Telix Pharmaceuticals Limited
ACN 616 620 369
55 Flemington Road
North Melbourne, Victoria, 3051, Australia
telixpharma.com

27 February 2023

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Telix Pharmaceuticals Limited (TLX) Appendix 4E and 2022 Annual Report

Telix Pharmaceuticals Limited announces to the market its financial results for the year ended 31 December 2022.

The following documents are attached:

- Appendix 4E – Final Report given under Listing Rule 4.3A; and
- Telix 2022 Annual Report including its Financial report and Corporate governance statement, for the year ended 31 December 2022.

Yours faithfully

Genevieve Ryan
Company Secretary

This announcement has been authorised for release by the Board of Telix Pharmaceuticals Limited.

Telix Pharmaceuticals Limited
ACN 616 620 369
55 Flemington Rd North
Melbourne
Victoria, 3051
Australia

Appendix 4E

Financial year ended

31 December 2022

Results announcement to the market

Current Reporting Period:	**year ended 31 December 2022**
Previous Reporting Period:	year ended 31 December 2021

This page and the following pages comprise the year end information given to the ASX under Listing Rule 4.3A.

The results are prepared in accordance with IFRS and are presented in AUD.

Revenue and net profit / (loss)

	2022 result	**Change**	**Change**	**Change**	**2021 result**
	$'000		**$'000**	**%**	**$'000**
Revenue from contracts with customers	160,096	Up	152,500	2008%	7,596
Loss after income tax for the year attributable to members	(104,079)	Up	(23,569)	29%	(80,510)
Total comprehensive loss for the year attributable to members	(103,488)	Up	(21,526)	26%	(81,962)

Dividends

No dividend was proposed or paid. The Company is not yet profitable and therefore there can be no assurance that the Company will become profitable or will pay dividends in the near future. Should any dividends be paid in the future, no assurances can be given as to the level of franking credits attaching to such dividends.

	2022	**2021**
	Cents	**Cents**
Loss per share	(33.5)	(28.5)
Net tangible assets per share	3.3	(19.8)[1]
Dividend per share	-	-

1. Restated to remove the impact of right-of-use assets (0.8 cents)

Brief explanation of results

Telix launched its first commercial product for prostate cancer imaging, Illuccix, in 2022. The Company generated total revenue of $160,096,000 (2021: $7,596,000). The Company recorded an operating loss for the year of $104,079,000 (2021: $80,510,000). Operating expenditure (including income tax expense) in the year totalled $264,175,000 (2021: $88,106,000). Included within operating expenditure was $79,756,000 (2021: $48,323,000) related to R&D activities for the Company's assets and development programs.

For further commentary on the Company's results and other information required by Listing Rule 4.3A, please refer to the investor releases and Company's 2022 Annual Report, including the Operating and financial review and Financial report lodged with the ASX today.

Statement of accumulated losses

Statement of accumulated losses	2022	2021
	$'000	$'000
Balance at the beginning of the year	(173,471)	(92,961)
Total comprehensive loss for the year	(104,079)	(80,510)
Transfer on exercise of options	4,735	-
Balance at end of the year	(272,815)	(173,471)

Audit report

This Appendix 4E (Final Report) is based on the audited Financial report for the year ended 31 December 2022 which are attached.

The Appendix 4E and Annual report have been approved for release by the Board of Directors.

Genevieve Ryan
Company Secretary
27 February 2023

Telix

Telix Pharmaceuticals 2022 Annual Report

Legal notice. This report is intended for global use.

This 2022 Annual Report is a summary of Telix's operations and activities for the year ended 31 December 2022 and its financial position as at 31 December 2022.

This report covers Telix's global operations, including subsidiaries, unless otherwise noted. A reference to Telix, Telix Group, we, us and our and similar expressions refer collectively to Telix Pharmaceuticals Limited and its related bodies corporate. Telix products are currently investigational use only unless indicated and are subject to future regulatory developments and product approvals. Except for Illuccix® (Ga-68 gozetotide injection), none of the other products have received a marketing authorisation in any jurisdiction. Registrations vary country to country. Some statements about products, registered product indications or procedures may differ in certain countries. Therefore, always consult the country-specific product information, package leaflets or instructions for use. Any content relating to third party products is based on publicly available data and is accurate at the date of presentation.

Forward-looking statements

This report contains forward-looking statements including statements with respect to future company compliance and performance. While these forward-looking statements reflect Telix's expectations at the date of this report, they are not guarantees or predictions of future performance or statements of fact. These statements involve known and unknown risks and uncertainties. Many factors could cause the Group's actual results, performance or achievements to differ, possibly materially, from those expressed in the forward-looking statements. These factors include changes in government and policy; actions of regulatory bodies and other governmental authorities such as changes in taxation or regulation (or approvals under regulation); the effect of economic conditions; technological developments; advances in environmental protection policies or processes; and uncertainty and disruption caused by the COVID-19 pandemic and geo-political developments. There are also limitations with respect to scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate. Readers should read this report together with our material risks, as disclosed in our most recently filed reports with the ASX and on our website.

Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable laws or regulations, Telix does not undertake to publicly update or review any forward-looking statements. Past performance cannot be relied on as a guide to future performance.

Non-IFRS

References to AASB refer to the Australian Accounting Standards Board and IFRS refers to the International Financial Reporting Standards. There are references to IFRS and non-IFRS financial information in this report. Non-IFRS financial measures are financial measures other than those defined or specified under any relevant accounting standard and may not be directly comparable with other companies' information. Non-IFRS financial measures are used to enhance the comparability of information between reporting periods, and enable further insight and a different perspective into the financial performance. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, IFRS financial information and measures. Non-IFRS financial measures are not subject to audit or review.

Telix Pharmaceuticals Limited ABN 85 616 620 369

Contents

Our company

Telix is changing the way cancer and rare diseases are managed

Telix's targeted radiation imaging and therapy technologies have potential to transform the way clinicians can find and manage cancer and rare diseases, to inform treatment decisions and deliver personalised therapy in areas of major unmet medical need globally.

Telix launched its first commercial product for prostate cancer imaging, Illuccix®, in 2022. The Company is now building the foundations for long-term sustainable growth to unlock the value in our world-leading, late-stage theranostic (therapeutic and diagnostic) pipeline.

With more than 20 clinical studies underway worldwide (including partnered investigator-led studies), Telix's core pipeline aims to address significant unmet medical needs in prostate, kidney (renal), brain, and blood cancers as well as a range of hard to treat immunologic and rare diseases. Telix also has a growing research pipeline focused on novel targets and technologies.

Telix is listed on the Australian Securities Exchange (ASX: TLX) and headquartered in Melbourne, Australia, with international operations in Belgium, Japan, Switzerland, and the United States (U.S.). Our new manufacturing facility in Belgium will become operational in 2023. We expect this to deliver significant flexibility and reliable supply for our growing commercial production requirements.

A global leader in radiopharmaceuticals

Theranostics for oncology and rare diseases

Commercial stage imaging portfolio

- Illuccix® for prostate cancer imaging approved in Australia, Canada and the U.S.
- Regulatory filings in preparation for kidney cancer and glioma (brain cancer) imaging agents

Industry leading theranostic pipeline

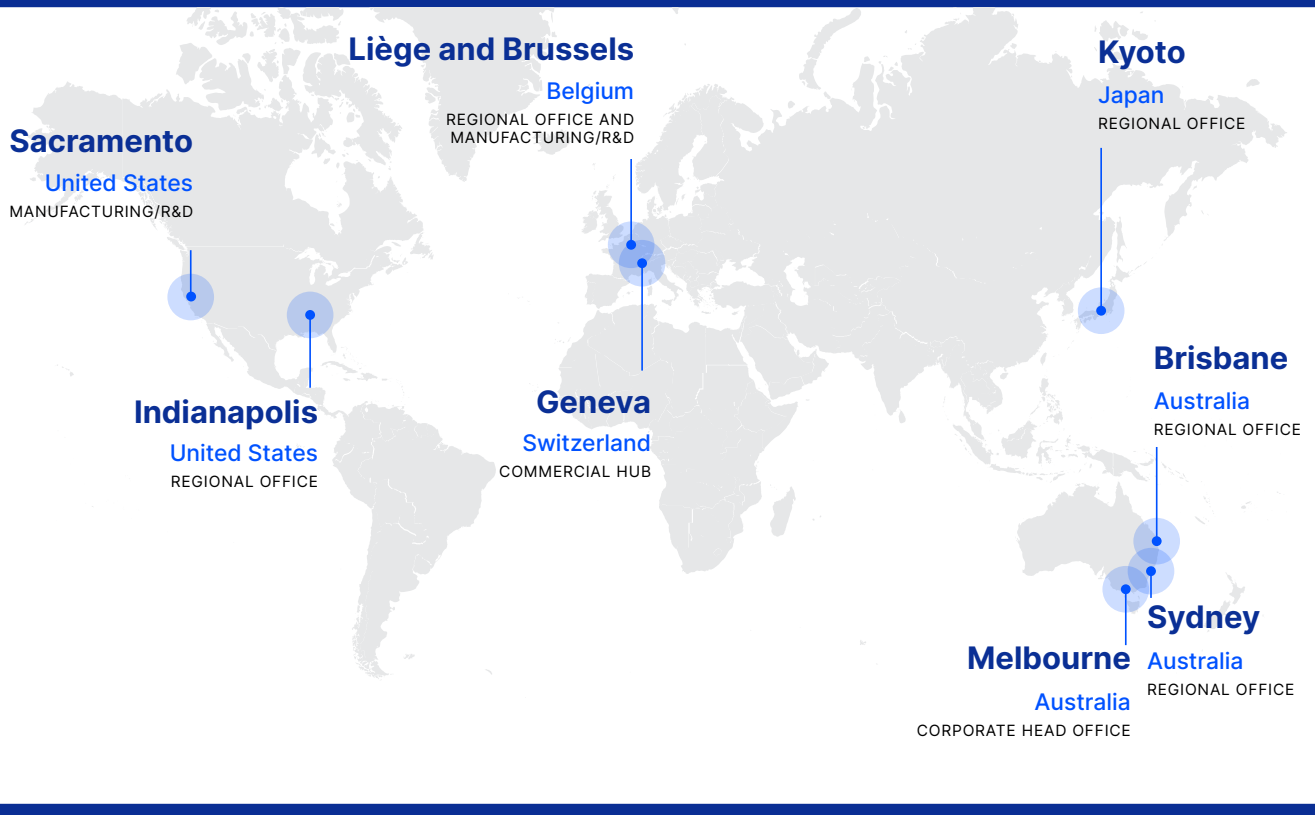
- Four core disease areas
- Imaging and therapy assets
- More than 20 active clinical studies across eight indications

Advanced supply chain & manufacturing

- World-leading distribution and supply partners
- Delivering patient-doses globally
- In-house manufacturing and radiochemistry development

A global business

- 234 employees globally
- Headquartered in Melbourne, Australia
- Regional offices in Belgium, Japan, Switzerland and the U.S.
- Commercial revenue funding R&D



Our purpose, mission and values

Everyone at Telix is united by a common purpose and commitment to shared values. Our purpose, mission and values reflect our patient centric focus, the innovative approach we apply across our business and our ongoing commitment to quality, integrity and achievement.

Our Purpose

We help people with cancer and rare diseases live longer, better quality lives

Our Mission

To deliver on the promise of precision medicine through targeted radiation

Our Values

Everyone counts

- We put patients and our people first
- We respect and value diversity and individuality
- We foster a culture of collaboration, where all voices are heard

We strive to be extraordinary

- We explore the possibilities and celebrate learning and success
- We are courageous and embrace challenge
- We use our talents and knowledge to create a better future

We pursue our goals with determination and integrity

- We take responsibility for our words, our actions and our results
- A commitment to quality and safety underpins everything we do
- We strive for excellence in every action, every day

In doing this, we create value for our shareholders.

2022: A transformational year

Our financial year 2022 results reflect our transition to a commercial revenue-generating company, to enable a financially sustainable business.

Financial highlights

Total group revenue up
20x to **$160.1M**

$149.7M
Revenue from U.S. sales of Illuccix® in the first nine months[1]

$116.3M
closing cash balance

Our patient impact

Illuccix commercial doses delivered to patients in the
U.S., Australia & New Zealand

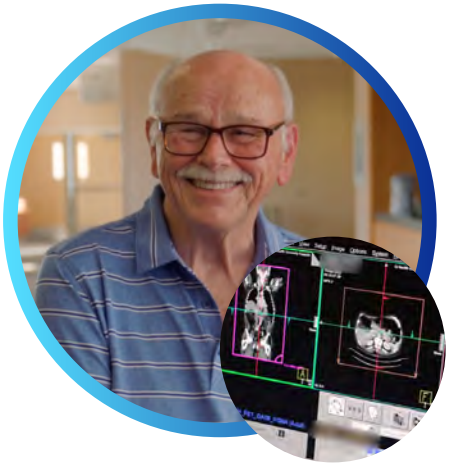
ZIRCON
Phase III kidney cancer imaging study completion and highly positive top-line data

First patients dosed in:

PROSTACT
prostate cancer therapy studies

STARLITE
kidney cancer immunotherapy studies

IPAX-1
Glioblastoma therapy study final results demonstrate promising early efficacy data



"They always tell you, and believe sincerely that they've got it all. But you never know until you go back and follow up. I'm excited to have pioneered this scan that is now helping men with prostate cancer across the United States to find that bad spot in them that needs acting on."

To watch Larry's full story:

Larry's story*

The first commercial dose of Illuccix®

Lawrence (Larry) Doone is 72 years old and a retired railroad worker. Larry took a routine PSA (prostate-specific antigen) test, which returned a higher than normal result. After talking with his doctor, Larry had his prostate gland surgically removed.

When his PSA level began to rise only a few weeks after surgery, indicating that not all of the cancer had been cut out, his surgeon Dr Clint Bahler at the Indiana University School of Medicine recommended he get a new type of scan – a gallium-68 PSMA-PET scan[2] – that might show where the cancer was hidden.

On the morning of 14 April 2022, Larry became the first American patient to be scanned with Illuccix after FDA[3] approval.

Later that same evening, Dr Bahler called Larry at home with the results. The test found one cancerous lymph node. Based on the information in the scan, Dr Bahler was able to recommend targeted radiation treatment, rather than the trauma of additional surgery or broad external radiation.

With his prostate cancer now under control, Larry is back to enjoying his retirement, spending time with his wife Sharon, hopeful that his experience will raise awareness of this new imaging approach and help other men living with prostate cancer to manage their disease.

*Used with permission.

1. Revenue for nine months from commercial launch on 14 April 2022.
2. Imaging of prostate-specific membrane antigen with positron emission tomography.
3. United States Food and Drug Administration.

"What I'm most proud of is the real-life impact Telix is having on patients around the world. In 2022, more than 50,000 people have received a Telix product – either through commercial programs, one of our clinical studies or via a compassionate use program."

Chairman's message

Dear Shareholders,

November 2022 marked the five-year anniversary of Telix's listing on the Australian Securities Exchange (ASX), an occasion that gave me cause to reflect upon the Company's remarkable journey and impact so far.

Another year of rapid growth

Since listing on the ASX, the company has grown from just nine employees in Melbourne, to a thriving global, commercial business with 234 employees worldwide. Telix has secured regulatory approvals in the United States (U.S.), Australia and Canada for its prostate cancer imaging agent, Illuccix, and scaled up the business and manufacturing to support a successful commercial launch.

We delivered a highly successful outcome for global Phase III study ZIRCON of TLX250-CDx, our investigational kidney cancer imaging agent and follow-on product for the urology field. The clinical pipeline and research pipeline has also expanded considerably through acquisitions, partnerships and the expertise and effort of the team.

Aside from the usual challenges of leading a start-up, Telix has achieved all this despite a global pandemic, geopolitical unrest, supply chain challenges and economic and market uncertainty.

In 2022, Telix earned the accolade of being one of the few Australian biotechnology companies which has made the transition from a start-up to a commercial revenue-generating company.

What I'm most proud of is the real-life impact Telix is having on patients around the world. In 2022, more than 50,000 people have received a Telix product – either through commercial programs, one of our clinical studies or via a compassionate use program.

A clear future vision

Our mission does not stop here. In 2023 Telix will embark on the next stage of our global growth strategy with the aim of having multiple commercial products, delivering on clinical milestones in our therapeutic programs and continuing to advance the field of radiopharmaceuticals through our research and innovation program.

In 2023, we expect to see our manufacturing capability expanded considerably as our radioisotope production facility in Brussels South is completed and commences operations. This combination of commercial products and revenue, an advanced therapeutic pipeline, and in-house production will ensure that Telix maintains its leadership position in the global radiopharmaceutical industry – a sector that garners increasing interest from the international investment and pharmaceutical industries.

The Company has a clear vision for the future and the capital raise of $175.0M in January 2022 has provided the funding to implement the organisational infrastructure to deliver on the priority, late-stage therapeutic and imaging programs in the pipeline.

The strengthened balance sheet has also been a source of security in a volatile investment market. The Company's commitment to fiscal responsibility is evident. It achieved cash flow positive status in the December 2022 quarter and improved working capital to provide optionality to fund priority pipeline products.

The Board appreciated the opportunity, in 2022, to visit our U.S. headquarters in Indianapolis and our European headquarters in Brussels. These visits enabled us to meet and engage with staff in their offices, assess the culture in Telix and to see our purpose at work.

In line with the transition to a commercial stage business, the executive leadership team and Board has been refreshed with new appointments throughout the year as part of the Company's ongoing succession planning to ensure the skills and experience is commensurate with Telix's growth and future focus.

At Board level, I am pleased to have welcomed Tiffany Olson, our U.S.-based Non-Executive Director, who brings a wealth of global radiopharmaceutical sector experience to complement the diverse skills and experience of our Board.

I also acknowledge the contribution of Oliver Buck, a foundation Director and shareholder of Telix, who retired from the Board in May 2022. We benefitted from his experience in radiopharmaceuticals.

Governance priorities

As a values-driven organisation, we continue to evolve our approach and commitment to embedding our Environmental, Social, Governance and Sustainability (ESGS) priorities within our strategy and operations. The actions we have taken and our policies are set out in more detail in our ESGS report.

Conclusion

On behalf of the Board I would like to thank the CEO, the management team and all our employees across the world, for their personal commitment and contributions to the success of Telix in this very important year.

Our diligent and hardworking Board members have also contributed to our achievements in 2022.

I would also like to thank our shareholders for their ongoing support in 2022, which has been an important contribution to our success.

I look forward to the Company's global impact and influence growing, as we continue to pursue our purpose of helping patients with cancer and rare diseases live longer, better quality lives.

Yours faithfully,

H Kevin McCann AO
Independent Non-Executive Chairman

"Our achievements this year have demonstrated that Telix can effectively identify, develop and commercialise assets, deliver complex global Phase III studies and scale-up a business. This has all been achieved in just seven years – including five listed on the ASX."

CEO's message

Dear Shareholders,

2022 has been another significant year for Telix. We launched Illuccix, our first commercial product, with great success, enabling us to invest our earnings to fund the late-stage programs in our pipeline, while transitioning to cash flow positive. We also completed and reported positive results from our first Phase III clinical trial for TLX250-CDx, our kidney (renal) cancer imaging agent. As we work towards the regulatory submissions for this product and our brain cancer imaging agent for glioma (TLX101-CDx) there is a higher likelihood that we will have two additional commercial products in market in 2024.

We have also made important advances across our therapeutic programs in prostate and kidney cancer and glioblastoma. We are dosing patients in our prostate cancer therapy trials – ProstACT SELECT and TARGET – and scaled up our manufacturing capability in preparation to commence the ProstACT GLOBAL Phase III study across international sites in 2023.

We delivered highly positive final data from the IPAX-1 study of our investigational therapy for glioblastoma and have transitioned this program into an earlier line setting, in the IPAX-2 study. We continue to collaborate with investigators at the Kepler University Hospital in the IPAX-Linz study, to address the unmet need in this debilitating disease. We have continued to expand TLX250 for renal cancer, dosing patients in the STARLITE-2 study, an important investigator-initiated trial exploring this product in combination with immunotherapy.

Executing our growth strategy

Our achievements this year have demonstrated that Telix can effectively identify, develop and commercialise assets, deliver complex global Phase III studies and scale-up a business. This has all been achieved in just seven years – including five listed on the ASX.

Importantly, we have demonstrated our resilience in executing on our strategy despite challenging market conditions, including the unprecedented global pandemic. Herein lies the opportunity: 2023 is shaping up to be our biggest and most important year yet. This year we have outlined three key focus areas, which build on the goals we set out to achieve – and delivered against – last year.

- **Continue to grow commercial revenues from Illuccix sales:** The rapid uptake of PSMA-PET imaging in the U.S. illustrates the demand and potential for targeted radiopharmaceutical imaging agents. Telix has punched above its weight as the second commercial entrant to PSMA-PET imaging in the U.S. market, generating US$100.4M ($149.7M) in revenue from U.S. sales of Illuccix in the first nine months since launch. We have built an exceptional commercial team and established supply, manufacturing and distribution channels with the ability to service 90% of the U.S. PET imaging market. The estimated US$1B market for PSMA-PET imaging is evolving rapidly, and there is potential for the overall addressable market to grow as physicians become more accustomed to using this tool and expanding clinical utility. In 2023 we will re-file our marketing authorisation application in Europe and pursue commercial growth in our current markets of Australia, New Zealand and Canada. We also anticipate regulatory approval decisions in Brazil and South Korea and will progress development for the Chinese and Japanese markets.

- **Advance two diagnostic imaging agents towards regulatory filing:** With the positive readout of the Phase III ZIRCON study, we are now focused on preparation for the Biologics License Application (BLA) with the goal of gaining approval and being ready to launch commercially in 2024, initially in the U.S. TLX250-CDx is the perfect follow-on product to Illuccix and builds on the strong engagement we have established in the urology field. It allows us to leverage the commercial infrastructure Telix has built to service this market. There is a great deal of anticipation for this product given the high unmet need in the diagnosis of clear cell renal cell carcinoma (ccRCC), where there currently is no reliable imaging method to characterise small renal masses, nor are there currently any – besides ours – in development. We are also evaluating and preparing to file a New Drug Application (NDA) in the U.S. for our investigational brain cancer imaging agent, TLX101-CDx. Although used widely in Europe on a magisterial basis, there is currently no such pathway or commercial supply in the U.S. It is estimated that more than 13,000 Americans were diagnosed with glioblastoma in 2022.[1] We have an opportunity to help these patients and demonstrate commercial leadership in this market.

- **Advancing our therapeutic programs, including the prostate cancer therapy program:** By advancing our therapies we can deliver the most meaningful impact to patients and unlock further value in the Company as we deliver against clinical milestones. In 2023 we expect several important milestones for the ProstACT program investigating the prostate cancer therapy candidate, TLX591. This year, a considerable effort went towards the scale-up of manufacturing to support a global Phase III trial. Given the lead-times and complexity of antibody manufacturing this is an important development and paves the way for the finalisation of regulatory submissions to commence the trial and enrol patients in the U.S. and Europe. In the background, patient dosing in the ProstACT SELECT and ProstACT TARGET studies of TLX591 has been progressing and we expect to report clinical data from the SELECT study in 2023. In 2023 we expect to make progress on clinical trials across our other core indications which will reinforce our positioning as a therapeutic company.

Investment in M&A, partnerships and innovation

We have continued to strengthen our business through mergers and acquisitions (M&A), partnerships and innovation. Over the past year, we established much of the organisational infrastructure to support our commercial operations and clinical programs. As one of few global companies solely dedicated to the development and commercialisation of radiopharmaceuticals, our specialist capabilities in manufacturing and research and development (R&D) will be further enhanced in 2023 as our radioisotope manufacturing facility in Brussels South is commissioned and we leverage the dose manufacturing and radiochemistry development capabilities within Telix Optimal Tracers, which we acquired during the year. The depth of development expertise combined with our production capability further differentiates us and strengthens our position in this fast-growing field.

We finished the year with a healthy cash balance of $116.3M and became cash flow positive in the fourth quarter, demonstrating our continued stewardship of financial resources while continuing to invest in high value, priority programs.

Delivering on our promise

We are now helping thousands of patients around the world. Our ability to help impact the lives of people living with cancer is increasing every day, through our commercial products, clinical trials and compassionate use programs. This impact is where our people and our shareholders can be incredibly proud.

Yours faithfully,

Dr Christian Behrenbruch
Managing Director and Group CEO

1. National Brain Tumor Society (U.S.).

Our technology

Telix is developing targeted radiation across the continuum from diagnosis and staging to treatment, both as stand-alone and combination therapies.

Many existing cancer therapies are non-selective, impacting healthy tissue and vital organs at the same time as treating disease. Existing external beam radiation therapy (EBRT) approaches are effective but typically only deliver localised treatment and also cause damage to surrounding tissue. Localised therapeutic approaches rely on the treating physician making assumptions about the extent of disease but missing even small amounts of surviving cells can lead to the cancer or disease recurring over time.

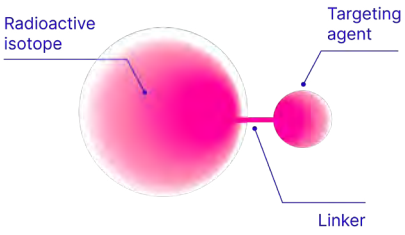
Telix's technology delivers molecularly targeted radiation to cancer cells with precision, regardless of where the cancer is in the body.

It is intended that imaging and therapy are used together to "see and treat". Referred to as "theranostic" - a combination of the terms therapeutic and diagnostic - this approach is a powerful new way to tackle unmet need in cancer and rare diseases.

Our point of difference: harnessing the power of targeted radiation throughout the patient journey

Our goal is to integrate with traditional medical oncology, the standard of care, to deliver potentially more targeted and personalised therapy, and patient-friendly dosing regimens. This reflects the modern team-based approach to managing cancer and rare diseases.

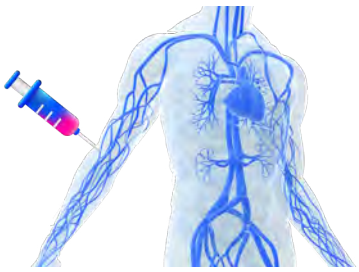
How does targeted radiation work?



1. Targeted radiation drug

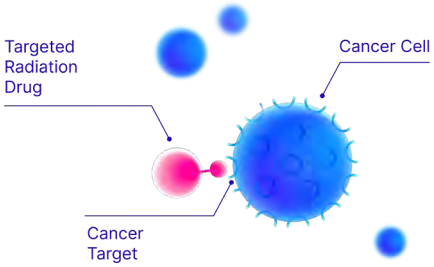
A radioactive isotope ("payload") is attached to a targeting agent such as a small molecule or antibody, which has an affinity for unique biomarkers found on the surface of cancerous or diseased cells.

Depending on the payload, either imaging or therapy can be delivered.



2. Intravenous injection

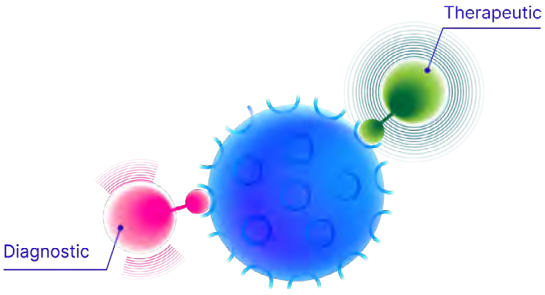
The targeted radiation drug is administered into the bloodstream and circulates throughout the body.



