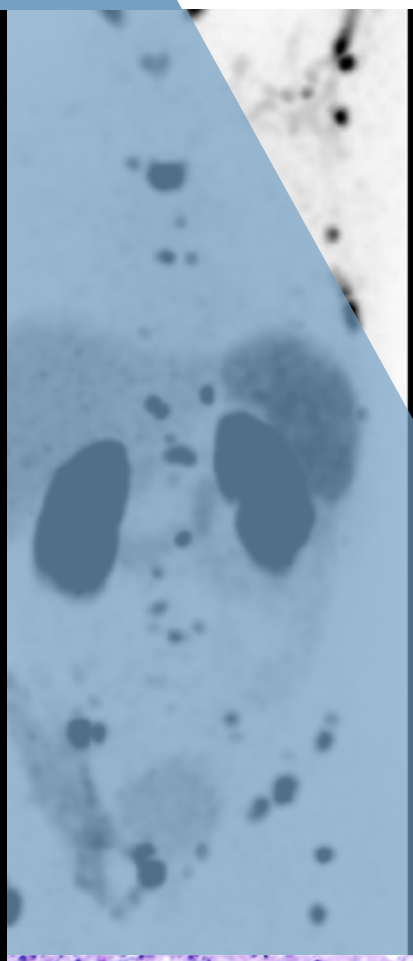
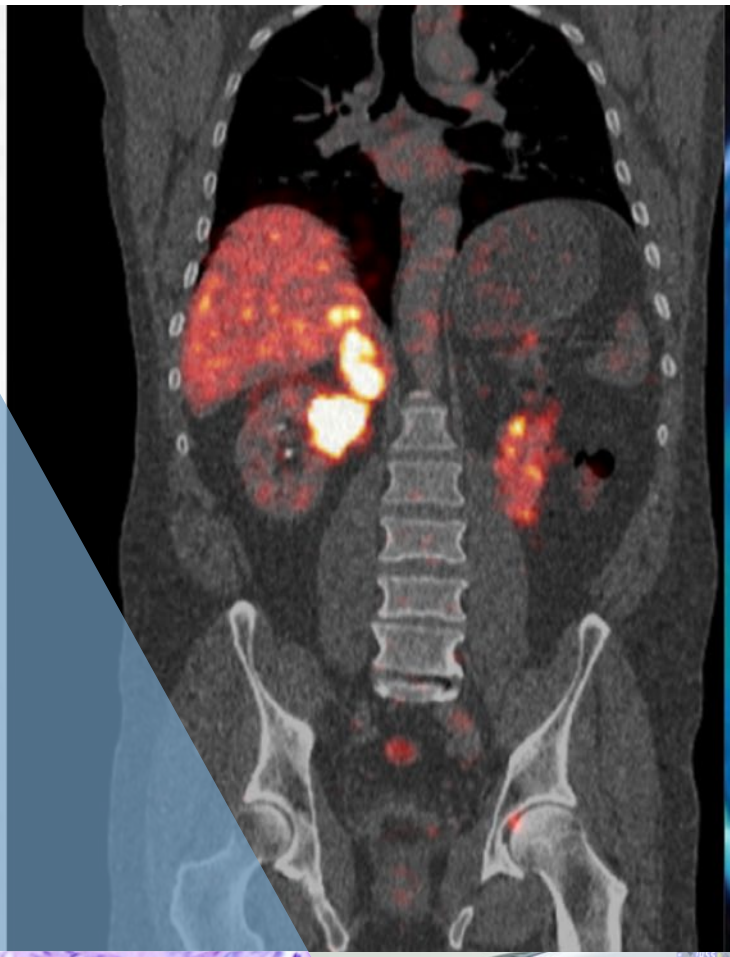
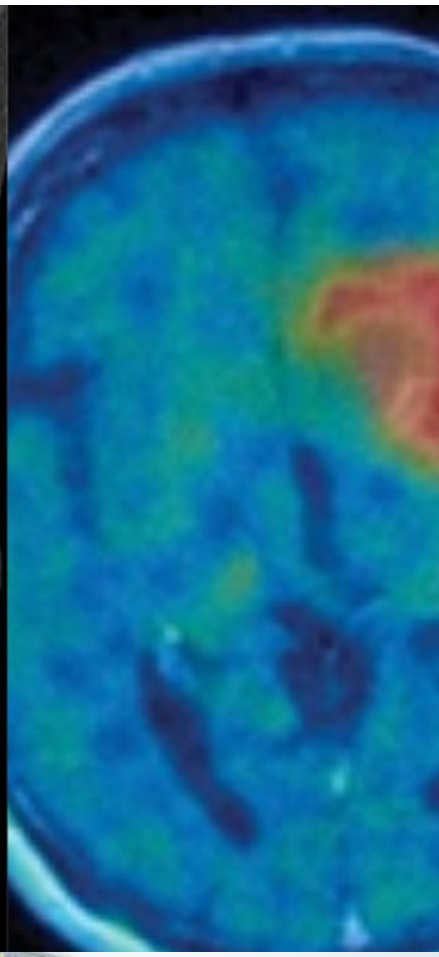
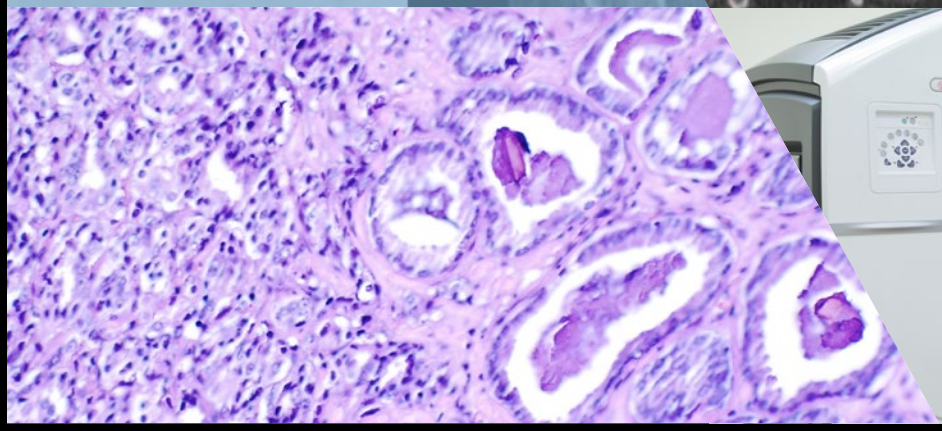
TELIX PHARMACEUTICALS

Annual Report 2018









Telix Pharmaceuticals:

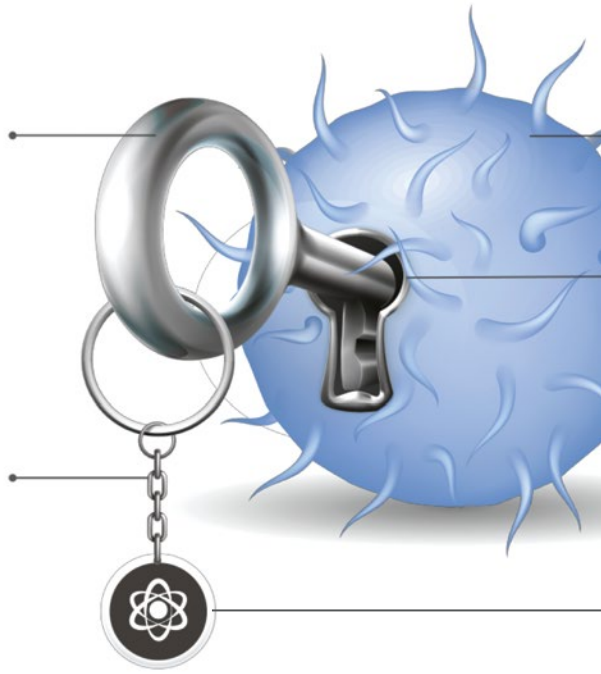
Contents

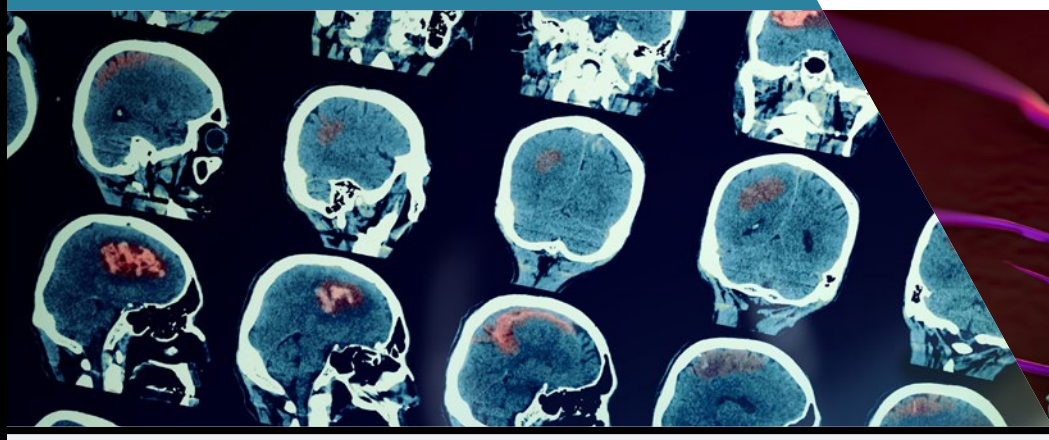
Targeting Agent

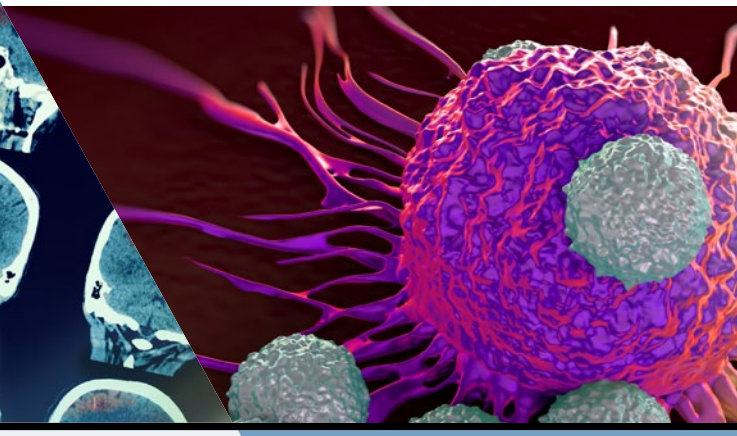
Can be a small molecule or a biologic (antibody)

A Linker

Chemistry to attach the "payload" to the targeting agent







Annual General Meeting

Telix Pharmaceuticals will hold its AGM at 10.30am, Tuesday 14 May 2019 at The Larwill Studio, 48 Flemington Road, Parkville VIC 3052.

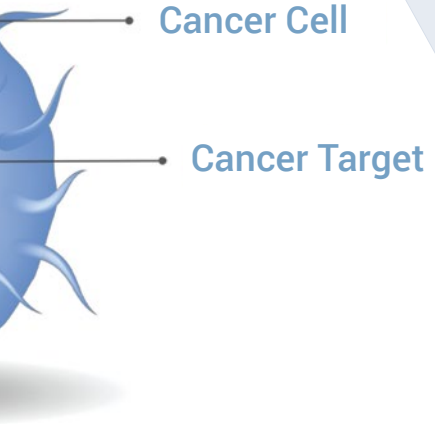
Registered Office

Telix Pharmaceuticals Limited
401/55 Flemington Road
North Melbourne VIC 3051

Australian Business Number

85 616 620 369

See it. Treat it.



The "Payload"

A radioactive isotope. Can be a diagnostic isotope for imaging, or a therapeutic isotope for treatment

Our mission is to help patients with cancer live longer with a better quality of life.

Telix develops drugs that deliver targeted radiation directly to cancer. At low doses (or using diagnostic radionuclides), the patient can be imaged. At high doses (with therapeutic radionuclides) the patient is treated.

The use of molecular imaging with PET enables a precision medicine approach to treatment through better patient selection and personalised dose optimisation.

Chairman's letter

Telix's success in 2019 will be underpinned by clinical trial success, growing early product revenue and commercial partnerships.

Dear Shareholder,

Telix Pharmaceuticals Limited ("Telix", the "Company") has now concluded its third year of operations as a development-stage biopharmaceutical company and its first full year as a listed company.

Over the past 12 months Telix has faithfully executed the objectives outlined in its IPO prospectus and made considerable progress on all fronts, including both product development activities and early commercialisation of its pipeline. The Company has considerably matured its processes and execution capability with the addition of key hires and the establishment of an excellent international operations team.

> "In terms of product development, Telix remains focused on its oncology development pipeline in renal, prostate and brain cancer."

This past year was predominantly about manufacturing, clinical trial logistics and seeking the requisite regulatory approvals in the various countries that the Company is running trials. Telix has clinical activities in 17 countries around the globe, no small feat but necessary for the late-stage trials that the Company is pursuing.

Telix was a very commercially active company in 2018, in terms of collaborations and partnerships with leading firms in the biopharmaceutical, nuclear medicine and radiology fields. A number of these partnerships have led to early revenue opportunities for the Company's pipeline, almost a year ahead of expectation. Telix also continues to engage in M&A activity with two important acquisitions this past year that significantly contribute to the Company's IP portfolio and global reach.

In 2019 there are three major themes that will underpin Telix's ongoing growth and success:

1) **High quality data and timely execution of clinical trials.** Much of Telix's valuation is vested in the success of our clinical trials. With multiple data readouts during 2019, we will be in a strong position to inform the market of our progress and the clinical value of our products.
2) **Building our revenue.** Consolidated product-related revenues across the Group in 2018 would have been $3M if the full year revenues from the ANMI kit sales in the US and Europe were included. We expect to continue to grow our revenue base in 2019.
3) **Partnerships.** Telix's pipeline has attracted considerable commercial attention. Further data readouts will continue to drive partnership dialogue, particularly for the later-stage programs in prostate and kidney cancer imaging.

> "I am optimistic about the future of the Company and its impact on cancer care. 2019 will be a pivotal year for Telix and we look forward to keeping shareholders closely – and transparently – informed of our progress."

H Kevin McCann, AM

Independent Non-Executive Chairman

Key accomplishments since IPO

Successful launch of several clinical programs, including an international Phase III trial for TLX250-CDx for the imaging of clear cell renal cell cancer (ccRCC).

Clinical trial GMP manufacturing for TLX101 and TLX250 / TLX250-CDx programs.

Phase III trial launched (confirmatory Ph III) for lead program for imaging kidney cancer (TLX250-CDx) – EU / Australia. US to follow in 2019.

CEO's report

I'd like to commend our outstanding team for the commitment and initiative taken over the past 12 months to deliver on the business.

2018 was a huge year for Telix. When we commenced the year we were keenly aware of the responsibility to deliver on the performance commitments stated in our public offering. Launching a single drug development initiative is a significant effort, let alone a pipeline of therapeutic products and their associated "companion" imaging agents. I'd like to commend our outstanding team for the commitment and initiative taken over the past 12 months to deliver on the business.

The execution of Telix's product pipeline appears complex but our mission is simple. We have a pipeline of drugs to treat prostate cancer, renal (kidney) cancer and a type of aggressive brain cancer called glioblastoma. These products have significant amounts of clinical efficacy data that clearly support the decision to develop them further and we have built a manufacturing supply chain and clinical network to deliver this. Underpinning our pipeline is a very significant portfolio of intellectual property, both in-licensed and company-generated.

However, in an era of precision medicine, it's no longer acceptable – either clinically or economically – to simply give a patient a drug and hope for the best. This is the reason why Telix is also developing a companion diagnostic strategy for each of our therapeutic programs. Since we develop radioactive drugs, our products have a natural advantage over competitive approaches because we can use nuclear imaging (such as Positron Emission Tomography – or "PET") to "see" the localisation of radiation to the cancer. We can then use this information to dial-in a personalized dose of therapy to optimise treatment efficacy and reduce side-effects. We are one of very few companies that has the capability and expertise to do this.

In general, 2018 was an exciting year in the industry. We started the year on the back of the USD $4B acquisition of Advanced Accelerator Applications (NASDAQ: AAAP) by Novartis and a bid for Sirtex (ASX:SRX) by Varian (and subsequent acquisition by CDH). These commercially-significant transactions signalled a renewed interest in the field of nuclear medicine and Novartis' acquisition of Endocyte (NASDAQ:ECYT) for USD $2.1B in October further added to the commercial momentum in our space.

When we created Telix, we created a company ready to partner and with well defined opportunities for commercial engagement. 2019 is the year that we will not only deliver multiple inflection points for our clinical programs but also the transition to becoming a revenue-generating business. This objective is partially delivered through the development of the *illumet*™ prostate imaging product (and the acquisition of Belgium-based Advanced Nuclear Medicine Ingredients) but also key commercial relationships with leading firms such as Cardinal Health, GenesisCare, Endocyte (now Novartis) and Nihon Medi-Physics. Healthcare is a global business and we have demonstrated our ability to commercially execute in the US, Europe, Japan and – of course – our home base of Australia.

Just as 2018 was a year of operational growth – 2019 is our year of opportunity and we look forward to unlocking the commercial and clinical impact of our pipeline and delivering this benefit to our shareholder base. Thank you for your ongoing support and we are excited to be in a position to take Telix to the next level in the coming months.

Dr. Christian P. Behrenbruch

Managing Director and
Chief Executive Officer

Key accomplishments since IPO

Phase I/II trial launched for TLX101 (brain cancer) – EU / Australia.

Successful drug master file filing with the US FDA for prostate imaging product (TLX591-CDx) – first revenues attained in 2018. Scale-up (commercial) manufacturing of TLX591-CDx "kit" in place in the US.

Several excellent commercial partnerships in key markets established for prostate cancer and renal cancer pipeline.

Significant "big pharma" and distribution traction for our product pipeline.

Clinical pipeline

Telix is a therapeutics company but for each cancer focus area we have developed an imaging strategy that serves as a “companion diagnostic” (CDx).

