or an escalation of

- hostilities already in existence occurs, involving, or a terrorist act is threatened or carried out after the date of the Underwriting Agreement in or against any diplomatic, military, commercial or political institution, establishment, body or personnel of Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any member country of the European Union;
- (k) ASIC issues an order or indicates an intention to hold a hearing arising out of or in connection with the Offer or ASIC commences an examination of any person or requires any person to produce documents arising out of or in connection with the Offer or the Company under Sections 19 or 30 to 33 of the Australian Securities and Investments Commission Act, and that order or indication is not withdrawn by the earlier of 3 business days after it is made and the second business day before the Settlement Date;
 - (l) an application is made by ASIC for an order under Section 1324B of the Corporations Act in relation to the Offer and that application is not withdrawn by the earlier of 3 business days after it is made and the second business day before the Settlement Date;
 - (m) any contract summarised in section 10.4 is varied, terminated, rescinded or altered or amended without the prior consent of the Joint Lead Managers, or is breached or is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;
 - (n) at any time after the date of the Underwriting Agreement an event occurs in relation to the Telix Group (in so far as the position in relation to an entity in the Telix Group will or may affect the overall position of the Company), as set out in Sections 652C(1) and (2) of the Corporations Act as if references in those sections to “the target” were references to Telix;
 - (o) at any time after the date of the Underwriting Agreement the Company withdraws the Prospectus;
 - (p) any material litigation, arbitration or other legal proceeding is commenced against the Telix Group;
 - (q) any person (other than a Joint Lead Manager) gives a notice under Section 733(3) of the Corporations Act or any person (other than a Joint Lead Manager) who has previously consented to the inclusion of its name in the Prospectus or to be named in the Prospectus withdraws that consent;
 - (r) there is a default by the Company in the performance of any of its material obligations under the Underwriting Agreement;
 - (s) a representation or warranty made or given or deemed to have been made or given by the Company under the Underwriting Agreement proves to have been untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue in such respect are not remedied to the satisfaction of the Joint Lead Managers by a specified time;
 - (t) the Company fails to provide the Joint Lead Managers with a notice that is required under the Underwriting Agreement;
 - (u) any of the following occurs:
 - (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any member country of the European Union is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (ii) trading in all securities quoted or listed on the ASX, the New Zealand Exchange, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect;
 - (v) any circumstance arises after lodgement of the Prospectus that results in the Company being required, by ASIC or under any applicable law, to either:
 - (i) repay the funds received from Applicants under the Offer; or
 - (ii) offer Applicants an opportunity to withdraw their applications for Shares and be repaid the amounts paid by them;
 - (w) any person makes an application for an order under Part 9.5, or to any Government Agency, in relation to the Prospectus or the Offer or ASIC commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or the Prospectus or any Government Agency commences or gives notice of an intention to hold, any enquiry and such application, investigation or enquiry (or notice) is not withdrawn or discontinued by the earlier of 3 business days after it is made and the second business day before the Settlement Date;
 - (x) Telix is prevented from allotting or issuing Shares under the Offer within the time required by the Timetable, the Prospectus, the ASX Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, an order of a court of competent jurisdiction or a Government Agency or settlement of the Offer does not occur on or before 10 December 2017; or
 - (y) any of the following occur:
 - (i) a director or officer of the Telix Group is charged with an indictable offence;
 - (ii) any Government Agency commences any public action against any of the Telix Group’s directors or officers or announces that it intends to take such action;
 - (iii) any director or officer of the Telix Group is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
 - (iv) Telix or any of its directors or officers engage, or are alleged to have been engaged in, any fraudulent conduct or activity, whether or not in connection with the Offer.

10.5.3 Representations, warranties and undertakings

The Underwriting Agreement contains representations, warranties and undertakings provided by the Company to the Joint Lead Managers.

The representations and warranties relate to matters such as its powers and capacities, conduct of the Company (including in respect of its compliance with applicable laws and the ASX Listing Rules, business and status, due diligence and disclosure), certain documents issued by the Company in connection with the Offer (which includes the Offer Documents), the information provided (including the Financial Information), insolvency, the conduct of the Offer, litigation and insurance.