3. Targeted delivery

Targeted radiation seeks out cancerous or diseased cells wherever they are, including small metastases (where the cancer has spread) and binds selectively to its target.

This is different from traditional radiation therapy, which is typically only delivered to a local tumour site.



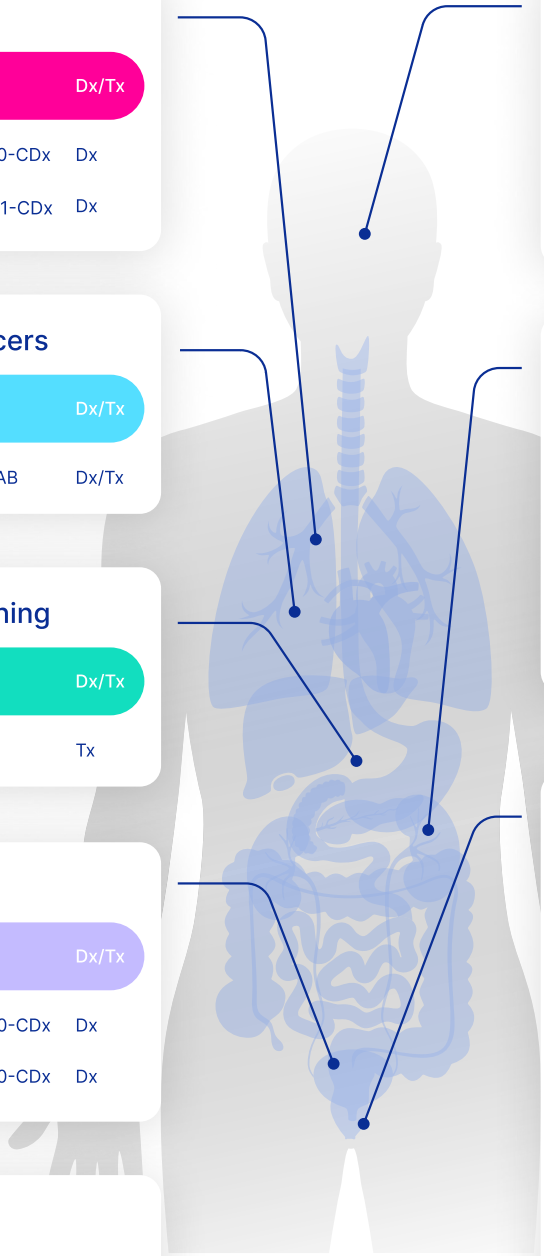
4. See it. Treat it.

Some radioisotopes have physical properties that may be used to image cancer or rare diseases, for diagnosis and staging purposes.

Higher dose radiation with alpha- and beta-emitting radioisotopes can potentially be used as therapies to kill cancerous or diseased cells.

Our portfolio

Telix has over 20 clinical studies currently underway worldwide across a range of diseases. Some of these studies are funded directly by Telix, others are funded in collaboration with leading cancer centres and commercial partners. Together this extensive investment puts Telix at the forefront of global innovation in theranostic drug development.



Breast cancer

Ph	Name	Asset	Dx/Tx
II	OPALESCENCE (IIT)	TLX250-CDx	Dx
I	Emory University (IIT)	TLX591-CDx	Dx

Lung and ovarian cancers

Ph	Name	Asset	Dx/Tx
I	Royal Adelaide (IIT)	APOMAB	Dx/Tx

Bone marrow conditioning

Ph	Name	Asset	Dx/Tx
I/IIa	TRALA (IIT)	TLX66	Tx

Bladder cancer

Ph	Name	Asset	Dx/Tx
I	ZiP-UP (IIT)	TLX250-CDx	Dx
I	PERTINENCE (IIT)	TLX250-CDx	Dx

Multiple tumour types expressing CAIX

Ph	Name	Asset	Dx/Tx
II	STARBURST	TLX250-CDx	Dx
I	STARSTRUCK	TLX250	Tx

Glioblastoma

Ph	Name	Asset	Dx/Tx
I/II	IPAX-2	TLX101	Tx
II	IPAX-Linz (IIT)	TLX101	Tx

Kidney cancer

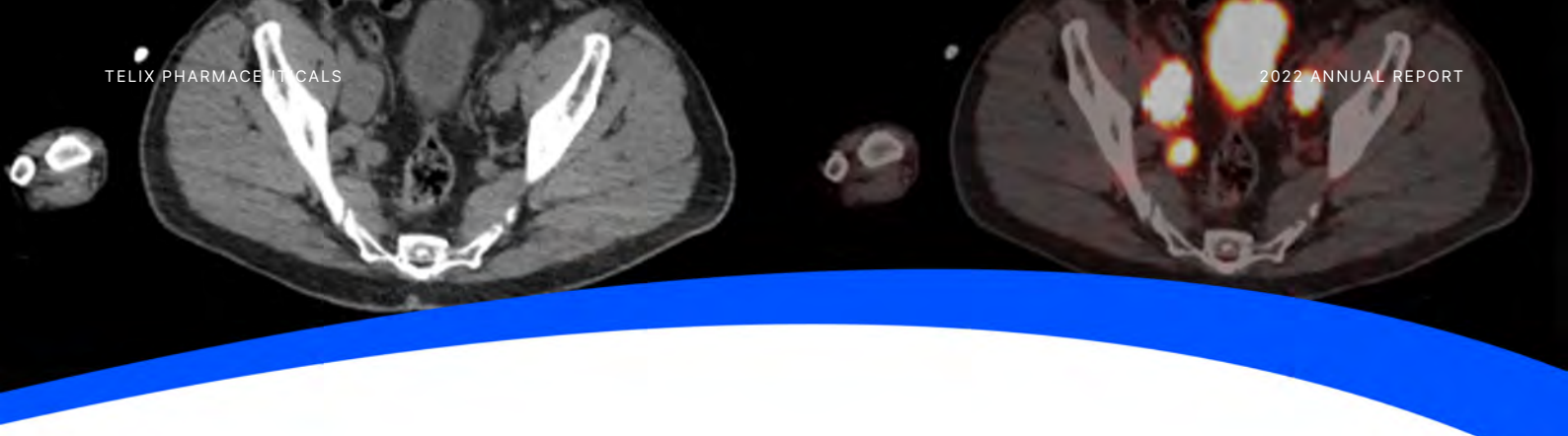
Ph	Name	Asset	Dx/Tx
III	ZIRCON	TLX250-CDx	Dx
III	China Registration Study[1]	TLX250-CDx	Dx
II	STARLITE-1	TLX250	Tx
II	STARLITE-2	TLX250	Tx

Prostate cancer

Ph	Name	Asset	Dx/Tx
III	China Registration Study[1]	TLX591-CDx	Dx
III	University of Linz (IIT)	TLX591-CDx	Dx
II	Emory University (IIT)	TLX591-CDx	Dx
II	Mem. Sloan Kettering (IIT)	TLX591-CDx	Dx
N/A[2]	NOBLE	TLX599-CDx	Dx
III	ProstACT GLOBAL	TLX591	Tx
II	ProstACT TARGET	TLX591	Tx
I	ProstACT SELECT	TLX591	Tx
I	CUPID	TLX592	Tx

1. Run in collaboration with Grand Pharma.
2. Registry study.

Note: Dx = diagnostic; Tx = therapeutic.



Prostate cancer and PSMA program

Targeting the potential of PSMA across the full spectrum of prostate cancer

Our focus on patients and innovation has created the most clinically advanced antibody-based PSMA therapy program in development globally. This exciting development in an area of high unmet medical need has generated significant interest among clinicians and medical professionals. Our goal is to unlock the full potential of PSMA targeted therapies to help treat the 1.4 million men worldwide who are diagnosed with prostate cancer every year.

Telix's prostate cancer portfolio targets PSMA, a protein expressed on the surface of prostate cancer cells, which is low or absent on most normal healthy cells. PSMA has become a major breakthrough in prostate cancer diagnosis and the growing field of nuclear medicine.

High rates of screening in developed countries mean most men are diagnosed and treated early before their disease has spread. These men receive local therapy, either prostatectomy or radiotherapy, and may be cured of their disease. However, approximately 15% of patients develop advanced forms of the disease that can spread to other parts of the body. This is known as metastatic prostate cancer.

Imaging with targeted radiation can identify prostate cancer wherever it is in the body and help guide patient treatment.

Prostate cancer worldwide

1.4 million
men were diagnosed with prostate cancer globally in 2020[1]

375,000+
men died from prostate cancer globally in 2020[1]

34%
increase in prostate cancer diagnoses in Australia during the past 12 months[2]

99%
5-year survival rate for men diagnosed with early-stage prostate cancer in the U.S.[3]

Our prostate cancer portfolio

Our aim is to support patients across the full spectrum of prostate cancer.

Imaging

- **Illuccix** (TLX591-CDx, ^{68}Ga-PSMA-11), preparation for imaging prostate cancer with positron emission tomography (PET) (now approved in the U.S., Australia, and Canada). The cold kit format of TLX591-CDx enables rapid radiolabelling at room temperature with high radiochemical purity and production consistency, suited to the commercial and hospital radiopharmacy setting.
- **TLX599-CDx** (^{99m}Tc-iPSMA), an investigational prostate cancer imaging agent that uses single photon emission computed tomography (SPECT), the predominant imaging modality outside of major cities and in emerging healthcare systems. The NOBLE Registry is a collaboration to advance SPECT-based PSMA imaging with the Oncidium Foundation.

Therapy

- **TLX591** (^{177}Lu-DOTA-rosopatamab), an antibody-directed prostate cancer therapy candidate. The ProstACT series of studies (including the Phase III ProstACT GLOBAL study) is evaluating the efficacy of TLX591 in all stages of prostate cancer, from first recurrence to advanced metastatic disease.
- **TLX592** (^{64}Cu/^{225}Ac-RADmAb®), next generation prostate cancer therapy candidate for targeted alpha therapy (TAT) based on Telix's proprietary RADmAb® engineered antibody technology. The Phase I CUPID study is evaluating copper-64 labelled TLX592 in patients with advanced prostate cancer, prior to commencing therapeutic studies with actinium-225.

1. Globocan 2020.
2. Australian Institute of Health and Welfare 2022.
3. American Cancer Society.

PSMA competitive landscape

Telix's approach is highly differentiated

The ProstACT program of studies is evaluating the efficacy of Telix's lutetium-177 (^{177}Lu)-labelled therapeutic antibodies in all stages of prostate cancer, from first recurrence to advanced metastatic disease (metastatic castrate-resistant prostate cancer, or mCRPC).

The antibody approach may deliver superior efficacy, with reduced potential for undesirable side-effects, and a more efficient dosing regimen compared to a small molecule approach.

ANTIBODY (TLX591)	SMALL MOLECULES
Functionally specific for tumour-expressed PSMA, does not "hit" most endogenous PSMA	Taken up by endogenous PSMA
Reduced off-target radiation, reduced potential for undesirable side-effects[1]	Off-target effects impact quality of life, including dry eye, xerostomia and back pain from ganglia irradiation
Longer circulation time and tumour retention, cleared in the liver and excreted, allowing for fewer doses[2]	Rapidly excreted via the urinary tract: approx. 70% activity lost by 12 hours
Shortest dosing regimen of all PSMA therapies, two x 76 mCi doses, 14 days apart	Dosing regimens range up to 36 weeks, at up to 200 mCi per dose

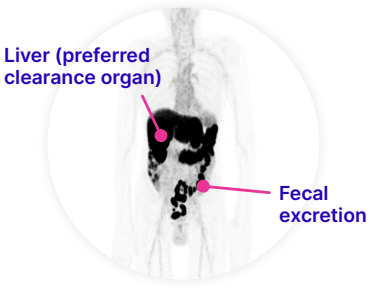
TLX591 is the most clinically advanced antibody-based PSMA therapy in development

One approved product in the market. Other products in development are undifferentiated

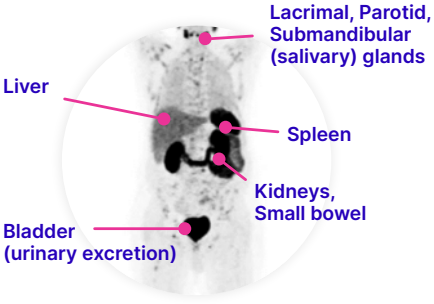
"With previous studies having confirmed the preliminary efficacy and safety profile of TLX591, GenesisCare is pleased to partner with Telix to further their therapeutic antibody-based program, which has potential to improve health outcomes for thousands of men living with prostate cancer in Australia and worldwide."

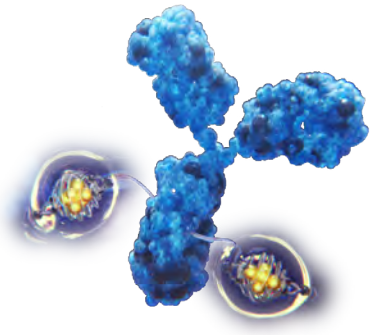
Professor Nat Lenzo,
Nuclear Medicine Physician,
GenesisCare

TLX591

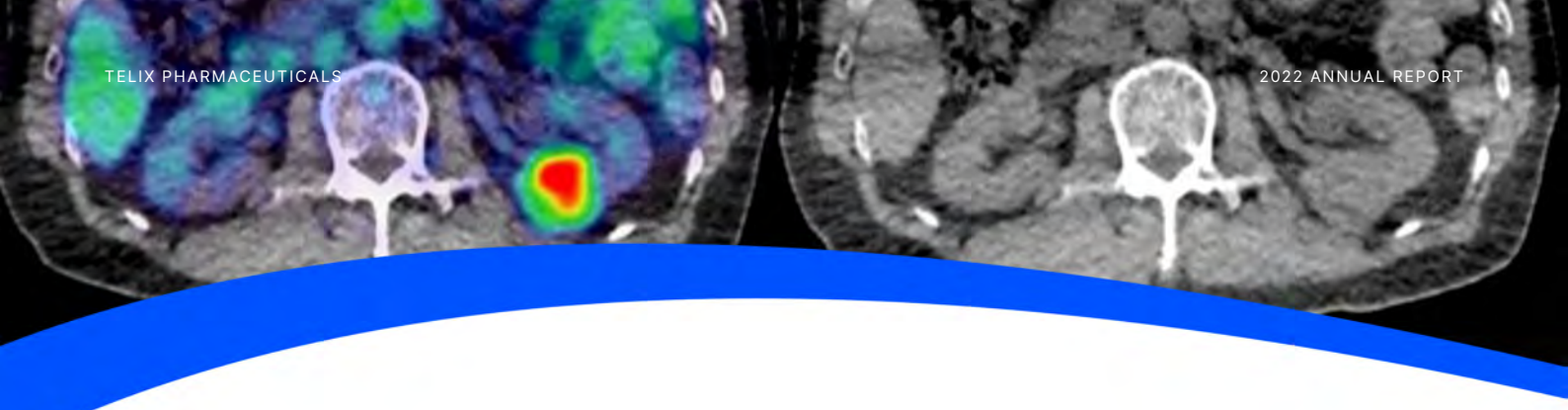


Small Molecule





1. New Class of Radiopharmaceutical Therapy Makes Headway in Prostate Cancer (onclive.com).
2. Sun, Michael et al. Curr Oncol Rep. 2021.



Kidney cancer and carbonic anhydrase IX (CAIX) program

Kidney cancer imaging and other tumour types

Kidney cancer tends to be resistant to both chemotherapy and radiotherapy, and while immunotherapies have dramatically improved the overall outlook for patients with metastatic kidney cancer, many do not adequately respond to these and eventually progress.[1] There remains a significant need for new therapeutic options for patients with advanced kidney cancer.

Our kidney cancer portfolio

Imaging

- **TLX250-CDx** (^{89}Zr-DFO-girentuximab) is an investigational PET imaging agent granted FDA Breakthrough Therapy (BT) designation in the U.S. and with a positive Phase III study in ccRCC.

Therapy

- **TLX250** (^{177}Lu-DOTA-girentuximab) is Telix's therapeutic candidate for kidney cancer currently being evaluated in ccRCC in investigator-initiated Phase II studies in combination with checkpoint inhibitors (STARLITE-1 and 2) and in a company-sponsored Phase I study in combination with a Merck KGaA DDRi[2] candidate (STARSTRUCK).

Kidney cancer worldwide

430,000
people were diagnosed with kidney cancer globally in 2020[3]

180,000
people died from kidney cancer globally in 2020[3]

84,000
kidney / urinary biopsies or surgeries performed annually in the U.S.[4]

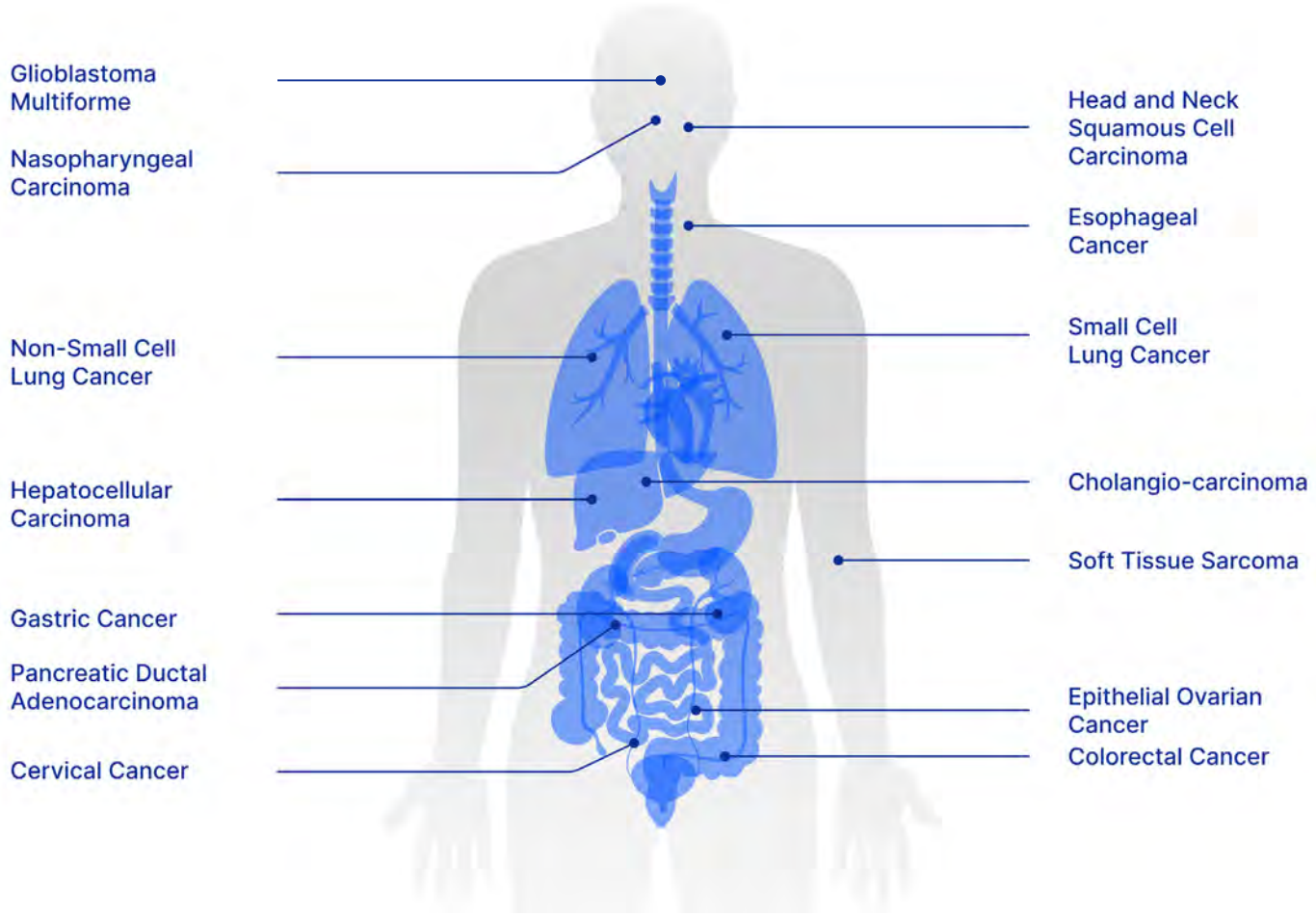
80%
of small renal masses are thought to be malignant[5]

12%
5-year survival rate for metastatic renal cell carcinoma[6]

Telix's lead product for kidney cancer imaging with positron emission tomography (PET), TLX250-CDx (^{89}Zr-DFO-girentuximab), was the subject of the Phase III ZIRCON study (ClinicalTrials.gov Identifier: NCT03849118) in patients with clear cell renal cell carcinoma (ccRCC), which reported highly positive results in November 2022 (refer to the Operating and financial review section of this report).

TLX250-CDx targets CAIX, a protein expressed on the surface of ccRCC and a number of other solid tumours including bladder or urothelial, breast, brain, cervix, colon, oesophagus, head and neck, lung, ovarian, pancreatic and vulval cancers (see figure on following page based on literature reports of CAIX expression). CAIX is often expressed in hypoxic (oxygenated) tumour cells, characteristic of advanced disease with typically poor treatment outcomes. Hypoxic tumours are typically more aggressive and less responsive to current treatments, particularly immunotherapies.

1. Makhov et al. Mol Cancer Ther. 2018.
2. DNA Damage Response Inhibitor.
3. Globocan 2020.
4. Management estimate based on renal cancer incidence rates and detection of benign masses, source: SEER and HCUPnet.
5. Abu Haeyeh et al. Bioengineering (Basel). 2022.
6. Padala et al. World J Oncol. 2020.



Based on the potential of TLX250-CDx to target different tumour types, investigator-led studies are also in progress using these investigational assets in urothelial carcinoma or bladder cancer (ZiP-UP, ClinicalTrials.gov Identifier: NCT05046665), triple negative breast cancer (OPALESCENCE, ClinicalTrials.gov Identifier: NCT04758780), and non-muscle invasive bladder cancer (NMIBC, PERTINENCE, ClinicalTrials.gov Identifier: NCT04897763).

The OPALESENCE and PERTINENCE studies reported positive preliminary data during 2022 at the European Association of Nuclear Medicine (EANM) Annual Congress, with early results suggesting theranostic potential in these difficult to treat diseases.

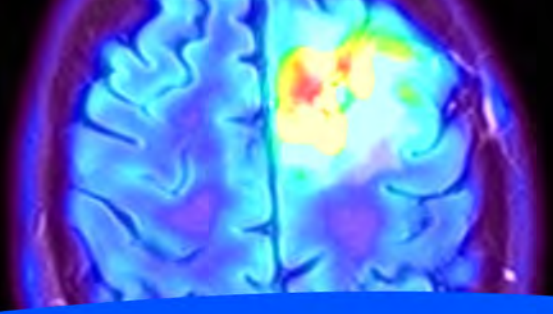
Patients with NMIBC currently have few therapeutic options with the risk of complete cystectomy (bladder removal). Therefore, new treatment options with preservation of the urinary bladder are urgently needed to address unmet medical need.

The Company also announced STARBURST (ClinicalTrials.gov Identifier: NCT05563272), a prospective, open-label, Phase II study to explore CAIX expression through TLX250-CDx PET/CT imaging in patients with various solid tumours for potential diagnostic and therapeutic applications. An investigational new drug application (IND) has been submitted to the FDA with first patients expected to be enrolled in the study during Q1 2023.

Kidney cancer therapy

An increasing body of scientific evidence suggests low doses of targeted radiation can potentially overcome immune resistance – or immunologically "prime" a tumour making it more susceptible to cancer immunotherapy.[1] Two Telix supported STARLITE studies are assessing the efficacy of TLX250 as an immune primer in combination with current immuno-oncology therapies for ccRCC. The Company is also running a Phase I study of TLX250 in combination with a Merck KGaA DDRi candidate in patients with solid tumours expressing CAIX.

1. Herrera et al. Cancer Discovery. 2022.



Glioblastoma (brain cancer) and LAT-1 program

Glioblastoma, also known as glioblastoma multiforme (GBM), is the most common and aggressive form of brain cancer. It has a poor prognosis, primarily due to there being few effective treatment options.[1]

Our brain cancer portfolio

Imaging

- **TLX101-CDx** (^{18}F-FET) is a PET agent for imaging gliomas, widely used in clinical research settings including in Telix's IPAX series of studies as a complementary diagnostic agent to the company's TLX101 GBM therapeutic candidate.

Therapy

- **TLX101** (^{131}I-IPA) is Telix's therapeutic candidate for GBM, currently being evaluated in front line and recurrent GBM in the IPAX series of studies.

TLX101 and TLX101-CDx have been granted orphan drug designation in the United States and Europe.

Glioblastoma (GBM) worldwide

300,000
people were diagnosed with brain or central nervous system cancer globally in 2020[3]

50%
of all brain tumours are GBM[3]

12-15
months median overall survival from diagnosis[4]

5%
5-year survival rate[5]

The mainstay of treatment for glioblastoma is surgical resection, followed by combined radiotherapy and chemotherapy. Despite such treatment, recurrence occurs in almost all patients.[2]

Telix's brain cancer program targets a membrane transport protein called LAT-1 (L-type amino acid transporter 1) that is typically highly expressed in GBM. TLX101 is a novel approach that is readily able to pass through the blood-brain barrier, the normal protective barrier that prevents many potential drug candidates entering the brain.

"The standard of care for newly diagnosed GBM hasn't changed since 2005, and in recurrent disease no standard treatment is available, with other recent trials showing no significant improvement in overall survival. Based on promising safety and preliminary efficacy data for TLX101 in the IPAX-1 study, I am pleased to continue to explore this investigational therapy in both the front line and recurrent setting."

Professor Josef Pichler,
Kepler University Hospital, Austria,
Principal Investigator in the IPAX-2 and IPAX-Linz studies.

1. American Association of Neurological Surgeons 2023.
2. Park et al. Journal of Clinical Oncology. 2010.
3. Globocan 2020.
4. Ostrom et al. Neuro Oncol. 2018.
5. Mayo Clinic.

Brain cancer imaging

^{18}F-FET has been widely used in clinical research settings but recently, new practice guidelines have been developed for the imaging of gliomas using PET with radiolabelled amino acids, of which ^{18}F-FET is a key enabling radiopharmaceutical.[1] ^{18}F-FET (TLX101-CDx) was used to select patients and track disease response in Telix's IPAX-1 Phase I/II clinical trial (ClinicalTrials.gov Identifier: NCT03849105) and is being used in the IPAX-2 (ClinicalTrials.gov Identifier: NCT05450744) and IPAX-Linz studies.

Brain cancer therapy

During 2022, Telix reported the final results from the IPAX-1 Ph I/II study of TLX101 therapy (4-L-[^{131}I] iodo-phenylalanine, or ^{131}I-IPA) in combination with EBRT in patients with recurrent GBM. The study met its primary objective demonstrating safety and tolerability profile of intravenous ^{131}I-IPA administered concurrently with second line EBRT. The study also delivered encouraging preliminary efficacy data for further evaluation, demonstrating a median overall survival of 13 months from the initiation of treatment in the recurring setting, or 23 months from initial diagnosis.

Telix has initiated a Phase I study, IPAX-2, to confirm safety of TLX101 as a front-line therapy in combination with standard of care treatment, ahead of progressing to a label-indicating Phase II study. In parallel, TLX101 is being investigated in the recurrent setting in the investigator-initiated IPAX-Linz Phase II study, which dosed a first patient in December 2022.