Multiple clinical-stage programs are underway

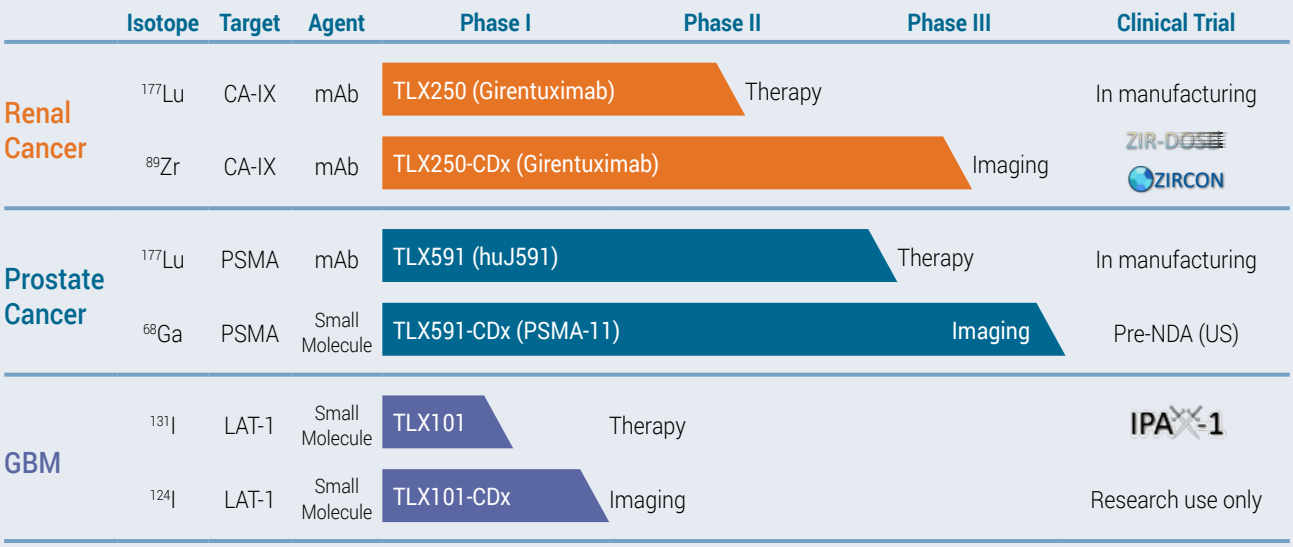
Renal Cancer (Imaging Phase III, Therapy Phase I/II)

Prostate Cancer (Therapy Phase III)

Glioblastoma (Therapy Phase I/II)

Telix is a therapeutics company but for each cancer focus area we have developed an imaging strategy that serves as a "companion diagnostic" (CDx). This enables a precision-medicine approach to selecting patients for our therapies and more effectively tracking the impact of treatment. The imaging programs represent early revenue opportunities and significantly de-risk the regulatory pathway for the therapy programs.

Telix's clinical pipeline



CDx = Companion Diagnostic GBM = Glioblastoma Multiforme

None of Telix's products have attained a marketing authorisation in any jurisdiction.

Telix's Pipeline is a Multi-$Bn Opportunity:

2bn

TLX591: Metastatic prostate cancer radionuclide therapy

+500m

TLX591–CDx: Prostate cancer imaging (targeting PSMA)

+400m

TLX250: Therapy for patients that have progressed from immunotherapy

300m

TLX101: Treatment of GBM is an opportunity with few beneficial options for patients

Clinical pipeline (continued)

Prostate Cancer

Telix's most advanced imaging program is TLX591-CDx (^{68}Ga-PSMA-11). Telix is currently preparing to submit a new drug application (NDA) for this product in the United States and is preparing for Phase III trials in Europe.

In some countries, the Company is already able to offer this product under compassionate use and it is available as an investigational product in the United States under the brand *illumet*™.

> "TLX591 therapy (^{177}Lu-huJ591) has been studied in ~200 patients in the US and demonstrates significant prolongation of life in patients with metastastic castrate-resistant prostate cancer (mCRPC)."

TLX591 is expected to commence Phase III studies in 2019, subject to regulatory approvals.

Renal (Kidney) Cancer

Clear cell renal cell carcinoma (ccRCC) is an aggressive cancer that is often mis-staged, and thousands of kidneys are unnecessarily removed each year.

> "TLX250-CDx (^{89}Zr-girentuximab) is a unique imaging product that can transform the management of kidney cancer."

In a previous Phase III study, girentuximab-based imaging has shown to be as good as biopsy for detecting ccRCC, offering a non-invasive, whole-body approach to staging patients. TLX250 therapy (^{177}Lu-girentuximab) has demonstrated progression-free survival of approximately 10 months in patients with advanced metastatic ccRCC with no other treatment options. TLX250 will commence further studies in 2019 in combination with immunotherapy.

Glioblastoma (GBM)

GBM is the most common form of brain cancer with a very poor prognosis for patients. TLX101 (^{131}I-IPA) is a novel therapy for the treatment of GBM that is designed to act in concert with standard care – external beam radiation and chemotherapy.

> "Early evaluation of patients in Germany under compassionate use has demonstrated some impressive responses."

A formal Phase I/II trial has been launched in Australia and Europe to further evaluate the efficacy of this treatment in recurrent GBM, a patient population with few treatment options. TLX101 has orphan drug status in the US and EU.

None of Telix's products have attained a marketing authorisation in any jurisdiction.

Commercial activity and partnerships

Telix is a highly transactional company and our partnerships span the globe. Our commercial activity over the past year has focused on three major growth activities – commercial and manufacturing partnerships, M&A and research collaborations for pipeline expansion. We completed almost 30 agreements that help to futureproof our company and build capability for the future.

Mergers and acquisitions (M&A)

Telix was formed through licensing, partnering and M&A and this continues to be a part of our inorganic growth strategy. In 2018 we acquired two companies – Atlab Pharma SAS (Nantes, France) and Advanced Nuclear Medicine Ingredients SA (ANMI) (Liège, Belgium). These acquisitions were made because they delivered technology, intellectual property and talent that materially boosts Telix's product portfolio, revenues and barrier to entry for competition. The ANMI acquisition delivers both additional near-term revenue for prostate imaging (TLX591-CDx / *illumet*™) in Europe and beyond, as well as a talent pool of radiochemists and product developers. The Atlab acquisition significantly enhanced Telix's IP portfolio, particularly for the combination use of prostate cancer radiotherapy with anti-androgen drugs.

Research collaborations

Telix has a carefully chosen product pipeline that is enough to keep any small biotech company busy. As a company, we engage expert external R&D support. In-house, clinical development is our focus for the utilisation of our human resources and capital. However, we are always on the lookout for the next technology that will improve the ability to manufacture our products, enable new applications of our pipeline and potentially expand our products into new markets. As such Telix has a number of high-value collaborations with leading research institutions around the world. Key examples include Radboud University (Netherlands), University of Nantes/ARRONAX (France), the University of Melbourne (Australia), Osaka University (Japan) and Memorial Sloan Kettering (USA). In many instances these collaborations leverage non-dilutive funding and grants that help our modest R&D budget go further.

Partnerships

In the past 12 months we completed several commercial agreements with leading companies in the field. The purpose of most of these agreements is build a path to market for Telix's product pipeline, a critically important activity given that the majority of our development involves products that are relatively proximal to market. As a company we need to be thinking 18-24 months in advance of launch in order to have the capacity in key commercial territories, in order to be ready for when our products attain marketing authorisation. Commercial partnerships of note include Cardinal Health, Endocyte (now Novartis), Nihon Medi-Physics, GenesisCare and JFE Engineering.

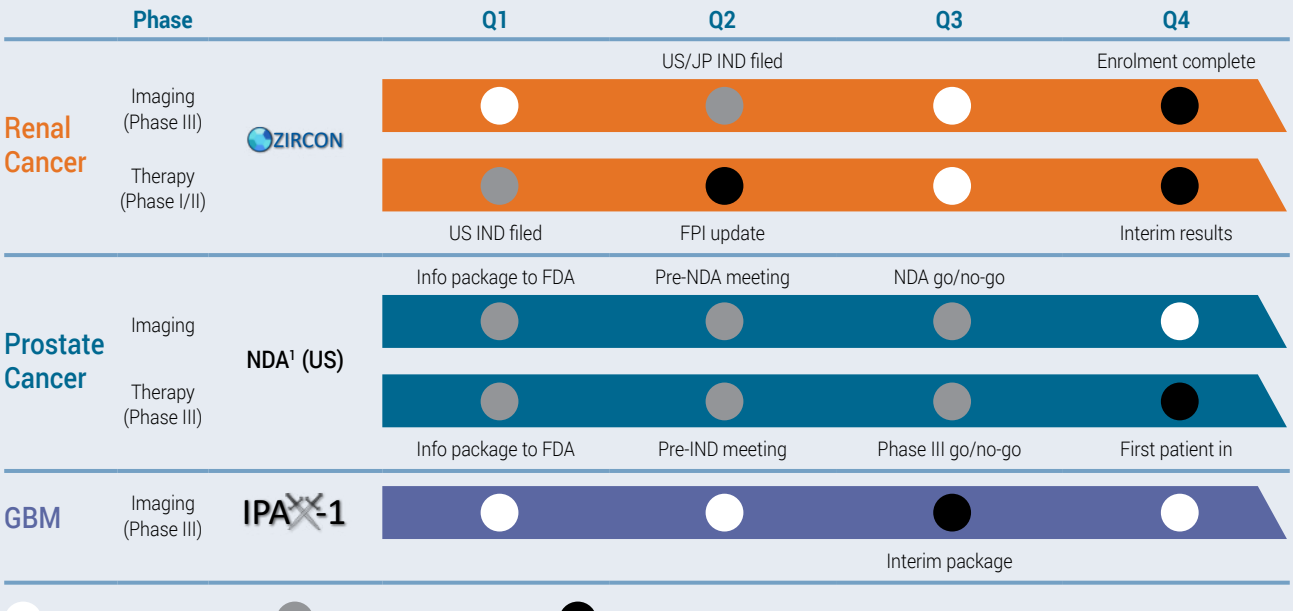
Clinical inflection points – the year ahead

Clinical development activity in 2018 mostly focused on establishing the manufacturing and logistics for the various programs, in preparation for clinical trials. Radioactive imaging and therapy products begin to decay as soon as they are produced and therefore require the use of "just in time" manufacturing and a robust supply chain in order to enable both clinical trials and commercial distribution. Telix has established a highly capable and sophisticated network of partnerships to deliver its programs – on a global basis.

The two major trials launched by Telix in 2018 were the ZIRCON (Zirconium Imaging in Renal Cancer Oncology) multi-centre Phase III trial and the IPAX-1 (IPA + XRT) multi-centre Phase I/II trial. ZIRCON is planned to include up to 25 sites in Europe, Australia and North America with a target completion of recruitment by end-2019. IPAX-1 is an EU/Australian study at 7 centres and we will be able to report on our preliminary experience around Q3 2019.

2019 will build on our excellent progress over the past year. In parallel to our glioblastoma and kidney imaging trials, we expect to significantly progress our prostate imaging and therapy program in Europe and the US. Significant clinical inflection points are expected around both a new drug application (NDA) submission for TLX591-CDx (prostate imaging) and TLX591 (therapy) around mid-year. Telix is running clinical activity in 17 countries, with plenty of progress updates as the year progresses.

Multiple milestones and readouts coming in 2019



None of Telix's products have attained a marketing authorisation in any jurisdiction.

Board of directors

for the year ended 31 December 2018

H Kevin McCann

AM BA LLB (Hons) LLM (Harvard) Life Fellow AICD

Appointed Non-Executive Director and Chairman, 17 September 2017

Mr Kevin McCann is Chairman of Citadel Group Limited (ASX: CGL) and China Matters. He is a member of the Male Champion of Change, a Pro Chancellor of the University of Sydney, Co-Vice Chair of the New Colombo Plan Reference Group, a Director of the US Studies Centre and a Trustee of the Sydney Opera House Trust. In the previous three years, Kevin has been Chairman of Macquarie Group Limited (ASX: MQG) and Macquarie Bank Limited (ASX: MBL) (resigning from these positions on 31 March 2016). Kevin is also a former director of 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.

Christian Behrenbruch

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

Appointed Executive Director, 3 January 2017

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 Limited (ASX:ATT). 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.

Andreas Kluge

MD PhD (Berlin)

Appointed Executive Director, 3 January 2017

Dr Andreas Kluge has over 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 Therapeia, 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.

Mark Nelson

B.Sc (Hons) (Melb), M.Phil (Cantab), Ph.D (Melb)

Appointed Non-Executive Director, 17 September 2017

Dr Mark Nelson is Chairman and Co-Founder of the Caledonia Investments Group, and a Director of The Caledonia Foundation. He is 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).

Oliver Buck

Dipl. Phys. (TUM)

Appointed Non-Executive Director, 16 January 2017

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, 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.

Ms Jann Skinner

B Com FCA FAICD

Appointed Non-Executive Director, 19 June 2018

Ms Jann Skinner has extensive experience in audit and accounting and in the insurance industry. She was a partner of PricewaterhouseCoopers for 17 years before retiring in 2004. Jann is an independent non-executive director of QBE Insurance Group Limited, where she also serves as Deputy Chair of the Risk and Capital Committee and the Audit Committee. She also serves as a Director of the Create Foundation Limited and HSBC Bank Australia Limited. Jann is a Fellow of both Chartered Accountants Australia & New Zealand, and the Australian Institute of Company Directors.

Senior management team

for the year ended 31 December 2018

Douglas Cubbin

B.Bus FCPA GAICD

Group Chief Financial Officer

Doug has thirteen years' experience in CFO, COO, commercial and business development roles in the nuclear medicine sector, including as Chairman of Australian Nuclear Medicine Pty Ltd and as General Manager of Business Development at ANSTO. Doug is a fellow of the Australian Society of CPAs and a Graduate of the Institute of Company Directors.

Gabriel Liberatore

PhD (Melb) BSc (Hons) MBA (Latrobe) MAICD

Group Chief Operating Officer

Gabriel has twenty years' experience in senior BD and R&D roles including with CSL Limited (ASX:CSL), Deloitte (Australia), Swisse Wellness (HK:112) and the PACT Group (ASX:PGH). Gabriel holds a PhD in Neuroscience from the University of Melbourne, a post-doctorate from Columbia University and an MBA from La Trobe. He is an Advisory Board member at Swinburne University. Gabriel was appointed 18 February 2019.

Jyoti Arora

PhD BAppSc (Hons)

Director of Operations

Jyoti has extensive experience in project management, operations and GMP manufacturing. 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. She holds a PhD in Medical Science and Radiopharmaceutical Chemistry from RMIT University.

Ms. Alannah Evans

MBiotech&Bus

Director of Quality/Regulatory

Alannah has 20 years' experience in quality-controlled manufacturing and biological material processing. Prior experience included technical and managerial roles at Nucleus Network, Cell Therapies P/L (Peter MacCallum Cancer Centre), Eastern Health and Gribbles Pathology. Alannah has a bachelor's degree in biomedical sciences from Curtain University and master's degree in biotechnology and business from RMIT.

Melanie Farris

FGIA, FCIS BComn Grad Dip ACG

Group Secretary and Head of Corporate Governance

With over 15 years' experience in governance, communications and corporate operations, 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 is a Fellow of the Governance Institute of Australia and a Fellow of the Institute of Chartered Secretaries (UK).

Odile Jaume

MSc MBA

President, Telix Europe

With over 15 years' experience in the nuclear medicine industry, Odile has held a variety of senior product management, marketing and commercial positions at Molecubes, Siemens, CTI Molecular Imaging and IBA. Her qualifications include a M.Sc in Material Science from the Université Catholique de Louvain (UCL) and an MBA from the University of Chicago, Booth School of Business.

Bernard Lambert

PhD

President, Telix USA

Bernard was Vice President, CMC and Radiopharmaceutical Development at Zevacor and IBA Molecular, and led the manufacturing of 124I-girentuximab (the predecessor to Telix's TLX250 product) that was studied in the Phase III REDECT trial by Wilex AG. A radiochemist by training, Bernard has a Ph.D in Chemistry from the University of Liège.

Dr. Marissa Lim

MB.BS., B.Med Sci., MBA

Director of Global Medical Affairs

Marissa has held a number of senior and international medical director positions at Ipsen, Vifor and Hospira, BMS and Novartis before joining Telix. She brings extensive experience in oncology trial design and management, particularly in disease focus areas relevant to Telix's assets. Marissa obtained her medical degree from Monash University.

Shintaro Nishimura

PhD BSc (Keio)

President, Telix Japan

A highly-experienced drug development and commercialisation professional, Shintaro has held senior positions at Eli Lilly, ImaginAb and Astellas and academic appointments at Kyoto Prefectural University of Medicine, University of Tsukuba, Tohoku University, and Gifu University. Shintaro received his doctorate in organic chemistry from Keio University and was a post-doctoral researcher at the University of Michigan Medical School.

Dhaksha Popat

CA, MAcc, H Dip Tax

Director of Finance

Dhaksha worked in the audit division of KPMG South Africa where she advanced to Audit Manager over her nine year tenure. She has extensive experience in financial accounting, management and taxation and as a group financial controller Dhaksha holds a Master of Accounting degree and a Higher Diploma in Taxation. She is a member of the Institute of Chartered Accountants Australia and New Zealand.

Nannette Rich

BSc(Hons) Chemistry

VP Sales and Marketing, Telix US

Nannette brings extensive experience in pharmaceutical sales and marketing having spent decades working for companies including Burroughs Wellcome (now GlaxoSmithKline), Cytyc (now Hologic), Ethex Pharmaceuticals and Mallinckrodt (now Curium). Nannette studied at Missouri University of Science and Technology and holds a B.S. degree in Chemistry from the University of Evansville.

Michael Wheatcroft

PhD (Cantab) BSc (Hons)

Director of R&D

After completing a PhD in the Department of Biochemistry, Cambridge University, Mike worked at Cambridge Antibody Technology (now Medimmune). After moving to Melbourne in 2010, Mike oversaw the pre-clinical development of several engineered antibody drug conjugates at AviPep P/L. Mike has worked in senior development roles at Medicines Development Limited, Hatchtech Pty Ltd and Starpharma Limited.

Executive team: ANMI

for the year ended 31 December 2018

Samuel Voccia

PhD

CSO, ANMI

Sam has over 15 years' experience in the nuclear medicine industry and more particularly strong expertise in research and development, IP and project management. Former R&D manager in Trasis. He co-founded ANMI in 2015 where he acted as Chief Scientific Officer. He holds a PhD in Chemistry, Polymer and Material Sciences from the University of Liège.

Ludovic Wouters

BEng

CEO, ANMI

Ludovic has twenty years' experience in the nuclear medicine industry covering research & development, production, medical device and regulatory. He is a former lead designer for GE Healthcare in Medical devices and pharmaceutical environment. He had a management position in a SME company involved in medical devices. He co-founded ANMI in 2015 where he acted as CEO.

Your Directors present their report of the Telix Pharmaceuticals Group for the financial year ended 31 December 2018. The Telix Pharmaceuticals Group ("Group") consists of Telix Pharmaceuticals Limited ("Telix Pharmaceuticals" or the "Company") and its wholly owned subsidiaries.

The names and details of the Company's Directors in office during the financial year and until the date of this report are detailed below. Directors were in office for the entire period unless noted otherwise.