The Company's undertakings include that it will not, from the date of the Underwriting Agreement up until 120 days after Completion of the Offer, without the prior written consent of the Joint Lead Managers (which must not be unreasonably withheld or delayed), issue or agree to issue any Shares or other securities of the Company or permit any member of Telix to do any of the foregoing, other than the issue of securities of the Company under the Offer, the Underwriting Agreement, an employee share plan or as specifically contemplated in the Prospectus or Offer Documents.

10.5.4 Indemnity

The Company agrees to keep the Joint Lead Managers and certain of their affiliated parties indemnified from losses suffered in connection with the Offer, subject to customary exclusions (including fraud, wilful misconduct, recklessness and gross negligence).

10.6 Escrow arrangements

Shares in Telix held by the Existing Shareholders are subject to mandatory escrow arrangements (see section 10.6.1) and voluntary escrow arrangements (see section 10.6.2). On Listing, 120,437,500 Shares will be subject to mandatory or voluntary escrow, being 100% of the Shares on issue on the Prospectus Date.

10.6.1 Mandatory escrow

The Shares held by the Existing Shareholders have been classified as restricted securities, which means that mandatory, ASX-imposed escrow restrictions apply. The Existing Shareholders have entered into mandatory escrow restriction agreements with Telix in relation to these Shares. As a result of the application of ASX-imposed escrow, approximately 54-57% of the Shares on issue at Listing will be subject to mandatory escrow.

10.6.2 Voluntary escrow

In addition to the mandatory escrow arrangements outlined in section 10.6.1, certain Existing Shareholders have agreed to voluntary escrow restrictions, which will apply in addition to the mandatory escrow arrangements. These voluntary escrow restrictions have the effect of:

- applying voluntary escrow restrictions to Shares which are not subject to mandatory escrow restrictions; and
- applying voluntary escrow restrictions to Shares which are subject to mandatory escrow restrictions, such that the combined restriction period is effectively increased.

The voluntary escrow restrictions agreed with the Existing Shareholders will result in all of the Shares held by the Existing Shareholders on the Prospectus Date being subject to mandatory or voluntary escrow restrictions.

The total percentage of Shares (calculated at Listing) that will be subject to voluntary escrow restrictions are as follows:

- 25.96% of the issued Shares will be subject to voluntary escrow at Listing;
- 19.54% of the issued Shares will be subject to voluntary escrow after 3 months from Listing;
- 2.14% of the issued Shares will be subject to voluntary escrow after 12 months from Listing; and
- the percentage of issued Shares subject to voluntary escrow will thereafter decrease by 0.7% of the total issued Shares such that no Shares will be subject to voluntary escrow after 48 months from Listing.

10.6.3 Effect of mandatory and voluntary escrow

The combined effect of the mandatory and voluntary escrow restrictions on the Shares held by the Existing Shareholders is set out in the table below.

10.6.4 Release of escrow

There are limited circumstances in which the mandatory or voluntary escrow may be released, namely:

- to allow the holder to accept a takeover bid for Telix in accordance with the Corporations Act provided that offer is for all the ordinary securities of Telix and holders of not less than 50% of Shares not subject to escrow have then accepted the takeover bid; and
- to allow the escrowed shares to be transferred or cancelled as part of a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act.

10.7 ASX waivers and ASIC relief

The Company has obtained (or applied for) the following exemptions, declarations and confirmations from ASIC and ASX in relation to the Offer:

- an ASIC exemption from the pre-prospectus advertising and publicity rules in section 734(2) of the Corporations Act to permit the Company to provide its Shareholders and employees with certain information relating to the Offer;
- ASIC relief from section 606 of the Corporations Act so that the voluntary escrow arrangements described in section 10.6.2 do not give rise to a relevant interest in the Company in 20% or more of the Shares (note that as at the Prospectus Date, this relief instrument has not been granted by ASIC); and