1. Piccardo et al. Eur J Nucl Med Mol Imaging. 2022.

Hematologic (blood) cancers / bone marrow conditioning and CD66 program

Developing high intensity conditioning agents with potential reduced toxicity compared with chemotherapy

Hematopoietic stem cell transplantation (HSCT) is an important life saving treatment opportunity for various hematological malignancies and a variety of nonmalignant conditions such as severe aplastic anemia, inherited bone marrow failure syndromes, sickle cell disease, transfusion-dependent thalassemia, inherited immune deficiency syndromes, and certain metabolic disorders. Experimentally, HSCT has been used in severe refractory autoimmune diseases.[1]

Conditions such as acute myeloid leukemia (AML), multiple myeloma (MM) and systemic amyloid light chain amyloidosis (SALA), could benefit from more tolerable conditioning regimens.[2] Novel cell and gene therapies could also increase their utilisation by replacing toxic chemotherapy conditioning approaches with bone marrow targeted high intensity conditioning with TLX66.

Bone marrow conditioning worldwide

>50,000
HSCTs performed globally each year[1]

>5%
Average annual growth in HSCTs[4]

Telix's rare disease portfolio targets distinct members of Cluster of Differentiation 66 (CD66), a family of receptors expressed on specific types of immune or blood cells and a target for novel experimental conditioning radiopharmaceuticals.

Our rare disease and bone marrow conditioning portfolio

Imaging

- **TLX66-CDx** (^{99m}Tc-besilesomab) is approved and marketed as Scintimun®[3] by Telix's licence partner in approximately 30 countries for scintigraphic imaging, in conjunction with other appropriate imaging modalities, for determining the location of inflammation or infection in peripheral bone in adults with suspected osteomyelitis.

Therapy

- **TLX66** (^{90}Y-besilesomab), is an investigational asset granted orphan drug designation (ODD) status in Europe and the U.S. for bone marrow conditioning for HSCT, a broad clinical indication. TLX66 is the subject of investigator-initiated studies as a conditioning agent in SALA, MM and AML.

1. Bazinet et Propradi. Curr Oncol. 2019.
2. Venner C et al. Blood. 2012.
3. Marketed under licence by Curium Pharma.
4. See: https://www.marketgrowthreports.com/global-hematopoietic-stem-cell-transplantation-hsct-industry-21744022

Research and innovation

New frontiers in targeted radiopharmaceuticals

Telix is working to build a sustainable and valuable pipeline of new product candidates and related platform technologies that can help dramatically improve patient outcomes. Our expertise in technology evaluation and reputation in product development, has opened up access to a range of new opportunities and partnerships. This research and innovation focus will define the Telix of the future.

Research pipeline: Novel targets and technologies

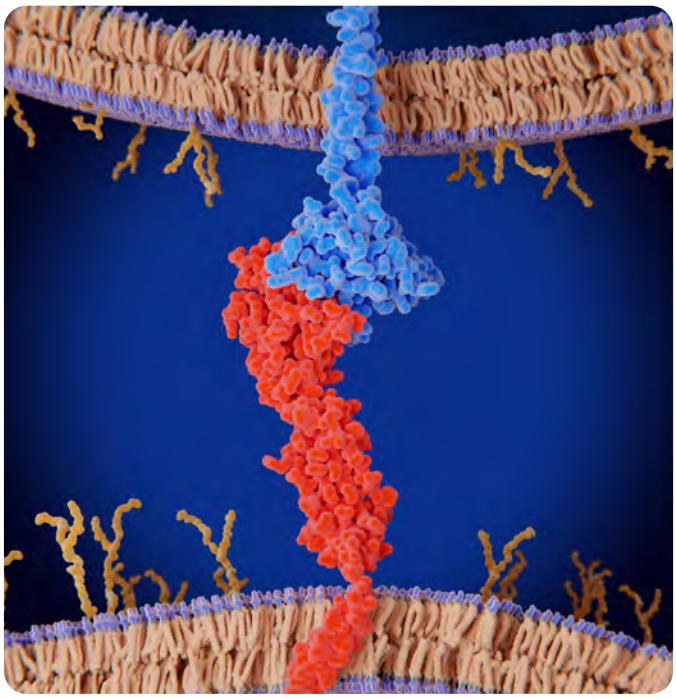
ASSET	TARGET	ISOTOPE	DESCRIPTION	STATUS
Immuno-oncology				
TLX250 Combo	CAIX	^{177}Lu	TLX250 + Merck KGaA DNA Damage Response Inhibitor (DDRi) candidate in patients with CAIX-expressing solid tumours	Phase Ib study (STARSTRUCK) to commence H1 2023
Targeted alpha therapy				
α-TLX250	CAIX	^{211}At	Exploring TLX250 as an alpha therapy, in non-muscle invasive bladder cancer (in partnership with ATONCO). First-in-human study in planning	Phase I proof of concept study (PERTINENCE) completed
TLX592	PSMA	^{225}Ac	Utilises Telix proprietary engineered antibody TLX592 (^{64}Cu/^{225}Ac-RADmAb®) in prostate cancer, as an alpha therapy candidate	Phase I study (CUPID) in progress
Tumour microenvironment				
TLR300	PDGFRα[1]	Undisclosed	Exploring the development of radiolabelled forms of Olaratumab for the diagnosis and treatment of human cancers, in-licensed from Eli Lilly and Company (Lilly)	IND enabling studies planned for 2023
TLR400	La/SSB[2]	^{89}Zr	Novel antibody targeting La/SSB protein in lung and ovarian cancer, in partnership with AusHealth	Phase I study in progress
Radio-guided surgery				
TLX591-Sx	PSMA	^{68}Ga/IRDye	Dual-labelled PSMA-targeting molecule that comprises both a radioactive isotope (^{68}Ga) and a fluorescent dye	Phase 0 (biodistribution) clinical studies in progress
Illuccix life cycle management				
TLX599-CDx	PSMA	^{99m}Tc	NOBLE Registry in partnership with Oncidium Foundation exploring use of ^{99m}Tc-iPSMA for imaging of prostate cancer where SPECT is the predominant modality	Actively recruiting at eight sites globally

Immuno-oncology (I-O)

Tumours can suppress the body's immune response with checkpoint molecules. In one form of immunotherapy, checkpoint inhibitors (CPI) disrupt this suppression of tumour-clearing T cells. However, responses to CPI are highly variable, dependent in part on the ability of a tumour to provoke an initial immune response.[3]

Targeted radiation has the potential to remodel a tumour's immune microenvironment, including the recruitment of cancer-fighting T cells, and therefore enhance the effectiveness of immunotherapy.[4]

Immunotherapy is forecast to be a US$100B market by 2027,[5] and Telix believes the combination of MTR and CPI could present a significant market opportunity. To this end, the STARLITE-1 and 2 Phase II investigator-initiated studies of TLX250 in kidney cancer therapy are a world-first clinical evaluation of targeted radiation in combination with CPIs.



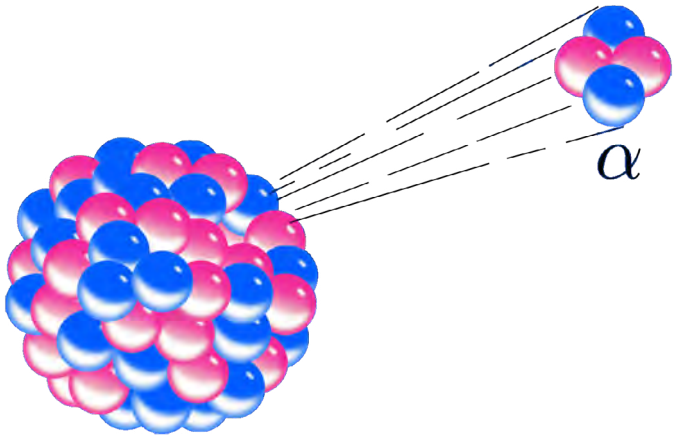
1. Platelet derived growth factor receptor alpha.
2. Small RNA binding exonuclease protection factor La.
3. Morad et al. Cell. 2021.
4. Kleinendorst et al. Clin Cancer Res. 2022.
5. Global Immuno-Oncology Market Size, Status and Forecast 2021-2027.

Note: TLR designates a research asset that has not yet achieved product candidate status.

Targeted alpha therapy (TAT)

Alpha emitters have the potential to deliver very high amounts of energy to cancer tissue whilst the short range can decrease the risk of damage to surrounding healthy cells, increasing the selectivity and potency of the radiation treatment.[1]

Telix is developing alpha and beta therapies to increase the options available to treat cancer within its portfolio. For example, in prostate cancer, Telix is developing a beta therapy known as TLX591, the subject of the ProstACT series of trials. At the same time we are exploring the use of TLX592 as a potential alpha therapy in the CUPID study.

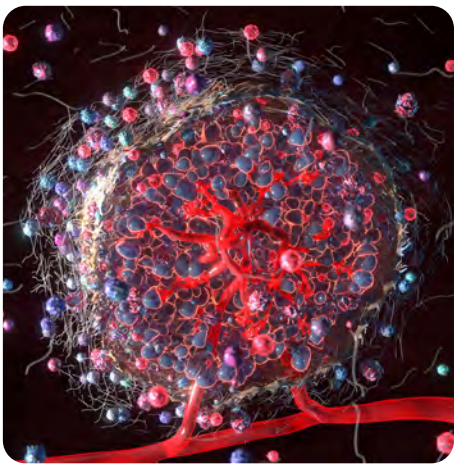


Tumour microenvironment (TME)

Tumours are complex, heterogeneous collections of cells. Their interaction with the surrounding microenvironment further enhances this complexity and can affect how the tumour grows and spreads. By better understanding the tumour microenvironment and harnessing the ability of targeted radiation to target multiple parts of the tumour, Telix's goal is to develop new approaches to complement existing treatments and make them more effective.

Telix is working with leaders in the field to progress this research and has licensed a number of novel radiotracers for translation into new theranostics.

During 2022, Telix signed a licence agreement with Lilly for the exclusive worldwide rights to develop and commercialise radiolabelled forms of Lilly's olaratumab antibody for the diagnosis and treatment of human cancers. Olaratumab was originally developed by Lilly as a non-radiolabelled monoclonal antibody targeting PDGFRα. PDGFRα is expressed in multiple tumour types including a rare type of cancer known as soft tissue sarcoma, where Telix will initially focus development. Soft tissue sarcomas are generally a radiation susceptible cancer that may be inherently amenable to systemic radionuclide therapy and olaratumab's ability to target PDGFRα makes it a highly novel candidate for use as a radionuclide targeting agent. Olaratumab has an established safety profile that underpins its potential use as a radionuclide targeting agent.



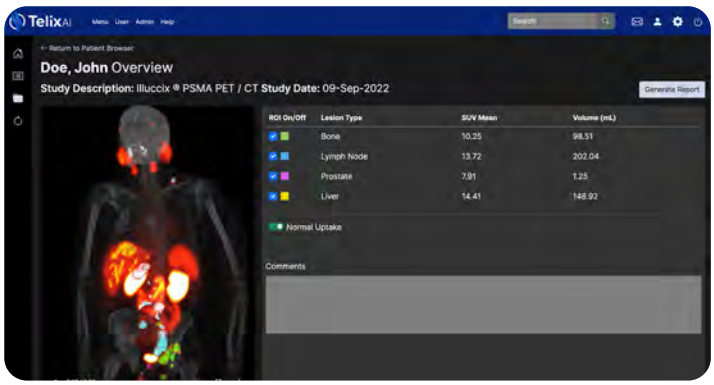
Telix has in-licensed a novel antibody known as APOMAB® from AusHealth, which is the subject of a Phase I study in lung and ovarian cancers. The antibody targets the La/SSB protein, which is only expressed on dying or dead cancer cells, such as those found in patients who have been pre-treated with chemotherapeutic agents or EBRT.

Also in 2022, Telix licensed a novel PET radiotracer, originating from the Université catholique de Louvain in France, known as ^{18}F-3-fluoro-2-hydroxypropionate or ^{18}F-FLac, which has shown promise for imaging lactate metabolism in oxygenated tumours and the tumour microenvironment. This is an important area of focus, and researchers believe ^{18}F-FLac could act as an adjunct to ^{18}F-FDG PET, which is used in about 90% of scans, to help identify aggressive cancers, which are less responsive to current treatments, particularly immuno-oncology therapeutics.

1. Poty et al. J Nucl Med. 2018.

Artificial intelligence (AI)

Radio imaging using targeted radiation relies heavily on digital data processing and input from highly trained technicians and radiologists to correctly interpret the data. AI technology can recognise complex patterns in large datasets and conduct predictive analysis, with potential to transform imaging analysis and improve the accuracy of decision making for clinicians. This is a promising area and a priority in Telix's broad research and innovation program.



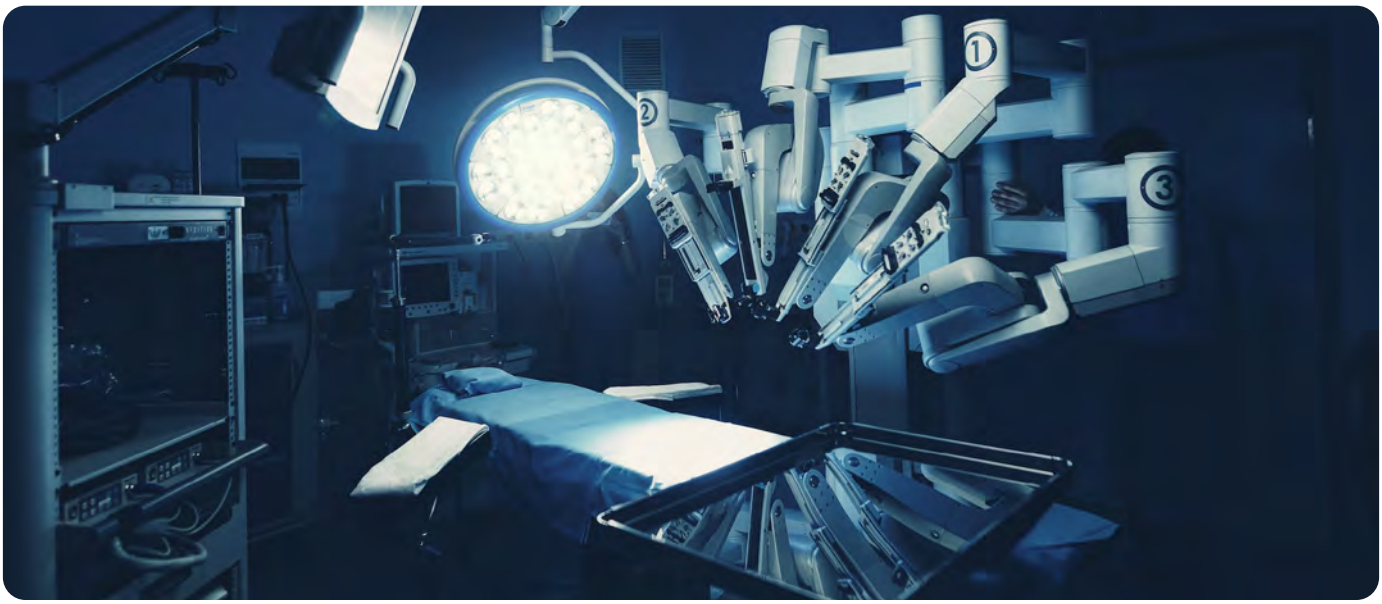
During 2022, Telix announced a partnership with Invicro LLC to develop an artificial intelligence platform denoted as TelixAI™. TelixAI™ will initially focus on prostate cancer and will eventually be applied to all of the Group's imaging products. The platform seeks to increase the efficiency and reproducibility of imaging assessments by automatically separating healthy versus abnormal tracer uptake and then classifying lesions as either soft tissue or bone lesions.

Radio-guided surgery (RGS)

Bringing molecular imaging into the operating theatre is a key part of Telix's portfolio strategy for urologic oncology. Telix is working with Mauna Kea Technologies and Lightpoint Medical to develop advanced image and radio-guided surgical technologies, respectively, to assist urologic surgeons with the real-time identification of cancer cells.

The Imaging and Robotics in Surgery (IRiS) Alliance is combining the use of Telix's dual-modality PET tracer TLX591-Sx (^{68}Ga-PSMA-IRDye) that delivers concurrent PET and fluorescent (optical) imaging, with Mauna Kea's Cellvizio® confocal laser endomicroscopy (CLE) in vivo cellular imaging platform. The clinical objective is to enable the urologic surgeon to access real-time visualisation of cancer tissues in the operating theatre in a manner that can be directly correlated to pre-operative PET imaging. The IRiS Alliance aims to develop advanced capabilities for pre-operative planning, intra-operative guidance, surgical margin assessment and other surgical parameters, with initial applications in prostate and kidney cancer.

Telix is also working with Lightpoint Medical, which has developed a miniature gamma probe, a device used to detect radiation in patients and guide surgery, which is inserted into a surgical port and can then be controlled by the clinician during the procedure. When used with molecularly-targeted imaging agents, Lightpoint's device may enable the intra-operative detection of cancer in real time; supporting greater precision in the removal of tumours. Telix and Lightpoint are evaluating the use of Telix's investigational prostate cancer SPECT imaging agent TLX599-CDx (^{99m}Tc-HYNIC-iPSMA) – together with Lightpoint's SENSEI® flexible laparoscopic gamma probe for intra-operative cancer detection. The ultimate objective of the clinical collaboration is to obtain marketing approval for use of TLX599-CDx in RGS, a new indication for prostate cancer.



Illuccix lifecycle management

While PSMA-PET imaging is emerging as a new standard of care for prostate cancer diagnosis and staging, access to equipment is typically limited outside of major cities and in health care systems in emerging countries. Telix is developing TLX599-CDx (^{99m}Tc-iPSMA) as an accessible alternative where SPECT is the predominant imaging modality.

This work is conducted under a program called the NOBLE (Nobody Left Behind) Registry, which is funded in collaboration with the Oncidium Foundation. Since its launch in April 2021, patients have been imaged with TLX599-CDx at eight sites in eight different countries.[1] During 2022 four new sites in Mexico, Indonesia, South Africa and Azerbaijan imaged their first patients.

See: www.nobleregistry.org

Continuous innovation in urologic oncology

Solutions across the continuum of imaging, surgery and therapy for prostate cancer

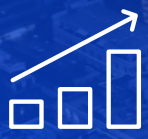
NOBLE nobody left behind	**ADDITIONAL PSMA IMAGING MODALITIES** PSMA SPECT tracer, TLX599-CDx (^{99m}Tc-iPSMA) – imaging access for patients in developing and remote areas, where PET is not readily available	**Registry study active across eight global sites[1]**
Lightpoint MEDICAL Mauna Kea Technologies	**RADIO/IMAGE GUIDED SURGERY** TLX599-CDx with Lightpoint's SENSEI® gamma probe; and TLX591-Sx, dual-labelled PET-optical tracer, with Mauna Kea's Cellvizio® for real-time intra-operative detection of cancer	**Clinical trials in planning. Human PoC demonstrated with TLX591-Sx**
reflexion	**ILLUCCIX FOR BgRT[2]** Partnership with RefleXion, using Illuccix as a biological guide for external-beam radiotherapy in real-time	**Clinical trial to commence in 2023**
BAMF	**TOTAL-BODY PET SCAN** Demonstrating Illuccix utility in new imaging hardware, potential to deliver whole-of-body scans in less than 10 minutes with high resolution	**Active use at BAMF Health theranostic center**
	PROSTATE CANCER THERAPY Antibody-based approach, highly differentiated from existing PSMA-targeting therapies. Complementary beta and alpha therapies in development.	**ProstACT GLOBAL Phase III study commencing in 2023**

1. The NOBLE Registry is being conducted at eight sites globally in Australia, Azerbaijan, Egypt, Indonesia, Mexico, Nigeria, South Africa, and the United Arab Emirates.
2. Biology-guided radiotherapy.

Operating and financial review

Financial Report

Total group revenue



$160.1M

20x increase in first year of commercial sales, compared with FY 2021

Cash balance

$116.3M

Revenue growth and expenditure control saw transition to cash flow positive in Q4 2022

Net loss after tax

$104.1M

Reflects investment to scale up commercial and clinical activities

Gross margin

62%

Steady improvement in H2 2022 due to efficiency gains in commercial manufacturing

Group revenue $160.1M: First year of commercial sales from Illuccix

- Transition to a commercial-stage company in 2022 delivered a significant increase in revenue, with $149.7M revenue generated from U.S. sales of Illuccix in the first nine months since launch in April 2022

Net operating loss and expenses reflect investment scale-up and further pipeline development

- Net loss after tax of $104.1M (2021: $80.5M) reflects a period of investment to build the organisational infrastructure required to:
  - Support commercial operations, sales and marketing
  - Increase capacity of internal and external resources to advance the late-stage and high value assets in the Company's clinical pipeline, which will underpin the next phase in the Company's growth strategy
- Gross margin steadily improved during the year to end at 62% for 2022 (up from 56% at the end of H1 2022), reflecting efficiency gains in manufacturing of commercial products

Key expenditure items

- External research and development associated with four lead programs under clinical development and/or approaching regulatory filing with $44.7M (2021: $28.9M) spent on clinical and manufacturing activities towards these assets
- Selling, general and administration costs increased to $44.0M (2021: $16.9M) in the year, supporting the cost of establishing the distributor network in the U.S., professional fees associated with obtaining regulatory approvals and the ongoing marketing costs to assist in growing commercial revenue
- Employment costs were $64.5M (2021: $30.1M), driven by increased headcount to support the Group's transition to a commercial business and prepare acceleration of development activity on the company's late stage assets including the prostate cancer therapy program, and the imaging agents for renal cancer and glioma which are advancing towards regulatory filings, with the goal of commercial launch in 2024

Significant improvement in cash balance and net cash utilisation

- Cash and cash equivalents of $116.3M as at 31 December 2022 (2021: $22.0M) with the first quarter of net operating cash inflow delivered in Q4 2022
- Improved cash balance reflects $175.0M capital raise undertaken in January 2022, cash generation from sales of Illuccix in the U.S. and operating expenditure control
- Operating cash inflows included customer receipts of $124.1M (2021: $4.2M) from commercial sales of Illuccix in the U.S. and pre-commercial sales in other regions and receipt of R&D tax incentives of $18.9M (2021: $12.1M)
- Operating cash outflows included payments to suppliers and employees of $204.6M (2021: $75.4M) and taxes paid in the U.S. of $2.3M (2021: $Nil)
- Net cash used in investing activities of $17.0M (2021: $2.7M) included payments for the in-licence of Eli Lilly and Company's ("Lilly") olaratumab ($6.8M), acquisition of Optimal Tracers for $1.0M, payments for decommissioning costs of $2.2M (2021 $1.4M) and investment in our Brussels South manufacturing facility of $7.0M (of which $3.0M was financed through borrowings during the year)

Financial position as at 31 December 2022

- Net working capital as at 31 December 2022 was $114.6M (2021: $25.9M)
- Trade and other receivables at 31 December 2022 of $39.4M (2021: $19.4M) predominately reflect sales of Illuccix in the last quarter of the year that were not yet due for collection
- Inventories increased to $8.5M (2021: $3.5M) to meet commercial demand
- Trade and other payables of $49.5M (2021: $19.0M), with the increase driven by distribution and radiopharmacy fees associated with the sale of Illuccix and government rebates payable, combined with a general increase in operational expenditure following commercialisation
- Provisions increased to $72.8M (2021: $52.0M), primarily due to the remeasurement of the contingent consideration liabilities following the strong performance of Illuccix sales in the U.S.

1. Refer to the Glossary for a definition of our alternative performance measures (APMs).

Review of operations

Telix's growth strategy and progress is laid out in the table below. Further commentary on each of these focus areas follows on the subsequent pages.

Growth strategy: Our focus areas		Our progress in 2022
Illuccix - lead commercial product	Build the commercial infrastructure and engagement with urology customer base and deliver first commercial revenue stream.	• First commercial product Illuccix delivered global revenue of $156.0M • Commercial launch in the U.S., Australia and New Zealand and regulatory approval in Canada • Reimbursement obtained for U.S. market
Commercialise the diagnostic portfolio	Leverage the existing commercial infrastructure and establish our leadership in urology with TLX250-CDx. Add additional revenue streams as new imaging agents are commercialised and used to inform treatment decisions – underpinning the "theranostic" approach.	• Highly positive results for Phase III ZIRCON study of TLX250-CDx in kidney cancer • This follow-on product will leverage the commercial infrastructure created for Illuccix • Preparation underway for regulatory filing for two imaging agents (TLX250-CDx and TLX101-CDx)
Advance the therapeutic pipeline	Advance clinical programs and in turn unlock the value in our differentiated products being developed for diseases with high unmet need. Ultimately this is where we have the potential to deliver the greatest impact to patients.	• Prostate cancer therapy trials ProstACT SELECT and TARGET recruiting patients • Manufacturing scale-up to support commencement of Phase III ProstACT GLOBAL study • Positive results published for TLX250-CDx proof of concept imaging study for future targeted alpha therapy in bladder cancer, and TLX101 (glioblastoma therapy) trial • STARLITE-2 study of TLX250 in combination with immunotherapy dosing patients
Strengthen global supply chain and manufacturing	Protect and enhance our ability to service patients in all global markets and further develop production expertise through in-house manufacturing.	• Buildout of the radiopharmaceutical manufacturing facility in Brussels South • Acquisition of Optimal Tracers • Grant for Australian Precision Medicine Enterprise (APME) project for radioisotope manufacturing in Australia • Multiple new clinical and commercial supply and distribution agreements
Expand the pipeline	Leverage our expertise to identify, evaluate and develop novel targets and technologies to build the future pipeline.	• Licence agreement with Lilly granting exclusive worldwide rights to develop and commercialise radiolabelled forms of olaratumab antibody • Reseller agreement with GE Healthcare for supply of two PET imaging radiotracers to the pharma clinical trials services market • Continued development across key research areas and expansion of intellectual property portfolio

Illuccix - lead commercial product

Illuccix launched in the United States,[1] Australia[2] and New Zealand[3] during 2022, and was approved in Canada.[4] Successful commercial launch of Illuccix is an important validation for the Company and positions Telix as one of the first companies to commercially deliver prostate-specific membrane antigen (PSMA) positron emission tomography (PET) imaging, the highly anticipated next generation of prostate cancer imaging, to patients in the U.S..

As of 1 July 2022, Illuccix is fully reimbursed in the U.S. having received a designated Healthcare Common Procedure Coding System (HCPCS) Level II code, A9596. Telix was also granted Transitional Pass-Through Payment Status to enable the Centers for Medicare & Medicaid Services (CMS) to provide separate payments for the radiopharmaceutical and the PET-CT scan, when performed with Illuccix in a hospital outpatient setting.[5] Illuccix was also made available for purchase by all Veterans Affairs entities entitled to Federal Supply Service (FSS) pricing.

In September 2022, the Company withdrew its marketing authorisation application (MAA) in Europe,[6] and is progressing with re-filing, targeting to have an updated dossier finalised by the end of Q1 2023 for submission. The Company will advise the revised review timeline upon formal acceptance of the updated dossier by the relevant Competent Authority.

Marketing authorisation applications for TLX591-CDx are under review and progressing in Brazil and South Korea. Telix currently has temporary use (pre-approval) authorisations in the Czech Republic and Brazil.

In October 2022, Telix and its partner Grand Pharmaceutical Group Limited (Grand Pharma) received approval from the Chinese National Medical Products Administration (NMPA) Center for Drug Evaluation (CDE) to commence a pivotal Phase III registration study that will bridge to the U.S. FDA approval of Illuccix. The study is expected to commence in Q1 2023.