H Kevin McCann AM	Chairman
Christian Behrenbruch PhD	Managing Director and Chief Executive Officer
Andreas Kluge MD PhD	Executive Director
Oliver Buck	Non-Executive Director
Mark Nelson PhD	Non-Executive Director
Jann Skinner	Non-Executive Director, appointed 19 June 2018

DIRECTORS' INTERESTS IN THE SECURITIES OF TELIX PHARMACEUTICALS LIMITED

In accordance with section 300(11) of the Corporations Act 2001 *(Cth)*, the interests of the Directors in the shares and options of Telix Pharmaceuticals Limited, as at the date of this report were:

	Number of Ordinary Shares	Number of Options
C Behrenbruch	24,675,000	–
O Buck	1,057,500	495,000
A Kluge	24,675,000	–
K McCann	160,000	990,000
M Nelson	2,238,750	990,000
J Skinner	100,000	–

DIRECTORS' MEETINGS

The number of meetings of Directors and committees of Directors held in the year to 31 December 2018, and the number of meetings attended by each Director, is as follows:

	Board of Directors		Audit and Risk Management Committee		Nomination and Remuneration Committee	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
K McCann	5	4	3	3	2	2
C Behrenbruch	5	5	–	–	–	–
A Kluge	5	4	–	–	–	–
O Buck	5	5	3	3	2	2
M Nelson	5	5	3	3	2	2
J Skinner	3	3	2	2	1	1

COMMITTEE MEMBERSHIP

At the date of this report the Company has the following Committees of the Board in place:

- Audit and Risk Management Committee, the members of which are independent Non-Executive Directors Ms Jann Skinner (Chair), Mr Kevin McCann and Dr Mark Nelson, as well as non-independent Non-Executive Director, Mr Oliver Buck.
- Nomination and Remuneration Committee, the members of which are independent Non-Executive Directors Mr Kevin McCann (Chair), Dr Mark Nelson and Ms Jann Skinner, as well as non-independent Non-Executive Director, Mr Oliver Buck.

PRINCIPAL ACTIVITIES OF THE COMPANY IN THE YEAR UNDER REVIEW

Telix Pharmaceuticals Limited is a Melbourne-headquartered oncology company that is developing a pipeline of "molecularly targeted radiation", or "MTR", products for unmet needs in cancer care. The Company was established on 3 January 2017. The Company completed an initial public offering (IPO) and listed on the on the Australian Securities Exchange on 15 November 2017.

The principal activities during the year were targeted to delivery against the corporate objectives and key milestones published during and since the IPO. These activities included the establishment of the supply chain and production network for Telix's three primary programs – TLX101 (glioblastoma), TLX250 (renal cancer) and TLX591 (prostate cancer); clinical trial GMP manufacturing for TLX101 and TLX250; the launch of a confirmatory Phase III clinical trial for TLX250; the launch of the Phase I/II clinical trial for TLX101; and the establishment of multiple commercial partnerships in key markets established for prostate cancer and the renal cancer pipeline. The Company also concluded the acquisition of Atlab Pharma SAS and Advanced Nuclear Medicine Ingredients SA.

CORPORATE STRUCTURE

Telix Pharmaceuticals Limited is an entity incorporated and domiciled in Australia. Telix Pharmaceuticals Limited is listed on the Australian Securities Exchange with the code TLX (ASX:TLX). Telix has several wholly owned subsidiaries: Telix Pharmaceuticals (EST) Pty Ltd, Telix International Pty Ltd, Telix Pharmaceuticals (ANZ) Pty Ltd, Telix Pharmaceuticals (US) Inc., Kyzeo Imaging, LLC, Telix Life Sciences (UK) Ltd, Telix Pharmaceuticals (Singapore) Pte Ltd, Telix Pharmaceuticals Holdings (Germany) GmbH, Telix Pharmaceuticals (Germany) GmbH, Therapeia GmbH & Co. KG, Telix Pharma Japan KK, Telix Pharmaceuticals (Belgium) SPRL, Atlab Pharma SAS, and Advanced Nuclear Medicine Ingredients SA. These subsidiaries have been established in order optimally manage the Company's extensive intellectual property portfolio and to facilitate clinical, operational and commercial activities in the key territories in which the Company does business.

FINANCIAL RESULTS AND DIVIDENDS

As a development-stage company, Telix Pharmaceuticals has recorded an operating loss for the year. Similar to other companies in the life sciences sector in which Telix operates, the Company's operations are subject to risks and uncertainty due primarily to the nature of drug development and commercialisation.

The loss after tax of the Group for the year ended 31 December 2018 was $13,829,825 (2017: $6,377,115). Total equity recorded at 31 December 2018 was $52,904,410 (2017: $49,292,795). At 31 December 2018, the Group held total assets of $77,246,725 (2017: $51,093,728) and net assets of $52,904,410 (2017: $49,292,795). No dividend was recommended or paid during the year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 11 September 2018, Telix completed the acquisition of Atlab Pharma SAS (Atlab). The consideration for the acquisition comprised A$12,611,901 in Telix shares at a fair value of shares on the execution date of $0.85 per share (14,837,531 Telix shares) and in warrants over Telix shares at a fair value of $184,298 (780,923 warrants). Warrants have an expiry date of 11 September 2022 and an exercise price of $1.34 per warrant.

On 24 December 2018, Telix completed the acquisition of Advanced Nuclear Medicine Ingredients SA (ANMI). The upfront consideration value was A$3,879,843 in Telix shares at a fair value of shares on the execution date of $0.637 per share (6,090,805 Telix shares), in addition to cash consideration of €1,700,000 (A$2,738,874) and the fair value of contingent consideration of A$10,591,885.

On 24 January 2019, the Company issued 6,845,000 unlisted share options to be allotted to Directors (subject to shareholder approval), employees and consultants to the Company. Options have a four-year term, with an expiry date of 24 January 2023. The exercise price of $1.09 per option is a 44% premium to the five-day volume weighted average closing price prior to the day of issue ($0.7561). Options remain unvested for a three-year period, and 'cliff vest' on 24 January 2022.

The total issued securities of the Company are as follows:

	At 31 December 2018	At the date of this report
Ordinary shares	218,365,836	218.365,836
Shares options and warrants	11,154,923	17,699,923

REVIEW OF OPERATIONS

2018 marked a period of rapid international expansion and operational growth for Telix. The Company currently has 50 headcount (43 FTEs), of which 18 FTEs are based in Australia and the rest operate out of Telix offices in Indianapolis (USA), Brussels/Liege (Belgium) and Kyoto (Japan). Headcount growth in 2019 is expected to be considerably more modest as most key positions have now been filled to deliver the current product pipeline. This growth in the execution capability of the company reflects the international conduct of Telix's clinical activity, necessary to secure product approvals in key commercial jurisdictions. Telix has been able to keep headcount modest (relative to the scale of the pipeline) due to the extensive use of contract manufacturing and specialist service providers.

The development of MTR products is highly dependent on the establishment of a global supply chain and product manufacturing network. As such, a good deal of Telix's activity in 2018 was centered around building a stable partner network for both clinical trials and early commercialisation. The result of the Company's effort was a number of key commercial agreements with firms like Cardinal Health, Isologic (part of the Pharmalogic group), RTM, Seibersdorft Laboratories, JFE, Cyclotek and Nihon Medi-physics.

Over the past year, Telix has established a regulatory footprint in numerous countries as part of its product development activities. Of particular note, the Company was able to operationalise both a global Phase III clinical trial (Europe/Australia) for the renal imaging program (TLX250-CDx) and the glioblastoma therapy program (TLX101). These are considerable achievements for a company of Telix's size. Through the acquisition of ANMI and Atlab, we considerably augmented our program footprint in prostate cancer (TLX591) – both for the diagnostic and therapeutic products.

The result has been the acceleration of those clinical programs and, in the case of prostate imaging, development of an early product for the US market – the *illumet™* kit, distributed in the US by Cardinal Health. A "soft" product launch of *illumet™* (illumet.com) took place in December 2018 and the reception of US key opinion leaders has been very positive.

FORWARD STRATEGY AND OPERATIONAL TARGETS

The 2019 corporate objectives for the Group include material progress towards:

- Completion of enrolment of the TLX250-CDx (kidney cancer imaging) trial by the end of Q4 2019 (the ZIRCON study). The Company is building up sites in Europe, Australia and the US (subject to regulatory approval). We are also considering the addition of sites in Canada and Turkey in order to drive patient volume as well as open the door for concurrent approval in other territories.
- Commencement of the Phase II portion of the TLX101 (glioblastoma) therapy program (the IPAX-1 study). This study has taken some additional time to launch, mainly due to a health authority inspection of one of our key manufacturing sites. The trial is now recruiting from sites that have a significant number of suitable patients. We have also partnered with GenesisCare in Australia to access their extensive outpatient radiation oncology network that also includes a large number of potentially eligible glioblastoma patients.
- The Company expects to submit a New Drug Application (NDA) to the US Food and Drug Administration (FDA) for the prostate imaging product (TLX591-CDx / *Ilumet™*). The Group has successfully filed Drug Master Files (DMFs) in the US, Canada and Investigational Medicinal Product Dossiers (IMPDs) in nine European countries. Phase III studies are ongoing in Europe but the Company, in consultation with external regulatory advisors and based on FDA guidance for industry, believes it has sufficient clinical and manufacturing data to support an NDA. Meanwhile, the Group's global regulatory footprint supports a number of industry-led and investigator-led clinical trials, notably the Endocyte (now Novartis) VISION Phase III program in prostate cancer.
- Telix has received considerable pharma interest in the TLX250 (kidney cancer) portfolio and through several commercial and collaborative activities, the Company expects to obtain first data in combination with immune-oncology drugs in the United States. With the changes in the treatment landscape for kidney cancer and adoption of immuno-oncology strategies for treating systemic disease, Telix is in a strong position to play a role in treating the significant number of patients that have progress on immunotherapy.
- The completion of the Atlab acquisition and subsequent analysis of the historical prostate cancer therapy data (predominantly from Weill Cornell Medical Centre, New York) has enabled the Company to identify

a potential Phase III strategy for the TLX591 (prostate cancer) platform. The Company expects to engage with the FDA during the course of 2019 to plan a Phase III clinical trajectory for the program.

- Telix is now a revenue-stage company, through the early commercialisation of the *illumet*™ product (prostate cancer imaging kit). With the acquisition of ANMI, Telix is now able to develop and deliver a global strategy for prostate cancer imaging and expects to conclude commercially significant agreements with key marketing and distribution partners as 2019 progresses.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments in the operations of the Group and the expected results from those operations in future financial years will be affected by the success of management in reaching critical development and commercial milestones in its core programs. This will include developing and expanding existing and emerging commercial partnerships with leading global healthcare companies, securing one or more commercial transactions for one or more of the Group's drug assets, as well as establishing a revenue stream for the Group via the commercialisation and sale of the Group's TLX591 PSMA 'kit' and other assets under development.

REGULATORY AND ENVIRONMENTAL MATTERS

Telix is required to carry out its activities in accordance with applicable environment and human safety regulations in each of the jurisdictions in which it undertakes its operations. The Company is not aware of any matter that requires disclosure with respect to any significant regulations in respect of its operating activities, and there have been no issues of non-compliance during the year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 24 January 2019, the Company issued 6,845,000 unlisted share options to be allotted to Directors (subject to shareholder approval), employees and consultants to the company. Options have a four-year term, with an expiry date of 24 January 2023. The exercise price of $1.09 per option is a 44% premium to the five-day volume weighted average closing price prior to the day of issue ($0.7561). Options remain unvested for a three-year period, and 'cliff vest' on 24 January 2022.

Other than the matter referred to above, there were no subsequent events that required adjustment to or disclosure in the Directors' Report or the Consolidated Financial Statements of the Company for the year ended 31 December 2018.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 December 2018 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 *(Cth)* and its regulations. This information has been audited as required by section 308(3C) of the Corporations Act 2001 *(Cth)*.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director, whether executive or otherwise.

For the purposes of this report, the term "Director" refers to Non-Executive Directors (NEDs) only. "KMP" refers to Executive Directors and other key management personnel.

The names and details of the Directors and KMPs of the Group in office during the financial year and until the date of this report are detailed below. Unless otherwise noted, Directors and KMPs listed are in office at the date of this report.

Non-Executive Directors	
H Kevin McCann AM	Director and Chairman
Oliver Buck	Director
Mark Nelson PhD	Director
Jann Skinner	Director
Executive Directors	
Christian Behrenbruch PhD	Managing Director and Group CEO
Andreas Kluge MD PhD[1]	Executive Director
Other key management personnel	
Doug Cubbin	Group Chief Financial Officer

1 A Kluge was appointed Executive Director on 3 January 2017. A Kluge provides advisory services to the Group under a consulting agreement as Chief Medical Advisor.

Remuneration practice and philosophy

The Group's guiding principle for remuneration is that remuneration should be simple and transparent, should reward achievement, and should facilitate the alignment of shareholder and executive interests. The Company's philosophy is that shareholder and executive interests are best aligned:

- 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;
- by ensuring 'at risk' remuneration is contingent on outcomes that grow and/or protect shareholder value; and,
- by ensuring a suitable proportion of remuneration is received as a share-based payment.

Policy and process for remuneration setting and review

The Group aims to reward personnel with a level and mix of remuneration commensurate with their position and responsibilities so as to:

- attract and retain appropriately capable and talented individuals to the company;
- reward personnel for corporate and individual performance;
- align the interest of personnel with those of shareholders; and
- build a strong cohesive leadership team which can deliver execution excellence against the strategy.

Remuneration consists of:

- total fixed remuneration: base salary and superannuation; and
- 'at risk' remuneration: short-term incentives (STI) and long-term incentives (LTI).

Performance and remuneration reviews are combined and are conducted on a single cycle which runs from 1 January to 31 December. There are no automatic adjustments to individual total fixed remuneration other than those required by law. Position descriptions are prepared for all positions. Position descriptions are reviewed when necessary due to internal or external changes and are considered as part of the annual performance and remuneration review. The Nomination and Remuneration Committee recommends to the Board the remuneration packages for KMPs. The Committee may seek external advice to determine the appropriate level and structure of the remuneration packages. The CEO determines remuneration packages for non-KMP team members.

Total fixed remuneration

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 paid by others operating in the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits. Total fixed remuneration will be reviewed using market data to determine what, if any, adjustments may need to be made to individual remuneration.

'At risk' remuneration

'At risk' remuneration elements are paid/ issued following the performance and remuneration review conducted by executive management; assessment by the Nomination and Remuneration Committee; and approval by the Board.

Short-term incentives (STI): cash bonus

STIs comprise 30% of fixed remuneration for the CEO and between 10% and 25% for other personnel. To provide a framework for the assessment of performance and remuneration, each year, Key Performance Indicators (KPIs) will be determined on a corporate and individual basis, based on the Board approved annual operational plan. Corporate KPIs will be approved by the Board, and individual KPIs and commercial targets will be set by the CEO. STI calculations and actual payment are based on achievement of KPIs. The relative contributions of corporate and individual KPIs for company personnel are:

- KMPs = 100% corporate objectives
- Other personnel = 75% corporate objectives and 25% individual objectives

Long-term incentives (LTI): equity grants

LTIs are offered to incentivise, reward and retain personnel, and to align the interests of personnel and shareholders. On an annual basis, the Nomination and Remuneration Committee considers the recommendation of the CEO regarding the issue of LTIs in light of the performance, financial position and current issued capital of the company. There will be no automatic grant of LTIs following each performance and remuneration review. At the discretion of the Board, the Company may also offer grants of LTIs as an award to incentivise high-quality prospective employees to join the company. As the Group is yet to have an ongoing revenue stream, the Board may also consider equity-based remuneration for consultants to the Company as a means of preserving capital.

The terms of any LTI grant are determined by the Board. LTI grants normally take the form of the issue of unlisted share options. Share options are normally issued under the company's equity incentive plan (EIP). All grants of equity are determined by the Board, following a recommendation by the Nomination and Remuneration Committee.

Prior to 31 December 2018, the Nomination and Remuneration Committee reviewed the general terms of new options to be issued. Options will be typically granted with an exercise price that is

between a 40-50% premium to the market price of shares on the day of issue, and with an expiry date that is between three and four years from the date of issue. As LTIs are offered to incentivise, reward and retain personnel, options will typically vest at a 'cliff' prior to the expiry date.

The terms of the options, and what happens to options in the event of cessation of employment, are at the discretion of the Board. However generally, in the event that a holder of unvested options ceases to be employed, then at the absolute discretion of the Board, if the ceasing of employment is due to death or permanent disability, or in any other circumstances determined by the Board to be on a "good leaver" basis, the next tranche of unvested options vests and becomes exercisable for 30 days after the last day of engagement, after which those options expire. If at the absolute discretion of the Board, the ceasing of employment occurs for any other reason than in "good leaver" circumstances, including, but not limited to, termination for cause, or due to resignation, all unvested options lapse immediately and the expiry date is taken to have occurred on the last day of engagement. In the event of a change of control, the Board, at its absolute discretion, may determine that a proportion or all unvested awards will vest.

Nomination and Remuneration Committee

The objective of the Nomination and Remuneration Committee is to assist the Board in fulfilling its duties and responsibilities by reviewing, advising and making recommendations to the Board on:

(a) Nomination

- Board composition and succession planning, taking into account diversity objectives and the mix of Director skills and experience;
- induction and continuing education for Directors;
- Board performance evaluation; and
- the performance of the CEO and key management personnel

(b) Remuneration

- implementing policies for the purposes of using remuneration to foster long-term growth and success;
- monitoring the implementation by management of the Board's strategic objectives and policies;
- remuneration for Non-Executive Directors; and
- remuneration and incentive arrangements for the CEO and other key management personnel

Remuneration and Awards for the financial year ended 31 December 2018

Detailed remuneration benchmarking was undertaken in the financial period ended 31 December 2017, prior to the Company listing on the ASX. During this review, total fixed remuneration was benchmarked against 50 comparable (market capitalisation, pre-revenue stage) ASX life sciences companies. For 2017/2018, the CEO salary represented a bottom quartile ASX-benchmarked salary, reflective of the 'start-up' mode of operation and in consideration of the CEO's significant founding equity ownership. KMP salaries were benchmarked to the middle of the ASX for peer companies in the biopharmaceutical industry. The CEO and KMP salaries have been reviewed for the 2019 financial year.

STI awards for the financial year ended 31 December 2018 were applicable to KMPs following the achievement of targets determined by the Board. The corporate objectives set by the Board for the year under review included the filing and acceptance of the Phase III IMPD in Europe as well as interactions with the FDA and commencement of clinical trial recruitment for the TLX250 program; the successful filing of a Drug Master File and completion of the GMP manufacturing process, as well as securing a commercial partnership for the TLX591 program; the completion of the Phase I dosimetry trial as well as the launch of the Phase I/II clinical trial for the TLX101 program; and a number of targets around collaborations and cost control. Each corporate objective was weighted relevant to its individual value to the overall corporate strategy.