Figure 37: Escrow restrictions

Class of Existing Shareholder	Shares subject to escrow	Escrow Period
Board of Directors	51,876,250	24 months from Listing
Oncidium Foundation	7,050,000	20% of total number of Shares held on the Prospectus Date permitted to be disposed of each year from Listing
SAB Members	5,640,000	24 months from Listing
Other Existing Shareholders (promoters, service providers)	7,402,500	24 months from Listing
Other Existing Shareholders*	1,013,846	3 months from Listing
	2,857,779	24 months from Listing
Other Existing Shareholders#	11,678,462	3 months from Listing
	32,918,663	12 months from Listing
Total	120,437,500	-

* Participants in the Company's capital raising undertaken in January and March 2017 who are related parties or promoters to the Company.

Participants in the Company's capital raising undertaken in January and March 2017 who are not related parties or promoters to the Company.

- a confirmation from ASX that the cash payment of €900 and assumption of the debt of €701,615 owed by Therapiea to ABX CRO, and the repayment of the debt as described in section 10.4.1, represents "reimbursement of expenditure incurred in developing a classified asset" for the purposes of ASX Listing Rule 1.1, Condition 11.

10.8 Description of the syndicate

Taylor Collison Limited and Wilsons Corporate Finance Limited are Joint Lead Managers to the Offer.

10.9 Selling restrictions

10.9.1 International offer restrictions

This document does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person and Shares may not be offered or sold in any country outside Australia except as provided below.

10.9.2 European Economic Area – Austria, Belgium, Denmark, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in member states of the European Economic Area (each, a **Relevant Member State**), from the requirement to publish a prospectus for offers of securities.

An offer to the public of Shares has not been made, and may not be made, in a Relevant Member State except pursuant

to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20 million; (ii) annual net turnover of at least €40 million; and (iii) own funds of at least €2 million (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, **MiFID**); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

10.9.3 Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance* (Hong Kong) cap 32, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the *Securities and Futures Ordinance* cap 571 of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

10.9.4 New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (NZ) (**FMC Act**). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

10.9.5 United Kingdom

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000* (UK), as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA.

This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons: (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005* (UK) (**FPO**); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

10.10 Consents to be named and disclaimers of responsibility

Each of the following parties has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- each of Taylor Collison Limited and Wilsons Corporate Finance Limited has given and not withdrawn its consent to be named in this Prospectus as a Joint Lead Manager and Underwriter to the Offer;
- FPA Patent Attorneys Pty Ltd has given and not withdrawn its consent to be named in this Prospectus as Patent Attorney to the Company in relation to the Offer and has given and not withdrawn its consent to the inclusion in this Prospectus of its Intellectual Property Report in the form and context in which it is included;
- Clarendon Lawyers has given and not withdrawn its consent to be named in this Prospectus as Australian legal adviser to the Company in relation to the Offer (excluding in relation to taxation, stamp duty and intellectual property matters);
- PricewaterhouseCoopers Securities Ltd has given and not withdrawn its consent to be named in this Prospectus as Investigating Accountant to the Company and has given and not withdrawn its consent to the inclusion in this Prospectus of its Investigating Accountant's Report in the form and context in which it is included;

- PricewaterhouseCoopers has given and not withdrawn its consent to be named in this Prospectus as auditor of the Company in this Prospectus; and
- Link Market Services Limited has given and not withdrawn its consent to be named in this Prospectus as the Share Registry to the Company; and
- Chrysalium Consulting Sarl and CSIntell, co-authors of the MEDRayintell Nuclear Medicine World Market Report and Directory (2017) have given and have not withdrawn their consent to the inclusion in this Prospectus of information contained in, or derived from, the MEDraysintell Nuclear Medicine World Market Report & Directory (2017), in the form and context in which it is included. Chrysalium Consulting Sarl and CSIntell take no responsibility for any part of this Prospectus other than any reference to their names and this information.