Telix continues to drive product innovation in PSMA imaging and collaboration with partners for potential new applications of Illuccix. For example, during the year, Telix announced a partnership with Invicro LLC to develop an artificial intelligence platform denoted as TelixAI™.[7]

Following a successful preliminary strategic collaboration, Telix expanded its relationship with U.S.-based RefleXion Medical, signing a co-development and commercialisation agreement to evaluate the use of Illuccix as a biological guide with RefleXion's advanced biology-guided radiotherapy (BgRT) platform.[8]

PSMA-PET imaging for men with prostate cancer

1. **For newly diagnosed patients with suspected metastases**
2. **For patients with suspected recurrence based on elevated PSA**

Distribution network 193 pharmacies[9]

Pharmacy / distribution partners Cardinal Health, Pharmalogic, UPPI, Jubilant, RLS

Fully reimbursed in the U.S. and Australia

1. Telix ASX disclosure 4 April 2022.
2. Telix media release 28 September 2022.
3. Telix media release 30 September 2022.
4. Telix ASX disclosure 14 October 2022.
5. Telix ASX disclosure 30 May 2022.
6. Telix ASX disclosure 28 September 2022.
7. Telix media release 14 June 2022.
8. Telix ASX disclosure 10 June 2022.
9. At 27 February 2023.

Illuccix: Clinical differentiation

New scientific publications illustrate the important clinical differences between gallium-68 and fluorine-18 based imaging agents.

Lower rate of false positives with gallium-68 imaging agents:

- PSMA PET/CT with gallium-68 based imaging agents has a lower rate of false positives than PET/CT with fluorine-18 based imaging agents [1,2]
- Gallium-68 based imaging agents have lower incidence of non-specific bone uptake compared to fluorine-18 based imaging agents which more frequently demonstrate non-specific and indeterminate PSMA uptake in soft tissue or bone [1,2]
- PSMA uptake in indeterminate bone lesions can be mistaken for bone metastases (false positives) and lead to inappropriate changes in patient management [3,4]
- These differences can potentially provide more accurate interpretation and understanding of the extent of disease.

Efficacy at low disease burden:

- Data from the pivotal trials used in the Illuccix marketing authorisation application shows that gallium-68 based imaging agents provide early and accurate prostate cancer detection
- At initial staging, the data shows high diagnostic accuracy for patients with low prostate cancer disease burden, as evidenced by the performance of gallium-68 based agents in clinical trials on patients with low PSA levels, low tumour burdens, and low Gleason scores [5]
- Sensitivity and specificity data at initial staging was shown on a patient population that included patients with a low tumour burden (tumour level cT2b) [6]
- Illuccix detects recurrent prostate cancer in the biochemical recurrence (BCR) setting, even for patients with low PSA levels (<2 ng/mL). At low PSA levels, the correct localisation rate is 92% [6]
- This can help clinicians detect prostate cancer at its first signs, potentially leading to a change in management for patients early in their disease. Earlier detection of cancers has shown to correlate strongly with better health outcomes for patients.

Lower radiation dose:

- An important factor in overall safety profile
- With gallium-68 based imaging the whole-body radiation dose to the patient is 25% lower than with the approved fluorine-18 based imaging agent at the recommended average dose (i.e. 5 mCi with gallium-68 and 9 mCi with fluorine-18) [7-9]
- Exposure to the PET nuclear medicine physician results in a 62% reduction in occupational exposure at one metre distance and at the average recommended dose.[7,8]

1. Rauscher et al. J Nucl Med. 2020.
2. Hoberück et al. EJNMMI Res. 2021.
3. Phelps et al. J Nucl Med. 2022.
4. Grünig et al. Eur J Nucl Med Mol Imaging. 2021.
5. Hope et al. JAMA Oncol. 2021.
6. Illuccix prescribing information 2021.
7. Illuccix package insert. September 2021.
8. Pylarify package insert. May 2021.
9. Comparison of effective dose in mSv.

Commercialise the diagnostic portfolio

Telix's investigational imaging agent, TLX250-CDx (^{89}Zr-DFO-girentuximab) for kidney cancer, specifically ccRCC, made significant advances towards commercialisation in 2022. TLX250-CDx is Telix's planned follow-on imaging agent for the field of urology.

TLX250-CDx targets CAIX, a protein expressed on the surface of ccRCC, the most common and aggressive form of kidney cancer.

During 2022, Telix's international, multi-centre, Phase III ZIRCON trial of TLX250-CDx completed enrolment and reported highly positive top-line data, meeting all of its primary and secondary endpoints.[1]

Telix is now progressing a BLA filing with the FDA and worldwide regulatory filings in key commercial jurisdictions.

Based on the potential of TLX250-CDx to target multiple tumour types, investigator-led studies also progressed during 2022 in imaging of urothelial carcinoma or bladder cancer (ZiP-UP), metastatic triple negative breast cancer (OPALESCENCE), and non-muscle invasive bladder cancer (PERTINENCE). OPALESENCE and PERTINENCE studies reported positive preliminary data during Q4 2022 at the EANM Annual Congress.[2]

In September 2022, the Chinese NMPA CDE approved a pivotal Phase III registration study that will bridge to Telix's global Phase III ZIRCON trial.[3] The bridging study is required to provide "supplementary" data obtained in a Chinese population to establish that the diagnostic efficacy of this investigational product is equivalent in Chinese and Western populations. The investigational new drug (IND) application was submitted by Telix's partner in the Greater China region, Grand Pharma.

The Company has also focused on preparation towards filing a New Drug Application for its investigational agent TLX101-CDx for glioma imaging. TLX101-CDx (^{18}F-FET) has potential as the first commercial FET-PET imaging agent for the U.S. market, with demonstrated ability to provide a rapid and conclusive diagnosis of gliomas, providing an important tool for management of progression and treatment monitoring. While this type of imaging is used extensively in Europe under magisterial use, it is not widely accessible in the U.S..

Further detail can be found in the forward strategy and operational targets section of this report.

Phase III ZIRCON study findings:

Potential to change standard of care in the diagnosis and management of renal masses and ccRCC

- Primary endpoint met: Sensitivity of ≥84% and specificity of ≥84% in all three readers (86% / 87% overall)
- Considerably exceeds confirmatory trial sensitivity and specificity success target of 70%
- 93% positive predictive value (PPV)
- Key secondary endpoints met, namely sensitivity and specificity targets in small renal masses (less than 4cm)
- Phase III data demonstrates TLX250-CDx provides a way to non-invasively diagnose the presence and spread of ccRCC – delivering on a major unmet medical need
- Data strongly validates that the CAIX target is potentially as ground-breaking in ccRCC as PSMA has been for prostate cancer
- An effective non-invasive tool for more confident decision making.

The detection of renal masses is increasing due to widespread use of cross-sectional imaging. Many of these are small and represent a diagnostic challenge as current imaging cannot reliably distinguish benign or malignant lesions from renal cell carcinoma, leading to invasive biopsy or partial nephrectomy (kidney removal) to confirm the diagnosis. These procedures are not always necessary and can lead to complications.

1. Telix ASX disclosure 7 November 2022.
2. Telix ASX disclosure 18 October 2022
3. Telix ASX disclosure 28 September 2022.

Members of the global clinical community reinforce the potential of TLX250-CDx

A/Prof. Brian Shuch, MD

Director, Kidney Cancer Program, UCLA Institute of Urologic Oncology

"A positive result from the study is a critical step in better diagnosing clear cell renal cancer. Having an imaging product like TLX250-CDx will be so important in managing the continued increasing incidence of small renal masses and reducing the need for unnecessary invasive surgery for lesions that in the prior era were often found to be benign at the time of surgery."

Mr Gregory Jack, F.R.A.C.S.

Renal and Transplant Surgeon, Austin Health and Olivia Newton-John Cancer Centre

"Kidney cancer is a diagnostic dilemma for the majority of our patients. Without biopsy or surgery, we can't currently give them the information they need. Based on this result from the ZIRCON Phase III study, TLX250-CDx may help us to be more accurate in who we treat, whilst also providing reassurance for those patients who don't need treatment."

Prof. Françoise Kraeber-Bodéré, MD, PhD

Nuclear Medicine Department - CHU Nantes

"Results from the Phase III ZIRCON study of TLX250-CDx should represent a major milestone in the management of small renal lesions and the diagnosis of clear cell renal cell carcinoma. There is so much potential in optimal targeting of CAIX, paving the way for better staging of this neoplasia and a theranostic approach."

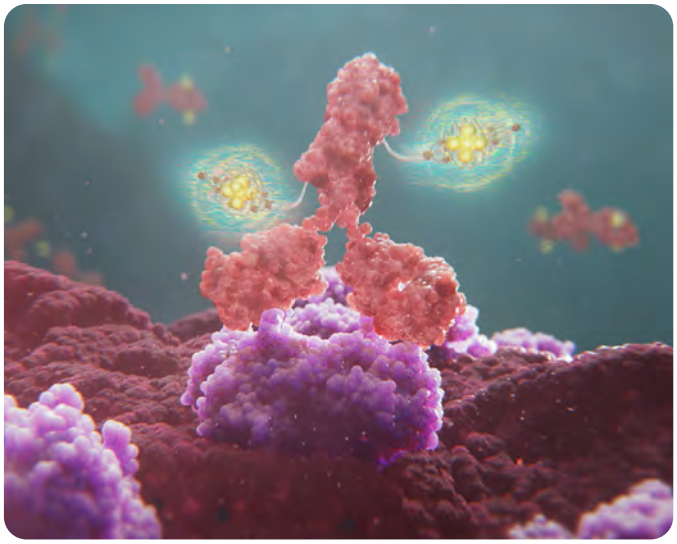
Independent study investigator views and opinions.

Advance the therapeutic pipeline

Telix has a world-leading theranostic pipeline, focused on the development of imaging agents and therapies with the goal of bringing new products to market that help improve the way cancer is treated.

While the imaging agents offer near-term commercialisation opportunities, the therapeutic pipeline offers greater potential to impact patients through treatment and to create shareholder value as clinical milestones are achieved.

Our core therapeutic pipeline is focused on late-stage assets in prostate, kidney and brain cancers, as well as bone marrow conditioning and rare diseases. In 2022 the Company made advances across each of the core pipeline programs through progression of clinical studies and generation of clinical data.



In prostate cancer, Telix is running a series of clinical studies evaluating the efficacy of TLX591 (^{177}Lu-DOTA-rosopatamab) across the patient continuum from first recurrence to advanced metastatic disease. Progress was made across all programs during 2022:

- The multi-centre ProstACT SELECT Phase I radiogenomics study (ClinicalTrials.gov Identifier: NCT04786847) dosed its first cohort of patients [1]
- A first patient was enrolled in the ProstACT TARGET Phase II study (ClinicalTrials.gov Identifier: NCT05146973), being run in collaboration with GenesisCare.[2] The study is evaluating TLX591 in combination with external beam radiation therapy in patients with PSMA-avid, biochemically recurrent oligometastatic disease
- Manufacturing scale-up and regulatory submissions progressed for the ProstACT GLOBAL Phase III study (ClinicalTrials.gov Identifier: NCT04876651) in preparation to commence dosing patients in Australia and New Zealand, and in the U.S. and Europe, subject to the requisite regulatory approvals.

During 2022, first patients were dosed in the Phase II STARLITE-2 study of TLX250 (^{177}Lu-DOTA-rosopatamab), assessing the efficacy of TLX250 targeted radiation in combination with immunotherapy for ccRCC (ClinicalTrials.gov Identifier: NCT05239533).[3]

The investigator-led OPALESENCE and PERTINENCE studies reported positive preliminary data during 2022 at the EANM Annual Congress, with early results suggesting theranostic potential in these difficult to treat diseases.

Telix reported final results from the IPAX-1 Ph I/II study of TLX101 therapy (4-L-[^{131}I] iodo-phenylalanine, or ^{131}I-IPA) in combination with EBRT in recurrent GBM.[4] Final data from the post-study follow-up period confirmed the study met its primary objective, demonstrating the safety and tolerability profile of TLX101 at the dosing range tested. The study also delivered encouraging preliminary efficacy data for further evaluation.
Telix has initiated a Phase I study, IPAX-2, to confirm safety profile of TLX101 as a front-line therapy in combination

1. Telix ASX disclosure 27 January 2022.
2. Telix media release 14 September 2022.
3. Telix media release 4 May 2022.
4. Telix ASX disclosure 21 September 2022.

with standard of care treatment, ahead of progressing to a label-indicating Phase II study. In parallel, TLX101 is being investigated in the recurrent setting in the investigator-initiated IPAX-Linz Phase II study, where a first patient was dosed in November 2022.[1]

During the year, the Company announced that it has been granted ODD status from the FDA for TLX66 (^{90}Y-besilesomab) for conditioning treatment prior to HSCT.[2]

Core pipeline

1. Telix media release 22 November 2022.
2. Telix ASX disclosure 29 March 2022.
3. Large amino acid transporter 1.
4. Bone marrow conditioning/rare diseases.
5. Cluster of differentiation 66.

Global supply chain and manufacturing

During the year, Telix secured project financing and made significant progress with the buildout of its radioisotope manufacturing facility in Brussels South.[1] The Company was also granted an updated radiation licence by the Belgian FANC, paving the way for site activation during H2 2023 subject to the requisite regulatory inspections and approvals.

Telix aims to have a degree of vertical integration in its three operating regions. In line with this goal, Telix acquired Optimal Tracers, a Sacramento (California)-based company that provides radiochemistry process development services and research tracers for use in clinical trials.[2] The acquisition of Optimal Tracers expands Telix's translational radiochemistry capability and establishes a U.S.-based laboratory and production footprint for clinical trial doses. Optimal Tracers will also remain available as a strategic collaborative resource to partner organisations and pharma collaborators that need access to specialist radiochemistry knowledge.

In the Asia Pacific region, Telix announced grant funding awarded with Monash University and Global Medical Solutions Australia (GMSA) to establish the APME project.[3] This initiative aims to address the Good Manufacturing Practice (GMP) manufacturing gap in the Australian radiopharmaceuticals manufacturing sector and foster a stable, long-term supply of radioisotopes for the Australian medical market.

Telix continues to focus on strengthening its global supply chain. During the year, the Company announced two additional clinical supply agreements with Eckert & Ziegler Strahlen- und Medizintechnik AG (EZAG)[4] and SHINE Technologies[5] to enhance its ^{177}Lu supplier network, which includes a commercial supply agreement with ITM Isotope Technologies Munich SE, and clinical supply agreements with the Australian Nuclear Science and Technology Organisation (ANSTO), and Eczacıbaşı-Monrol (Monrol).

Industry-leading supply chain partners

Clinical and commercial supply of radioisotopes

SHINE and Eckert and Ziegler added to ^{177}Lu clinical supply network

Global manufacturing and logistics network

Just-in-time manufacturing, servicing all major markets

11 countries with manufacturing footprint and ability to deliver in 80 countries

Expansive distribution network

Extension of the commercial team

Distribution network expanded to 193 pharmacies across the U.S. and Puerto Rico[6] in alignment with sales strategy

In-house manufacturing / R&D

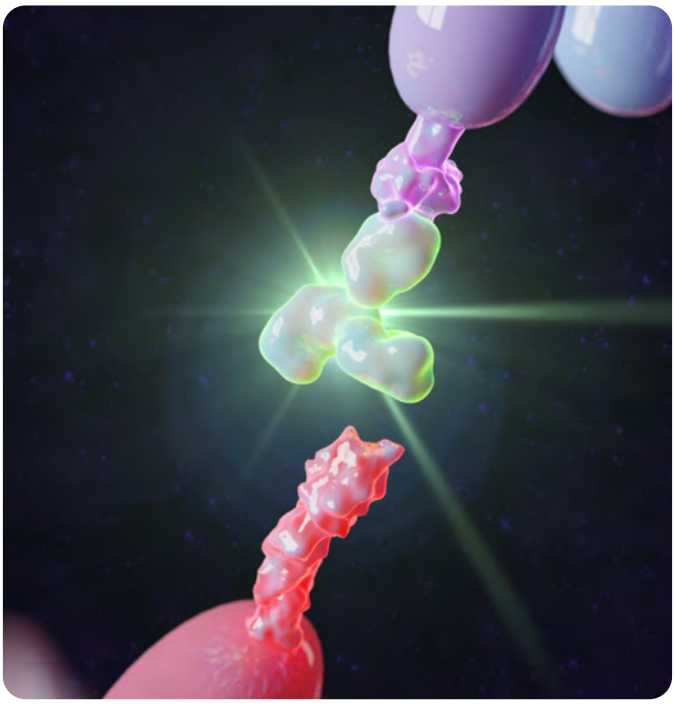
Facility in Brussels South on track for 2023

Updated licence granted. Acquisition of Optimal Tracers adds clinical manufacturing and process development capability

1. Telix ASX disclosure 22 March 2022.
2. Telix ASX disclosure 14 November 2022.
3. Telix ASX disclosure 4 April 2022.
4. Telix media release 9 February 2022.
5. Telix media release 11 February 2022.
6. At 27 February 2023.

Expand the pipeline

Telix is working to build a sustainable and valuable pipeline of new product candidates and related platform technologies that can help improve patient outcomes. Our expertise in technology evaluation and reputation in product development has opened up access to a range of new opportunities and partnerships. This research and innovation focus aims to drive the next generation of personalised, targeted radiation and create future value. Telix will continue to explore novel targets, clinical applications and manufacturing technologies.



As part of its extensive research and innovation program, Telix has during the year:

- Conducted pre-clinical development of the antibody olaratumab, (in-licensed from Lilly), as an investigational radionuclide targeting agent for the treatment of soft tissue sarcoma.
- Established a collaborative development and reseller agreement with GE Healthcare to supply two of its PET imaging radiotracers (TLX250-CDx and [^{18}F]-FLac (^{18}F-3-fluoro-2-hydroxypropionate)) for use in third party pharmaceutical company clinical research and development activities.[1] This partnership will enable these investigational imaging agents to be used more widely in third-party clinical trials, separate to Telix's commercialisation of TLX250-CDx.
- Commenced a collaboration with UniQuest Pty Ltd, the commercialisation company of The University of Queensland, to develop a radiolabelled molecule targeting an immune checkpoint protein.[2]

Our research and innovation focus:

Telix's Research and Innovation team is focused on the pre-clinical development of new targets and technologies in five main areas. More information can be found in the Research and innovation section of this report.

Targeted alpha therapy (TAT)

Next Generation therapeutics with alpha-emitting radioisotopes

Immuno-oncology

Targeted radiation sets the groundwork for cancer immuno-therapy in combination

Tumour microenvironment (TME)

A better understanding of the TME has the potential to guide more effective use of targeted radiation with or without standard of care treatments

Artificial intelligence (AI)

AI can help physicians maximise insights from imaging data and translate them into better treatment decisions

Radio-guided surgery

Bringing molecular imaging into the operating room

1. Telix ASX disclosure 17 October 2022.
2. Telix media release 27 October 2022.

Forward strategy and operational targets

In line with our growth strategy, the Company has identified key areas of focus in 2023 to advance its therapeutic pipeline, grow revenue and help more patients in need:

Global expansion and Illuccix revenue growth

The commercial launch of Illuccix in 2022 was a major inflection point and validated Telix's ability to successfully commercialise a product. The revenue from this first commercial product has grown substantially quarter-on-quarter during 2022 and has underpinned the Company's transition to a commercial-stage business with the financial resources to fund the development of its core pipeline.

In 2023 the Company will focus on continuing to grow revenue from sales of Illuccix in the U.S. and other commercial markets, including Canada where commercial launch is expected in H1 2023. The Company will re-file its marketing authorisation application in Europe and is awaiting regulatory approval decisions in Brazil and South Korea.

Advance regulatory filings for two additional diagnostic imaging agents

Telix's goal is to establish leadership in urologic oncology and bring its technology to other fields of medicine, with the ultimate goal of having a portfolio of multiple commercial stage imaging agents to help support the development of therapeutic assets.

In 2023 a major area of focus will be the preparation of a BLA submission to the FDA (and submissions to other global regulators) for TLX250-CDx, Telix's investigational imaging agent for renal cancer. This candidate is highly anticipated, and will help to firmly establish Telix's leadership in urologic oncology, should it be granted marketing authorisation.

The Company is also working towards a regulatory filing for TLX101-CDx, Telix's investigational imaging agent for glioma (brain cancer). This imaging agent has the potential to provide a rapid and conclusive diagnosis of glioma, delivering on an unmet need for improved management of this disease.

Deliver on clinical milestones in the core therapeutic pipeline

Imaging is central to the theranostic approach, providing information and insights that may inform the treatment pathway and enable clinicians to deliver personalised, precision medicine.

Telix will continue to build on the progress made in 2022 across its core therapeutic pipeline. The Company expects to report data from the ProstACT SELECT trial of TLX591, its investigational prostate cancer therapy. It will commence enrolling patients in ProstACT GLOBAL, the Phase III study of this asset in 2023.

Telix will continue recruitment of patients into its two Phase II STARLITE trials of TLX250 (renal cancer therapy) during 2023 and will launch a study of TLX250 in combination with one of Merck KGaA's DDRi candidates in patients with CAIX-expressing solid tumours.

In addition, the STARBURST study of TLX250-CDx in multiple solid tumours is being conducted with the goal of exploring and validating new disease targets for Telix's CAIX program.

The Company will also progress its Phase I/II IPAX-2 trial of TLX101 (glioblastoma therapy) in a front-line setting, with the Phase I component expected to commence dosing patients in early 2023.

Telix also expects to complete enrolment in the Company's first in human biodistribution CUPID study of TLX592 (ClinicalTrials.gov Identifier: NCT04726033), its first Targeted Alpha Therapy candidate based on its proprietary RADmAb® engineered antibody.

The Company also intends to continue development in hematological malignancies.

Pipeline expansion and advanced manufacturing

Telix is focused on the identification of new assets with the potential to drive the next generation of personalised, targeted radiation and create future value. Telix will continue to explore novel targets, clinical applications and manufacturing technologies.

As an example, Telix intends to bring the antibody olaratumab, in-licensed from Lilly in 2022, into the clinic in 2023, as an investigational radionuclide targeting agent for the treatment of soft tissue sarcoma.

Telix's radiopharmaceutical production facility located in Brussels South is expected to be operational in 2023 subject to successful completion of the building works underway and regulatory clearance to commence production.

The state-of-the-art facility will serve as the primary European manufacturing site for Telix's products, aligning with the Group's strategic objective of maintaining control and reliability of its supply chain, as well as cost control. It will also be an integral hub for Telix's R&D activities, specifically in relation to the scale-up of radioisotope production.

Prospects and likely developments

The future prospects of our growth and operational targets depend on:

- Continued revenue growth of Illuccix
- Biologics License Application submission for TLX250-CDx
- New Drug Application for TLX101-CDx brain (glioma) cancer imaging
- Advancement of our therapeutic pipeline

More information relating to factors that could affect our future prospects and operational targets is provided below in the Managing risk section of this Annual Report.

Managing risk

Managing risk

Effective risk management is essential in delivering sustainable value for our stakeholders and requires commitment and involvement across the business, from the Board through to employees across all levels of Telix's operations.

The risk context within which the Telix Group operates is characterised by:

- its purpose to help people with cancer and rare diseases live longer, better quality lives
- its mission to deliver on the promise of precision medicine through targeted radiation
- the varying business activities of the Group – namely innovation of new products, product development, commercialisation and marketing of approved products, service delivery, and (near-term) manufacturing operations
- the global regulatory regime within which Telix operates
- the intent to deliver adequate shareholder returns in a complex and/or competitive environment.

As a global business, the regulatory and development environment associated with clinical development differs between regions. The Group will adhere to Good Clinical Practice (GCP), Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) guidelines as phase appropriate to the stage of clinical development/ commercialisation.

Enterprise Risk Management Framework and governance

Central to Telix's approach to risk and opportunity management is our Enterprise Risk Management Framework (ERMF) which is embedded within our business operations to support our overall strategic objectives. This framework articulates our approach to managing risk and opportunity and is supported by risk appetite and tolerance statements relating to key business performance indicators.

The ERMF:

- incorporates the principles of effective risk management, as set out in the Global Risk Management Standard ISO 31000 and seeks to apply risk management across the entire organisation so that all material risks (both financial and non-financial) can be identified, assessed and managed
- is integrated with our ESGS, business continuity, crisis management and assurance policies and practices with the aim of enhancing business resilience and growth prospects.

In its mitigation strategies and tactics, Telix identifies the drivers of each risk and aims to implement controls and assurances that address each key cause and consequence.

Telix's ERMF risk governance model reflects a "three lines" approach, encompassing authorities, accountabilities and responsibilities for managing risk across the Group. Ultimate risk management oversight is with the Board.

Several layers assist the Board in ensuring the appropriate focus is placed on the ERMF:

- Audit and Risk Committee — provides assistance and advice to the Board in fulfilling its responsibility relating to the Company's financial reporting, internal control structure, risk management systems, including the ERMF, ESGS strategy and reporting framework, and the internal and external audit functions
- People, Culture, Nomination and Remuneration Committee — provides assistance and advice to the Board on the Company's people, culture and remuneration policies and practices
- Telix's Disclosure Committee — has responsibility for assessing any potential material risk to Telix and any consequent need for market disclosure
- Internal Audit — has the responsibility for reviewing and challenging management on mitigation plans for principal and other key risks to ensure alignment to risk appetite
- SVP Global Governance, Risk and Compliance, together with the Global Leadership Team — have responsibility for driving and supporting risk management across the Telix Group. Each operating jurisdiction within the Group then has responsibility for implementing this approach and adapting it, as appropriate, to its own circumstances.

Principal risks

Telix actively manages a range of principal risks and uncertainties with the potential to have a material impact on the Group and its ability to achieve its strategic and business objectives.

During the reporting period, a strategic risk profiling process was undertaken to identify risks and opportunities in respect of the Group's near, medium and long term objectives. A number of risks specific to the operations and objectives of Telix were identified, each of which is subject to ongoing risk management across the Group. The identified risks, which are common to companies in the pharmaceutical and health sciences industries, were prioritised in order of risk and opportunity impact to Telix and are detailed below. The principal risks, which include other areas of focus relevant to global trends, have also formed the basis of the development of a three-year indicative internal audit plan.

While every effort is made to identify and manage material risks, additional risks not currently known or detailed

below may also adversely affect future performance. Telix's principal risks are outlined below.