Based on successful completion of 75% of pre-set corporate objectives, and in recognition of significant achievements against new targets set following the realignment of corporate strategy during the year, 80% of STI entitlements due to each eligible KMP for the year was awarded. The remaining 20% of STI entitlements due to each eligible KMP for the year was forfeited.

LTIs awards made during the year, effective in future years

Prior to 31 December 2018, the Nomination and Remuneration Committee, and as part of the FY2018 remuneration review, LTIs in the form of unlisted share options were made to new and existing employees, including KMPs, as a tool to both incentivise and retain personnel. The issue of unlisted share options was made on 24 January 2019. Options issued have a four-year term, with an expiry date of 24 January 2023. The exercise price of $1.09 per option is a 44% premium to the five-day volume weighted average closing price prior to the day of issue ($0.7561). Options remain unvested for a three-year period, and 'cliff vest' on 24 January 2022. The Company considers that this grant of options allows the Company to maintain cash reserves for its operations whilst rewarding KMPs and personnel for their commitment and contribution to the Company.

Non-Executive Director remuneration

All Non-Executive Directors enter into a letter of appointment which summarises

obligations, policies and terms of appointment, including remuneration, relevant to the office of Director of the Company.

In accordance with the Constitution of the Company and ASX Listing Rules, the aggregate remuneration of Non-Executive Directors is determined from time to time by General Meeting. The last determination for Telix Pharmaceuticals Limited was made at the General Meeting of Shareholders held on 13 October 2017. At that Meeting, Shareholders approved an aggregate annual remuneration pool for Non-Executive Directors of $400,000. The total Non-Executive Director remuneration of Telix Pharmaceuticals Limited for the year ended 31 December 2018 utilised $294,281 of this authorised amount.

Fees to Non-Executive Directors reflect the obligations, responsibilities and demands which are made on Directors. Non-Executive Directors' fees will be reviewed periodically by the Board. In conducting these reviews, the Board will consider market information, to seek to ensure that fees are in line with the market, as well as the financial position of the Company. Although the Chairman of the Board receives a higher fee, the remuneration of Non-Executive Directors consists only of Directors fees, Non-Executive Directors do not receive committee fees or retirement benefits. Non-Executive Directors are however able to participate in the Group's Equity Incentive Plan, under which equity may be issued subject to Shareholder approval. Annualised fees below are base remuneration fees inclusive of superannuation (where applicable). Fees as recorded below remain in effect at 1 January 2019 and at the date of this report.

	2018 $	2017 $
Annual Fees		
K McCann, Chairman	120,000	120,000
O Buck, Non-Executive Director	65,700	65,700
M Nelson, Non-Executive Director	65,700	65,700
J Skinner, Non-Executive Director	65,700	–
Additional Fees		
J Skinner, Non-Executive Director[(i)]	14,435	–

(i) In consideration for agreeing to join the Board, and in lieu of an equity grant at the time of appointment, the Board offered Ms Skinner an additional fee of $14,345 per annum (inclusive of statutory superannuation), effective to the date of the Company's 2019 AGM. This additional fee will be reviewed at that date.

Non-Executive Directors are able to participate in the Company's Equity Incentive Plan (EIP) under which equity may be issued subject to Shareholder approval. Options are however normally issued to Non-Executive Directors not as an 'incentive' under the EIP but as a means of cost-effective consideration for agreeing to join the Board.

Following Shareholder approval at the EGM held 13 October 2017, Non-Executive Directors were granted Director Options, the vesting of which was contingent on the company's IPO and listing. These options became eligible to vest upon Listing and vest equally over three years from the date of issue. The options have an exercise price of $0.85 per option and an expiry of 14 October 2021. The Company considered that this grant of Director Options allowed the Company 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 Messrs McCann and Nelson) and rewarding their commitment and contribution to the Company (in the case of Mr Buck).

Ms Jann Skinner joined the Board as a Non-Executive Director on 19 June 2018. Ms Skinner was offered 495,000 options in the Company for agreeing to join the Board. Options offered have a four-year term, with an expiry date of 24 January 2023. The exercise price of $1.09 per option is a 44% premium to the five-day volume weighted average closing price prior to the day of issue ($0.7561). Options offered shall remain unvested for a three-year period and will 'cliff vest' on 24 January 2022. The issue of these options to Ms Skinner is subject to the approval of Shareholders. This approval will be sought at the 2019 AGM.

Remuneration for the year ended 31 December 2018

The below tables shows details of the remuneration expenses recognised for KMP measured in accordance with the requirements of the accounting standards.

	Fixed remuneration		Variable remuneration					
	Salary and fees $	Super-annuation $	Other $	Bonus[ii] $	Share-based payment (options) $	Total $	Bonus and options $	Bonus and options %
Non-Executive Directors								
K McCann	109,589	10,411	–	–	78,210	198,210	78,210	39%
O Buck	65,700		–	–	39,105	104,805	39,105	37%
M Nelson	60,000	5,700	–	–	78,210	143,910	78,210	54%
J Skinner[i]	39,161	3,720	–	–	–	42,881	–	–
	274,450	**19,831**	**–**	**–**	**195,525**	**489,806**	**195,525**	**–**
Executive Directors								
C Behrenbruch	280,000	26,600	–	73,584	–	380,184	73,584	19%
A Kluge	157,850	–	–	–	–	157,850	–	–
	437,850	**26,600**	**–**	**73,584**	**–**	**538,034**	**73,584**	**–**
Other key management personnel								
D Cubbin	220,000	20,900	–	48,180	62,410	351,490	110,590	31%
	220,000	**20,900**	**–**	**48,180**	**62,410**	**351,490**	**110,590**	**–**
Total for all KMP	**932,300**	**67,331**	**–**	**121,764**	**257,935**	**1,379,330**	**379,699**	**–**

(i) J Skinner was appointed to the Board on 19 June 2018

(ii) C Behrenbruch is eligible to receive an annual bonus of up to 30% of remuneration. D Cubbin is eligible to receive an annual bonus of up to 25% of remuneration. No other KMP are eligible to receive a bonus amount. In the year to 31 December 2018, based on successful completion of 75% of pre-set corporate objectives, and in recognition of significant achievements against new targets set following the realignment of corporate strategy during the year, 80% of STI entitlements due to each eligible KMP for the year was awarded. The remaining 20% of STI entitlements due to each eligible KMP for the year was forfeited.

Remuneration for the period 3 January 2017 to 31 December 2017

	Fixed remuneration		Variable remuneration					
	Salary and fees $	Super-annuation $	Other $	Bonus[ii] $	Share-based payment (options) $	Total $	Bonus and options $	Bonus and options %
Non-Executive Directors								
K McCann[i]	31,612	3,003	–	–	16,294	50,909	16,294	32.01%
O Buck[ii]	40,451	–	–	–	8,147	48,598	8,147	16.76%
M Nelson[i]	17,308	1,644	–	–	16,294	35,246	16,294	46.23%
M Cawley[iii]	–	–	–	–	–	–	–	–
R Zimmermann[iii]	31,324	–	–	–	–	31,324	–	–
	120,695	**4,647**	**–**	**–**	**40,735**	**166,077**	**40,735**	**–**
Executive Directors								
C Behrenbruch	210,921	26,284	–	65,753	–	302,958	65,753	21.70%
A Kluge	146,235	–	–	30,711	–	176,946	30,711	17.36%
	357,156	**26,284**	**–**	**96,464**	**–**	**479,904**	**96,464**	**–**
Other key management personnel								
D Cubbin	98,396	11,574	–	23,440	13,002	146,412	36,442	24.89%
J Arora[iv]	100,603	11,783	–	23,425	25,996	161,807	49,421	30.54%
M Wheatcroft[iv]	104,808	12,299	–	24,658	25,996	167,761	50,654	30.19%
	303,807	**35,656**		**71,523**	**64,994**	**475,980**	**136,517**	**–**
Total for all KMP	**781,658**	**66,587**	**–**	**167,987**	**105,729**	**1,121,961**	**273,716**	**–**

(i) K McCann and M Nelson were appointed to the Board on 17 September 2017

(ii) O Buck was appointed to the Board on 16 January 2017

(iii) M Cawley and R Zimmermann retired from the Board on 17 September 2017

(iv) J Arora and M Wheatcroft were not considered to meet the definition of KMP for the financial year ended 31 December 2018 and are therefore not reflected in the remuneration tables for 2018

Employment contracts

Executive Directors and other key management personnel have rolling contracts, not limited by term. Details of contractual terms effective 1 January 2019 are as follows:

KMP	Remuneration	Notice period	STI and treatment of STI on termination	LTI and treatment of LTI on termination
Christian Behrenbruch PhD – MD & Group CEO	Base salary of $308,000 subject to annual review. Exclusive of superannuation paid at government-determined levels (currently 9.50%).	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.	Eligible to receive an annual bonus of up to 30% of base remuneration. Payout of any STI is at the discretion of the Board. The treatment of STIs on termination is at Board discretion.	Eligible to participate in the Company's EIP. Any issue of securities is subject to shareholder approval. The treatment of LTIs on termination is at Board discretion.
Andreas Kluge MD PhD – Executive Director	Base salary of up to $160,000 (€100,000). Dr Kluge is engaged on a consulting basis.	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.	Not eligible.	Eligible to participate in the Company's equity incentive plan (EIP). Any issue of securities is subject to shareholder approval. The treatment of LTIs on termination is at Board discretion.
Doug Cubbin – Group CFO	Base salary of $220,000 subject to annual review. Exclusive of superannuation paid at government-determined levels (currently 9.50%).	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.	Eligible to receive an annual bonus of up to 25% of base remuneration. Payout of any performance bonus is at the discretion of the Board. The treatment of STIs on termination is at Board discretion.	Eligible to participate in the Company's EIP. Any issue of securities is subject to shareholder approval. The treatment of LTIs on termination is at Board discretion.

Shareholdings of Directors and KMPs for the year ended 31 December 2018

	Balance 1 January	Shares issued from Options exercised	Net acquired/ (disposed)	Balance 31 December
K McCann	160,000	–	–	160,000
O Buck	1,057,500	–	–	1,057,500
M Nelson	2,238,750	–	–	2,238,750
J Skinner	–	–	100,000	100,000
C Behrenbruch	24,675,000	–	–	24,675,000
A Kluge	24,675,000	–	–	24,675,000
D Cubbin	–	–	–	–
	52,806,250	**–**	**100,000**	**52,906,250**

Shareholdings of Directors and KMPs for the period 3 January 2017 to 31 December 2017

	Balance on incorporation	Shares issued from Options exercised	Net acquired/ (disposed)	Balance 31 December
K McCann	–	–	160,000	160,000
O Buck	1,057,500	–	–	1,057,500
M Nelson	–	–	2,238,750	2,238,750
C Behrenbruch	24,675,000	–	–	24,675,000
A Kluge	24,675,000	–	–	24,675,000
D Cubbin	–	–	–	–
J Arora	–	–	–	–
M Wheatcroft	–	–	–	–
	50,407,500	**–**	**2,398,750**	**52,806,250**

Option holdings of Directors and KMPs for the year ended 31 December 2018

	Grant date of options	Number of options granted	Exercise price $	Expiry date	Fair value per option at grant date $	Vesting date	Vesting number	Vested during the year	Lapsed or forfeited during the year	Exercised during the year	Eligible to exercise at 31 December	Unvested at 31 December
K McCann	15-Oct-17	990,000	0.85	15-Oct-21	0.23	15-Oct-18	329,670	329,670	–	–	329,670	–
						15-Oct-19	329,670	–	–	–	–	329,670
						15-Oct-20	330,660	–	–	–	–	330,660
O Buck	15-Oct-17	495,000	0.85	15-Oct-21	0.23	15-Oct-18	164,835	164,835	–	–	164,835	–
						15-Oct-19	164,835	–	–	–	–	164,835
						15-Oct-20	165,330	–	–	–	–	165,330
M Nelson	15-Oct-17	990,000	0.85	15-Oct-21	0.23	15-Oct-18	329,670	329,670	–	–	329,670	–
						15-Oct-19	329,670	–	–	–	–	329,670
						15-Oct-20	330,660	–	–	–	–	330,660
J Skinner		–	–		–		–	–	–	–	–	–
C Behrenbruch		–	–		–		–	–	–	–	–	–
A Kluge		–	–		–		–	–	–	–	–	–
D Cubbin	15-Oct-17	790,000	0.85	15-Oct-21	0.23	15-Oct-18	263,070	263,070	–	–	263,070	–
						15-Oct-19	263,070	–	–	–	–	263,070
						15-Oct-20	263,860	–	–	–	–	263,860
		3,265,000					**3,265,000**	**1,087,245**	**–**	**–**	**1,087,245**	**2,177,755**

Option holdings of Directors and KMPs for the period 3 January 2017 to 31 December 2017

	Grant date of options	Number of options granted	Exercise price $	Expiry date	Fair value per option at grant date $	Vesting date	Vesting number	Vested during the year	Lapsed or forfeited during the year	Exercised during the year	Eligible to exercise at 31 December	Unvested at 31 December
K McCann	15-Oct-17	990,000	0.85	15-Oct-21	0.23	15-Oct-18	329,670	–	–	–	–	329,670
						15-Oct-19	329,670	–	–	–	–	329,670
						15-Oct-20	330,660	–	–	–	–	330,660
O Buck	15-Oct-17	495,000	0.85	15-Oct-21	0.23	15-Oct-18	164,835	–	–	–	–	164,835
						15-Oct-19	164,835	–	–	–	–	164,835
						15-Oct-20	165,330	–	–	–	–	165,330
M Nelson	15-Oct-17	990,000	0.85	15-Oct-21	0.23	15-Oct-18	329,670	–	–	–	–	329,670
						15-Oct-19	329,670	–	–	–	–	329,670
						15-Oct-20	330,660	–	–	–	–	330,660
C Behrenbruch		–	–		–		–	–	–	–	–	–
A Kluge		–	–		–		–	–	–	–	–	–
D Cubbin	15-Oct-17	790,000	0.85	15-Oct-21	0.23	15-Oct-18	263,070	–	–	–	–	263,070
						15-Oct-19	263,070	–	–	–	–	263,070
						15-Oct-20	263,860	–	–	–	–	263,860
J Arora	15-Oct-17	1,579,500	0.85	15-Oct-21	0.23	15-Oct-18	525,974	–	–	–	–	525,974
						15-Oct-19	525,974	–	–	–	–	525,974
						15-Oct-20	527,553	–	–	–	–	527,553
M Wheatcroft	15-Oct-17	1,579,500	0.85	15-Oct-21	0.23	15-Oct-18	525,974	–	–	–	–	525,974
						15-Oct-19	525,974	–	–	–	–	525,974
						15-Oct-20	527,553	–	–	–	–	527,553
		6,424,000					**6,424,000**	**–**	**–**	**–**	**–**	**6,424,000**

The disclosures in the Consolidated Financial Statements of shares and options held by key management personnel are determined in accordance with the requirements of AASB 124, which requires that KMP holdings also include the holdings of 'close family members'. Disclosure of 'close family member' holdings is not required by the Corporations Act 2001 *(Cth)*, therefore the figures shown above may differ from those holdings reported in at Note 20a to the Consolidated Financial Statements.

TELIX PHARMACEUTICALS LIMITED PERFORMANCE AND SHAREHOLDER WEALTH

Basic loss per share, Net tangible assets per share and Dividend per share (cents per share) is as follows. Year end share price has been included as one measure of shareholder wealth:

	2018 Cents	2017 Cents
Basic loss per share	(6.84)	(4.98)
Net tangible assets per share	6	39
Dividend per share	–	–
Share price	65	62

INDEMNITY

Subject to the Corporations Act 2001 *(Cth)* and rule 10.2 of the Constitution of Telix Pharmaceuticals Limited, the Company must indemnify each Director, Secretary and Executive Officer to the maximum extent permitted by law against any liability incurred by them by virtue of their holding office as, and acting in the capacity of, Director, Secretary or Executive Officer of the Company, other than:

a) a liability owed to the Company or a related body corporate of the Company;

b) a liability for a pecuniary penalty order under section 1317G Corporations Act 2001 *(Cth)* or a compensation order under section 1317H Corporations Act 2001 *(Cth)*;

c) a liability owed to a person other than the Company that did not arise out of conduct in good faith.

The Company has paid premiums in respect of a contract insuring its Directors, the Company Secretary and Executive Officers for the financial year ended 31 December 2018. Under the Company's Directors and Officers Liability Insurance Policy, the Company cannot release the nature of the liabilities insured by the policy or the amount of the premium.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, PricewaterhouseCoopers, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit. No payment has been made to indemnify PricewaterhouseCoopers during or since the financial year.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A statement of independence has been provided by the Company's auditor, PricewaterhouseCoopers, and is attached to this report.

NON-AUDIT SERVICES

During the year the Company's auditor performed non-audit services being tax advice relating to group structure and incentive plan structure. The provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 *(Cth)*, and the Directors are satisfied that the nature, scope and quantum of the non-audit services provided did not compromise auditor independence. The details of the services provided and their costs are as follows:-

	$
Taxation advisory services	29,500
	29,500

COMPANY SECRETARY

Melanie Farris

Melanie holds a Bachelor of Communication (Public Relations), and a Graduate Diploma in Applied Corporate Governance. She is a Fellow of the Governance Institute of Australia and a Fellow of the Institute of Chartered Secretaries (UK).

CORPORATE GOVERNANCE STATEMENT

Telix Pharmaceuticals and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council. The 2018 Corporate Governance Statement reflects the corporate governance practices in place throughout the financial year ended 31 December 2018 and is available in the Investors section of the Company's website: http://www.telixpharma.com/investors/corporate-governance/.

Signed in accordance with a resolution of Directors on 28 February 2019

H Kevin McCann

Chairman

Christian Behrenbruch

Managing Director and
Group Chief Executive Officer

for the year ended 31 December 2018

pwc

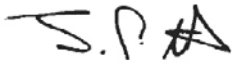
Auditor's Independence Declaration

As lead auditor for the audit of Telix Pharmaceuticals Limited for the year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Telix Pharmaceuticals Limited and the entities it controlled during the period.