No entity or person referred to above in this section 10.10 has made any statement that is included in this Prospectus or any statement on which a statement in this Prospectus is based, except as stated above. Each of the entities and persons referred to in this section 10.10 has not authorised or caused the issue of this Prospectus, does not make any offer of Shares, and expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus except as stated above (other than any reference to its name).

10.11 Litigation and claims

As far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature, in which Telix is directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of Telix.

10.12 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids are governed by the law applicable in Victoria, and each Applicant or bidder for Shares under this Prospectus submits to the non-exclusive jurisdiction of the courts of Victoria.

10.13 Statement of Directors

This Prospectus is authorised by each Director of Telix who has consented to its lodgement with ASIC and its issue and has not withdrawn that consent.

The naming conventions and a glossary of the key technical terms used in this Prospectus are contained in section 1.10.

Term	Meaning
\$	an Australian dollar.
AAS	the Australian Accounting Standards.
AASB	the Australian Accounting Standards Board.
ABX CRO	ABX CRO GmbH, an independent international CRO located in Dresden, Germany.
Abzena	Abzena PLC and PolyTherics Limited, a wholly owned subsidiary of Abzena PLC (where applicable).
Abzena Licence Agreement	licence agreement between Telix and PolyTherics Limited dated 18 July 2017.
AEST	Australian Eastern Standard Time.
ANSTO	Australian Nuclear Science and Technology Organisation.
Applicant	a person who submits an Application.
Application	an application for Shares pursuant to this Prospectus.
Application Form	the application form attached to or accompanying this Prospectus relating to the Offer (including any online Application Form).
Application Monies	the Offer Price multiplied by the number of Shares applied for.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires.
ASX Listing Rules	the official listing rules of the ASX.
ASX Recommendations	the ASX Corporate Governance Principles and Recommendations (3rd edition).
ASX Settlement	ASX Settlement Pty Limited ACN 008 504 532.
Atlab	Atlab Pharma SAS.
Atlab Agreement	product development and option agreement between Telix and Atlab dated 16 January 2017.
Atlab Option	the Company's option to purchase Atlab under the Atlab Agreement.
Board or Board of Directors	the Board of Directors as constituted from time to time.
Board Committees	the Audit and Risk Committee, and the Remuneration and Nomination Committee.
Broker	an ASX participating organisation selected by the Underwriter and the Company to act as a broker to the Offer.
Broker Firm Applicant	a person who submits an Application under the Broker Firm Offer.
Broker Firm Offer	the invitation to Australian resident retail clients of Brokers to acquire Shares offered under this Prospectus provided that such clients are not in the United States.
BZL	BZL Biologics, LLC.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CMO	Chief Medical Officer.
CGT	capital gains tax.
CHES	the clearing house electronic sub-register system operated by ASX Settlement.
Company	Telix Pharmaceuticals Limited ACN 616 620 369.
Completion of the Offer	completion of the issue of Shares under this Prospectus.
Constitution	the constitution of the Company.