Principal risk area	Description of risk	Key mitigation strategies and tactics
Successful commercialisation	Telix's operating and financial performance is dependent on its ability to develop and successfully commercialise its product portfolio. Telix will need to manage and optimally develop its business model and global presence to support the commercialisation of its existing and future portfolio. Successful commercialisation includes the receipt of regulatory approvals, successful product launches, the ability to supply and sell products to customers, and obtaining and maintaining adequate reimbursement coding, coverage and payments for products. Should Telix not be materially successful in one or more of these areas, there is risk of a loss of commercial opportunities essential for the achievement of the long-term strategy which may lead to the inability to realise, or the inability to retain, value. Telix faces risks in respect to the ongoing success of its first commercial product, Illuccix. This includes the impact of new and existing competitive products in the market and the ability of Telix to continue to drive market growth and market penetration.	The purpose and mission of the Telix Group is implemented through short, medium and long-term strategy, clear near-term objectives restated on at least an annual basis, and forward-looking measurable targets. Telix dedicates resources to attracting and retaining talent to key roles and has developed a dedicated commercial business unit and global team. Telix has embedded program development and commercialisation planning and reporting systems into its operations - including asset lifecycle management planning, market access planning, competitive awareness, sales team targets, training and maturity activities. The Group is committed, with appropriate cost/benefit analysis, to investment into required internal infrastructures to support its ongoing commercial success in the complex environment in which it operates. Telix has an enterprise wide risk management approach and an internal audit function dedicated to protecting and enhancing company value. Telix seeks to drive competitive success through its identification and hiring of experienced key talent into senior leadership, sales, marketing and strategic commercialisation roles. The development of life cycle planning strategies is in place to enable the identification of opportunities and risks associated with the continuing success of Illuccix.
Product pipeline	Telix's long-term sustainable viability will be determined in part by its ability to continue to identify and successfully develop and fund a pipeline of products capable of commercialisation, and will need to be successful in this in the context of a dynamic and changing competitive landscape. Telix will also need to protect and enhance the intellectual property position surrounding its portfolio.	Telix has a strong Research and Innovation (R&I) ethos and has developed an R&I team and strategy which is driven to continuously identify and progress early development on a broad pipeline of pre-clinical and clinical assets. Revenue growth from commercialisation of Telix assets, including Illuccix, will provide the Company with optionality to fund the research and development of its core pipeline assets. The commercial and business development teams remain alert to scientific, medical and market developments and the Group engages expert scientific advisory. The Group dedicates resources to intellectual property protection strategy and implementation.
Supply chain resilience	Nuclear medicine products and technologies have inherently complex manufacturing, supply and logistics chains. Telix is dependent on third parties for the manufacture and supply of a substantial portion of our products, both commercial and those under development. Telix is also dependent on the global radioisotope supply chain which can be subject to periodic limitations and disruptions. Disruptions to Telix's supply chain caused by an interruption to the availability of key product components or cost-effective transportation may result in unexpected delays or increased costs.	Telix has dual supply surety where possible and continues to seek viable and sustainable opportunities for supply chain integration within the Group structure, for example the acquisition and development of in-house manufacturing capability at its Brussels South, Belgium facility. Supplier diligence, proactive vendor management and vendor audit programs are critical elements of Telix's risk mitigation tactics in this area.
Regulatory risk	Telix operates under a broad range of legal, regulatory, tax and political systems. The profitability of Telix's operations and continued viability - including its ability to have assets successfully approved or commercialised in its operating regions, including to maintain competitive advantage - may be adversely impacted by regional specific regulatory regimes (which may result in delays or rejections of applications or regulatory sanctions if not appropriately managed), changes in regulatory or fiscal regimes, difficulties in interpreting or complying with local laws and reversal of current political, judicial or administrative policies, including as a result of geopolitical tensions. Regulatory risk includes changes in reimbursement regulation.	Telix takes a phase-appropriate and risk analysis approach to the development and implementation of regulatory strategy for its development-stage assets. Telix has developed and seeks to continuously improve its regulatory compliance frameworks – including those for risk area identification and management, training, monitoring, reporting and remediation. Telix combines in house-expertise with specialist advisory as needed and subscribes to a range of global services to keep abreast of regulatory changes and updates. Telix develops reimbursement strategies and life cycle management plans for its products as part of its asset risk management plans.

Principal risk area	Description of risk	Key mitigation strategies and tactics
Financial risk	In addition to the above-mentioned risks associated with securing financial viability through the successful commercialisation of its product portfolio, Telix faces a variety of risks arising from the unpredictability of financial markets, including the cost and availability of funds to meet its business needs and movements in market risks, such as interest rates and foreign exchange rates.	In addition to mitigation strategies and tactics as described above to seek long term financial sustainability through the successful commercialisation of its product portfolio, Telix implements financial risk management practices and procedures aimed at protecting value by managing exposure to financial risks, including those for sound internal controls, cash flow management and controls, customer diligence and payment management, treasury management, and relevant business insurances.
Product quality	Telix's products are required to comply with a wide range of jurisdictionally unique regulatory requirements aimed at ensuring the quality and efficacy of its products and the safety of patients. Telix's financial performance and social licence to operate could be adversely impacted by poor or sub-optimal quality of its products.	Telix has a Quality Management System (QMS) in place based on international standard ISO 9001 that is consistently implemented, and risk-based to maintain quality product for clinical and commercial distribution. Telix products are manufactured and tested at certified GMP facilities, and processes, methods and change control are validated. Telix has a vendor assurance program in place, including vendor audits. Telix is committed to training and continuous improvement for employees and provides training and continuous education activities to support employee understanding of GMP, GCP and Good Laboratory Practice (GLP). Telix has an internal audit program in place as part of its QMS and in accordance with regulatory requirements. The purpose of this product-related internal audit program is to provide assurances around product quality. The QMS internal audit program is subject to review by the Group's broader internal audit program.

Additional areas of focus relevant to current global trends

Principal risk area	Description of risk	Key mitigation strategies and tactics
Talent	Telix's operating and financial performance is linked to its ability to attract and retain key talent. Loss of key personnel could adversely affect operating and financial performance.	Telix's strategic people priorities aim to create an inclusive culture that optimises diversity of background and thought, by attracting and retaining top market talent. Telix continues to invest in a high-performance culture, which is encouraged by setting challenging objectives and rewarding high performers. Remuneration is competitive and is aligned with business outcomes that deliver value to shareholders.
Information security including cybersecurity	Increasing sophistication of external attackers demands an effective and up-to-date cyber security control environment to prevent significant organisational loss of systems, intellectual property and clinical data, damage to reputation and/or disruption to business.	Telix undertakes business continuity and disaster preparedness planning. This includes monitoring and enhancing information security capabilities to keep pace with the evolving nature and sophistication of cyber threats. Telix's Information Technology team seeks to continuously enhance Telix's ability to prevent, detect and respond to cyber-attacks both through implementing new tools and a cyber awareness program for team members.

Global leadership team

Christian Behrenbruch, BEng (Hons) DPhil (Oxon) MBA (TRIUM) JD (Melb) FIEAust GAICD

Managing Director and Group Chief Executive Officer

Dr Behrenbruch has over 20 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 was previously a Director of Factor Therapeutics (ASX: FTT) and Amplia Therapeutics Limited (ASX: ATX). Christian holds a DPhil (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.

Darren Smith, FCPA MBA

Group Chief Financial Officer

Mr Smith has over 20 years' experience in executive finance and general management experience across a broad range of industries, including in life-sciences, for publicly listed, private, international, and Australian government organisations.

Prior to joining Telix, Darren was Global Chief Financial Officer and Company Secretary at Sirtex Medical Ltd for 11 years, during which time the company experienced rapid workforce expansion and revenue growth.

Darren holds a Master of Business Administration (MBA) from the University of New South Wales (UNSW) in Australia, and a Bachelor of Business (Accounting) and has been a Fellow Certified Practicing Accountant (FCPA) for 20 years.

Dr Colin Hayward, MBBS FFPM

Group Chief Medical Officer

Dr Hayward has over 20 years' of global pharmaceutical, biotechnology and drug development experience and leads Telix's medical affairs, clinical operations and pharmaco-vigilance activities on a global basis. Prior to joining Telix, Colin was the Chief Medical Officer of Premier Research (North Carolina, US), a leading global contract research organisation (CRO) specialising in the biopharmaceutical and specialty pharmaceutical areas of clinical research. Colin has held a series of senior medical, executive and board-level roles with F. Hoffmann-La Roche, Myriad Genetics, Prism Ideas Ltd and Symprove Ltd. Earlier in his career, Colin worked in the UK National Health Service with a clinical focus in intensive care and anaesthesia. Colin holds a Medical degree from the University of London and is a Fellow of the Faculty of Pharmaceutical Medicine (UK).

Richard Valeix, MBA

Group Chief Commercial Officer

Mr Valeix has approximately 20 years of pharmaceutical industry experience, including radiopharmaceuticals, gained in senior executive leadership roles across a broad range of therapeutic product areas. Prior to joining Telix, Richard worked at Advanced Accelerator Applications (AAA), a Novartis Company where he served for seven years in the roles of General Manager for France, Switzerland, Belgium, Netherlands and Luxembourg, and Global Head of Marketing and Sales. Earlier in his career, Richard held senior sales, marketing and strategy roles at Ipsen and Roche, where he gained extensive experience in European market access, reimbursement, regulatory affairs and commercial launch planning for first-in-class products.

Richard holds a Pharmacist diploma from the Pharmaceutical University Marseille (France), a Master's degree in Management gained from the ESC Business School Marseille, and has completed the International Marketing Program from INSEAD, Paris (France).

Kevin Richardson, MBA

Chief Executive Officer, Americas

Mr Richardson has more than 25 years' experience in the healthcare industry including seven years focused in sales, marketing and business operations in the radiopharmaceutical segment. Immediately prior to Telix, Kevin was the Chief Operating Officer of UroShape Medical, a technology company which has developed and successfully commercialised a medical device for a large, undertreated segment in the women's health market. Prior to this, he spent seven years in the Americas division of Sirtex Medical, an Australian-founded radiopharmaceutical company which commercialised a device for the treatment of liver cancer. During his tenure, firstly as Head of Sales, and then subsequently in the roles of General Manager and CEO Americas, Kevin oversaw a five-fold increase in sales for the U.S. region. Kevin has also held senior sales roles with St Jude Medical and Boston Scientific. He holds an MBA from the University of Texas.

Dr David Cade, MBBS MBA GAICD

Chief Executive Officer, Asia Pacific

Dr Cade has over 20 years' experience as an industry physician spanning the fields of novel biotechnology, pharmaceuticals and medical devices. Prior to joining Telix, David held senior executive roles at Cochlear Limited (ASX: COH), where he served as Chief Medical Officer, and at Sirtex Medical Limited (ASX: SRX), where he served as Chief Medical Officer and in other senior roles across the U.S., Europe and Australia, gaining deep experience in the oncology, interventional radiology and nuclear medicine therapeutic areas. Earlier in his career David trained in surgery at Monash Medical Centre in Melbourne and worked at management consultancy, Booz & Company across the Asia Pacific. David holds an MBBS from Monash Medical School, an MBA from Melbourne Business School and ESADE Business and Law School Barcelona, and is a Graduate of the Australian Institute of Company Directors.

Raphaël Ortiz, LLB MIA MBA

Chief Executive Officer, EMEA

Raphaël has more than 20 years of pharmaceutical industry experience in a variety of roles, including in finance, business development, marketing and sales, as well as general management in Europe, Latin America and Asia. Prior to joining Telix, Raphaël worked at Advanced Accelerator Applications, a Novartis Company, and most recently in the role of Asia-Pacific Cluster Head, setting up the radioligand therapy operations in the region.

A graduate in Law from Reims (France) and Sevilla (Spain) Universities, Raphaël is also an alumnus from the Paris Institute of Political Studies (Sciences-Po) and holds an MBA from UNC Kenan Flagler Business School in the USA.

Lena Moran-Adams, LLB

General Counsel

Ms Moran-Adams has over 25 years' experience driving proactive, results driven legal solutions across Australia and the UK, including 19 years' experience in the pharmaceutical industry in various country, regional and global leadership roles.

Prior to joining Telix, Lena was most recently a Head of Legal and Business Conduct at Gilead Sciences and a Global Head of Legal at Novartis. In addition to her pharmaceutical industry experience, she has worked in small start-up and large multinational blue-chip businesses in Australia and internationally across the IT, telecommunications, media and energy industries.

Lena holds a Bachelor of Laws from Flinders University in Australia and is admitted to the bar and entitled to practice law in Australia, the UK and in New York.

Michael Wheatcroft, BSc (Hons) PhD (Cantab)

Chief Scientist

Dr Wheatcroft has more than 20 years' experience and leads Telix's R&D as Chief Scientist. After completing a PhD in the Department of Biochemistry, Cambridge University, Mike worked at Cambridge Antibody Technology (now Medimmune, UK), a technology leader in the area of antibody engineering and protein sciences.

After moving to Melbourne in 2010 he oversaw the preclinical development of several engineered antibody drug conjugates and clinical translation of novel antibody fragment in prostate and ovarian cancer, including radioimmunoconjugates. Since then Mike has worked in senior development roles at Medicines Development Limited, Hatchtech Pty Limited and Starpharma Limited where he performed in a variety of managerial roles related to GMP production, clinical study support and nonclinical studies for a range of pharmaceutical and medical device products.

Jonathan Barlow, BSc LLB (Hons) PGDipMgt GAICD

SVP Global Business Development & Alliance Management

Mr Barlow has over 20 years' experience working with major pharmaceutical, biotech and technology-driven organisations, both in Australia and overseas. Jonathan practised in commercial and intellectual property law at Allens, a leading international law firm, before joining the pharmaceuticals division of Mayne Group Limited (later Hospira Inc.) where he served as Legal Director – Asia Pacific and Director of Strategic Projects – Asia Pacific. Jonathan then founded Kinetic Venture Advisory in 2014, a boutique legal practice focused on supporting the commercialisation of new technologies across the life sciences and technology sectors.

Jonathan is a Graduate of Melbourne Business School, the Australian Institute of Company Directors and the Asialink Leaders Program.

Tracey Brown, PhD GAICD

SVP Global Early Stage Clinical Development

Dr Brown joined Telix in February 2020 and leads Telix's product portfolio in her role as the SVP Global Early Stage Clinical Development. Over the last 25 years, Tracey has founded and acted as the Chief Scientific Officer or Chief Development Officer in several global biotechnology companies (Meditech, Alchemia and Anatara Lifesciences) and worked with European and USA biotechnology companies to lead product development, taking products from conception through to registration. Through this process, Tracey has developed broad ranging experience in the manufacture of chemical and biological therapeutics, development and implementation of preclinical and clinical development plans, regulatory affairs via interaction with international regulatory agencies and management of clinical trials (Phase I-III).

Tracey obtained her PhD in Biochemistry and Molecular Biology from Monash University, is a Graduate of the Australian Institute of Company Directors and holds an adjunct Associate Professorship at Monash University.

Meredith Crowe, BDes MDes

SVP Global People & Culture (Interim)

Ms Crowe is an experienced People & Culture leader specialising in organisation performance, culture change, leadership development, and team effectiveness.

Prior to joining Telix, Meredith was the Organisational Development Manager at the Peter MacCallum Cancer Centre in Melbourne where she oversaw the delivery of strategic and operational People & Culture activities.

Meredith is an Institute of Executive Coaching and Leadership (IECL) Certified Executive Coach.

Melanie Farris, BComn FGIA FCG GAICD

SVP Global Governance, Risk and Compliance

Ms Farris is an experienced governance and corporate operations professional and Non-Executive Director with over 15 years' experience in listed life sciences companies, as well as extensive experience in the planning, management and delivery of strategic corporate activities including IPO, M&A diligence and integration, risk and governance strategy. Melanie's prior roles include with Factor Therapeutics Limited (ASX: FTT), Invion Limited (ASX: IVX), Menzies Research Centre, HRH The Prince of Wales's Office, Global Asset Management, Imperial Cancer Research Fund, and The Prince's Foundation.

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

Scott Law

SVP Global Manufacturing Operations

Mr Law has over 30 years' global pharmaceutical experience, including senior manufacturing roles at companies such as Baxter, Emergent BioSolutions, Ferndale Laboratories, and Pfizer. Most recently, Scott served as Vice President, Manufacturing and Operations at Cognate BioServices where he was responsible for the manufacture and commercialisation of cell-based products.

James Stonecypher, BSc MSc RAC

SVP Global Regulatory Affairs and Quality Science

Mr. Stonecypher has over 25 years' experience in the life science industry in research, development, and commercialisation of novel human medicines. An expert in Regulatory Affairs and Quality, James is passionate about rapidly advancing innovative therapies for high unmet needs and improving access to medicine.

James has held senior leadership roles at major and emerging biopharmaceutical companies in the U.S. and Europe, including Amgen, Allergan, Micromet, and BioNTech, leading global regulatory strategy and health authority interactions for investigational and commercial products. James has worked extensively in oncology with biologics, small molecules, combination products, and advanced technology products, including cell and gene therapies.

James holds a Bachelor of Science in Biological Sciences from the University of Southern California (USC) and a Master of Science in Regulatory Science from the Johns Hopkins University.

Kyahn Williamson, BA

SVP Investor Relations & Corporate Communications

Ms Williamson joined Telix in 2021 from WE Communications, where she was Group Head of Investor and Corporate Communications. Over the past 15 years, Kyahn has worked with a wide range of ASX listed companies spanning the medtech and biotech sectors, designing and implementing investor relations and public relations strategies, and advising across multiple IPOs and M&A transactions.

Kyahn holds a Bachelor of Arts (Public Relations).

Environmental, Social, Governance and Sustainability (ESGS) report

Introduction

Telix has pledged, in its corporate values, a commitment to putting patients and its people first. Encompassed within this is an inherent sense of responsibility to all key stakeholders, including the Company's shareholders, to strive for a high level of performance on ESGS matters that are material to our Company.

Our approach to ESGS begins with continually understanding the areas that align to our purpose, objectives and the delivery of sustainable Group performance. With stakeholder input we have developed ESGS priority actions that are integrated into our business strategy and operations. We recognise that our performance on ESGS standards is linked to our ultimate ability to drive positive change for patients and our people and create a sustainable business. We hold ourselves accountable through our governance and reporting practices, and we aim to report comprehensively and transparently on both our ESGS, and overall performance.

In 2021 we published our first ESGS report and materiality assessment. This provided the starting point for our ESGS journey. This year's report outlines the steps we have taken to address these material matters during 2022, in our quest for ongoing and continual improvement across the spectrum of ESGS standards.

This ESGS report should be read in conjunction with the Managing risk section of the Annual Report and our 2022 Corporate Governance Statement.

ESGS governance

The Board retains ultimate oversight of material ESGS risks and opportunities and operates through the Audit and Risk Committee to ensure compliance with applicable requirements (including the ASX Corporate Governance Council's Recommendation 7.4[1]), and consideration of emerging landscapes and expectations where appropriate. The Board oversees and approves Telix's strategic direction and the effectiveness of Telix's corporate governance policies. Telix's CEO and Global Leadership Team, supported by working groups, have responsibility for sustainability at Telix. The SVP Global Governance, Risk and Compliance collaborating with all members of the Global Leadership Team, is responsible for progressing the development of the ESGS strategy. Regular updates and recommendations are provided to the Board and Audit and Risk Committee on ESGS activities across the Telix Group.

Our key stakeholders

Telix stakeholders represent a broad range of individuals and groups. By engaging with our key stakeholders we can better understand their expectations and needs aligned to the long-term sustainability of our business.

Who	Why	How
Employees	To create a safe, sustainable and performance-driven working environment with a culture that will drive innovation and deliver on the Group's objectives and goals	• Code of Conduct and other key corporate governance policies • diversity, equity and inclusion initiatives • training and development pathways • engagement surveys – in which we promote and reward participation • company events to facilitate connection and collaboration • proactive and inclusive internal communication forums • health, safety, wellbeing and environment (HSWE) programs
Medical community and patients	To ensure our innovation and pipeline development remains connected to patient needs and experience	• key clinician opinion leader strategy • product and disease area advisory boards • direct connections with patient and patient advocacy groups
Customers – including payers	To mitigate risk and to ensure our commercial-stage and development-stage assets meet the needs of the customer	• participation in scientific and medical congresses • direct communication

1. Recommendation 7.4: a listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. Source: Corporate Governance Principles and Recommendations, Australian Securities Exchange Corporate Governance Council (4th edition), 2019.

Who	Why	How
Shareholders and investors	To communicate our strategy, our governance around delivery and our performance	• investor communications strategy and dedicated investor relations team • direct engagement with shareholders and investors • hybrid Annual General Meetings (AGM) which enable direct feedback to Directors from the widest possible group of shareholders, located both within Australia (who can participate physically or participate online), or outside Australia via online participation. Shareholders who choose to participate online can hear and view the AGM on their own devices, vote on resolutions and ask questions as if they were physically present • engagement program for governance and proxy advisors • investor roadshows and webinars
Policy makers and regulators	To lift the profile of Theranostics, and partner with governments to create systems that encourage innovation and access to the latest technologies	• lead industry collaboration with policy makers, highlighting the unique and complex nature of personalised nuclear medicine and its high value to society, delivering better outcomes for patients • contribute to policy initiatives that improve healthcare system readiness for Theranostics, across governance, regulation and reimbursement, service provision, workforce and health information
Partners, contract organisations and material supply chain vendors	To support sustainable business growth and deliver access to a range of diagnostics and therapies	• conduct assessments, diligence and risk assessments of our contract research and manufacturing organisations and other material supply chain vendors • foster connections between material supply chain partners to facilitate interconnectedness

ESGS materiality assessments

Understanding and prioritising the ESGS issues that matter most to our key stakeholders and the long term sustainability of our business enables us to focus and report on them effectively and transparently. Telix conducted its first ESGS materiality assessment in Q4 2021, the results of which guided our ESGS priority commitments and resulting activities during 2022.

Pillar	Priority	FY22 Progress
Environment	Statement on environmental commitments	Telix established and published its inaugural Environment and Environmental Sustainability Policy which states our principles and commitments to managing environmental risks; improving environmental performance; safe practices for manufacture, transport, disposal and waste management for radiopharmaceutical products; safe and healthy workplaces; educating and rewarding our teams for good environmental management practices; and environmental sustainability. In 2022, Telix: • commenced a progressive program of refurbishing or relocating to new offices in each regional hub, to accommodate growth. Telix is committed to reducing its footprint through more energy-efficient buildings, and review of waste management and water consumption at each site. • implemented a reusable packaging solution for transporting radiopharmaceutical products and product accessories to help reduce the Company's packaging footprint. Refer to figure in the Promoting environmental sustainability section of this ESGS report.
Social	• Access to medicine • Product and service safety • Supply Chain Management • Clinical trial safety • Diversity, equity and inclusion • Employee engagement and satisfaction • Labour management and practices • Employee recruitment, development and retention	In 2022, Telix established and published its first: • Access to Medicines Policy which states our principles and commitment to discovery and innovation; enabling access where possible and incorporating compliant access strategies into our product development, post-clinical trial and lifecycle management plans • Supplier Code of Conduct which details minimum standards expected from our suppliers, through suitable management systems and processes, in respect to modern slavery and human rights. The Board approved measurable gender diversity objectives for FY22. Refer to the Corporate Governance Statement for our progress against these objectives, and our FY23 priorities.

Pillar	Priority	FY22 Progress
Governance	• Board oversight of ESGS matters • Board composition • Business ethics • Bribery and corruption • Whistleblower program	During 2022, we established, implemented and trained employees on our Global Field Interaction Manual which acts as a roadmap to ensure all Telix employees understand the Group's compliance and values commitments and how to interact with healthcare professionals ethically and with integrity, as well as in accordance with applicable codes and regulations. During the year Tiffany Olson was appointed as a Non-Executive Director. Along with bringing valuable industry skills and experience, this appointment contributed to the Board's ongoing commitment to gender diversity and increased the Board's female representation to 33%. Key corporate governance policies, including the Whistleblower Protection Policy were translated into the first languages of our employee base (English, French and Japanese) to increase accessibility and understanding.

Environmental

We recognise that responsible management and efficient use of natural resources is key to our sustainable growth. We are committed to complying with all environmental laws applicable to our operations. During the year, there were no breaches of environmental laws that resulted in a financial penalty or public notice.

In 2022, our manufacturing facility under refurbishment in Brussels South, Belgium, received updated authorisations from the Belgian FANC aligned with the scope of Telix operations. It also received an updated operation authorisation and environmental permit for the facility from the local Belgian authorities, valid up to 7 October 2042.

Promoting environmental sustainability

During the year, Telix implemented its Environment and Environmental Sustainability Policy outlining our principles and commitments to managing environmental risks; improving environmental performance; safe practices for manufacture, transport, disposal and waste management for radiopharmaceutical products; safe and healthy workplaces; educating and rewarding our teams for good environmental management practices; and environmental sustainability. Telix is also committed to using technologies, where possible, that will minimise environmental impact right across its operations, from the use of electronic communication methods for internal and shareholder communications, to selection of medical radioisotopes of high-purity and sustainable production methods.

As an example of our commitment to environmental performance, during the year, Telix commenced use of a second-generation reusable packaging solution for transporting radiopharmaceutical products and product accessories to help reduce the Company's packaging footprint.

Reusable packaging for radiopharmaceutical shipments

Telix designed a reusable Type A Package[1] for transporting radiopharmaceutical products. The objective was to help reduce the Company's packaging footprint, whilst remaining compliant with radiation transport safety standards.[2,3]

In collaboration with an Australian supplier, packaging was validated to transport a range of Telix assets at various temperatures.

These packages are being used in shipments for clinical trials, supporting Telix's commitment to improving environmental performance. The flexible design provides a sustainable transportation blueprint for future commercial assets.

1. See: https://nuclearaustralia.com.au/2020/01/20/type-a-package-design-and-verification/
2. International Atomic Energy Agency
3. International Air Transport Association

Climate change

We recognise that climate change poses a risk for the health of the global population, businesses, communities and the economy. A warming planet increases the risk of wildfires, rising sea levels, extreme heat, severe weather and droughts. These hazards can have a direct effect on population health and further stress health care infrastructure.

We are committed to adopting and implementing appropriate and relevant responses to climate change.

These include aiming to optimise energy efficiency with an overarching goal of reducing emissions; maintaining an understanding of government and other science-based reports and findings; and ensuring the leadership team and Board are kept aware of current and emerging climate change related issues and risks.

For future disclosures we will give consideration to the rapidly evolving standards and impending release of the International Sustainability Standards Board's Climate-related Disclosures (Climate Exposure Draft).

Energy efficiency and safe practices for radiopharmaceutical products

We are committed to applying strategies and procedures to effectively manage the energy use of office equipment and appliances; ensuring building operations are effectively managed to gain operational efficiency and energy performance; applying strategies and procedures to effectively manage energy use for employee travel; procuring and sourcing motor vehicles that have high clean air, energy efficiency and greenhouse gas indexes; evaluating alternative means of conducting business before undertaking travel commitments; applying strategies and procedures to effectively manage general office waste including through the ongoing provision of recycling receptacles, ensuring any surplus office supplies are reused where practical and using electronic document management wherever possible; and applying strategies and procedures to effectively manage potable water use and waste water.

Telix recognises that nuclear industries must carefully monitor and control what they release into the environment to keep the air, water and land clean. Telix recognises and supports the safety standards of the International Atomic Energy Agency and the International Commission of Radiological Protection which provide for rigorous regulatory mechanisms to restrict the release of radionuclides and control any radiological impact on people and the environment. Telix is committed to limiting the release of radioactivity into the environment and to ensuring compliance with established radiation protection standards.

Waste management

Telix will apply and promote strategies, processes, practices and procedures to effectively manage the safe and responsible manufacture, transport, disposal and waste management of radiopharmaceutical products relevant to its business operations and activities; ensure waste management and disposal infrastructure is established and maintained; maintain accurate and complete records for reporting purposes to nuclear regulatory authorities in the jurisdictions in which Telix operates; and acknowledge and reward employee innovations in this area.

Social

Our greatest opportunity to contribute to society is through the development of new medical products and ways to make existing medical products better and/or more accessible to patients across the globe with unmet medical needs. The patient impact map shows global locations where Telix products (commercial and investigational) were delivered for use to patients during the year. We recognise that our success starts with our people; creating a safe workplace and culture that fosters diversity, equity, inclusion, belonging and wellbeing drives a healthy, innovative and high-performing workforce. Cultivating a diverse and inclusive workforce, and fostering an environment that empowers wellbeing, helps us attract and retain top talent.