Jon Roberts
Partner
PricewaterhouseCoopers

Melbourne
28 February 2019

PricewaterhouseCoopers, ABN 52 780 433 757
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

Consolidated statement of total comprehensive loss

for the year ended 31 December 2018

	Note	2018 $	2017 $
Continuing operations			
Trade revenue		195,142	–
		195,142	**–**
Research and development costs	4	(18,692,034)	(2,977,062)
Administration and consulting costs	5	(4,253,003)	(2,281,259)
Employment costs	6	(4,897,099)	(1,261,010)
Finance costs – net	7	(29,018)	(9,401)
Other income and expenses	8	11,962,119	151,617
Loss before income tax		**(15,713,893)**	**(6,377,115)**
Income tax benefit	**9**	**1,884,068**	**–**
Loss from continuing operations after income tax		**(13,829,825)**	**(6,377,115)**
Loss is attributable to:			
Owners of Telix Pharmaceuticals Limited		**(13,829,825)**	**(6,377,115)**
Loss for the year		**(13,829,825)**	**(6,377,115)**
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(53,880)	(22)
Total comprehensive loss for the year		**(13,775,945)**	**(6,377,137)**

	Note	2018 Cents	2017 Cents
Basic loss per share from continuing operations attributable to the ordinary equity holders of the company	27	(6.84)	(4.98)
Diluted loss per share from continuing operations attributable to the ordinary equity holders of the company	27	(6.84)	(4.98)

The above consolidated statement of total comprehensive loss is to be read in conjunction with the Notes to the consolidated financial statements.

Consolidated statement of financial position

as at 31 December 2018

	Note	2018 $	2017 $
Current assets			
Cash and cash equivalents	10.1	25,771,055	48,758,958
Trade and other receivables	10.2	8,435,847	338,799
Inventory	10.3	642,525	–
Other current assets	10.4	1,006,967	447,252
Total current assets		**35,856,394**	**49,545,009**
Non-current assets			
Property, plant and equipment	11	226,171	5,389
Intangible assets	12	39,450,761	1,508,038
Non-current trade and other receivables	13	1,174,731	35,292
Total non-current assets		**40,851,663**	**1,548,719**
Total assets		**76,708,507**	**51,093,728**
Current liabilities			
Trade and other payables	10.5	6,893,040	1,123,011
Borrowings	14	1,132,938	345,433
Provisions	15	215,722	–
Total current liabilities		**8,241,701**	**1,468,444**
Non-current liabilities			
Borrowings	14	596,295	–
Deferred tax liabilities	10.6	4,373,766	332,489
Contingent consideration liability	16	10,591,885	–
Total non-current liabilities		**15,561,946**	**332,489**
Total liabilities		**24,803,647**	**1,800,933**
Net assets		**52,904,410**	**49,292,795**
Equity			
Issued capital	17.1	72,052,656	55,560,912
Foreign currency translation reserve		53,858	(22)
Share-based payments reserves	17.2	1,004,836	109,020
Accumulated losses		(20,206,940)	(6,377,115)
Total equity		**52,904,410**	**49,292,795**

The consolidated statement of financial position is to be read in conjunction with the Notes to the consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2018

	Note	Share capital $	Accumulated losses $	Foreign currency translation reserve $	Share-based payments reserves $	Total equity $
Balance as at 3 January 2017		–	–	–	–	–
Loss for the period		–	(6,377,115)	–	–	(6,377,115)
Other comprehensive income/(loss)		–	–	(22)	–	(22)
Total comprehensive loss		**–**	**(6,377,115)**	**(22)**	**–**	**(6,377,137)**
Contributions of equity net of transaction costs	17.2	58,550,150	–	–	–	58,550,150
Transaction costs arising on new share issues	17.2	(2,989,238)	–	–	–	(2,989,238)
Share based payment	22	–	–	–	109,020	109,020
		55,560,912	**–**	**–**	**109,020**	**55,669,932**
As at 31 December 2017		**55,560,912**	**(6,377,115)**	**(22)**	**109,020**	**49,292,795**

	Note	Share capital $	Accumulated losses $	Foreign currency translation reserve $	Share-based payments reserves $	Total equity $
Balance as at 1 January 2018		55,560,912	(6,377,115)	(22)	109,020	49,292,795
Loss for the year		–	(13,829,825)	–	–	(13,829,825)
Other comprehensive income/(loss)		–	–	53,880	–	53,880
Total comprehensive income/(loss)		**–**	**(13,829,825)**	**53,880**	**–**	**(13,775,945)**
Shares issued as consideration on acquisition of subsidiaries	17.2	16,491,744	–	–	–	16,491,744
Warrants issued as consideration on acquisition of subsidiaries	22.2	–	–	–	184,297	184,297
Share based payment	22	–	–	–	711,519	711,519
		16,491,744	**–**	**–**	**895,816**	**17,387,561**
As at 31 December 2018		**72,052,656**	**(20,206,940)**	**53,858**	**1,004,836**	**52,904,410**

The consolidated statement of changes of equity is to be read in conjunction with the Notes to the consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Receipts in relation to R&D tax incentive		1,177,720	462,130
Payments to suppliers and employees		(22,242,480)	(6,522,200)
Interest received		332,733	33,856
Interest paid		(17,113)	(5,301)
Net cash used in operating activities	**18**	**(20,749,140)**	**(6,031,515)**
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	20	(2,693,125)	4,382
Purchase of plant and equipment	11	–	(5,642)
Net cash used in investing activities		**(2,693,125)**	**(1,260)**
Cash flows from financing activities			
Repayment of borrowings		(869,354)	(769,180)
Proceeds from issue of shares and other equity		–	58,550,151
Cost of capital raising		–	(2,989,238)
Net cash provided by/(used) in financing activities		**(869,354)**	**54,791,733**
Net (decrease) increase in cash held		**(24,311,619)**	**48,758,958**
Net foreign exchange differences		1,322,240	–
Cash and cash equivalents at beginning of the financial year		48,758,958	–
Cash and equivalents at the end of the financial year	**10.1**	**25,771,055**	**48,758,958**

The above consolidated statement of cash flows is to be read in conjunction with the Notes to the consolidated financial statements.

1. CORPORATE INFORMATION

Telix Pharmaceuticals Limited ("Telix" or 'Company") is a Melbourne headquartered oncology company that is developing a pipeline of "molecularly targeted radiation", or "MTR", products for unmet needs in cancer care. The Company was established on 3 January 2017. The Company completed an initial public offering (IPO) and listed on the on the Australian Securities Exchange on 15 November 2017. Telix is the Parent company of the Telix Pharmaceuticals Group ("Group").

The principal activities during the year were targeted to delivery against the corporate objectives and key milestones published during and since the IPO. These activities included the establishment of the supply chain and production network for Telix's three primary programs – TLX101 (glioblastoma), TLX250 (renal cancer) and TLX591 (prostate cancer); clinical trial Good Manufacturing Practice (GMP) manufacturing for TLX101 and TLX250; the launch of a confirmatory Phase III clinical trial for TLX250; the launch of the Phase I/II clinical trial for TLX101; and the establishment of multiple commercial partnerships in key markets established for prostate cancer and the renal cancer pipeline. The Company also concluded the acquisition of Atlab Pharma SAS (Atlab) on 11 September 2018 and Advanced Nuclear Medicine Ingredients SA (ANMI) on 24 December 2018.

This consolidated financial report of Telix Pharmaceuticals Limited for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 28 February 2019.

2. SEGMENT REPORTING

The Telix Pharmaceuticals Group is an oncology group with operations in Australia, the United States, Belgium and Japan. The Group does not currently consider that the risks and returns of the Group are affected by differences in either the products or services it provides, nor the geographical areas in which the Group operates. As such the Group operates as one segment. Group performance is evaluated based on operating profit or loss and is measured consistently with profit or loss in the financial statements. Group financing (including finance costs and finance income) and income taxes are managed on a Group basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

3.1 Going concern

The Group is a development stage medical biotechnology company and as such expects to be utilising cash until its research activities have become marketable. For the year ended 31 December 2018, the Group incurred an operating loss of $13,829,825 and an operating cash outflow of $20,749,140. As at 31 December 2018 the net assets of the Group stood at $52,904,410 (2017: $49,292,795), with cash on hand at $25,771,055 (2017: $48,758,958).

The Group has a recorded current trade and other receivables in the amount of $7,757,864 (2017: $338,799) from the Australian Taxation Office in respect of its R&D tax incentive claim for eligible R&D activities undertaken in the year to 31 December. The Group expects to receive this amount during the 12 months ending 31 December 2019. The Group expects the R&D tax incentive to be applicable in subsequent years for eligible R&D activities undertaken.

Cash on hand at 31 December 2018 is considered sufficient to meet the Group's forecast cash outflows in relation to research and development activities currently underway and other committed business activities for at least 12 months from the date of this report. While there is uncertainty in the Group's cashflow forecast in relation to the proposed expenditure on research and development which may impact the forecast cash position, the Directors believe the Group will be able to maintain sufficient cash reserves for those activities.

Further, in accordance with published strategy, the Group will seek to pursue options to raise additional funds. The Group has a history of successfully raising capital with $8.5 million raised in January 2017, and $50 million raised in the Initial Public Offering on the ASX in November 2017.

On this basis, the Directors are satisfied that the Group continues to be a going concern as at the date of this report. Further, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the consolidated statement of financial position as at 31 December 2018.

As such, no adjustment has been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the classification of liabilities that might be necessary should the Group not continue as a going concern.

3.2 Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001 (Cth). Telix Pharmaceuticals Limited is a for-profit entity for the purpose of preparing the financial statements. Comparative figures presented in the financial statements represent an accounting period from 3 January 2017 to 31 December 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Compliance with IFRS

The consolidated financial statements of the Telix Pharmaceuticals Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

b. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following: available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property, plant and equipment and investment property – measured at fair value, and assets held for sale – measured at fair value less cost of disposal.

c. New and amended standards adopted

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2018. The application of these standards has not had a material impact to the financial statements: **AASB 9 Financial Instruments** and **AASB 15 Revenue from Contracts with Customers.**

The Group has adopted **AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions** and **Interpretation 22 Foreign Currency Transactions and Advance Consideration.**

The Group has elected to early-adopt the following amendment: **AASB 2018-6: Business Combinations, Definitions of a Business** issued in December 2018. This Standard makes amendments to AASB 3 Business Combinations (August 2015). The Standard amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

d. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early-adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 16 Leases: AASB 16 replaces the current dual operating/finance lease accounting model for lessees under AASB 117 Leases and the guidance contained in Interpretation 4 Determining whether an Arrangement contains a Lease. The new standard introduces a single, on-balance sheet accounting model, similar to the current finance lease accounting. Under the new standard the Group will be required to recognise a 'right-of-use' asset and a lease liability for all identified leased assets. The current operating lease expense will be replaced with a depreciation and finance charge. The standard is applicable from 1 January 2019 with early adoption permitted with some targeted relief from the application of the lease accounting model where a lease is for a term of 12 months or less and for low value items. The new standard will primarily impact the Group's accounting for operating leases and will result in higher assets and liabilities on the balance sheet. As at 31 December 2018 the Group's undiscounted non-cancellable operating lease commitment is $61,827 (refer note 23). The present value of the Group's operating lease payments as defined under the new standard will be recognised as lease liabilities on the balance sheet.

Earnings before significant items, interest, tax, depreciation and amortisation (EBITDA), will increase as the operating lease cost (expense of $163,661 for FY18) that is currently charged against EBITDA will be replaced by a depreciation and interest charge which are excluded from the EBITDA measure. The replacement of the lease expense with a depreciation and finance charge under the new standard is not anticipated to significantly impact the loss before tax result of the Group. Under the new standard the operating cash flow of the Group will increase as the element of cash paid attributable to the repayment of lease principal will instead be included in financing cash flows. The net increase/decrease in cash and cash equivalents will remain the same.

The adoption of AASB 16 is not expected to have material impact on the financial position of the Group. It is anticipated that the Group will apply the modified retrospective approach on adoption. Under this approach the right of use asset may be deemed to be equivalent to the liability at transition or calculated retrospectively as at inception of the lease, the determination is made on a lease-by lease basis. The detailed assessment of the impact of AASB 16 is ongoing. To date, work has focused on the identification and understanding of the provisions of the standard that will most impact the Group, identifying the lease population and obtaining copies of all contracts, and where required adapting the contract review process. In FY19, work on these issues and their resolution will continue.

3.3 Principles of consolidation

a. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from

the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.4 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when it is expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is current when it is expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

3.5 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

3.6 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

3.7 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the Group are measured in Australian dollars, being the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

c. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position
- income and expenses for each consolidated statement of total comprehensive income and consolidated statement of comprehensive income are translated at average exchange rates (unless

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.8 Government grant income (R&D tax incentive income)

Income from government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Income from government grants is recognised in the consolidated income statement on a systematic basis over the periods in which the entity recognises as expense the related costs for which the grants are intended to compensate. See further information in significant judgements and estimates.

3.9 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

a. Tax consolidation regime

Telix Pharmaceuticals Limited and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Telix Pharmaceuticals Limited. The Company, and the members of the tax-consolidated group, recognise their own current tax expense/income and deferred tax assets and liabilities arising from temporary differences using the 'stand alone taxpayer' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation. In addition to its current and deferred tax balances, the Company also recognises the current tax liabilities (or assets), and the deferred tax assets arising from unused tax losses and unused tax credits assumed from members of the tax-consolidated group, as part of the tax-consolidation arrangement. Assets or liabilities arising as part of the tax consolidation arrangement are recognised as current amounts receivable or payable from the other entities within the tax-consolidated group.

b. Nature of tax sharing agreement

Upon tax consolidation, the entities within the tax-consolidated group entered into a tax sharing agreement. The terms of this agreement specify the methods of allocating any tax liability in the event of default by the Company on its group payment obligations and the treatment where a subsidiary member exits the group. The tax liability otherwise remains with the Company for tax purposes.

3.10 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their

fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

3.11 Intangible assets

a. Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

b. Patents, trademarks, licences and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. The useful of these intangibles assets is 20 years.

c. Intellectual property

Intellectual Property has been realised on the acquisition of Therapeia (2017), Atlab (2018) and ANMI (2018). The Intellectual Property associated with the Therapeia and Atlab acquisitions is recorded as indefinite useful lived assets as it is not yet ready for use. At the point the asset is ready for use, the useful life will be reassessed as a definite lived asset and amortised over an appropriate period. All assets will be tested annually for impairment and subsequently carried at cost less accumulated impairment losses and/or accumulated amortisation. The Intellectual Property associated with ANMI is recorded with a useful life of five years and will be amortised over the period. An impairment trigger assessment will be performed annually.

d. Research and development

Research expenditure on internal projects is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure that could be recognised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other expenditures that do not meet these criteria are recognised as an expense as incurred. As the Group has not met the requirement under the standard to recognise costs in relation to development as intangible assets, these amounts have been expensed within the financial statements.

3.12 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.13 Investments and other financial assets

a. Classification

The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b. Reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

c. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

d. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established. Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on available-for-sale securities, held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations.

e. Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost: For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount

rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Assets classified as available-for-sale: If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period. If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

f. Fair value measurement

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, foreign exchange contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for contingent consideration liabilities.

3.14 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The useful lives of assets are as follows:

- Plant and equipment: 3-5 years
- Furniture, fittings and equipment: 3-5 years
- Leased plant and equipment: 3-5 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

3.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.16 Inventories

a. Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.17 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

a. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to employees. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price. The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option and volatility. No account is taken of any other vesting conditions.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied. If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited. If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

d. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope

of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.18 Earnings per share

a. Basic earnings per share

Basic earnings per share is calculated by dividing: the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, and by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

b. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account: the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.19 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

3.20 Comparatives

Where necessary, comparative information has been re-classified to achieve consistency in disclosure with current financial amounts and other disclosures.

3.21 Revenue

The Group provides consulting and support services from a single contract. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised over time based on the actual service provided as the customer receives and uses the benefits simultaneously. Revenue is recognised in a manner which depicts the completion of the Group's performance obligation.

Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

3.22 Receivables

Trade receivables and other receivables are all classified as financial assets held at amortised cost.

a. Trade receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less a loss allowance provision. The carrying value of trade and other receivables, less impairment provisions, is considered to approximate fair value, due to the short-term nature of the receivables.

b. Impairment of trade receivables

The collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts which are known to be uncollectible are written off when identified. The Group recognises an impairment provision based upon anticipated lifetime losses of trade receivables. The anticipated losses are determined with reference to historical loss experience and is regularly reviewed and updated.

3.23 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.24 Critical estimates, judgements and errors

Accrued R&D expenditure

As part of the process of preparing our financial statements, the Group is required to estimate its accrued expenses. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when the Group has not yet been invoiced or otherwise notified of the actual cost. The majority of service providers invoice us monthly in arrears for services performed or when contractual milestones are met. The Group estimates accrued expenses as of each balance sheet date in the financial statements based on facts and circumstances known to us at that time. The Group periodically confirms the accuracy of estimates with the service providers and make adjustments if necessary. Examples of estimated accrued expenses include fees paid to:

- Contract Research Organisations (CROs) in connection with clinical studies;
- investigative sites in connection with clinical studies;
- vendors in connection with preclinical development activities; and
- vendors related to product manufacturing, process development and distribution of clinical supplies.

Recognition of R&D tax incentive income

The Australian government allows a refundable research and development (R&D) tax incentive to eligible companies with an annual aggregate turnover of less than $20.0 million. Eligible companies can receive a refundable tax offset at a rate of 43.5% of their research and development expenditure. On the 3 August 2018 Telix Pharmaceuticals Limited was granted certificates from the Department of Innovation, Industry and Science ("Innovation and Science Australia") for an advance/overseas R&D tax finding providing approval for activities that are eligible for R&D tax incentive in relation to qualifying expenditure of up to $55.2 million.

The research and development activities have been assessed by Management and also by an independent subject matter expert to determine which areas eligible under the R&D tax incentive scheme. This analysis includes an assessment of both the domestic and international spend. For the year ended 31 December 2018 the Group has recognised $10,141,969 in the consolidated income statement of which $1,236,383 related to the international component for the year ended 31 December 2017 following the receipt of the advance/overseas R&D tax finding.

The Group has recognised $8,905,586 of R&D tax incentive receivables, $1,135,571 of which has been classified as non-current as it relates to tax incentives on accrued R&D expenditure where services have been provided and accrued for but are yet to be invoiced by the vendor. These amounts will be claimed in subsequent years following receipt of invoice. The Group considers the underlying activities of the accruals to qualify for R&D tax incentives.

Contingent consideration liability

The Group acquired Advanced Nuclear Medicine Ingredients SA (ANMI) on the 24 December 2018. The Group is liable for future variable payments which are calculated based on the percentage of net sales for a five year period following the achievement of regulatory approval. The percentage of net sales varies depending on the net sales achieved in Europe or the United States. The Group also holds an option to buy-out the remaining future variable payments in the third year following the achievement of regulatory approval if specified sales thresholds are met.