Term	Meaning
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
CRO	contract research organisation.
Directors	the directors of the Company.
EMA	European Medicines Agency.
EU5	the “European Five”, being France, Germany, Italy, Spain and the United Kingdom.
Exercise Period	12 months from the date of the Atlab Agreement.
Existing Shareholders	the Shareholders of the Company as at the Prospectus Date.
Expiry Date	the date that is 13 months after the Prospectus Date.
Exposure Period	the period of 7 days (or 14 days extended by ASIC) after the lodgement of the Prospectus with ASIC during which the Company may not accept Applications, which is expected to end on 23 October 2017.
FDA	United States Food and Drug Administration.
Financial Information	as defined in section 4.1.
General Public Offer	the offer under this Prospectus to apply for Shares made to retail investors in Australia who are not Broker Form Applicants.
GST	goods and services tax.
Historical Financial Information	as defined in section 4.1.
IBA	IBA Molecular (a leading radiopharmaceutical manufacturer, now Curium Pharma following the merger with Mallinckrodt Nuclear Medicine LLC).
IFRS	the International Financial Reporting Standards.
Institutional Investor	a person to whom offers and issues of Shares may lawfully be made without the need for disclosure under Chapter 6D.2 of the Corporations Act or without any other lodgement, registration, disclosure or approval with or by a government agency (other than one with which the Company, in its absolute discretion, is willing to comply) under any applicable law.
Institutional Offer	the invitation under this Prospectus to certain Institutional Investors to apply for Shares.
IP	intellectual property, which refers to creations of the mind such as inventions, literary and artistic works, design and symbols, names and images used in commerce. The Company’s material IP in relation to the Portfolio is derived primarily from the Atlab Agreement, the Abzena Licence Agreement, the Willex Licence Agreement and Therapeia, and its owned intellectual property, and is described in detail in the Intellectual Property Report.
Intellectual Property Report	the intellectual property report of the Patent Attorney as set out at section 9.
ITG	ITG Isotope Technologies Garching GmbH.
ITM	Isotopen Technologien München AG, a highly specialised radiopharmaceutical company located in Munich, Germany.
Joint Lead Managers	Taylor Collison Limited and Wilsons Corporate Finance Limited.
Listing	admission of the Company to the official list of ASX.
LTI	long term incentive.
MSKCC	Memorial Sloan Kettering Cancer Centre.
MTR	molecularly-targeted radiation.
Offer	the offer pursuant to this Prospectus of 77.0 million Shares.
Offer Period	as set out in the Key Dates on page 6 of this Prospectus.
Offer Price	\$0.65 per Share.

Term	Meaning
Offers	the options granted to certain employees of Telix under the 2017 LTI Award (as described in section 6.5.2.3) and the Non-Executive Directors (as described in section 6.5.6).
Patent Attorney	FPA Patent Attorneys Pty Ltd.
Plan	the equity incentive plan established by the Company.
Plan Rules	the rules of the Plan.
Portfolio	the Company's interests in the TLX-250, TLX-591 and TLX-101 programs, as described in the Intellectual Property Report.
Pro Forma Historical Financial Information	as defined in section 4.1.
Prospectus	this prospectus (including the electronic form of this prospectus) and any supplementary or replacement prospectus in relation to this document and the Offer.
Prospectus Date	16 October 2017.
Retail Offer	the General Public Offer and the Broker Firm Offer.
RUMC	Radboud University Medical Centre.
SAB	the Company's scientific advisory board.
SAB Members	the members of the Company's scientific advisory board.
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	Link Market Services Limited.
Shareholder	a holder of Shares.
Shareholding	a Shareholder's holding of Shares.
SNMMI	US Society of Nuclear Medicine and Molecular Imaging.
STI	short term incentive.
Telix Group	the Company and its subsidiaries and Telix means the relevant member of the Telix Group (where applicable).
Telix Offer Information Line	as set out in the Corporate Directory.
TGA	Therapeutic Goods Administration.
Therapeia	Therapeia GmbH & Co KG.
Therapeia Option Deed	the share purchase option deed between Telix and Dr Andreas Kluge dated 16 January 2017.
Therapeia Purchase Agreement	the sale and purchase agreement between Telix and Dr Andreas Kluge dated 10 October 2017.
TIPL	Telix International Pty Ltd ACN 616 657 839.
Underwriters	the Joint Lead Managers.
Underwriting Agreement	the underwriting agreement entered into between the Joint Lead Managers and the Company as described in section 10.5.
University of Melbourne Licence Agreement	the licence agreement between Telix and the University of Melbourne dated 29 September 2017.
US Securities Act	Securities Act of 1933, 15 USC § 77a, as amended.
Wilex	Wilex AG (Deutsche Börse ETR: WL6).
Wilex Licence Agreement	the licence agreement between Telix and Wilex dated 16 January 2017.