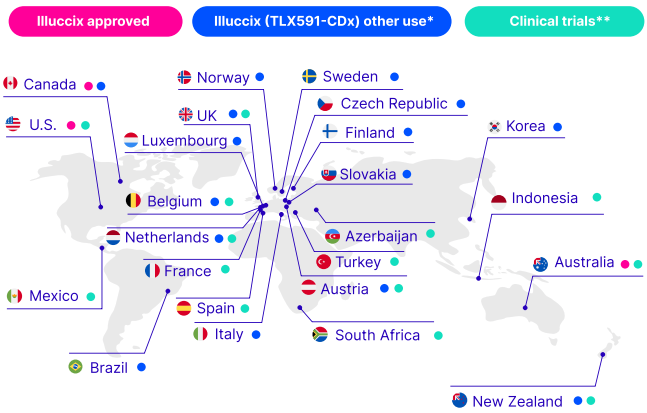
Access to Medicines

Our global approach is guided by our Access to Medicines Policy which includes our statement of guiding principles and commitments and covers commitment to discovery and innovation, commitment to enabling access and incorporating access strategies into development plans, commitment to working with industry partners and patient advocacy groups and promotion of strong global healthcare systems. Strategies and actions to enable delivery to these commitments are embedded across the Group. For example, as part of Telix's commitment to enabling access to medicines, the Company is running a registry study of a technetium-based PSMA-targeting imaging agent which works with SPECT cameras, the predominant imaging modality in developing countries.

Telix will maintain an awareness of the efforts and strategic plans of industry partners - including large pharmaceutical companies, supply chain partners and government or non-government agencies – and patient advocacy groups on access to medicine issues. Where possible and aligned to the Group's strategic objectives, mission and values, Telix will work with industry partners to consolidate efforts and positive outcomes for more patients.

At the date of this report, Telix has one product commercially approved in certain jurisdictions - an imaging agent for men with prostate cancer - and a pipeline of innovative diagnostic and therapeutic assets under development. Given the Group's current size and stage, setting defined targets with respect to access to medicine strategies is not appropriate. The Group will continue to assess this status.

Patient impact



*Illuccix sale permitted under special exemption, compassionate or magisterial use.
**Clinical trials (including IITs) and NOBLE Registry.

R&D and innovation

Telix has a strong research, development and innovation program which aims to build a pipeline of new product

candidates and related platform technologies that have the potential to improve patient outcomes.

Telix's values affirm our commitment to explore possibilities, embrace challenge and use our talents and knowledge to create a better future for patients. Telix is leveraging its expertise in the development of radiopharmaceuticals to develop new targets and technologies that complement existing therapies and products or lead to new clinical applications. As outlined in the Annual Report Telix's achievements this year bring the Company closer to its goal of bringing potential new imaging agents and therapies to patients. Notably in 2022, the positive readout of the Phase III ZIRCON studies, demonstrates the potential to fulfil a significant unmet need in the diagnosis of ccRCC, the most common and aggressive form of kidney cancer.

We believe that participating in clinical trials conducted under International Conference on Harmonisation guidelines for Good Clinical Practice (ICH GCP) standards with full local regulatory and ethics committee review is the most appropriate way for patients to access medicines prior to regulatory approval and marketing authorisation. In some circumstances when this is not possible, patients with life-threatening conditions may seek special access to investigational medicines outside of a formal clinical trial setting. These situations are typically referred to as compassionate use, but can also be known as expanded access/ special licence, special access, early access, pre-approval access and emergency use. The criteria for these options are based on regulations enabling this type of access that are different in each country.

In addition, such programs may be a condition of specific regulatory pathways such as Expanded Access Programs with Breakthrough Designation from the FDA. Telix will consider compassionate use requests from treating physicians subject to local/national laws and regulations.

Health, safety and well-being

As a global healthcare company, we are committed to providing a safe and healthy workplace for our employees and contractors, and comply with all applicable safety laws and regulations. We seek to eliminate work-related injuries, illnesses and unplanned events from all aspects of our operations through comprehensive programs that are part of our work, health, safety and environment (WHSE) strategy. WHSE leading and lagging statistics are reported to the leadership team, the PCNRC, and the Board.

Telix maintains and promotes meaningful consultation with employees on health, safety, wellbeing and environment issues through an active global WHSE network, with WHSE officers and representatives in each of Telix's global office locations. We adopt a proactive and preventive approach to WHSE issues by providing information, education, training and consultation on current and emerging WHSE issues. All employees are required to attend respect in the workplace training, and all people leaders are required to attend unconscious bias education.

We work to minimise the frequency and severity of safety and environmental incidents by focusing on proper facility design, process controls, operation and maintenance procedures, protection systems and emergency response capabilities.

Our global safety program is designed to drive a proactive safety culture and reinforce the link between our leadership behaviours and our WHSE strategy. We believe that through visible management, leadership and employee engagement, we can increase the awareness of hazards and help employees make the right choices when it comes to WHSE.

WHSE plans at the Brussels South location are prepared by an experienced and accredited external "safety coordinator" as required by Belgian legislation. The General Plan of Health and Safety at work is specifically prepared to cover safety before, during and in follow up after completion of each section of building works at site. All employees, contractors and visitors are obliged to follow the plan in addition to any other existing internal safety rules and obligations.

Our Wellbeing program aims to advance the conversation on mental health and provide support for employees where and when they need it. The program is designed to support our people in proactively managing mental health concerns and challenges. Through it, employees and their families can access early intervention and clinical resources, such as free, independent, and confidential support from trained professionals through an Employee Assistance Program.

Wellbeing at Telix is also monitored and addressed through regular surveys and initiatives in place to drive mental health awareness, encourage balance, and offer direct support for employees. We are embracing hybrid working, so that employees have more flexibility to balance professional and personal needs and reduce unnecessary travel while maintaining connectivity and working relationships.

Diversity, equity and inclusion

We strive to develop a culture of belonging and to ensure the diversity of our employees reflects the external world. This will help us better understand the needs of the patients, health care providers, customers and other stakeholders we serve, including those with different abilities.

Employee engagement and wellbeing, alongside diversity, equity and inclusion (DEI), is a focal point of the Group's People & Culture strategy. Telix has a Diversity and Inclusion Policy (available on our website) which outlines the Group's commitment to diversity and inclusion and the provision of a work environment that is free from discrimination and promotes equal opportunity for all. The Board approves appropriate, measurable objectives for achieving gender and other forms of diversity and inclusion, including with respect to increasing representation in senior leadership by employees that

identify as female. Refer to the Corporate Governance Statement for more information on diversity and inclusion, including progress against our FY22 measurable objectives.

Telix runs an employee affinity group focused on diversity, inclusion and belonging, and a 'Learning Network' which provides a safe environment to share stories, experiences, skills and insights with the aim of creating a network of support across the Group and advancing individual leadership capability.

We use a comprehensive approach to ensure recruiting, retention and leadership development goals are executed across the Group. We hire talented leaders to achieve improved representation across all dimensions of diversity. We provide training to our people managers on strategies to mitigate unconscious bias in the candidate selection and hiring process. In addition, we utilise a communications strategy to reach a broad pool of talent in our critical business areas.

Product safety and quality

The Company's commitment to product safety and quality is articulated in its Quality Charter. A focus on safety, procedures and documentation for clinical trials and commercial use is a key area of operational focus.

We recognise that the foundation for achieving our mission is a willingness and capability to embrace, enable and embed a culture of "quality" across our organisation. We do this by putting patient safety as our number one priority. We manufacture our investigational and commercial products using world class techniques and put our products through rigorous quality control. We partner with manufacturers and suppliers across the value chain who are carefully selected and committed to our strategy, values and corporate citizenship.

Our global Quality function supports patients and patient safety by focusing on: conducting business in compliance with all applicable laws, regulations, and standards; ensuring management responsibility and accountability; providing appropriate education and training to enable Telix's people to carry out their work competently; actively managing supplier services and maintaining visibility; effectively executing quality planning, record-keeping, auditing, and issue management; utilising risk-based decision making; and establishing and maintaining positive benefit/risk profile for Telix's products.

Telix adopts internationally recognised guidelines for ethical conduct of clinical trials including ICH GCP, as well as individual country regulations and guidelines.

Human rights

An overarching philosophy of Telix is to respect and promote human rights. As such, the Group is committed to identifying and addressing any instances of modern slavery in our operations and supply chains. We respect international human rights and expect the same from our Employees and business partners, wherever they are operating.

Our philosophy is informed by the International Bill of Human Rights (which includes the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work) and the UN Guiding Principles on Business and Human Rights. We are striving to have transparent supply chains and to report in a way which complies with all applicable modern slavery legislation including the Australian Modern Slavery Act 2018. In 2022 we established and published our Supplier Code of Conduct which details minimum standards expect from our suppliers, through suitable management systems and processes, in respect of the management of labour and human rights risks.

We abide by strict ethical standards in our own operations, and we expect equivalent standards from our suppliers. Our Supplier Code of Conduct is based on our Company's Code of Conduct, as well as on the United Nations' Universal Declaration of Human Rights.

Governance

We are committed to conducting business in an open and accountable way. We aim to instil and maintain corporate governance practices that are rigorous and of a high standard and that assist in ensuring the delivery of shareholder value. The Audit and Risk Committee supports the Board in providing oversight of the Company's enterprise risk and compliance management frameworks and the ESGS strategy and reporting framework. Whistleblower complaints and material breaches of the Code of Conduct and other key corporate governance policies are reported to the Board.

Code of Conduct

The purpose of our Code of Conduct (Code) is to set standards for the way we work at Telix, and to provide a statement of our values to anyone dealing with Telix.

The expectations and requirements outlined in the Code apply to the way employees deal with each other, customers and stakeholders in person, as well as via technology such as telephone or mobile device, video conferencing, instant messaging, email and social media. Employees are expected at all times to act consistently with the following commitments and ethical standards as set out in the Code, to:

- act in a way guided by Telix's values, including acting in the best interests of Telix and with honesty and integrity
- comply with the laws and regulations which apply to Telix and its operations
- disclose material relationships with Telix employees, collaborators, business partners, customers and/or suppliers
- not knowingly participate in any illegal or unethical activity

- take reasonable steps to avoid conflict of interest, real or apparent, in connection with your employment
- not enter into any arrangement or participate in any activity that would conflict with the interests of Telix
- conduct themselves in a manner, both within and outside working hours, which would not be likely to negatively impact the integrity or reputation of Telix
- not take advantage of Telix's property or information or position for personal gain or to compete with Telix
- not take advantage of or misuse a third party's property or information
- immediately report any concern about a possible breach of the Code.

Whistleblower Protection and Anti-bribery and Corruption Policies

Under our Whistleblower Protection Policy, employees have the right and obligation to raise concerns about values, ethics and professional conduct without fear of retribution. Our aspiration is to create an environment where everyone feels comfortable seeking advice or raising concerns to their manager, People & Culture, or the Legal and Compliance team. Telix has multiple channels for the receipt, triaging and redress of ethics and compliance-related concerns, including General Counsel, Whistleblower Protection Officer, Risk Officer, or through People & Culture.

However, we recognise there are times when employees may feel the need for an opportunity to raise a concern or ask a question without coming forward directly. For those instances, the Company has established a global hotline called 'Your Voice', operated by an independent third party, which allows employees to raise concerns relating to potential violations of the law and the Company policies, professional standards, and values in a confidential manner and, where legally permissible, anonymously.

Employees and agents of Telix must comply with our Anti-bribery and Corruption Policy. They must not, either directly or indirectly offer, promise, give, solicit, accept or request any bribe, facilitation or acceleration payments, nor must they falsify any books, records or accounts relating to Telix. Employees cannot offer or provide gifts, hospitality or any other benefit to public officials without prior written approval of the General Counsel, nor can any gift or hospitality be provided which does not comply with the law and/or related Telix policies. Employees cannot make any political or charitable donations on behalf of Telix which are or could be perceived to be a bribe, nor are they permitted to cause, authorise or willfully ignore any conduct that is believed or suspected to be contrary to the Company's related policies or any anti-corruption laws.

Interactions with Healthcare Professionals

Telix employees must always comply with applicable laws, regulations and codes and uphold the highest standards of ethics and integrity leadership. Our relationships with Healthcare Professionals (HCPs) are highly regulated, are intended to benefit patients, and are intended to enhance the practice of medicine. Our interactions with HCPs is focused on informing them about products and providing relevant scientific and educational information. Telix has in place a global Field Interaction Policy Handbook which details expectations with respect to interactions with HCPs and provides Q&A and real-world examples to enable employees to understand the requirements in practice.

Other key corporate governance policies

Telix is committed to ensuring that its practices globally comply with all applicable competition laws. Telix's Competition Policy forms part of Telix's risk management framework. The Policy is designed to provide employees an understanding of the basic competition law prohibitions and their responsibilities in relation to those prohibitions. Employees are required to recognise situations where competition law issues arise and then work with legal staff to resolve these issues or to seek further legal advice. All Telix employees are required to comply with the Competition Policy at all times. To facilitate a better understanding of the competition rules, training is conducted from time to time. Compliance with the Competition Policy is subject to internal audit and is reportable to the Board.

Telix is committed to protecting the privacy of all individuals with whom it deals. We are committed to protecting the privacy of information and to handling personal information in a responsible manner in accordance with Australian privacy legislation, including the *Privacy Act 1988* (Cth), the *Privacy Amendment (Enhancing Privacy Protection) Act 2012,* the Australian Privacy Principles (APPs), and relevant Australian State and Territory privacy legislation (collectively the Australian Privacy Law).

Telix also acts in accordance with applicable legislation concerning privacy in other countries and regions in which Telix operates, including but not limited to the General Data Protection Regulation 2016/679 (GDPR), UK Data Protection Act 2018 (amended 2020) (UK DPA), Swiss Federal Act on Data Protection (FADP), U.S. Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the Japanese Act on the Protection of Personal Information (APPI).

We have implemented systems, processes and procedures to ensure that we appropriately collect, use and safeguard information throughout its life cycle to ensure integrity of information and to prevent unauthorised access and disclosure. We have developed and continue to improve an information security and cyber resiliency program, including an information security training program.

In the event of a data breach, Telix is committed to complying in all respects with the requirements of all relevant privacy laws. Telix has in place data breach policies and plans which apply when handling personal information breaches related to the data protection laws applicable to Telix.

Corporate governance statement

The Board is committed to achieving and demonstrating standards of corporate governance appropriate to the operations and size of the Company, and continuing to refine and improve Telix's governance framework and practices to ensure they meet the interests of shareholders and other stakeholders.

The Board of Directors of Telix Pharmaceuticals Limited and its subsidiaries (Telix or the Company) believe good corporate governance:

- is an integral part of the culture and business practices of the Company
- will add to Telix's performance to create shareholder value, while having regard to other stakeholders and an appropriate risk and return framework.

The Board uses the guidance provided by the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (ASX Principles) as a focus for the development and continuous improvement of the Group's governance framework, policies and practices to ensure they meet the interests of shareholders, regulators and other stakeholders. The Board has adopted Charters and key corporate governance documents which articulate the policies and procedures followed by Telix. These documents, together with Telix's 2022 Annual Report, are available on Telix's website at www.telixpharma.com under the Investors Centre section.

This Corporate Governance Statement summarises Telix's main corporate governance practices for the reporting period, being the year that ended 31 December 2022.

This Statement is current as at 27 February 2023 and has been approved by the Board.

The following table indicates where each ASX Principle is dealt with in this Statement.

ASX Corporate Governance Principles and Recommendations	Section reference in this Statement
Principle 1 – Lay solid foundations for management and oversight	1, 2, 4
Principle 2 – Structure the Board to be effective and add value	1, 2
Principle 3 – Instill a culture of acting lawfully, ethically and responsibly	3
Principle 4 – Safeguard the integrity of corporate reports	2, 6
Principle 5 – Make timely and balanced disclosure	6, 7
Principle 6 – Respect the rights of security holders	7
Principle 7 – Recognise and manage risk	2, 6
Principle 8 – Remunerate fairly and responsibly	2, 5

1. Board of Directors

1.1. The Board

The Directors of the Company as at the date of this Statement are set out below.

Details of each Director's tenure, experience, expertise and qualifications are set out in the Directors' report in the 2022 Annual Report and on Telix's website.

- H Kevin McCann (Chairman)
- Chris Behrenbruch (Managing Director and Group Chief Executive Officer) (CEO)
- Andreas Kluge
- Mark Nelson
- Tiffany Olson – appointed 31 March 2022
- Jann Skinner

The Board periodically reviews its composition, and tenure and succession of the Directors, upon input and recommendation from the People, Culture, Remuneration and Nomination Committee (PCNRC).

1.2. Role of the Board

The Board is responsible for the governance of the Company and is accountable to shareholders for guiding and monitoring the effective management and performance of the Company.

The Board Charter, which was updated during the year and available on Telix's website, sets out how the Board's role, powers and responsibilities are exercised, having regard to principles of good corporate governance, market practice and applicable laws.

The Board operates in accordance with the principles set out in its Board Charter, the Company's Constitution, relevant laws and ASX listing rules.

1.3. Responsibilities of the Board

The Board's key responsibilities, as summarised in the Board Charter, include to:

- set the strategic objectives and risk appetite of the Company within which the Board expects the management team to operate
- model and monitor the values and culture of the Company
- select, appoint, remove and evaluate the performance, determine the remuneration, and plan succession of the CEO
- oversee the management, performance and corporate governance frameworks of the Company, including ensuring that mechanisms are in place for making timely and balanced disclosure to shareholders and the market regarding the Company's performance and major developments affecting its state of affairs.

1.4. Delegations to management

Day-to-day management of Telix is formally delegated to the CEO, supported by the management team, in accordance with the Board Charter and the Company's Delegated Authorities Policy.

These delegations are reviewed on a regular basis to ensure that the delegation of functions remains appropriate to the needs of the Company.

1.5. Board composition and succession

The Board is committed to ensuring that it is comprised of individuals who collectively have the appropriate skills and experience to develop and support the Board's responsibilities and Company objectives. The Board's composition is determined based on criteria set out in the Company's Constitution and the Board Charter, including:

- a majority of Independent Non-Executive Directors (NED) and a NED as Chairman
- the Board having an appropriate mix of skills, knowledge, experience, and expertise necessary to review and approve the strategic directions of the Company, and to guide and monitor management
- Directors who can understand and competently deal with current and emerging business issues
- Directors who can effectively review and challenge the performance of management and exercise independent judgement
- re-election of Directors at least every three years (except for the CEO).

1.6. Board skills and experience

The Board recognises the importance of having Directors with a broad range of skills, backgrounds, expertise, diversity and experience in order to facilitate constructive decision making and facilitate good governance processes and procedures.

The Company has established a Board skills matrix relevant to the Company, which was reviewed during the reporting period. A summary of the main skills and experience of the Board as applicable to its strategic objectives is set out in the skills matrix below. A regular assessment of the optimum mix of these skills and experience is conducted and takes into account the strategic positioning of the Company.

The skills attributed to each Director recognise their experience acquired through previous executive or NED roles. The Board has access to the Company's senior management team and external consultants for required expertise. The Board considers that, following the appointment of Tiffany Olson on 31 March 2022, there are currently no significant gaps in the skill set that it seeks to have represented on the Board, and that the skills and experience of the Directors are relevant and appropriate to Telix.

Skill category	Skill description	Number of Directors
Strategic thinking	Experience in developing and implementing enterprise-wide successful strategies, and an effective capital management framework, including appropriately questioning and challenging management on the delivery of agreed strategic planning objectives.	6/6
Relevant industry experience	Experience in the radiopharmaceuticals industry, including global radiopharmaceutical sales and marketing, radiopharmaceutical manufacturing, global supply chain and distribution, and a deep understanding of patient focus.	3/6
Global corporate experience	Global experience on board or management of geographically diverse organisations.	6/6
Commercial partnering, M&A	Experience in planning, managing, directing or advising on mergers, acquisitions, divestments, portfolio optimisations, delivering funding solutions, and commercial partnering.	5/6
Financial and/or assurance acumen	Experience in financial accounting and reporting, corporate finance and/or restructuring, corporate transactions, assurance, including ability to evaluate the adequacies of financial and risk controls and understand key financial drivers of the business.	5/6
Risk and compliance management	Experience and deep understanding of risk management and compliance frameworks and controls, ability to identify and oversee mitigation strategies for emerging risk and compliance issues in the organisation.	6/6
People, culture and remuneration	Experience in leading people, oversight of culture and organisational design, remuneration frameworks that attract and retain a high calibre workforce and a culture that promotes diversity and inclusion.	6/6

1.7. Director independence

The Board has adopted specific principles in relation to NED independence as set out in the Board Charter.

The Company recognises that independent Directors have an important role in assuring shareholders that the Board is able to act in the best interests of Telix and independently of management. The Company's NEDs meet in the absence of management and Directors are also able to consult independent experts at the Company's expense, subject to the estimated costs being approved by the Chair in advance as being reasonable. The Board Charter requires that the Board has a majority of NEDs who satisfy the Company's criteria for independence.

The independence of NEDs is assessed prior to appointment and reviewed annually by the PCNRC. The Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the Board. The Company's criteria for assessing Director independence align with the guidance provided in the ASX Principles.

As at the date of this statement, with the exception of the CEO and Andreas Kluge, the Board considers that each NED is independent, having regard to the Board Charter and ASX Principles. Andreas Kluge is not considered independent due to his substantial holding in Telix shares, and his prior employment as a Telix Executive Director until 2 June 2020. The Board has determined that Tiffany Olson is independent and can demonstrate an objective assessment of all matters before the Board, notwithstanding her prior employment with Cardinal Health Inc (CAH:NYSE); which provides radiopharmacy and logistics services to support Telix's prostate cancer imaging product TLX591-CDx (^{68}Ga-PSMA-11) in the United States.

1.8. Conflicts of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with their duties to the Company. The Board has developed procedures to assist Directors to disclose potential conflicts of interest and, during the year, all NED completed independence declarations. Where the Board believes that a significant conflict exists for a Director on a Board matter, appropriate restrictions or conditions are imposed, which may include, but are not limited to, the Director concerned not receiving the relevant Board papers and not being present at the meeting whilst the item is considered.

1.9. Chairman

The Board Charter provides that the Chairman should be an Independent Director and should not be the CEO. The Chairman, H Kevin McCann, is an independent NED. The responsibilities of the Chairman are described in the Board Charter. The roles of the Chairman and the CEO are exercised by separate individuals.

1.10. Company Secretary

During the reporting period, the Board appointed Genevieve Ryan as Company Secretary, to replace Melanie Farris. Details of the Company Secretary's skills, experience and expertise are set out in the Directors' report of the Annual Report. The role of the Company Secretary is set out in the Board Charter. The Company Secretary is accountable to the Board through the Chairman, and the appointment or removal of the Company Secretary is a matter for the Board as a whole. Each Director is entitled to access the advice and services of the Company Secretary.

1.11. Nomination and appointment of Directors

Before appointing or proposing a person for election as a Director, Telix conducts all appropriate background checks, which may include reference checks, criminal and bankruptcy record checks.

Prior to a NED election or re-election by shareholders, the Board provides shareholders with all material information known to Telix which is relevant to the decision of shareholders to elect or re-elect the Director, in order to assist their decision-making process. This information is contained in the notice of meeting of the AGM at which the Director's appointment will be considered by shareholders.

A candidate for election or re-election as a NED will be required to provide the Board or PCNRC with all material information and an acknowledgement that he or she will have sufficient time to fulfil his or her responsibilities as a Director.

1.12. Agreements with Directors

NED are appointed pursuant to a formal letter and a deed of appointment, which set out the key terms relevant to the appointment, including the term of appointment, the responsibilities and expectations of Directors in relation to attendance and preparation for all Board meetings, appointments to other boards, requirements for dealing with conflicts of interest, and the availability of independent professional advice. NED are expected to spend a reasonable amount of time each year preparing for and attending Board and Committee meetings and associated activities. Other commitments of NED are considered by the PCNRC prior to appointment to the Board and are reviewed each year as part of the annual Board performance assessment.

1.13. Director induction and development

Telix has a process in place to educate new Directors about the operation of the Board and its Committees, the Company's purpose, values, strategy, any financial, strategic, operational and risk management issues, and the expectations of performance of Directors. This induction program includes providing new Directors with access to previous Board and Committee meeting minutes, Telix's policies and its strategic objectives, and facilitates meetings with relevant senior executives. This induction process was undertaken for Tiffany Olson during the year.

Directors visit Telix sites on an ongoing basis and meet with management to gain a better understanding of business operations. These visits are conducted either as a full Board, or Board Committee, or with one or two Directors. Directors are also given access to continuing education opportunities to update and enhance their skills and knowledge.

1.14. Independent professional advice and access to information

Each Director has the right to access all relevant Company information and senior executives and, subject to prior consultation with and approval from the Chairman, may seek independent professional advice from an advisor suitably qualified in the relevant field at the Company's expense.

A copy of advice received by the Director will be made available for all other Directors.

1.15. Senior executive appointments, agreements and induction

The Company conducts all appropriate background checks on prospective senior executives, which may include reference checks and criminal and bankruptcy record checks.

The Company also has written agreements with the CEO and each senior executive, setting out the terms and conditions of their employment and the obligations they are required to fulfil in their role. Each candidate is required to accept all terms and obligations as a condition of their employment. The key terms of the employment contracts of key management personnel (KMP) are set out in the Remuneration Report in the 2022 Annual Report.

The Company has a process for the induction of new senior executives, which enables them to gain an understanding of the Company's purpose, values, strategy, financial position, operations and risk management policies.

2. Board committees

To increase its effectiveness, the Board has established the following standing Board Committees:

- Audit and Risk
- Disclosure
- People, Culture, Remuneration and Nomination

The members of these Committees as at the date of this Statement are set out in the table below. Profiles of each member/Director, including their relevant experience and qualifications, are set out in the Directors' report of the 2022 Annual Report and on the Company's website. The Company Secretary is the Secretary of each Committee.

The Audit and Risk, and People, Culture, Remuneration and Nomination Committees have a Charter which includes a more detailed description of their roles, responsibilities and specific composition requirements. The Charters are available on Telix's website. The Board may establish other Committees from time to time to deal with matters of special importance. In FY21 and FY22, a special purpose Subcommittee was convened to consider and address matters relating to capital needs and capital management.

All Directors are welcome to attend Committee meetings even though they may not be a member.

The Committees have access to senior executives and management, and independent advisors. Committee agendas and papers are available to Directors before the meetings. Copies of the minutes of each Committee

meeting are made available to the full Board, and the Chair of each Committee provides an update on the outcomes at the Board meeting that immediately follows the Committee meeting.

Board Committees

Directors	Board	Audit and Risk Committee	Disclosure Committee	People, Culture, Remuneration and Nomination Committee
H Kevin McCann	**C**	M	**C**	**C**
Chris Behrenbruch	M		M	
Andreas Kluge	M			
Mark Nelson	M	M		M
Tiffany Olson[1]	M	M		
Jann Skinner	M	**C**	M[2]	M

C: Chair
M: Member

1. Appointed 31 March 2022
2. For financial related disclosures

2.1. Audit and Risk Committee

The Committee Charter provides that all members of the Committee must be NED, the majority of whom are independent, and the Chair cannot be the Chairman of the Board. At least one member of the Committee must be a qualified accountant or other finance professional with relevant experience of financial and accounting matters. Current members including Chair of the Committee are shown in this Statement and in the Directors' report of the 2022 Annual Report. Tiffany Olson was appointed as a member of the Committee on 31 March 2022.