The Group has calculated a preliminary fair value assessment of contingent consideration liability for the purposes of the business combination. A preliminary fair value of $10,591,885 has been recognised at acquisition date (24 December 2018) with no movement in the fair value from acquisition date to year end. The valuation involves significant judgement and estimation, the techniques used and key assumptions applied include:

a. *Valuation processes:* The Group has adopted a process to value the contingent consideration liability internally for the purposes of a preliminary fair value assessment. This valuation has been completed by the Chief Financial Officer (CFO), with inputs from the Group team members.

b. *Fair value measurement and valuation technique used:* The contingent consideration liability is a Level 3 financial instrument. The Group has used a discounted cash flow model to determine the fair value of measurements of this Level 3 instrument. The key assumptions and inputs are presented below.

c. *Key assumptions and inputs:* The key assumptions of the contingent consideration include product pricing, market population, market penetration, risk adjusted discount rates, developmental timelines and probability of success. The main Level 3 inputs used by the Group are evaluated as follows:

- *Risk adjusted discount rate:* 16% A change in the discount rate by 1% would increase/decrease the fair value by 4%;
- *Product pricing:* Product price has been determined through the anticipated price following the achievement of regulatory approval, using current actual pre-approval selling price as a baseline. A change in the price per unit assumption of 10% would increase/decrease the fair value by 6%;
- *Expected sales volumes:* Expected sales volumes determined through assumptions on target market population, and market penetration in the United States and Europe. An increase in the sales volume of 10% would increase the fair value by 14%, and a decrease in sales volume of 10% would decrease the fair value by 12%.

The Group anticipates to finalise fair value of contingent consideration measurement within the 12 month measurement period.

Valuation of intellectual property (ANMI)

AASB 3 Business Combinations requires the net identifiable assets acquired in an acquisition to be recognised at fair value. The Directors have identified a preliminary fair value of intangibles assets on acquisition relating to intellectual property of $21,546,705. The preliminary fair value of intellectual property has been determined using a discounted cash flow model based on the same underlying assumptions described above (Contingent consideration liability) with additional assumptions related to forecast costs to achieve regulatory approval, cost of goods sold and other selling, general and administration costs.

The main Level 3 inputs used by the Group are evaluated as follows and summarise the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements including the impact a reasonable change to the assumptions will have on the fair value:

- *Risk adjusted discount rate:* 16%. A change in the discount rate by 1% would increase/decrease the fair value by 4%.
- *Product pricing:* Product price has been determined as the anticipated price following the achievement of regulatory approval, using current actual pre-approval selling price as a baseline. A change in the price per unit assumption of 10% would increase/decrease the fair value by 12%.
- *Expected sales volumes:* Expected sales volumes are determined through assumptions on target market population and market penetration in the United States and Europe. An increase in the sales volume of 10% would increase the fair value by 23%. A decrease in sales volume of 10% would decrease the fair value by 20%.

Atlab acquisition qualification as an asset purchase

The Group acquired 100% of the shares in Atlab on 11 September 2018 for a fair value of consideration of $12,796,198. The Directors considered the treatment of the transaction under AASB 3 Business Combinations. During the year an amendment was made to AASB 3 (AASB 2018-6: Business Combinations, Definitions of a Business, issued in December 2018), which has been adopted by the Group. This Standard makes amendments to AASB 3 Business Combinations (August 2015) and clarifies the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

In assessing the qualification as a business combination or asset acquisition, the Directors determined that the acquisition met the requirements of the 'concentration test' as prescribed by the accounting standards. When identifying net identifiable assets acquired, it was determined that the acquisition related to an asset acquisition – being predominantly intellectual property.

for the year ended 31 December 2018

4. RESEARCH AND DEVELOPMENT COSTS

	2018 $	2017 $
Preclinical	1,793,370	111,162
Clinical	2,959,210	313,604
Manufacturing	12,028,501	1,881,725
Other R&D related costs	1,775,785	660,341
Program travel costs	135,168	10,229
	18,692,034	**2,977,062**

Manufacturing costs primarily relate to technical transfer and scale-up from research and development-stage facilities and production runs to clinical-stage, GMP production. Three major manufacturing sites and processes were launched between March and December 2018 to provide clinical-grade investigative products for Phase III clinical studies.

Other R&D related costs covers activity that is not specifically assigned to the TLX101, TLX250 or TLX591 program budgets. This includes development of 'platform' technology and other small research projects that provide benefit across all Telix programs.

5. ADMINISTRATION AND CONSULTING COSTS

	2018 $	2017 $
Expenses		
Rent and insurance	477,902	68,776
Professional fees	2,083,302	871,007
Training and compliance	546,168	–
Travel costs	577,946	213,765
Marketing and sponsorship	72,321	–
Stock issuance costs	–	814,471
Other administration	494,631	313,240
	4,253,003	**2,281,259**

6. EMPLOYMENT COSTS

	2018 $	2017 $
Expenses		
Salaries and wages	3,276,536	955,239
Superannuation	193,047	71,409
Non-executive directors' fees	299,756	125,342
Share based payment and incentives	1,127,760	109,020
	4,897,099	**1,261,010**

7. FINANCE COSTS

	2018 $	2017 $
Expenses		
Bank fees	11,904	4,100
Interest expense	17,114	5,301
	29,018	**9,401**

8. OTHER (INCOME) AND EXPENSES

	2018 $	2017 $
R&D tax incentive income	(10,141,969)	(403,467)
Realised currency loss	15,348	43,553
Unrealised currency (gain)/loss	(1,502,747)	247,277
Interest income	(332,751)	(38,980)
	(11,962,119)	**(151,617)**

9. INCOME TAX BENEFIT

9.1 Income tax benefit

	2018 $	2017 $
Deferred tax benefit	(1,884,068)	–
Total income tax benefit	**(1,884,068)**	**–**

for the year ended 31 December 2018

9. INCOME TAX EXPENSES (continued)

9.2 Numerical reconciliation of income tax benefit to prima facie tax payable

	2018 $	2017 $
Loss from continuing operations before income tax benefit	(15,713,893)	(6,377,115)
Prima-facie tax at a rate of 27.5% (2017 – 27.5%)	(4,321,321)	(1,753,707)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
R&D tax incentive credit	(2,789,041)	(110,953)
Eligible expenses claimed under R&D tax incentive	5,627,078	255,065
Employee option plan	195,668	29,981
Deductible transaction costs on share issues	(216,795)	(164,408)
Sundry items	64,037	20,774
Foreign exchange translation gain/loss	(413,255)	–
	(1,853,629)	**(1,723,248)**
Current year tax losses not recognised	689,288	1,723,248
Difference in overseas tax rates	(35,887)	–
Previously unrecognised tax losses	(683,840)	–
Income tax benefit	**(1,884,068)**	**–**

9.3 Tax losses

	2018 $	2017 $
Unused tax losses for which no deferred tax asset has been recognised:		
Potential tax benefit (presented net)	**689,288**	**1,723,248**

The unused tax losses were incurred by overseas subsidiaries that are not likely to generate taxable income in the foreseeable future.

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Note	2018 $	2017 $
Financial assets			
Cash and cash equivalents	10.1	25,771,055	48,758,958
Trade and other receivables	10.2	8,435,847	338,799
Other current assets	10.4	1,006,967	447,252
		35,213,869	**49,545,009**
Financial liabilities			
Trade and other payables	10.5	6,893,040	1,123,011
Borrowings	14	1,729,333	345,433
Contingent consideration liability	16	10,591,885	–
		19,214,159	**1,468,444**

10.1 Cash and cash equivalents

	2018 $	2017 $
Cash on hand	**25,771,055**	**48,758,958**

(a) *Reconciliation to cash flow statement:* The above figures agree with the amount of cash shown in the statement of cash flows at the end of the financial year.

(b) *Classification as cash equivalents:* Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition.

10.2 Trade and other receivables

	2018 $	2017 $
Trade receivables	677,983	–
R&D tax incentive receivable	7,757,864	338,799
	8,435,847	**338,799**

Research and development activities have been assessed by the Group and by an independent subject matter expert to determine which areas are likely to be eligible under the R&D tax incentive scheme. This assessment includes an review of both domestic and international spend. For the year ended 31 December 2018 the Group has recognised a total receivable of $8,905,586 of which $7,757,864 (2017: $338,799) has been classified as current and $1,135,571 (2017: $nil) has been classified as non-current. The R&D tax incentive receivable has been determined based on a combination of eligible domestic and international expenditure of $20,472,611 (2017: $778,848) at a rate of 43.5c tax incentive rebate per eligible R&D dollar spent. The credit risk associated with this receivable is low.

for the year ended 31 December 2018

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

10.3 Inventory

	2018 $	2017 $
Raw materials and stores	79,610	–
Work in progress	509,534	–
Finished goods	53,381	–
	642,525	**–**

10.4 Other current assets

	2018 $	2017 $
GST receivable	154,350	150,132
Other receivables	380,312	(100)
Prepayments	472,305	297,220
	1,006,967	**447,252**

10.5 Trade and other payables

	2018 $	2017 $
Trade creditors	3,248,628	275,845
Other creditors and accruals	3,159,666	196,496
Payroll liabilities	484,746	253,207
Deferred R&D tax incentive income	–	397,463
	6,893,040	**1,123,011**

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

10.6 Deferred tax assets and liabilities

Deferred tax assets	2018 $	2017 $
The balance comprises temporary differences attributable to:		
Tax losses	1,884,068	–
Total deferred tax assets	**1,884,068**	**–**
Set-off of deferred tax liabilities pursuant to set-off provisions	(1,884,068)	–
Net deferred tax assets	**–**	**–**

Deferred tax assets movements	Tax losses $	Total $
The balance comprises temporary differences attributable to:		
Balance at 3 January 2017	–	–
Charged to profit and loss	–	–
Balance at 31 December 2017	**–**	**–**
Balance at 3 January 2018	–	–
Credited to profit and loss	1,884,068	1,884,068
Balance at 31 December 2018	**1,884,068**	**1,884,068**

Deferred tax liabilities	2018 $	2017 $
The balance comprises temporary differences attributable to:		
Intangible assets	6,257,834	322,489
Total deferred tax liabilities	**6,257,834**	**322,489**
Set-off of deferred tax assets pursuant to set-off provisions	(1,884,068)	–
Net deferred tax liabilities	**4,373,766**	**–**

for the year ended 31 December 2018

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Deferred tax liabilities movements	Intangible assets $	Total $
The balance comprises temporary differences attributable to:		
Balance at 3 January 2017	–	–
Charged to profit and loss	–	–
Acquisition of subsidiary	332,489	332,489
Balance at 31 December 2017	**332,489**	**332,489**
Balance at 1 January 2018	332,489	332,489
Charged to profit and loss	–	–
Acquisition of subsidiary	5,925,345	5,925,345
Balance at 31 December 2018	**6,257,834**	**6,257,834**

11. PROPERTY, PLANT AND EQUIPMENT (PPE)

	Plant and equipment $	Furniture, fittings and equipment $	Leased plant and equipment $	Total $
Period ended 31 December 2017				
Balance at 3 January 2017	–	–	–	–
Additions	5,642	–	–	5,642
Depreciation charge	(253)	–	–	(253)
Balance at 31 December 2017	**5,389**	**–**	**–**	**5,389**

	Plant and equipment $	Furniture, fittings and equipment $	Leased plant and equipment $	Total $
At 31 December 2018				
Balance at 1 January 2018	5,389	–	–	5,389
Additions	611	–	–	611
Disposals	(5,389)	–	–	(5,389)
Acquisition of subsidiary (note 20)	169,831	20,763	34,966	225,560
Depreciation charge	–	–	–	–
Balance at 31 December 2018	**170,442**	**20,763**	**34,966**	**226,171**
Year ended 31 December 2018				
Cost	170,442	20,763	34,966	226,171
Accumulated depreciation	–	–	–	–
Net book amount	**170,442**	**20,763**	**34,966**	**226,171**

for the year ended 31 December 2018

12. INTANGIBLE ASSETS

	Goodwill $	Intellectual property $	Patents $	Total $
Period ended 31 December 2017				
Balance at 3 January 2017	–	–	–	–
Additions	332,489	1,108,296	70,793	1,511,578
Amortisation charge	–	–	(3,540)	(3,540)
Balance at 31 December 2017	**332,489**	**1,108,296**	**67,253**	**1,508,038**
As at 31 December 2017				
Cost	332,489	1,108,296	70,793	1,511,578
Amortisation charge	–	–	(3,540)	(3,540)
Net book amount	**332,489**	**1,108,296**	**67,253**	**1,508,038**
Year ended 31 December 2018				
Balance at 1 January 2018	332,489	1,108,296	67,253	1,508,038
Additions (note 20)	–	13,439,849	155,366	13,595,215
Amortisation charge	–	–	(6,768)	(6,768)
Acquisition of subsidiary (note 20)	2,807,571	21,546,705	–	24,354,276
Balance at 31 December 2018	**3,140,060**	**36,094,850**	**215,851**	**39,450,761**
Cost	3,140,060	36,094,850	226,159	39,461,069
Accumulated amortisation and impairment	–	–	(10,308)	(10,308)
Net book amount	**3,140,060**	**36,094,850**	**215,851**	**39,450,761**

See accounting policy notes for amortisation methods and useful life of intangible assets.

The allocation of intangible assets to each cash-generating unit (CGU) is summarised below:

CGU	2018 $	2017 $
ANMI	24,354,276	–
Atlab	13,439,849	–
Therapeia	1,440,785	1,440,785
Corporate	215,851	67,253
	39,450,761	**1,508,038**

Impairment test for goodwill and indefinite life intangible assets: ANMI goodwill and intangible assets

Goodwill and indefinite life intangible assets, being intellectual property, were acquired as part of the acquisition of ANMI on 24 December 2018 (See note 20.1). The Directors used a fair value less costs to sell approach to assess the carrying value of the associated goodwill and intangible assets, considering the market transaction price and any subsequent indicators of impairment. The Directors have identified no impairment indicators since acquisition and note the following factors in their assessment:

› The acquisition was an arms-length transaction

- There have been no significant changes in the business since acquisition

Impairment test for goodwill and indefinite life intangible assets: Atlab intellectual property

Indefinite life intangible assets, being intellectual property, were acquired as part of the asset purchase with Atlab on 11 September 2018 (See note 20.2). The Directors used a fair value less cost to sell approach to assess the carrying value of the associated intangible assets, considering the market transaction price and any subsequent indicators of impairment. The Directors have identified no impairment indicators since acquisition and note the following factors in their assessment:

- The acquisition was an arms-length transaction
- There have been no significant changes in the business since acquisition
- There have been no significant changes in the market that would suggest a reduction in value of the intellectual property since acquisition.

Impairment test for goodwill and indefinite life intangible assets: Therapeia intellectual property

Goodwill and indefinite life intangible assets, being intellectual property, were acquired as part of the asset purchase with Therapeia on 10 October 2017 and are required to be tested for impairment annually. The Directors used a fair value less costs to sell approach to assess the carrying value of the associated goodwill and intangible assets. The model is a discounted cash flow forecast, and the key assumptions include: sales volumes, price per unit, costs to achieve regulatory approval, probability of success and risk adjusted discount rates. The Directors identified no impairment to the goodwill or indefinite life intangible assets in their assessment and the model is not considered sensitive to reasonable changes in key assumptions.

13. NON-CURRENT TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Deposits	39,160	35,292
R&D tax incentive receivable	1,135,571	–
	1,174,731	**35,292**

14. BORROWINGS

	2018 $	2017 $
Current borrowings		
Unsecured	1,132,938	–
Loan with related parties	–	345,433
	1,132,938	**345,433**
Non-current borrowings		
Unsecured	596,295	–
	596,295	**–**

for the year ended 31 December 2018

14. BORROWINGS (continued)

All borrowings outstanding at 31 December 2018 are in relation to ANMI and Atlab entities and have arisen as a result of the acquisition of these entities by the Group. All ANMI borrowings are commercial in nature, Atlab borrowings are with a French government authority as a development loan. Details of the borrowings are as follows:

Lenders	Loan balance $	Due < 1 year $	Due > 1 year $	Maturity date
Development loan(i)	166,517	48,736	117,781	31/5/2022
Commercial loan	81,429	35,806	45,623	30/4/2021
Commercial loan	25,210	11,455	13,755	1/12/2020
Development loan(i)	304,605	121,842	182,763	30/6/2021
Commercial loan	151,020	151,020	–	1/10/2019
Commercial loan	569,132	569,132	–	31/12/2019
Development loan(i)	431,320	194,947	236,373	30/6/2021
	1,729,233	**1,132,938**	**596,295**	

(i) Development loans are provided by local and national government bodies to support the industry in which they operate in their jurisdictions. All loans are denominated in Euros and have been translated to Australian dollar at the exchange rate current at 31 December 2018.

a. *Fair value:* For all borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

b. *Capital risk management:* Capital is defined as the combination of shareholders' equity, reserves and net debt. The key objective of the Group when managing its capital is to safeguard its ability to continue as a going concern, so that the Group can continue to provide benefits for stakeholders, and maintain an optimal capital and funding structure. The aim of the Group's capital management framework is to maintain, monitor and secure access to future funding arrangements to finance the necessary research and development activities being performed by the Group. Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio: Debt as divided by Equity. At 31 December 2018 the Group's on-balance sheet gearing and leverage ratio was 3.3% for 2018 and 0.7% for 2017, respectively.

c. *Reconciliation of liabilities arising from financing activities:*

	Opening balance $	Net cash inflow/ (outflow) $	Acquisition of subsidiaries $	Other non-cash movements $	Closing balance $
For the year ended 31 December 2018					
Borrowings	345,433	(869,354)	2,227,944	–	1,704,023
Lease liabilities	–	–	25,210	–	25,210
	345,433	**(869,354)**	**2,253,154**	**–**	**1,729,233**
For the period ended 31 December 2017					
Borrowings	–	(769,180)	1,114,613		345,433
	–	**(769,180)**	**1,114,613**	**–**	**345,433**

15. PROVISIONS

	2018 $	2017 $
Annual leave provision	215,722	–

16. CONTINGENT CONSIDERATION LIABILITY

	2018 $	2017 $
Contingent consideration liability	10,591,885	–

The Group acquired ANMI on 24 December 2018. The Group is liable for future variable payments which are calculated based on the percentage of net sales for a five year period following the achievement of regulatory approval. The percentage of net sales varies depending on the net sales achieved in Europe or the United States. The Group holds an option to buy-out the remaining future variable payments in the third year following the achievement of regulatory approval if specified sales thresholds are met.

The Group has calculated a preliminary fair value assessment of the contingent consideration liability for the purposes of the business combination. A preliminary fair value of $10,591,885 has been recognised as at acquisition date (24 December 2018) with no movement in the fair value from acquisition date to year end. For further details regarding the fair value measurement techniques and key assumptions refer to note 3.24 - Critical estimates, judgements and errors. For further details on the business combination, refer to note 20.1.