APPLICATION FORMS



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Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Telix Pharmaceuticals Limited ("Telix") Shares. Further details about the Shares are contained in the Prospectus dated 16 October 2017 issued by Telix Pharmaceuticals Limited. The Prospectus will expire on 15 November 2018. While the Prospectus is current, Telix Pharmaceuticals Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A Insert the number of Shares you wish to apply for. The Application must be for a minimum of \$2,000 worth of Shares and thereafter in multiples of \$1,000 worth of Shares. You may be issued all of the Shares applied for or a lesser number.
- B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the Offer Price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Telix Pharmaceuticals Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E Please enter your postal address for all correspondence. All communications to you from Telix Pharmaceuticals Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Telix Pharmaceuticals Limited's issuer sponsored subregister.
- G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to "Telix Pharmaceuticals Limited IPO" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEST) on 8 November 2017 at:

Mailing Address

Telix Pharmaceuticals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Telix Pharmaceuticals Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

DECLARATION

By submitting the Application Form, I/we represent and warrant that this Application Form is completed and lodged in accordance with the Prospectus and this Application Form, and declare that all details and statements made by me/us are complete and accurate.

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

This is an Application Form for Shares in Telix Pharmaceuticals Limited under the Broker Firm Offer on the terms set out in the Prospectus dated 16 October 2017. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

A , , at **A\$0.65** **B** A\$, , .

C

D

Super Fund

[illegible][illegible]

G ()

[illegible]

Total Amount A\$ 100.00

TLX BRO001

Your Guide to the Application Form

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The Shares to which this Application Form relates are Telix Pharmaceuticals Limited ("Telix") Shares. Further details about the Shares are contained in the Prospectus dated 16 October 2017 issued by Telix. The Prospectus will expire on 15 November 2018. While the Prospectus is current, Telix will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission (and the Corporations Act) requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus. Capitalised terms used but not defined in this Application Form have the meaning given to them in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A Insert the number of Shares you wish to apply for. You may be issued all of the Shares applied for or a lesser number.
- B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the offer price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
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- F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Telix issuer sponsored subregister.
- G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
- If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

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Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
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Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

DECLARATION

By submitting the Application Form, I/we represent and warrant that this Application Form is completed and lodged in accordance with the Prospectus and this Application Form, and declare that all details and statements made by me/us are complete and accurate.

LODGEMENT INSTRUCTIONS

Applicants who receive a firm allocation of Shares from their Broker should return their completed Application Form and Application Monies to the Broker from whom they received their firm allocation (unless otherwise instructed). The Broker Firm Offer opens at 9.00am (Melbourne Time) on 24 October 2017 and is expected to close at 5.00pm (Melbourne time) on 8 November 2017. Applications must be received by the Broker before 5.00pm (Melbourne time) on the Closing Date or any earlier date as determined by your Broker. Applicants must not return this Application Form to the Share Registry.

Directors

H Kevin McCann AM (Chair)
Christian Behrenbruch PhD
Andreas Kluge MD PhD
Oliver Buck
Mark Nelson PhD

Company Secretary

Melanie Farris

Patent Attorney

FPA Patent Attorneys Pty Ltd
Level 42, 101 Collins Street
Melbourne VIC 3000

Australian Legal Adviser

Clarendon Lawyers
Level 29, 55 Collins Street
Melbourne VIC 3000

Telix Offer Information Line

From 9.00 am to 5.00 pm (Melbourne time),
Monday to Friday (excluding public holidays)
Within Australia T: 1800 262 299
Outside Australia T: +61 1800 262 299

Company website

www.telixpharma.com

Offer website

www.telixpharma.com/IPO

Registered Office

Telix Pharmaceuticals Limited
401/55 Flemington Road
North Melbourne VIC 3051

Investigating Accountant

PricewaterhouseCoopers Securities Ltd
2 Riverside Quay
Southbank VIC 3006

Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006

Joint Lead Managers

Taylor Collison Limited
Level 10, 167 Macquarie Street
Sydney NSW 2000
T: +61 2 9377 1500

And

Wilsons Corporate Finance Limited
Level 32, Governor Macquarie Tower, 1 Farrer Place
Sydney NSW 2000
T: +61 2 8247 6600

Share Registry

Link Market Services Limited
Level 1, 680 George Street
Sydney NSW 2000