The Committee assists the Board in fulfilling its responsibilities by:

- overseeing the quality and integrity of the Company's financial reporting and the operation of the financial reporting processes. The processes are aimed at providing assurance that the financial statements and related notes are complete, in accordance with applicable legal requirements and accounting standards and give a true and fair view of the Company's financial position and financial performance. During its review of the Company's interim and year-end financial reports the Committee meets with the external auditor in the absence of management
- reviewing and monitoring the Company's systems of internal control and its risk management framework (for financial and non-financial risks), including elevated, new or emerging risks
- reviewing the external auditor engagement. At least annually, the Committee reviews the terms of the engagement and assesses the performance, quality, expertise, resources and qualifications, objectivity, independence, and effectiveness of the external auditor. This includes review of any non-audit services provided by the external auditor. At least annually the Committee recommends to the Board the continuation of, appointment of a new, or removal of the existing external auditor
- monitoring and reviewing the Company's ESGS strategy and reporting framework.

The internal auditor, and external auditors, the CEO and the CFO are invited to the Committee meetings at the discretion of the Committee Chair.

The Committee is required under its Charter to meet at least quarterly and otherwise as necessary. The Committee formally met four times during the year.

2.2. Disclosure Committee

The Disclosure Committee reviews all material announcements to the market, and formally meets to review and approve the periodic Appendix 4C and activities report, where not reviewed and approved by the full Board. All material market announcements are provided to the full Board following lodgment with the ASX.

Current members, including the Chair, of the Committee are shown in this Statement and in the Directors' report of the 2022 Annual Report. The Committee formally met twice during the year.

2.3. People, Culture, Remuneration and Nomination Committee

The Committee assists the Board in fulfilling its responsibilities to shareholders and regulators in relation to the Company's people and culture policies and practices, including:

- overseeing CEO and Senior Executive Team remuneration and performance, taking advice from external advisors where appropriate
- Board renewal and nominations
- Board induction and training
- health, safety, wellbeing and environment

When a vacancy in the position of NED exists or there is a need for particular skills, the Committee, in consultation with the Board, determines the selection criteria based on the skills deemed necessary, having regard to the skills and experience of the Board as referred to in the Board skills matrix. The Committee identifies potential candidates, with advice from an external third party where appropriate. The Board then appoints the most suitable candidate. Board appointees must stand for election at the next AGM of shareholders following their appointment.

The Committee comprises three Independent NED, and the Chairman of the Board is the Chair of the Committee. Current members of the Committee are shown in this Statement and in the Directors' report of the 2022 Annual Report.

The CEO is not a member of this Committee, but attends meetings by invitation, other than for matters relating to his own remuneration.

Committee members are not involved in making recommendations to the Board in respect of themselves.

The Committee meets at least half yearly and as otherwise required. The Committee formally met four times during the year.

2.4. Attendance at Board and Committee meetings during the reporting period

Details of Director attendance at Board and Committee meetings held during the financial year are provided in the Directors' report of the 2022 Annual Report.

3. Corporate responsibility

Telix's Values, Code of Conduct and related policies shape Telix's approach to corporate responsibility.

3.1. Acting ethically and responsibly

Telix recognises the importance of honesty, integrity and fairness in conducting its business, and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and team members are expected to act lawfully and with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Telix continually assesses and upgrades its policies and procedures to ensure compliance with corporate governance requirements.

3.2. Code of Conduct, Anti-Bribery and Corruption and Whistleblower Protection Policies and procedures

Telix's Code and values set the standards we expect of our people. It represents Telix's commitment to act ethically, lawfully and responsibly.

The Code emphasises a strong culture of integrity and ethical conduct in association with independent Anti-Bribery and Corruption and Whistleblower Protection policies, which are available on Telix's website.

The policies cover expectations on a broad range of issues, including health and safety, use of information and its security, market disclosure, fraud, bribery, corruption and the avoidance of conflicts of interest. Telix has zero tolerance for bribery and corruption in any form.

The Code includes multiple reporting channels for suspected breaches and is strongly linked to the Whistleblower Protection Policy. The Whistleblower Protection Policy has an easy-reference "how-to guide" for users, and provides multiple reporting channels including an external independent contact for whistleblowers.

The Board has also adopted specific policies in key areas, including diversity and inclusion, continuous disclosure and dealing with price sensitive information, and dealing in the securities of Telix. These policies each interact with the Code. The Board and Management are committed to ensuring a fair and safe work environment, free from all forms of discrimination, and accessible and independent channels to report breaches or suspected breaches of policy.

Material breaches of the Code and the Anti-Bribery and Anti-Corruption Policy, and reports of incidents under the Whistleblower Protection Policy, are reported to the Board, and the program is periodically reviewed for its effectiveness and promoted to team members across Telix.

During the year, Telix also introduced a Supplier Code of Conduct, which sets out the expectations of Telix's suppliers and applies to all suppliers, including all organisations and sub-contractors providing goods and services to Telix, globally. The Supplier Code of Conduct is available on Telix's website.

3.3. Trading in Company securities

By promoting Director and employee ownership of shares, the Board hopes to encourage Directors and employees to become long-term holders of Telix securities, aligning their interests and supporting the long-term success of Telix.

Telix has a Securities Dealing Policy that outlines insider trading laws and prohibits Directors, team members and certain associates from trading in Telix's securities during specified blackout periods.

The blackout periods are the period from the close of trading on 31 December each year until after the announcement to the ASX of the Company's full-year results, the period from the close of trading on 30 June each year until after the announcement of the Company's half-year results, the period from the close of trading on 31 March and 30 September each year until after announcement of the Company's quarterly activities report,

and any other period that the Board specifies from time to time.

Trading of securities during a blackout period can only occur in exceptional circumstances as outlined in the Securities Dealing Policy.

The Securities Dealing Policy prohibits Directors, team members and certain associates from engaging in hedging arrangements over unvested securities issued pursuant to any equity incentive plan. The Securities Dealing Policy meets the requirements of the ASX Listing Rules on trading policies and is available on Telix's website.

3.4. Other policies

The Company has a number of other governance policies which outline expected standards of behaviour of Directors and team members, a selection of which are available on Telix's website.

3.5. Ethical conduct of research

As a drug development Group, Telix is involved in testing potential new medicines on both animals and humans. This testing is an essential requirement of international medicine development and regulatory approval processes. All studies undertaken involving animals or humans are developed in association with medical, scientific and regulatory advisors, and with reference to national and international ethical and scientific codes, including Australia's National Health and Medical Research Council and the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use. Studies are only commenced after necessary ethics approvals have been received from the institution or clinical site at which studies are to be carried out.

3.6. Modern slavery and human rights

Telix is committed to its people, and the protection of human rights. The Company has adopted a Modern Slavery Policy, available on the Company's website, confirming our commitment to addressing any instances of modern slavery and human rights in our operations and supply chains.

3.7. Compliance training

Telix has a compliance training program in place which is completed by team members. This program supports the principles set out in the Code and other applicable policies.

There are also numerous activities and compliance programs across the Company designed to promote and encourage the responsibility and accountability of individuals for reporting inappropriate or unethical practices.

4. Diversity and inclusion

Telix's major centres of operation in Australia, Europe, Japan and the United States leads to a demographically diverse workforce. Telix is committed to developing an inclusive and respectful work environment to optimise diversity of thought and background. Bringing together people with different backgrounds and ways of thinking is a powerful source of competitive advantage in driving better decision making, innovation and growth.

Telix's Diversity and Inclusion Policy, available on Telix's website, outlines the Company's commitment to diversity and inclusion and the provision of a work environment that is free from discrimination and promotes equal opportunity for all, and recognises the positive differences each team member brings to the business. The Policy includes the requirement for the Board to set measurable objectives for achieving gender diversity.

4.1. Measurable objectives and progress

Each year the Board approves measurable objectives for diversity and inclusion and monitors progress towards achieving them. The measurable objectives for the reporting period and progress towards achieving these objectives is outlined on the following page.

Female representation at each executive level

Level	Female representation (%) (as at 31 December 2022)
Board	33%
Senior Executive Team	0%
Global Leadership Team	31%
Band 3 Employees (equivalent to VP's and Senior/Global Directors)	31%
Total workforce	47%

FY22 diversity measurable objectives

FY22 measurable objective	Progress (as at 31 December 2022)
Not less than 30% of each gender in the composition of Telix's Board	The Board comprises 33% of female Directors, following the appointment of Tiffany Olson on 31 March 2022
Move to equality, targeting not less than 50% of new appointments to senior positions be women	38% of new appointments to senior positions (Band 3 and above) were female (36% in 2021)
Targeting to increase female representation in executive team	During the year, as part of an internal reorganisation to position the Company for its next stage of growth, the executive leadership team was classified into two groups: the Senior Executive Team (comprising the CEO and other Executive Key Management Personnel and Regional CEO's) and the Global Leadership Team (comprising Senior Executive Team members and other senior executives who together provide a centralised steering group to share knowledge and ensure cohesion across the global business). While there is no female representation on the Senior Executive Team, female representation on the broader Global Leadership Team increased to 31% from the prior year (29% in 2021)
Targeting workforce gender composition of 50/50 gender balance	99% of Telix's workforce have identified themselves as either male or female. 47% have identified themselves as female
Move to equality, targeting a reduction in gender pay gap	A reduction of 4% in gender pay gap achieved since 2021

4.2. Looking ahead

Recognising the importance of moving towards gender equality, the Board has approved the following measurable objectives for FY23, with management initiatives in place:

- maintaining not less than 30% of each gender in the composition of Telix's Board
- targeting to identify and attract female talent for Board and Senior Executive Team (SET) and Global Leadership Team (GLT) vacancies
- targeting that not less than 50% of appointments to senior positions (band 3 and above) are female
- targeting that not less than 50% of internal promotions are female
- targeting that total workforce is comprised of not more than 55% of either male or female gender
- targeting a year on year reduction of the gender pay gap.

5. Remuneration

Details of Telix's remuneration policies, practices and performance reviews and outcomes, and the remuneration paid to Directors (Executive and Non-Executive) and other KMP are set out in the Remuneration report of the 2022 Annual Report.

Shareholders will be invited to consider and adopt the Remuneration report at the 2022 AGM (May 2023).

5.1. Board and Committee performance evaluation

The Board undertakes a performance evaluation to review its performance and that of its Committees at least annually. The Chairman reports to the Board regarding the performance evaluation process and the findings of these reviews.

The evaluation may involve surveys by the Directors and the Board, the assistance of external facilitators and consideration of the degree to which each NED has demonstrated the skills relevant to the position of NED or Chair, as applicable.

During the reporting period, the Company undertook an internal evaluation of the Board and Committee performance, having regard to the ASX Principles.

This evaluation concluded that the composition of the Board is appropriate having regard to the skill set, expertise and experience required for a company of Telix's size and geographic spread. The evaluation further concluded that the Company's Committee structure is effective and is well led by appropriately experienced and skilled Directors.

5.2. Senior executive induction and performance evaluation

The performance of senior executives is reviewed on an ongoing basis, and a formal performance evaluation takes place annually. Senior executives and the CEO are assessed against measurable short and long-term objectives which are aligned with the Company's key corporate objectives and business strategy, as well as how they have demonstrated behaviours that are consistent with Telix's values. The CEO performs the evaluations of the other senior executives. An evaluation of senior executives was last undertaken in December 2022. The outcomes of these assessments are then reported to the Board.

The Board is responsible for approving the objectives of the CEO and other members of the SET, comprising the CEO and other Executive KMP and Regional CEOs. The Board conducts a formal annual evaluation of the performance of the CEO and SET (following CEO assessment of SET performance), including an assessment against these objectives and the demonstration of behaviour consistent with Telix's values.

The outcomes of the performance evaluations of the CEO and SET then contribute to the determination of their remuneration.

6. Risk management and assurance

The Company understands and recognises that rigorous risk and opportunity management is essential for corporate stability and for sustaining its competitive market position and long-term performance.

6.1. Risk management

The Board is responsible for overseeing the risk management framework, internal controls and systems for monitoring legal and ethical compliance. The Board, with the assistance of the Audit and Risk Committee sets the risk appetite and considers Telix's risk profile on a regular basis to ensure it supports the achievement of Telix's strategic and corporate goals.

The Risk Management section, including the Principal Risks table in the Directors' report of the 2022 Annual Report lists the Company's risk management governance, current strategic risks and outlines its strategies to respond to identified exposures.

Telix's approach to managing its environmental, social, governance and sustainability risks is set out in further detail in the ESGS report within the 2022 Annual Report.

The Audit and Risk Committee reviews the Company's ERMF on a regular basis to ensure that it continues to be sound. The ERMF was reviewed during the reporting period. It remains fit for purpose and will be reviewed on an ongoing basis for continuous improvement opportunities.

6.2. Assurance

The Board is responsible for oversight of the effectiveness of the Company's internal control environment, with input and recommendation from the Audit and Risk Committee.

The Board's policies on internal control governance are comprehensive, as noted earlier in this Statement, and include clearly drawn lines of accountability and delegation of authority, as well as adherence to the Code.

In order to effectively discharge these responsibilities, the Company has a number of assurance functions (including internal and external audit) to independently review the control environment and provide regular reports to the Board, the Audit and Risk Committee and management committees. These reports and associated recommendations are considered and acted upon to maintain or strengthen the control environment.

6.3. Financial reporting

The Board is committed to ensuring the integrity and quality of its financial reporting, risk management and compliance and control systems.

Prior to giving their Directors' declaration in respect of the full-year and half-year financial statements, the Board requires the CEO and CFO to each sign a written declaration to the Board, to the effect that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that their opinion has been formed on the basis of a sound risk management and internal control system, which is operating effectively.

This written declaration was received by the Board prior to its approval of the FY22 full-year and interim financial statements.

The process of receiving CEO and CFO declarations is also required for the Company's financial information included in the quarterly activities reports and consolidated statements of cash flow.

6.4. Verification of unaudited periodic corporate reports

Telix prepares periodic corporate reports for the benefit of investors, including the annual Directors' report, quarterly activities reports, consolidated statements of cash flow, ESGS reports and this Statement.

The Company completes a documented internal verification process of corporate reports that the Company releases to the market, including those that are not audited or reviewed by the external auditor, to ensure that the report is materially accurate and balanced, and that it provides investors with appropriate information to make investment decisions. External advice is obtained, as required.

The Disclosure Committee (or Board) meets on a quarterly basis to review and approve the activities reports and consolidated statements of cash flow.

7. Engagement with shareholders and other stakeholders

Telix has a number of stakeholders including shareholders, employees, customers, suppliers and local communities. The Board identifies and prioritises Telix's key stakeholders, develops a strategy for engagement with stakeholders and supports management to engage with key stakeholders to understand, consider and respond to issues.

Telix is committed to keeping the market informed in a timely manner and complying with its continuous disclosure obligations.

7.1. Continuous disclosure and communications

Telix's Continuous Disclosure Policy, which was recently updated, is available on Telix's website and details the Company's procedures to ensure compliance with applicable legal and regulatory requirements under the Corporations Act and the ASX Listing Rules. The Policy is approved by the Board and is reviewed regularly to ensure

compliance with the ASX Listing Rules and guidance on continuous disclosure. It applies to all Directors and Telix team members. Its purpose is to ensure:

- compliance with legal obligations to identify and keep the market fully informed of material information
- that access to this material information is protected and controlled until such material information is announced to the market
- Telix meets its disclosure obligations
- that investors are provided with equal and timely access to material information.

Telix's Disclosure Committee meets as required, and often on very short notice, to ensure compliance with disclosure requirements. The CEO approves all disclosures before they are released. Directors receive a copy of all ASX disclosures promptly following release. The Company Secretary is responsible for communications with the ASX.

7.2. Shareholder engagement

Telix is committed to providing shareholders and other financial market participants with consistent and transparent corporate reporting, as well as timely and accurate disclosures.

Shareholders and other stakeholders are informed of all material matters affecting the Company through ASX announcements, periodic communications and a range of forums and publications, available on the Company's website.

Other shareholder engagement activities include:

- encouraging shareholders to participate in general meetings, including attending the AGM, exercising voting rights, and asking questions of the Board. Telix conducts all voting at general meetings by a poll, ensuring that voting outcomes reflect the proportionate holdings of all shareholders who vote (whether in person or by proxy or other representative). The Company's external auditor will attend the AGM and will be available to answer questions from shareholders on the conduct of the audit
- participating in Telix's investor relations program, which includes investor roadshows and ad-hoc investor meetings and conference calls with institutional investors, private investors and sell-side analysts
- engagement with proxy advisors, investor representative organisations and the Australian Shareholders Association
- providing through the Company's website up-to-date information about the Company and its operations, the Corporate Governance Framework, the Board and management, ASX announcements, the share price, and other relevant information. Information about Telix is also communicated through a range of other channels, such as Twitter and LinkedIn
- giving shareholders the option to receive communications from, and send communications to, Telix and its share registry electronically.

Directors' report

Company Directors

The names and details of the Company's Directors at the date of this report are detailed below. All Directors except Tiffany Olson served on the Board for the full financial year ended 31 December 2022. Oliver Buck retired as Director with effect from 18 May 2022.

H Kevin McCann, AO BA LLB (Hons) (Syd) LLM (Harvard) LL.D (Syd) (Hon) Life Fellow AICD

Appointed Non-Executive Director and Chairman, 17 September 2017

Mr McCann has extensive board experience with some of Australia's most recognised companies. Kevin is a former corporate lawyer and experienced Chairman and Director of listed private and government companies and government agencies.

Previously, Kevin has been Chairman of Macquarie Group and Macquarie Bank Limited, Chairman of Origin Energy Limited, Healthscope Limited, the Sydney Harbour Federation Trust and a Director of Bluescope Steel. He practised 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 was made an Officer of the Order of Australia for services to business, corporate governance and gender equality in January 2020.

Directorships of other entities and offices

Current

- Chairman, China Matters (since 2019)
- Chair and Board Advisor, Blueprint Institute (since 2022)
- Member, Champions of Change Founding Group (since 2010)
- Trustee, Sydney Opera House (since 2019)

Recent (last 3 years)

- Director, E&P Financial Group Limited (February 2020 to November 2021)

Board Committee membership

- Chair – People, Culture, Nomination and Remuneration Committee
- Chair – Disclosure Committee
- Member – Audit and Risk Committee

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

Co-Founder. Appointed Executive Director, 3 January 2017

Dr Behrenbruch has over 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 was previously a Director of Factor Therapeutics Limited (ASX: FTT) and Amplia Therapeutics Limited (ASX: ATX). Christian holds a DPhil (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.

Board Committee membership

- Member – Disclosure Committee

Andreas Kluge, MD PhD (Berlin)

Co-Founder. Appointed Executive Director, 3 January 2017. Transitioned to Non-Executive Director, 2 June 2020

Dr 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 neurooncology, 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.

Directorships of other entities and offices

Current

- General Manager, ABX-CRO advanced pharmaceutical services GmbH (since August 2002)

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

Appointed Non-Executive Director, 17 September 2017

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

Directorships of other entities and offices

Current

- Chairman, Art Exhibitions Australia (since February, 2019)
- Director, The Mindgardens Neuroscience Network (since February, 2018)
- Director, Kaldor Public Art Projects (since October, 2005)
- Governor, Florey Neurosciences Institute (since October, 2007)

Board Committee membership

- Member – Audit and Risk Committee
- Member – People, Culture, Nomination and Remuneration Committee

Ms Tiffany Olson, MBA (Minnesota), BSB (Minnesota)

Appointed Non-Executive Director, 31 March 2022

Ms Olson brings a depth of experience in commercialisation and corporate strategy in oncology, including in the radiopharmaceutical sector. Her most recent executive role was with Cardinal Health, the largest provider of radiopharmaceuticals in the United States, where she was President of Cardinal Health Nuclear & Precision Health Solutions overseeing Cardinal's radiopharmaceutical manufacturing and nuclear pharmacy network. During her eight-year tenure in this role she led a major business transformation which led to increased market share and profit growth. Prior to her role at Cardinal Health, Ms. Olson served as President of NaviMed and in executive roles at Eli Lilly and Roche, where she attained the position of President and CEO of Roche Diagnostics Corporation.

Directorships of other entities and offices

Current

- Director, Castle Biosciences, Inc., (NASDAQ: CSTL) (since April 2021)
- Advisory Board member, Langham Logistics (since August 2021)

Recent (last 3 years)

- Director, Asuragen, Inc. (August 2016 to March 2021)
- BioTelemetry, Inc., (NASDAQ: BEAT) (February 2019 to February 2021)

Board Committee membership

- Member – Audit and Risk Committee

Ms Jann Skinner, B Com FCA FAICD

Appointed Non-Executive Director, 19 June 2018

Ms 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 Chair of the Audit Committee and Deputy Chair of the Risk & Capital 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.

Directorships of other entities and offices

Current

- Director, HSBC Bank Australia Limited (since April 2017)
- Director, QBE Insurance Group Limited (since October 2014)
- Director, Create Foundation Limited (since June 2004)

Board Committee membership

- Chair – Audit and Risk Committee
- Member - People, Culture, Nomination and Remuneration Committee
- Member – Disclosure Committee (for financial related disclosures)

Directors' meetings

The following tables set out the number of Directors' meetings (including meetings of Board Committees) held during the financial year ended 31 December 2022, and the number of meetings attended by each Director. The Disclosure Committee reviews all material announcements to the market, and formally meets to review and approve the Appendix 4C and activities report, where not reviewed and approved by the full Board. In addition to standing Committees of the Board, in the financial year, a special purpose Subcommittee was convened to consider and address matters relating to capital needs and capital management.

	Board of Directors		Audit and Risk Committee		People, Culture, Nomination and Remuneration Committee	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
H K McCann	9	9	4	3	5	5
C Behrenbruch[1]	9	9	4	4	5	5
O Buck[2]	5	4	1	1	2	2
A Kluge	9	9	-	-	-	-
M Nelson	9	9	4	4	5	5
T Olson[3]	6	6	3	2	-	-
J Skinner	9	9	4	4	5	5

1. C Behrenbruch attends above committee meetings by invitation.
2. O Buck retired as Director on 18 May 2022.
3. T Olson was appointed as Director on 31 March 2022.

All Directors are welcome to attend Committee meetings even though they may not be a member.

	Disclosure Committee		Special purpose Subcommittee[1]	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
H K McCann	2	2	2	2
C Behrenbruch	2	2	2	2
O Buck[2]	-	-	-	-
A Kluge	-	-	-	-
M Nelson	-	-	2	2
T Olson[3]	-	-	-	-
J Skinner	2	2	2	2

1. Convened to consider and address matters relating to capital needs and capital management.
2. O Buck retired as Director on 18 May 2022.
3. T Olson was appointed as Director on 31 March 2022.

Directors' interest in the securities of Telix Pharmaceuticals Limited

The relevant interests of each of the Directors in the share capital of the Company as at the date of this report are as follows:

	Ordinary shares	Options/PSARs
H K McCann	1,150,000	-
C Behrenbruch	23,075,000	440,380
A Kluge	22,675,000	-
M Nelson	3,628,750	-
T Olson	43,930	52,070
J Skinner	595,000	-

Details are set out in the Remuneration report.

Company Secretary

Genevieve Ryan B.Sc(Hons)/LLB(Hons), FGIA, FCG

Genevieve Ryan was appointed Company Secretary of Telix on 5 December 2022, replacing Melanie Farris. Ms Ryan holds a Bachelor of Science with Honours, and a Bachelor of Laws with Honours from Monash University. She also holds a Graduate Diploma in Applied Corporate Governance and she is a Fellow of the Governance Institute of Australia. Ms Ryan is a Solicitor of the Supreme Court of Victoria and has 17 years' experience in legal and governance roles working with ASX-200 companies, including Australian Pharmaceutical Industries Limited and Orora Limited.

Principal activities of the Company in the year under review

Telix Pharmaceuticals Limited was incorporated on 3 January 2017 and listed on the Australian Securities Exchange on 15 November 2017. Telix is a commercial-stage biopharmaceutical company focused on the development and commercialisation of diagnostic and therapeutic radiopharmaceuticals. Telix is headquartered in Melbourne, Australia with operations in the United States, Europe (Belgium and Switzerland), and Japan. Telix is developing a portfolio of radiopharmaceutical products that aim to address significant unmet medical need in oncology and rare diseases.

Activities during the year were principally directed to further advancing Telix's standing as a globally recognised theranostics company, through the commercialisation and development of the imaging and therapeutic products in its core pipeline.

Notably, during the year, Telix launched its first commercial product Illuccix® (kit for the preparation of ^{68}Ga PSMA-11 injection) for prostate cancer imaging in the United States, Australia and New Zealand and received regulatory approval from Health Canada.

The Company continues to advance the development and commercialisation of its assets in four key disease areas:

- TLX591-CDx (Illuccix) / TLX591: diagnosis and treatment of metastatic castrate-resistant prostate cancer
- TLX250-CDx / TLX250: diagnosis and treatment of renal (kidney) cancer
- TLX101-CDx / TLX101: diagnosis and treatment of glioblastoma (brain cancer)
- TLX66-CDx (Scintimun®) / TLX66: bone marrow conditioning and rare diseases.

Review of operations

Information on the operations and financial position for Telix and likely developments in the Group's operations in future financial years is set out in the Operating and financial review (OFR). The OFR should be read in conjunction with the Chairman and CEO messages, Our Company, Managing Risk and ESGS report within this Annual Report and accompanying this Directors' report.

Likely developments and expected results

The OFR sets out information on Telix's business strategies and prospects for future financial years, and refers to likely developments in Telix's operations and the expected results of those operations in future financial years. Certain information regarding developments in operations in future years and expected results of those operations is excluded because it is likely to result in material prejudice to the Group.

State of affairs

There have been no significant changes in the state of affairs of the Group during the financial year ended 31 December 2022 other than as disclosed in this Annual Report.

Events subsequent to the end of the financial year

There were no subsequent events that required adjustment to or disclosure in the Directors' report or the Financial report of the Company for the year ended 31 December 2022.

Dividends

No dividend was declared or paid during the year. There was no return of capital by the Company to any of its shareholders during the year.

Issue of unlisted equity incentives

Unlisted ordinary shares of the Company under options or rights issued during the year were as follows:

Options/Rights granted	ASX code	Expiry date	Exercise price ($)	Number under option
TLXO012	TLXAO	4 April 2027	4.95	2,756,380
TLXO013	TLXAP	4 April 2027	Nil	220,000
TLXO014	TLXAO	24 October 2027	6.15	1,459,666

Unlisted share options do not allow the holder to participate in any share or rights issue of the Company. Shares to be allocated following vesting of Rights are held in the Telix Employee Share Trust. Performance Share Appreciation Rights and other rights were issued in line with the Company's Equity Incentive Plan and long-term incentive policy for key employees. Refer to the Remuneration report for more information. Refer to Note 32 of the Financial report for details of all unlisted equity incentives on issue.

Shares issued on exercise of options and lapse of options

Ordinary shares of the Company issued during the financial year ended 31 December 2022 on the exercise of options granted over unissued shares and lapse of options are as follows:

- a total of 8,542,589 fully paid ordinary shares were issued upon exercise of 8,842,806 unlisted share options
- a total of 1,005,492 share options lapsed unexercised. These options lapsed in accordance with the terms of their grant.

Since the end of the financial year ended 31 December 2022 and the date of this report, 742,313 shares have been issued from the exercise of 1,020,454 options under the Company's Equity Incentive Plan.