17. EQUITY

17.1 Movements in ordinary shares:

	2018 Number	2018 $	2017 Number	2017 $
Movements in shares on issue				
As at 1 January	197,437,500	55,560,912	–	–
Shares issued Atlab acquisition[(i)]	14,837,531	12,611,901	–	–
Shares issued ANMI acquisition[(ii)]	6,090,805	3,879,843	–	–
Shares issued in initial funding round[(iii)]	–	–	2,562,500	8,500,150
Share split on 15 October 2017[(iv)]	–	–	117,875,000	–
IPO shares issued[(v)]	–	–	77,000,000	50,050,000
Less transaction costs	–	–	–	(2,989,238)
As at 31 December	**218,365,836**	**72,052,656**	**197,437,500**	**55,560,912**

(i) On 11 September 2018, Telix completed the acquisition of Atlab Pharma SAS (Atlab). The consideration for the acquisition comprised $12,611,901 in Telix shares at a fair value of shares on the execution date of $0.85 per share (14,837,531 Telix shares) and in warrants over Telix shares at a fair value of $184,297 (780,923 warrants). The warrants have an expiry date of 11 September 2022 and an exercise price of $1.34 per warrant.

(ii) On 24 December 2018, Telix completed the acquisition of Advanced Nuclear Medicine Ingredients SA (ANMI). The upfront consideration value of $3,879,843 in Telix shares at a fair value of shares on the execution date of $0.637 per share (6,090,805 Telix shares), in addition to cash consideration of €1,700,000 ($2,738,874) and the fair value of contingent consideration of $10,591,885.

(iii) On 3 January 2017 the Company conducted a seed-funding round to provide sufficient working capital to meet its short-term expenditure until such time that the IPO was finalised. A total of $8,500,150 was raised. A total of 2,562,500 new shares were issued.

(iv) Following Shareholder approval at the EGM held 13 October 2017 for a 47:1 share split, on 15 October 2017 the Company had 120,437,500 fully paid ordinary shares on issue.

for the year ended 31 December 2018

17. EQUITY (continued)

(v) The purpose of the IPO was to raise capital to fund future research and development activity, provide a liquid market for the shares issued and to provide the company with the added benefits of an increased profile that arises from being an ASX-listed entity. Funds raised from the IPO are being used to fund the planned development of the Portfolio, including milestone payments to third parties; providing Telix with a capital structure which, together with access to capital markets will provide additional financial flexibility to pursue future growth opportunities.

The weighted average ordinary shares for the period 1 January 2018 to 31 December 2018 is 202,123,883. The Company does not have a limited amount of authorised capital.

Rights applying to securities:

(a) *Ordinary shares:* Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

(b) *Options and warrants:* Holders of Options and Warrants have no voting rights. Information relating to the Company's Employee Incentive Plan (EIP), including details of Options issued, exercised and lapsed during the financial year, is set out in note 22.

17.2 Movements in share-based payments reserves:

	2018 Number	2018 $	2017 Number	2017 $
Movements				
As at 1 January	6,624,000	109,020	–	–
Options issued during year	3,950,000	711,519	6,624,000	109,020
Warrants issue during year	780,923	184,297	–	–
Options or warrants lapsed during the year	(200,000)			
As at 31 December	**11,154,923**	**1,004,836**	**6,624,000**	**109,020**

18. CASH FLOW INFORMATION

18.1 Reconciliation of loss after income tax to net cash used in operating activities

	Note	2018 $	2017 $
Operating loss after income tax		(13,829,825)	(6,377,115)
Adjustments for			
Depreciation / amortisation		6,928	3,792
Income tax benefit		(1,884,068)	–
Share based payment		711,519	109,020
Foreign exchange (gains)/losses		(1,487,399)	–
Change in assets and liabilities			
(Increase)/decrease in other current assets		(559,715)	(447,252)
(Increase)/decrease in other non-current assets		(1,139,439)	(35,292)
(7,220,266)(Increase)/decrease in trade and other receivables		(7,220,266)	(338,799)
Increase/(decrease) in trade creditors		4,437,403	1,123,011
(Decrease)/increase in provisions		215,722	–
Net cash used in operating activities		**(20,749,140)**	**(6,031,515)**

19. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

19.1 Interest rate risk

The majority of the Group's borrowings have fixed interest rates, and therefore the Group is not exposed to any significant interest rate risk. There is some exposure from the Group's $350,000 commercial loan, which is a variable rate overdraft facility, however any reasonable movement in interest rates is not expected to have a significant impact on the consolidated statement of total comprehensive loss.

19.2 Price risk

The Group is not exposed to any significant price risk as contracts are in place to meet current estimated material requirements.

19.3 Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group has certain clinical and regulatory activities conducted internationally. The main currency exposure to the Group is research and development activities which are occurring in Europe, the United States of America, Japan and Australia. As a result of these activities, the Group has foreign currency liabilities in Euro's and United States dollars. These foreign currency balances give to a currency risk, which is the risk of the exchange rate moving, in either direction, and the impact it may have on the Group's financial performance.

The major foreign currency exposure is in US Dollars (USD). This is as a result of cash funds held and both receivable and payable contracts entered into in this currency. The Group maintains foreign currency bank accounts denominated in USD in order to minimise foreign currency risk exposure. The Group had a deficit of foreign currency receivables over payables of $3,977,604 at 31 December 2018.

The Group's exposure to the risk of changes in foreign exchange rates also relates to the Group's net investments in foreign subsidiaries, which predominantly include denominations in Euro's and USD, however given the level of current investments foreign subsidiaries, the impact of this limited.

The Group manages the currency risk by evaluating the trend of foreign currency rates to the Australian dollar and making decisions as to the levels to hold in each currency by assessing its future activities which will likely be incurred in those currencies.

for the year ended 31 December 2018

19. FINANCIAL RISK MANAGEMENT (continued)

As at 31 December 2018, the Group held 28.5% of its cash in Australian dollars, 62.13% in United States dollars, 8.88% in Euros and 0.48% in Japanese Yen.

The balances held at 31 December 2018 that give rise to currency risk exposure are presented in Australian dollars, together with a sensitivity analysis which assesses the impact that a change of +/- 10% in the exchange rate as of 31 December 2018 would have on the Group's reporting profit/(loss) after income tax and/or equity balance.

As at 31 December 2017	Foreign currency balance held $AUD	+10% Profit/(loss) $AUD	-10% Profit/(loss) $AUD
Bank accounts – USD	5,842,232	(679,685)	830,726
Bank accounts – EUR	38,639	(5,379)	6,575
Trade and other payables – USD	61,577	(7,164)	8,755
Trade and other payables – EUR	32,481	(4,522)	5,527

As at 31 December 2018	Foreign currency balance held $AUD	+10% Profit/(loss) $AUD	-10% Profit/(loss) $AUD
Bank accounts – USD	16,048,174	(1,458,925)	1,783,131
Bank accounts – EUR	2,267,819	(206,165)	251,980
Bank accounts – JPY	123,817	(11,256)	13,757
Trade and other payables – USD	(2,951,788)	268,344	(327,976)
Trade and other payables – EUR	(2,085,995)	189,636	(231,777)
Borrowings – EUR	(1,729,233)	117,992	(144,213)
Trade and other receivables – USD	872,346	(17,076)	20,870
Trade and other receivables – EUR	187,833	(79,304)	96,927

19.4 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Given the absence of loan receivables, the Group's exposure to credit risk is limited to trade receivables. The Group obtains guarantees where appropriate to mitigate credit risk.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. As at the 31 December 2018, the expected credit losses are $nil (2017: $nil). The following tables sets out the ageing of trade receivables, according to their due date:

Aged trade receivables

Gross carrying amount	2018 $	2017 $
30 days	477,250	–
60 days	11,673	–
90 days	103,425	–
120 days	85,635	–
Total	**677,983**	**–**

19.5 Liquidity risk

The Group is exposed to liquidity and funding risk from operations and from external borrowings, where the risk is that the Group may not be able to refinance debt obligations or meet other cash outflow obligations when required. Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents). The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities: The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

As at 31 December 2017	1-6 months $	6-12 months $	1-5 years $	Over 5 years $	Total $
Non-derivatives					
Trade payables	1,123,011	–	–	–	1,123,011
Borrowings		345,433	–	–	345,433
Total non-derivatives	**1,123,011**	**345,433**	**–**	**–**	**1,468,444**

for the year ended 31 December 2018

19. FINANCIAL RISK MANAGEMENT (continued)

As at 31 December 2018	1-6 months $	6-12 months $	1-5 years $	Over 5 years $	Total $
Non-derivatives					
Trade payables	6,893,040	–	–	–	6,893,040
Borrowings	566,468	566,469	596,296	–	1,729,233
Contingent consideration liability	–		10,591,885	–	10,591,885
Total non–derivatives	**7,459,508**	**566,469**	**11,188,181**	**–**	**19,214,158**

For the year ended 31 December 2018, the Group has incurred a total comprehensive loss after income tax of $13,775,945 and net cash outflows from operations of $20,749,140. As at 31 December 2018, the Group held total cash and cash equivalents $25,771,055. The Group is a development stage biotechnology company and as such expects to be utilising cash reserves until its research activities are commercialised. To date, the Group has funded its research activities via raising $8,039,042 capital from initial shareholders, a further $47,521,870 (net of transaction costs) from the Initial Public Offering in November 2017, as well as utilising a R&D tax incentive rebate of $1,639,850 for activities undertaken in FY17. The Directors are satisfied that there is sufficient working capital to support the committed research activities over the coming 12 months and the Group has the ability to realise its assets and pay its liabilities and commitments in the normal course of business. Accordingly, the Directors have prepared the financial report on a going concern basis.

20. BUSINESS COMBINATIONS

20.1 Advanced Nuclear Medicine Ingredients SA (ANMI)

On 24 December 2018, Telix acquired 100% of the issued share capital of Advanced Nuclear Medicine Ingredients SA (ANMI). ANMI is a pharmaceutical company developing innovative radiopharmaceutical solutions and a global service provider in the nuclear medicine field, located in LiËge, Belgium. ANMI has developed innovative solutions to facilitate the scalable synthesis of "theranostic" radiopharmaceuticals and to ease their daily production in hospitals and radiopharmacies. ANMI's vision is focused on increasing patient access to new highly specific theranostic radiopharmaceuticals through streamlined and cost-effective production processes. ANMI develops innovative solutions in the manufacture and packaging of therapeutic products to enable fast, easy preparation and use in hospitals and the radio-pharmacy setting.

Details of the preliminary assessment of purchase consideration, the net assets acquired and goodwill are as follows:

	$
Purchase consideration	
Cash paid	2,738,874
Contingent consideration	10,591,885
Equity consideration	3,879,843
Total purchase consideration	**17,210,602**

The fair value of the 6,090,805 shares issued as part of the consideration paid for ANMI ($3,879,843) was based on the published share price on 24 December 2018 of $0.637 per share. For further details regarding the fair value measurements and key assumptions used in forming the contingent consideration liability, see note 3.24 – Critical accounting estimates, judgements and errors.

The preliminary fair value of net identifiable assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $
Cash	45,749
Trade and other receivables	876,783
Inventories	642,525
Property, plant and equipment	225,560
Intangible assets: intellectual property	21,546,705
Trade and other payables	(1,223,665)
Borrowings	(1,785,281)
Deferred tax liability	(5,925,345)
Fair value of net identifiable assets acquired	**14,403,031**
Add: Goodwill	2,807,571
Net assets acquired	**17,210,602**

The goodwill is attributable to the growth opportunities available to the Group, and potential high margins achievable following NDA approvals.

a. Significant judgement: contingent consideration liability

The Group is liable for future variable payments which are calculated based on the percentage of net sales for a five year period following the achievement of regulatory approval. The percentage of net sales varies depending on the net sales achieved in Europe or the United States. The Group holds an option to buy-out the remaining payout period in year three following the achievement of regulatory approval if specified sales thresholds are met. The Group has calculated a preliminary fair value assessment of contingent consideration liability for the purposes of the business combination. A preliminary fair value of $10,591,885 has been recognised as at acquisition date with no movement in the fair value from acquisition date to year end. The valuation involves significant judgement and estimation and the below describe the techniques used and key assumptions applied. The Group anticipates it will finalise the fair value of contingent consideration within the 12 month measurement period. For further details regarding the fair value measurements and key assumptions used in determining the contingent consideration liability, see note 3.24 – Critical accounting estimates, judgements and errors.

b Revenue and profit contribution

The acquired business contributed no revenues or profit to the Group for the period from 24 December 2018 to 31 December 2018. If the acquisition had occurred on 1 January 2018, consolidated pro-forma revenue and loss for the year ended 31 December 2018 for the Group would have increased by $2,607,846 and $9,097,737 respectively. These amounts have been calculated using the subsidiary's results adjusted for differences in accounting policies between the Company and the subsidiary, adding the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January 2018, combined with the consequential tax effects.

for the year ended 31 December 2018

20. BUSINESS COMBINATIONS (continued)

20.2 Asset purchase: Atlab Pharma SAS (Atlab)

Details of the purchase consideration, are as follows:

	$
Purchase consideration	
Non-contingent consideration (shares issued)	12,611,901
Contingent consideration (warrants)	184,297
Total purchase consideration	**12,796,198**

The fair value of the 14,837,531 shares issued as part of the consideration paid for Atlab ($12,611,901) was based on the published share price on 11 September 2018 of $0.85 per share. The valuation of warrants ($184,298) has been determined through an independent third-party expert using the Black Scholes Model. The acquisition has been identified as an asset purchase as described in note 3.24 – Critical accounting estimates, judgements and errors. The Group has allocated the purchase price of the net identifiable assets as follows:

	Fair value $
Plant and equipment	611
Intangible assets: intellectual property	13,372,423
Trade payables	(108,963)
Borrowings	(467,873)
Net assets acquired	**12,796,198**

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group had no contingent liabilities or assets at 31 December 2018 (2017: $nil).

22. SHARE-BASED PAYMENTS

22.1 Equity Incentive Plan and Options issued to Non-Executive Directors

The Equity Incentive Plan (EIP) was established to allow the Board of Telix to make Offers to Eligible Employees to acquire securities in the Company and to otherwise incentivise employees. "Eligible Employees" includes full time, part time or casual employees of a Group Company, a Non-Executive Director of a Group Company, a Contractor, or any other person who is declared by the Board to be eligible.

The Board may, from time to time and in its absolute discretion, invite Eligible Employees to participate in a grant of Incentive Securities, which may comprise Rights, Options, and/or Restricted Shares, Vesting of Incentive Securities under the EIP is subject to any vesting or performance conditions determined by the Board and specified in the Offer document. Options are normally granted under the EIP for no consideration and carry no dividend or voting rights. When exercised, each Option is convertible into one Share.

Non-Executive Directors are able to participate in the Equity Incentive Plan, under which equity may be issued subject to Shareholder approval. Options are however normally issued to Non-Executive Directors not as an 'incentive' under the EIP but as a means of cost-effective consideration for agreeing to join the Board. The details of Options on issue to individual Directors can be found in the Remuneration Report for the year ended 31 December 2018. For the purposes of this table and to illustrate the total number of Options on issue under the rules of the EIP, all Options issued to Non-Executive Directors, Executive Directors, employees and contractors are included.

	2018 Number	2018 WAEP*	2017 Number	2017 WAEP*
As at 1 January	6,624,000	$0.85	–	–
Granted during the year	3,950,000	$0.85	6,624,000	$0.85
Lapsed/ forfeited during the year	(200,000)	$0.85	–	–
As at 31 December	**10,374,000**	**$0.85**	**6,624,000**	**$0.85**
Vested and exercisable at 31 December	**2,205,792**	**$0.85**	**–**	**–**

* WAEP – weighted average exercise price

Details of Options issued under the EIP outstanding at the end of the year:

Grant date	Vesting date	Expiry date	Exercise price	Issued during the year	Vested during the year	Exercised during the year	Lapsed/ forfeited during the year	Options on issue 31 December 2018
15 October 2017	15 October 2018	14 October 2021	0.85	–	2,205,792	–	–	2,205,792
15 October 2017	15 October 2019	14 October 2021	0.85	–	–	–	–	2,205,792
15 October 2017	15 October 2020	14 October 2021	0.85	–	–	–	–	2,212,416
11 June 2018	11 June 2019	11 June 2022	0.85	1,315,350	–	–	(200,000)	1,115,350
11 June 2018	11 June 2020	11 June 2022	0.85	1,315,350	–	–	–	1,315,350
11 June 2018	11 June 2021	11 June 2022	0.85	1,319,300	–	–	–	1,319,300
Total				**3,950,000**	**2,205,792**	**–**	**(200,000)**	**10,374,000**

for the year ended 31 December 2018

22. SHARE-BASED PAYMENTS (continued)

a. Fair value of options granted

The assessed fair value at grant date of options granted during the period ended 31 December 2018 was $0.227 per option. The fair value at grant date is independently determined using the Black Scholes Model. The model inputs for options granted during the year ended 31 December are:

	2018	2017
Consideration	Nil	Nil
Exercise price	$0.85	$0.85
Grant date	11 June 2018	15 October 2017
Expiry date	11 June 2022	14 October 2021
Term	4 years	4 years
Share price at grant date	$0.66	$0.65
Volatility	52%	55%
Dividend yield	0.00%	0.00%
Risk-free rate	2.29%	2.09%

b. Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense are as follows:

	2018 $	2017 $
Options issued under EIP	711,519	109,020
Total	**711,519**	**109,020**

22.2 WARRANTS

On 11 September 2018, Telix completed the acquisition of Atlab Pharma SAS (Atlab). The consideration for the acquisition comprised A$12,611,901 in Telix shares at a fair value of shares on the execution date of $0.85 per share (14,837,531 Telix shares) and in warrants over Telix shares at a fair value of $184,297 (780,923 warrants). The warrants have an expiry date of 11 September 2022 and an exercise price of $1.34 per warrant.

	2018 Number	2018 WAEP*	2017 Number	2017 WAEP*
As at 1 January	–	–	–	–
Granted during the year	780,923	$1.34	–	–
As at 31 December	**780,923**	**$1.34**		

* WAEP – weighted average exercise price

a. Fair value of warrants granted

The assessed fair value at grant date of warrants granted during the period ended 31 December 2018 was $0.236 per option. The fair value if warrants is captured in the Atlab acquisition (See note 3.24). The fair value at grant date is independently determined using the Black Scholes Model. The model inputs for options granted during the year ended 31 December 2018 are:

	2018
Consideration	Nil
Exercise price	$1.34
Grant date	11 September 2018
Expiry date	11 September 2022
Term	4 Years
Share price at grant date	$0.87
Volatility	49%
Dividend yield	0.00%
Risk-free rate	2.08%

for the year ended 31 December 2018

23. COMMITMENTS

At 31 December 2018 and at the date of this Report, the Group had no commitments against existing R&D and clinical development related contracts. R&D commitments in future years are expected, specifically with relation to manufacturing agreements.

	Within one year $	Within 5 years $
At 31 December 2018		
Operating lease commitments	61,827	–
R&D manufacturing commitments	11,068,229	3,248,729
	11,545,067	**3,284,565**
At 31 December 2017		
Operating lease commitments	297,107	69,833
R&D manufacturing commitments	–	–
	297,107	**69,833**

24. RELATED PARTY TRANSACTIONS

24.1 Key management personnel compensation

	2018 $	2017 $
Short-term employee benefits	1,054,064	949,645
Post-employment benefits	67,331	66,587
Long-term benefits	–	–
Share-based payments	257,935	105,729
	1,379,330	**1,121,961**

24.2 Transactions with other related parties

	2018 $	2017 $
Purchases of various goods and services from entities controlled by key management personnel[(i)]	2,624,927	244,518
Purchases of various goods and services from entities controlled by key management personnel[(ii)]	206,250	–
	2,831,177	**244,518**

(i) ABX CRO is a clinical 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 for its programs. Director and Chief Medical Advisor, Dr Andreas Kluge, is the principal owner and Geschäftsführer (Managing Director) of ABX CRO. Amount outstanding at 31 December 2018 was $411,432.

(ii) Goods and services provided by Cyclotek, of which Chief Financial Officer, Doug Cubbin, is a Non-Executive Director. Amount outstanding at 31 December 2018 was $107,250.

24.3 Loans from related parties

	2018 $	2017 $
As at 1 January	345,433	–
Borrowings acquired through acquisition	–	1,083,325
Loans repayments made	(345,433)	(769,180)
Interest charged	–	5,301
Foreign exchange	–	25,987
As at 31 December	**–**	**345,433**

Upon the acquisition of Therapeia, the Group took on an existing loan by ABX-CRO to Therapeia. This loan from ABX-CRO is payable by Telix. Director and Chief Medical Advisor, Dr Andreas Kluge, is the principal owner and Geschäftsführer (Managing Director) of ABX-CRO.

24.4 Interests in other entities

The Group's principal subsidiaries at 31 December 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also the principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group %	Principal activities
Telix Pharmaceuticals (EST) Pty Ltd Employee Share Trust	Australia	100	Employee Share Trust
Telix International Pty Ltd	Australia	100	Holding company
Telix Pharmaceuticals (ANZ) Pty Ltd	Australia	100	Clinical R&D
Telix Pharmaceuticals (US) Inc.	USA	100	Clinical R&D
Kyzeo Imaging, LLC	USA	100	Clinical R&D
Telix Life Sciences (UK) Ltd	England	100	Clinical R&D
Telix Pharmaceuticals (Singapore) Pte Ltd	Singapore	100	Clinical R&D
Telix Pharmaceuticals Holdings (Germany) GmbH	Germany	100	Clinical R&D
Telix Pharmaceuticals (Germany) GmbH	Germany	100	Clinical R&D
Therapeia GmbH & Co.KG	Germany	100	Clinical R&D
Telix Pharma Japan KK	Japan	100	Clinical R&D
Telix Pharmaceuticals (Belgium) SPRL	Belgium	100	Clinical R&D
Atlab Pharma SAS	France	100	Clinical R&D
Advanced Nuclear Medicine Ingredients SA	Belgium	100	Research and production

for the year ended 31 December 2018

25. PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements. The individual financial statements for the parent entity show the following aggregate amounts:

	2018 $	2017 $
Balance sheet		
Current assets	57,777,381	49,472,702
Non-current assets	1,513,262	953,810
Total assets	**59,290,642**	**50,426,512**
Current liabilities	7,903,031	1,094,187
Non-current liabilities	(2,104,799)	–
Total liabilities	**5,798,410**	**1,094,187**
Net assets	**53,492,410**	**49,332,325**
Reserves		
Issued capital	72,236,955	55,560,912
Other reserve	820,539	109,020
Accumulated losses	(19,565,084)	–
Total equity	**53,492,410**	**49,332,325**
Loss for the year	**(13,227,476)**	**(6,337,607)**
Total comprehensive loss for the year	**(13,227,476)**	**(6,337,607)**

26. REMUNERATION OF AUDITORS

PricewaterhouseCoopers Australia	2018 $	2017 $
Audit or review of 30 June and 31 December financial statements	170,000	127,000
Taxation advisory services	29,290	115,000
Audit and review of financial statements in relation to the IPO	–	130,000
Investigating accountants report related to the IPO	–	99,000
	199,290	**471,000**

27. EARNINGS PER SHARE

27.1 Basic earnings per share

	2018 Cents	2017 Cents
Basic loss per share from continuing operations attributable to the ordinary equity holders of the company	(6.84)	(4.98)
Total basic loss per share attributable to the ordinary equity holders of the Company	(6.84)	(4.98)

27.2 Diluted earnings per share

	2018 Cents	2017 Cents
Diluted loss per share from continuing operations attributable to the ordinary equity holders of the company	(6.84)	(4.98)
Total diluted loss per share attributable to the ordinary equity holders of the Company	(6.84)	(4.98)

27.3 Weighted average number of shares used as the denominator

	2018 Number	2017 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	202,123,883	127,993,750

28. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 24 January 2019, the Company issued 6,845,000 unlisted share options to be allotted to Directors (subject to shareholder approval), employees and consultants to the company. Options have a four-year term, with an expiry date of 24 January 2023. The exercise price of $1.09 per option is a 44% premium to the five-day volume weighted average closing price prior to the day of issue ($0.7561). Options remain unvested for a three-year period, and 'cliff vest' on 24 January 2022.

Other than the matter referred to above, there were no subsequent events that required adjustment to or disclosure in the Directors' Report or the Consolidated Financial Statements of the Company for the year ended 31 December 2018.

Directors' declaration

for the year ended 31 December 2018

In the opinion of the Directors:

(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the financial year ended on that date, and

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 3.2; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2018.

Signed in Sydney on 28 February 2019

On behalf of the Board

H Kevin McCann

Chairman

Christian Behrenbruch

Managing Director and

Group Chief Executive Officer

Independent auditor's report

To the members of Telix Pharmaceuticals Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Telix Pharmaceuticals Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2018
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of total comprehensive loss for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from

PricewaterhouseCoopers, ABN 52 780 433 757
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

material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group is focused on the development and commercialisation of molecularly-targeted radiation (MTR) therapy within the oncology industry. During the period ended 31 December 2018, the Group acquired Advanced Nuclear Medicine Ingredients SA based in Belgium, and Atlab SAS which predominately holds intellectual property. The Group's finance and management teams are based in Melbourne.

Materiality	*Audit scope*	*Key audit matters*
• For the purpose of our audit we used overall Group materiality of $750,000, which represents approximately 5% of the Group's loss before tax. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group loss before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • We conducted an audit of the financial information of the parent company, Telix Pharmaceuticals Limited given its financial significance to the Group. The parent company holds the largest share of the Group's total assets. • We performed specified risk focused audit procedures on selected balances and transactions for Advanced Nuclear Medicine Ingredients SA. • We also performed further audit procedures at a Group	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Acquisition accounting – Valuation of contingent consideration – Research and Development tax incentive • These are further described in the *Key audit matters* section of our report.

acceptable thresholds.	level, including over business combinations, impairment assessments, consolidation of the Group's reporting units and specified risk focused audit procedures on the other components within the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	***How our audit addressed the key audit matter***
Acquisition accounting *(Refer to note 20.1)* The Group acquired Advanced Nuclear Medicine Ingredients SA (ANMI) on the 24th December 2018. The Group was required to identify and estimate the fair value of the assets and liabilities of the business, and determine any goodwill arising upon acquisition. As referenced in note 3.24 of the financial statements, the Group has performed a preliminary assessment to determine the fair value of assets and liabilities acquired. There are complexities and a high degree of judgement involved in determining the fair value of assets and liabilities acquired, particularly relating to the recognition of intangible assets including intellectual property. The Group used a discounted cash flow model (the model) to determine the fair value of intellectual property acquired. The key assumptions used in the model included the market population and penetration over the forecast period, product pricing, timing and probability of regulatory approval and the risk adjusted discount rate applied to forecast cash flows. The basis of these cashflows was also used to determine the fair value of contingent consideration payable, as described in the below key audit matter. This is a key audit matter because of the: - financial significance of the acquisition purchase price	Our audit procedures to assess the accounting treatment of the ANMI acquisition included: - reading the key executed transaction documents to develop an understanding of the key terms and conditions of the transaction - comparing the assets and liabilities recognised on acquisition against the executed agreements and the historical financial information of the acquired business - assessing the Group's estimation of the fair value of assets and liabilities identified in the acquisitions. In particular, our audit procedures over the preliminary valuation of the intangible assets, included: - evaluating the Group's valuation methodology against the requirements of Australian Accounting Standards by considering the types of cash flows included, their application within the model, and reperforming calculations over the mathematical accuracy of the model - comparing the key inputs and assumptions underpinning the model to available source data where available - considering the adequacy of associated disclosures in the financial statements in light of the requirements of the Australian Accounting Standards.

Key audit matter	*How our audit addressed the key audit matter*
(fair value of consideration of $17,210,602), goodwill ($2,807,571) and intangible assets ($21,546,705) recognised - complexities and judgement required by the Group to determine the fair value of assets and liabilities acquired.	
Valuation of contingent consideration *(Refer to note 20.1) $10,591,885* The contingent consideration liability arises from the acquisition of Advanced Nuclear Medicine Ingredients SA (ANMI) on the 24th December 2018. The Group is liable for future variable payments which are calculated based on the percentage of net sales for a specified period of time following regulatory approval, as discussed in note 3.24 of the financial statements. The Group has performed a preliminary assessment to determine the fair value of consideration payable and have recognised a contingent consideration liability of $10,591,885 as at acquisition date and year end. A significant number of judgements are made within a discounted cash flow model (the model) to determine the appropriate value of the contingent consideration liability as at acquisition date and year end. The Group uses the relevant cash flows (net sales) from the model used to determine the value of intangible intellectual property as described in the above key audit matter. Key assumptions within this model include the market population and penetration, product pricing, timing and probability of regulatory approval and the risk adjusted discount rate applied to forecasted cash flows. This was determined to be a key audit matter due to the size of the liability and the significant judgement required by the Group in determining the key assumptions.	Our audit procedures, amongst others, to assess the Group's preliminary fair value of contingent consideration included: - reading key executed transaction documents to develop an understanding of the key terms and conditions of the acquisition transaction - assessing if the calculation of the contingent consideration was in accordance with the contractual arrangements - agreeing the key assumptions used in the Group's contingent consideration liability calculation to those that were used in the valuation of intellectual property acquired, as described in the key audit matter above - reperforming calculations over the mathematical accuracy of the underlying model - comparing the key inputs and assumptions underpinning the model to available source data, where available - considering the adequacy of associated disclosures in the financial statements in light of the requirements of the Australian Accounting Standards.
Research and Development tax incentive *(Refer to note 3.24) $10,141,969*	Our audit procedures, amongst others, to assess the Group's estimate of the R&D tax incentive receivable as at 31 December 2018 and income recognised in

Key audit matter	*How our audit addressed the key audit matter*
The Group's qualifying research and development (R&D) activities are eligible for a refundable tax offset under an Australian Government tax incentive scheme. The Group has assessed these activities and related expenditure to determine its eligibility under the incentive scheme for a refundable tax offset. The R&D tax incentive income recognised in the income statement was $10,141,969 and the R&D tax incentive receivable as at 31 December 2018 was $8,905,586. The Group makes a number of judgements and estimates in determining the eligibility of claimable expenses, including the eligibility of employee costs. The Group engaged a third party expert to assist with the review of the eligibility of expenses underlying the Group's claim and with the lodgement of the R&D refund application. This is a key audit matter due to: - the financial significance of the amount recognised as income during the year and the amount receivable as at 31 December 2018 - the degree of judgement and interpretation of the R&D tax legislation required by the Group to assess the eligibility of the incurred R&D expenditures under the scheme.	the income statement included: - assessing the nature of the expenses and the Group's assumptions on the eligibility of employee costs against the eligibility criteria of the R&D tax incentive programme - comparing the prior year receivable recorded in the financial statements at 31 December 2017 to the amount of cash received from the ATO after lodgement of the 2017 R&D tax incentive claim to assess historical accuracy of the estimate - agreeing a sample of the eligible expenditure in the Group's calculation of the R&D tax incentive receivable to the general ledger or other underlying accounting records - obtaining copies of correspondence with the Group's third party expert and agreeing the advice to the R&D tax incentive calculation - assessing the classification of the R&D tax incentive in the financial statements in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

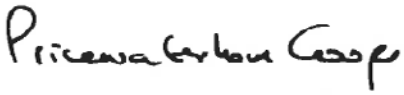
Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 28 of the directors' report for the year ended 31 December 2018.

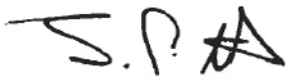
In our opinion, the remuneration report of Telix Pharmaceuticals Limited for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



PricewaterhouseCoopers



Jon Roberts
Partner

Melbourne
28 February 2019

Shareholder information

for the year ended 31 December 2018

Telix Pharmaceuticals Limited
ACN 616 620 369

Registered Office

Suite 401, 55 Flemington Road
North Melbourne, VIC 3051
www.telixpharma.com

Share Registry

Shareholder information in relation to shareholding or share transfer can be obtained by contacting the Company's share registry:

Link Market Services, Locked Bag A14,
Sydney South, NSW, 1235
Tel: 1300 554 474
Fax: (02) 9287 0303
Email: registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

For all correspondence to the share registry, please provide your Security-holder Reference Number (SRN) or Holder Identification Number (HIN).

Change of address

Changes to your address can be updated online at www.linkmarketservices.com.au or by obtaining a Change of Address Form from the Company's share registry. CHESS sponsored investors must change their address details via their broker.

Annual General Meeting

The Annual General Meeting is anticipated to be held at 10.30am, Tuesday 14 May 2019 at The Larwill Studio, 48 Flemington Road, Parkville VIC 3052.

Annual report mailing list

All shareholders are entitled to receive the Annual Report. In addition, shareholders may nominate not to receive an annual report by advising the share registry in writing, by fax, or by email, quoting their SRN/HIN.

Securities exchange listing

Telix Pharmaceuticals' shares are listed on the Australian Securities Exchange and trade under the ASX code TLX. The securities of the Company are traded on the ASX under CHESS (Clearing House Electronic Sub-register System)

ASX shareholder disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is current as at 31 January 2019.

Total securities on issue

	Securities (Listed)	Securities (Unlisted)
Fully paid ordinary shares	228,739,836	–
Options and Warrants to acquire shares	–	17,699,923
Total	**228,739,836**	**17,699,923**

Distribution of equity securities – ordinary shares

Range	Securities	%	No. of holders	%
100,001 and Over	204,430,409	89.37	177	12.95
10,001 to 100,000	21,661,323	9.47	604	44.18
5,001 to 10,000	1,780,032	0.78	222	16.24
1,001 to 5,000	798,516	0.35	264	19.31
1 to 1,000	69,556	0.03	100	7.32
Total	**228,739,836**	**100.00**	**1,367**	**100.00**
Unmarketable Parcels	0	0.00	0	0.00

Voting rights

Shareholders in Telix Pharmaceuticals Limited have a right to attend and vote at general meetings. At a general meeting, individual shareholder may vote in person or by proxy. On a show of hands every member present in person or by proxy shall have one vote. Upon a poll each share shall have one vote. All quoted and unquoted share options, and convertible notes, have no voting rights.

Substantial shareholders

Substantial shareholder	Securities	%
Gnosis Verwaltungsgesellschaft m.b.H	24,675,000	11.30%
Elk River Holdings Pty Ltd as trustee for The Behrenbruch Family Trust	24,675,000	11.30%
FIL Investment Management (Hong Kong) Limited	19,743,750	9.04%

Share buy-back

There is no current or planned buy-back of the Company's shares.

Statement in accordance with ASX Listing Rule 4.10.19

The Company confirms that is has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

Twenty largest shareholders – ordinary shares

Rank	Name	31 Jan 2019	% IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,957,784	12.66
2	GNOSIS VERWALTUNGSGESELLSCHAFTM B H	24,675,000	10.79
2	ELK RIVER HOLDINGS PTY LTD	24,675,000	10.79
3	BNP PARIBAS NOMS PTY LTD	10,494,511	4.59
4	THE ONCIDIUM FOUNDATION	7,050,000	3.08
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,479,629	2.83
6	UV-CAP GMBH & CO KG	4,700,000	2.05
7	JEAN-MARC LE DOUSSAL	3,901,554	1.71
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	3,579,600	1.56
9	REMORA CAPITAL	3,370,780	1.47
10	UV-CAP GMBH & CO	3,075,000	1.34
11	ILUSA SPRL	2,558,138	1.12
12	YELWAC PTY LTD	2,375,577	1.04
13	CYCLOTEK PTY LTD	2,350,000	1.03
14	MAN HOLDINGS PTY LTD	2,238,750	0.98
15	BLUEFLAG HOLDINGS PTY LTD	2,168,269	0.95
16	TELIX PHARMACEUTICALS (EST) PTY LTD(i)	2,115,000	0.92
17	SPINVENTURE SA	2,068,437	0.90
18	CVC LIMITED	1,953,729	0.85
19	AGLUB INVESTMENTS PTY LTD	1,927,115	0.84
20	JEAN-FRANCOIS CHATAL	1,797,795	0.79
	Total	**142,511,668**	**62.30**
	Balance of register	**86,228,168**	**37.70**
	Grand total	**228,739,836**	**100.00**

(i) Telix Pharmaceuticals (EST) Pty Ltd, a wholly owned subsidiary of Telix Pharmaceuticals Limited, is the Trustee of the Telix Pharmaceuticals Employee Share Trust.

Twenty largest shareholders – quoted share options

No share options are quoted.

Holders of greater than 20% unquoted securities

No shareholder owns greater than 20% or more of unquoted equity securities (by class) of the Company.

Corporate directory

for the year ended 31 December 2018

Directors

H Kevin McCann AM (Chair)
Christian Behrenbruch PhD
Andreas Kluge MD PhD
Oliver Buck
Mark Nelson PhD
Jann Skinner

Company Secretary

Melanie Farris

Registered Office

Telix Pharmaceuticals Limited
401/ 55 Flemington Road
North Melbourne VIC 3051
info@telixpharma.com
www.telixpharma.com

Australian Business Number

85 616 620 369

Securities Exchange Listing

Australian Securities Exchange
ASX Code: TLX

Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
P: 1300 554 474
F: (02) 9287 0303
W: www.linkmarketservices.com.au

www.telixpharma.com