Regulatory and environmental matters

Telix is required to carry out its activities in accordance with applicable environment and human safety regulations in each of its operating jurisdictions.

Following the acquisition of a radiopharmaceutical production facility in Brussels South, Belgium in 2020, Telix is required to carry out its activities at this facility in compliance with applicable environmental regulations.

Telix is required to comply with regular inspections by the Belgian FANC which is in charge of regulatory controls and safety assessments. In 2022, the facility received updated authorisations from the FANC aligned with the scope of Telix operations. Telix is complying with its obligations under these licences and the current Belgian regulation.

In December 2022, Telix received from the Belgian FANC an updated operation authorisation and environmental permit for the facility, valid up to 7 October 2042. Refer also to the ESGS report of this Annual report.

Beyond those mentioned above the Company is not aware of any matter that requires disclosure with respect to any significant regulations in respect of its operating activities.

There have been no known issues of non-compliance during the year.

Indemnification

Indemnification of officers

In accordance with the Company's Constitution, the Company has entered into agreements with each person who is, or has been, an officer of the Company. This includes the Directors in office at the date of this report, all former Directors and other executive officers of the Company, indemnifying them against any liability to any person other than the Company, or a related body corporate, that may arise from their acting as officers of the Company, notwithstanding that they may have ceased to hold office. There is an exception where the liability arises out of conduct involving a lack of good faith or is otherwise prohibited by law.

During and since the end of the financial year ended 31 December 2022, the Company has paid or agreed to pay the premiums for an insurance policy to insure current and previous Directors and other executive officers of the Company against certain liabilities incurred in that capacity.

Due to the confidentiality obligations and undertakings set out in these agreements, no further details in respect of the premiums paid, or the terms of the agreements, can be disclosed.

No indemnity payment has been made under any of the documents referred to above during or since the financial year ended 31 December 2022.

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 end of the financial year.

Auditor independence and non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with Telix and/or the Group are important.

Details of amounts paid or payable to the Company's auditor, PricewaterhouseCoopers, for non-audit services provided during the year are set out in note 37 to the Financial report. The Directors, in accordance with the advice received from the Audit and Risk Committee, are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to confirm they do not affect the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 10 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Telix, acting as an advocate for Telix or jointing sharing the economic risks and rewards.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 accompanies this report.

Rounding

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Corporate governance statement

The key features of the Company's corporate governance framework are set out in the Corporate governance statement, which is available on pages 53 to 62 of this Annual report.

Letter from the Chairman of the People, Culture, Nomination and Remuneration Committee

Dear Shareholder

On behalf of the Board, I am pleased to present the Telix Remuneration Report for the year ended 31 December 2022.

Telix remains committed to providing transparent reporting and clear communications for shareholders, employees and all other stakeholders.

With the assistance of the People, Culture, Nomination and Remuneration Committee (PCNRC), the Board assesses the remuneration framework on an annual basis. In setting and reviewing the remuneration policy, the Board considers the remuneration guidelines of shareholder and corporate governance advisors.

The Board is of the view that the elements of remuneration should produce an appropriate range of reward outcomes linked to performance, market benchmarks and the Company's strategy and long-term sustainability, as well as working together to incentivise and reward for appropriate behaviours and culture.

During the year, Telix made several key executive leadership appointments as part of ongoing succession.

As a result, the Board determined that the Group Chief Medical Officer (Colin Hayward) and the Group Chief Commercial Officer (Richard Valeix) would also be considered key management personnel (KMP) effective from 17 August 2022 and 5 December 2022, respectively.

Company performance and 2022 remuneration outcomes

Telix's performance for the financial year ended 31 December 2022 (delivering $149,800,000 revenue from the sales of Illuccix in the United States (U.S.), $160,100,000 revenue from total Group sales, and $116,329,000 closing cash balance), reflected positive momentum in the Company's transition to a commercial revenue-generating Company, with a financially sustainable business to fund the development of its core product pipeline.

Telix's global leadership team (of which the CEO and other Executive KMP as defined in this Report form a subset) are rewarded for annual performance against key corporate objectives approved annually by the Board, and from longer-term returns for shareholders. Total remuneration package targets the median (percentile P50) of a peer group, which includes at risk components – short-term variable remuneration (STVR) rewarded in cash as a percentage of fixed pay for achievement of annual core objectives, and equity awards for achievement of longer term objectives under Telix's long-term variable remuneration (LTVR) plan.

For 2022, Executive KMP received 60% of their STVR eligibility to reflect significant commercial achievements in the year (including revenue generated from the sales of Illuccix in the U.S.), balanced against delays in achieving product pipeline development objectives. The remaining 40% of STVR entitlements allocated to corporate objectives was forfeited.

Effective 1 January 2022, we made changes to Telix's LTVR plan to reflect the emerging maturity of the Company. Performance share appreciation rights (PSARs) are the only form of equity grant under the Company's LTVR plan, and share rights are awarded to retain selected employees. PSARs minimise dilution to shareholder value and enable executives to acquire shares in Telix without the need to fund the purchase. Telix's LTVR plan requires achievement of performance conditions measured over three years for PSARs to vest. As LTVR was introduced in FY21, no LTVR awards were vested to executives this year.

During the year, long-term equity incentives issued to the CEO and other Executive KMP during FY21 vested and became exercisable following the achievement of the performance metric of $100,000,000 in cumulative revenue from 1 January 2021.

Changes to remuneration for the financial year effective 1 January 2023

In line with the Board's decision in 2021 to target remuneration levels for Executive KMP and other global leadership team members towards the market median (P50) (using comparison by market capitalisation and to industry peers) the CEO, other Executive KMP and members of the Telix global leadership team received a fixed pay increase of 5.0% for FY23.

To ensure alignment between executive and shareholder interests, the Board has once again approved key corporate objectives for the year ahead for the award of STVR, and robust performance conditions linked to longer term sustainable business performance and strategic outcomes for vesting of LTVR (measured over a three year period).

The CEO and other Executive KMP will be eligible to receive PSARs equivalent to 50% of their Fixed Pay (FP) if the performance metrics are achieved (with the exception of Colin Hayward who will be eligible to receive 35% of his FP to maintain Total Target Remuneration Package parity), in line with PSARs granted across the Group. The proposed FY23 LTVR grant for the CEO will be subject to shareholder approval at the 2023 Annual General Meeting.

No changes will made to Non-Executive Director fees for the 2023 year, other than as a result of legislative requirements, and payment of a $10,000 allowance (in addition to reimbursement of travel costs) to overseas-based Non-Executive Directors to attend two meetings or other Board-related matters in Australia per year, to recognise substantial travel time that may be required.

H Kevin McCann, AO
Chairman, People, Culture, Nomination
and Remuneration Committee

"The Board is committed to a remuneration framework that attracts great talent, drives a culture of performance and links overall remuneration and incentives to the achievement of the Group's long-term strategy and purpose, mission and values."

Remuneration report (audited)

This remuneration report provides a summary of Telix's remuneration policy and practice for KMP for the financial year ended 31 December 2022. This report has been prepared as required by the *Corporations Act 2001* (Cth) (Corporations Act) for the Company and its controlled entities (collectively Telix, or the Group) and has been audited by Telix's external auditor. This remuneration report forms part of the Directors' report.

Key Management Personnel

For the purposes of this remuneration report, KMP include Executive and Non-Executive Directors (NED) and nominated senior executives who have authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly (who, collectively with the CEO, comprise Executive KMP). For the year ended 31 December 2022, the KMP were:

Name	Position	Term as KMP
Non-Executive Directors		
H Kevin McCann AO	Director and Chairman	Full year
Oliver Buck[1]	Director	Partial year
Andreas Kluge MD PhD	Director	Full year
Mark Nelson PhD	Director	Full year
Tiffany Olson[2]	Director	Partial year
Jann Skinner	Director	Full year
Executive Director		
Christian Behrenbruch PhD	Managing Director and Group Chief Executive Officer	Full year
Executives		
Doug Cubbin[3]	Group Chief Financial Officer (CFO)	Partial year
Darren Smith[4]	Group Chief Financial Officer (CFO)	Partial year
Gabriel Liberatore PhD[5]	Group Chief Operating Officer (COO)	Partial year
Colin Hayward[6]	Group Chief Medical Officer (CMO)	Partial year
Richard Valeix[7]	Group Chief Commercial Officer (CCO)	Partial year

1. Oliver Buck retired as Director on 18 May 2022
2. Tiffany Olson was appointed as Director on 31 March 2022
3. Doug Cubbin resigned as Group Chief Financial Officer on 31 July 2022
4. Darren Smith was appointed as Group Chief Financial Officer on 1 August 2022
5. Gabriel Liberatore resigned as Group Chief Operating Officer on 31 July 2022
6. Colin Hayward's position of Group Chief Medical Officer was determined as KMP on 17 August 2022
7. Richard Valeix was appointed as Group Chief Commercial Officer on 5 December 2022

Remuneration governance

The Board maintains overall accountability for the oversight of Telix's remuneration approach for Executive KMP (including the CEO), regional CEOs and NEDs, having regard to the recommendations made by the PCNRC. The PCNRC reviews and makes recommendations to the Board on remuneration and at-risk remuneration policies, taking into account Telix's strategic objectives, corporate governance principles, market practice and stakeholder interests.

More information on the Board's role and Telix's corporate governance policies for NED, Executive KMP and Telix executives (including securities trading, and the prohibition of hedging or margin lending in respect of Telix securities) can be found on Telix's website at: https://telixpharma.com/investor-centre/corporate-governance/.

During the reporting period, the PCNRC did not receive any remuneration recommendations (as defined by the Corporations Act) from external consultants.

Remuneration practice and philosophy

The Group's guiding principle for remuneration is that remuneration should be 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 variable (or "at risk") remuneration sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's strategy
- ensuring variable remuneration is contingent on outcomes that grow and/or protect shareholder value
- ensuring a suitable proportion of remuneration is received as an equity-based award so that reward is earned by achievement and performance over the longer term.

Telix's Executive KMP are responsible for making and executing decisions that build Group value. In setting the remuneration philosophy and design, the Board aims to balance reward for short-term results with long-term business performance and value creation. The Board's aim is to provide clarity so that our shareholders, executives, and all other interested parties understand how remuneration at Telix helps drive the business strategy and shareholder alignment and rewards outcomes.

Policy and process for remuneration setting and review

The Group aims to reward the Executive KMP and other members of global leadership team 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 for corporate performance
- align the interest of employees with those of shareholders
- build a strong cohesive leadership team which can deliver execution excellence against the strategy

Remuneration consists of:

- Fixed Pay (FP), including Benefits, as applicable
- Short-term Variable Remuneration (STVR)
- Long-term Variable Remuneration (LTVR)

The sum of the above elements constitutes the Target Total Remuneration Package (TTRP). Both internal relativities and external market factors are considered when setting the structure and quantum of TTRP.

Embedded in TTRP is the concept that performance is rewarded via the STVR and LTVR plans, while FP aims to recognise the competence and calibre of the individual relative to the requirements of the role. FP, and changes to it, are intended to provide competitive, appropriate remuneration and retain talent, rather than provide an incentive or reward for targeted performance.

The PCNRC recommends to the Board the remuneration packages of the CEO and other Executive KMP plus oversight of the Regional CEOs. As occurred during the year ended 31 December 2021, the PNCRC may seek external advice to determine the appropriate level and structure of the KMP remuneration packages.

Principals	Components	Determinant
Attract and retain appropriately capable and talented individuals to the Company	**Fixed Pay (FP)** • Base Pay (BP) – targeting P50 salary for positions in comparison to peer group select by market capitalisation and industry • country specific pension	**Any increases in salary are** • market based, in line with experience and expertise • in-line with the current stage of the Company
Reward corporate performance	**Short-term Variable Remuneration (STVR)** • percentage of BP as cash for achievement of short term performance for the financial year	• percentage determined by achievement of Board approved corporate objectives
Align the interest of employees with those of shareholders	**Long-term Variable Remuneration (LTVR)** • percentage of BP as Performance Share Appreciation Rights (PSARs)	• achievement of Group level cumulative three year performance metrics set at time of grant for all equity issued in the financial year
Build a strong cohesive leadership team which can deliver execution excellence against the strategy	**Sign-on Incentives** • a percentage of BP granted near commencement of employment as PSAR's with three year vesting – supports retention for initial employment period	• individual contracts may include additional/ different performance metrics as appropriate for the position • achievement of three year performance metrics set at Group level for all equity issued in the year • the signing bonus is used to offset lost entitlements at previous companies for very high-potential candidates
Retain high potential employees	**Retention Incentives** • long-term incentive share rights may be awarded as a further retention tool for high performing/ high potential non-executive employees	• share rights vest following continued employment for a period of three years

Remuneration components

Fixed Pay

To ensure that the Company continues to attract, retain and motivate its global leadership team, the Board decided in 2021 that remuneration of the Executive KMP and other members of global leadership team would over three years move towards targeting the mid-point of market data (P50) of comparable peer groups by market capitalisation and industry peers. There may be deviations to P50 for some Executive KMP or global leadership team members, including to account for comparable roles in local jurisdictions.

Four main factors are considered when determining FP:

- competence of the incumbent
- incumbent's current FP in the +/- 20% range (i.e. 80% to 120%) of P50 of FP data
- motivational and retention impact of an adjustment or lack of adjustment to the executive's FP
- cash cost to Telix of increases in FP and flow on impacts to the cost of STVR and LTVR awards which are expressed as percentages of FP.

Remuneration reviews are conducted concurrently with the annual performance review cycle which runs from 1 January to 31 December each year. Achievement of objectives is assessed against the position description for each individual role. These are reviewed as necessary due to internal or external changes.

Short-term Variable Remuneration

STVR rewards performance against annual financial and non-financial corporate objectives – maintaining a focus on underlying value creation within the business operations. Corporate objectives, weightings and targets are approved by the Board on the advice and recommendation of the CEO at the commencement of each year, and awards are based on achievement of these metrics. Corporate objectives are set with the primary purpose of incentivising the Executive KMP and other members of global leadership team to work together to achieve the key objectives annually in line with Telix's Code of Conduct and corporate values. STVR rewards reflect a Board approved percentage of FP payable in cash to Executive KMP and other Telix executives following assessment of achievement of the corporate objectives for each applicable year and Board approval.

Long-term Variable Remuneration

LTVR is offered as part of TTRP to build alignment between the Company's global leadership team (including Executive KMP) and the Company's shareholders and other stakeholders over the long term. LTVR is remuneration that may vest subject to the achievement of performance conditions which are set annually by the Board in February for all PSAR's issued in the year with a measurement period of three years.

PSARs provide the same value to the employee as options – being the difference between the notional exercise price and the share price at the time of exercise. They are used in place of options to minimise dilution to shareholder value and remove the need for participants to fund an exercise price, thereby encouraging executives to acquire shares in Telix.

PSARs have a term of five years from the grant date and will be issued with a notional exercise price calculated as a volume weighted average price of shares (VWAP) over the 20 trading days following the announcement of the applicable full year annual results. PSARs are independently valued in accordance with the Black Scholes methodology.

As LTVR for the Executive KMP and global leadership team is considered remuneration in the year that it is awarded, in cases of cessation of employment, pro-rata forfeiture of the rights occurs reflecting the remaining portion of the first year, and any complete years of the measurement period that will not be served. In the event of termination of employment by the company for cause, all granted equity is dealt with under Malus and Clawback provisions which apply before and after termination.

Benefits

Market competitive benefits, aligned with the customary remuneration arrangements of the broader workforce in the country of residence, may include superannuation or local pension plans, car parking, telephone and/or participation in local health insurance or other benefit programs.

Malus and Clawback Policy

"Malus" means reducing or cancelling all or part of an individual's variable remuneration as a consequence of a materially adverse development occurring prior to payment (in the case of cash incentives) and/or prior to vesting (in the case of equity incentives). "Clawback" means seeking recovery of a benefit paid to take into account a materially adverse development that only comes to light after payment or the vesting of equity incentives.

The Board, in its sole discretion, may reduce, cancel in full, or seek to clawback any incentive provided to any employee, including former employees, if it determines that an employee has at any time acted dishonestly (including, but not limited to, misappropriating funds or deliberately concealing a transaction); acted or failed to act in a way that contributed to a breach of a significant legal or regulatory requirement relevant to Telix; acted or failed to act in a way that contributed to the Group incurring significant reputational harm, a significant unexpected financial loss, impairment charge, cost or provision; acted or failed to act in a way that contributed to Telix making a material financial misstatement; and/or committed a breach or non-compliance with the Telix Code of Conduct and/or any other employee or governance related policies.

The Board, in its sole discretion, may reduce, cancel in full, or seek to clawback any incentive provided to any employee, including former employees, if the Board forms the view that a participant or participants have taken excessive risks or have contributed to or may benefit from unacceptable cultures within the Company; if the Board forms the view that participants have exposed employees, the broader community or environment to excessive risks, including risks to health and safety; and/or if a participant joins a competitor (unless otherwise determined by the Board).

Long-term Incentives (LTI) for Group employees

Retaining and attracting outstanding talent is central to our growth and success. Telix is committed to a remuneration framework for employees who are not part of the global leadership team that also attracts talent, drives a culture of performance and links overall remuneration and incentives to the achievement of the Group's long-term strategy and objectives.

The Board's view is that the provision of reward in the form of LTI provides employees with the valuable opportunity to own a portion of the Company they are helping to grow.

The Board has therefore approved the use of LTI as a sign-on bonus to incentivise high quality candidates to join Telix; the use of LTI to award annual performance of employees who are not part of the global leadership team; and the creation of a retention bonus scheme for critical talent in pivotal roles.

Sign–on equity is a one-off grant of equity designed to provide an opportunity for new employees to hold equity in the Company from close to the beginning of their tenure. Sign-on equity is granted to employees as PSARs and includes performance and service vesting conditions.

Performance LTI is considered by the PCNRC on an annual basis based on the recommendation of the CEO regarding the issue of LTI to employees in light of the performance, financial position and current issued capital of the Company during that year. LTI awarded under the annual performance review will generally match, in dollar value, STI awarded for performance. LTI is granted to employees as PSARs and includes performance and service vesting conditions.

Additional LTI (share rights) may be awarded as a further retention tool for high performing/high potential employees. Retention LTI is designed to incentivise high performing/high potential employees and includes service vesting conditions.

The terms of any LTI grant are determined by the Board and there will be no automatic grant. LTI grants are normally issued under the Company's Equity Incentive Plan (EIP) rules.

The Board targets that the number of equity incentives on issue under the EIP (for LTVR and all LTI awards) not exceed 10% of total shares on issue. As at 31 December 2022, the number of equity incentives on issue under the EIP (for LTVR and LTI awards) was 3.7% (2021 6.0%).

Remuneration review and awards for the financial year ended 31 December 2022

In line with the objective of achieving P50, the CEO received a 12% increase in FP in 2022. Other Executive KMP did not receive a FP increase during the time they were designated KMP in 2022.

For the year ended 31 December 2022, STVR eligibility was 32% of FP for the CEO and between 25-27% for other Executive KMP.

Achievement against 2022 corporate objectives was assessed and awarded at 60% of FP for the CEO and other full year term Executive KMP, reflecting significant achievements in 2022 (including revenue generated from the sales of Illuccix in the U.S.), but balanced against delays in achieving product development pipeline objectives. The remaining 40% of STVR entitlements allocated to corporate objectives was forfeited.

No other performance-related LTI or LTVR was awarded to the CEO and other Executive KMP vested during the year.

Prior to FY22, LTVR was awarded as unlisted marked-priced share options. For FY21, LTVR were issued as options with performance metrics of achievement of $100,000,000 in cumulative revenue (before cost of goods sold) from product sales. Whilst no formal minimum vesting period or measurement period was structured into the award, with the achievement of $100,000,000 in cumulative revenue during FY22, vesting has occurred.

As disclosed in last year's report, LTVR issued to Executive KMP (including the CEO) and other members of the global leadership team during the year ended 31 December 2022 have a three year performance measurement period and will be tested prior to 31 December 2024.

Reflecting Telix entering into a revenue generating, commercial phase, the Board determined to implement performance metrics that will bring long-term growth and value to the Company and has split the performance measures between financial metrics and value-adding program-related milestones – for example, product regulatory approvals or material clinical development milestones. LTVR for the year ended 31 December 2022 have the following performance conditions before vesting can occur in FY24:

Tranche 1 – Financial metric – 50% weighting at target

Performance level	Adjusted EBITRD (Adjusted Earnings before Interest, Taxes and R&D expense) on a three year cumulative basis	% Vesting of target LTVR grant
Stretch	$120 million	100%
Between Target and Stretch	Pro-rata	Pro-rata
Target	**$100 million**	**50%**
Between Threshold and Target	Pro-rata	Pro-rata
Threshold	$80 million	25%
Below Threshold	< $80 million	0%

Tranche 2 – Value adding performance milestone 1 – 25% weighting at target

FDA or European Medicines Agency (EMA) granting marketing approval for TLX101-CDx (Glioblastoma diagnostic).

Performance level	Approval for marketing for TLX101- CDx by the FDA or EMA	% Vesting of target LTVR grant
Target	**Approval is granted**	**25%**
Below Threshold	Approval has not been granted	0%

Tranche 3 – Value adding performance milestone 2 – 25% weighting at target

FDA or EMA granting marketing approval for TLX250-CDx (Renal cancer diagnostic).

Performance level	Approval for marketing for TLX250-CDx by the FDA or EMA	% Vesting of target LTVR grant
Target	**Approval is granted**	**25%**
Below Threshold	Approval has not been granted	0%

Changes to remuneration for the financial year effective 1 January 2023

To continue the approach to target remuneration levels for the Executive KMP to P50, for the year commencing 1 January 2023, the Board approved the following TTRP (subject to shareholder approval in respect of the CEO LTVR grant at the 2022 AGM (May 2023)):

- FP increase of 5% for the CEO and other executive KMP
- STVR eligibility of 32% of FP for the CEO and 26-27% of FP for other executive KMP
- LTVR eligibility of 50% of FP for the CEO and other executive KMP (excluding the CMO who is eligible to receive 35% of FP to maintain TTRP parity)

Corporate objectives were approved by the Board in January 2023 for the financial year ending 31 December 2023. STVR awards for the year ending 31 December 2023 are applicable to the CEO, other executive KMP and other members of the global leadership team and will be assessed and awarded following the achievement of targets determined by the Board.

In 2023, the Executive KMP will be eligible to receive PSARs under the LTVR plan to the value of between 35 – 50% of their FP, depending on TTRP parity.

PSARs to be granted for the year ending 31 December 2023 to Executive KMP will be subject to performance conditions of a similar structure to those issued for the year ended 31 December 2022. Performance metrics will be related to both commercial (Adjusted earnings before interest, taxes, depreciation, amortisation and research and development (Adjusted EBITDAR)) and product development performance, reflecting the current emerging status as a sustainable revenue generating Company.

PSARs issued in 2023 have a measurement period that is three financial years commencing within the year of the offer (thus the measurement period for an FY23 offer would cover FY23, FY24 and FY25). PSARs have a term of five years from the grant date and will be issued with a notional exercise price calculated as a VWAP over the 20 trading days following the announcement of FY22 annual results.

LTVR for the year ending 31 December 2023 have the following performance conditions before vesting occurs in FY25:

Tranche 1 – Financial metric – 50% weighting at target

Performance level	Adjusted EBITDAR on a three year cumulative basis	% Vesting of target LTVR grant
Stretch	$403 million	100%
Between Target and Stretch	Pro-rata	Pro-rata
Target	**$332 million**	**50%**
Between Threshold and Target	Pro-rata	Pro-rata
Threshold	$227 million	25%
Below Threshold	< Threshold	0%

Tranche 2 – Value adding performance milestone 1 – 25% weighting at target

ProstACT Global Phase III interim read-out completed, which will provide important information on the progress of the trial. ProstACT Global is part of Telix's Prostate Cancer Therapy Program, and involves global Phase III study in patients with metastatic castration-resistant prostate cancer.

Performance level	ProstACT Global Phase III interim read-out completed	% Vesting of target LTVR grant
Target	**Phase III interim read-out completed**	**25%**
Below Threshold	Phase III interim read-out not completed	0%

Tranche 3 – Value adding performance milestone 2 – 25% weighting at target

Pre-pivotal trial (pre-IND) meeting completed with a major regulator for one of Telix's rare disease therapy programs, required before further studies can commence. Current rare diseases candidates in the core or research pipeline are TLX66 for systemic amyloid light chain amyloidosis (SALA), TLX101 for glioblastoma therapy and Eli Lilly's olaratumab antibody (in-licensed by Telix in 2022) for diagnosis and treatment of soft tissue sarcoma.

Performance level	Pre-pivotal trial (pre-IND) meeting completed with a major regulator for one of Telix's rare disease therapy programs	% Vesting of target LTVR grant
Target	**Pre-pivotal trial (pre-IND) meeting completed**	**25%**
Below Threshold	Pre-pivotal trial (pre-IND) meeting not completed	0%

Telix Pharmaceuticals Limited performance and shareholder wealth

Revenue, cashflow from operations, Adjusted EBITRD[1], Adjusted EBITDAR[1], Loss before income tax, Basic earnings per share, Net tangible assets per share[1] and Dividend per share (cents per share) are as follows. Year end share price has been included as one measure of shareholder wealth:

	2022	2021	2020	2019	2018
Revenue from contracts with customers ($'000)	160,096	7,596	5,213	3,485	195
Net cash used in operating activities ($'000)	(63,970)	(59,328)	1,960	(23,333)	(20,749)
Adjusted EBITRD ($'000)	2,849	(35,622)	(14,804)	(12,300)	(5,486)
Adjusted EBITDAR ($'000)	8,228	(30,448)	(9,922)	(8,064)	(5,479)
Loss before income tax ($'000)	(98,622)	(80,465)	(47,935)	(31,122)	(15,714)
Basic loss per share (cents)	(33.5)	(28.5)	(17.5)	(11.9)	(6.8)
Net tangible assets per share ($)	0.03	(0.20)	6.44	11.83	0.06
Dividend per share ($)	-	-	-	-	-
Closing share price ($)	7.27	7.75	3.78	1.55	0.65
Increase/(decrease) in share price (%)	(6)	105	144	138	5
Market capitalisation ($'000)	2,299,812	2,209,315	1,059,932	392,584	141,938

Non-Executive Director remuneration

All NEDs 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.

Fees to NEDs reflect the obligations, responsibilities and demands which are made on Directors. The Board has resolved that the remuneration of NEDs should only be paid as cash fees and that 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.

In accordance with the Constitution of the Company and ASX Listing Rules, the aggregate remuneration of NEDs is determined from time to time by General Meeting. The last determination for Telix Pharmaceuticals Limited was made at the AGM of shareholders held on 12 May 2021, where shareholders approved an aggregate annual remuneration pool for NEDs of $700,000.

NEDs receive a base fee for being a Director of the Board, and additional annual fees for:

- chairing a Committee of the Board: $15,000 per annum
- membership of a Committee of the Board: $7,500 per annum

The Chairman of the Board is not to be compensated for Committee Membership but is compensated for his role as Chair of the PCNRC.

No increase was made to fixed-base NED fees or Committee fees during the financial year ended 31 December 2022. A minor adjustment (0.5%) was made in July 2022 to superannuation for all NEDs located in Australia to align with the increased Superannuation Guarantee rate effective 1 July 2022.

Annualised fees recorded below are base remuneration fees inclusive of superannuation (where applicable).

1. Refer to the Glossary for a definition of this alternative performance measure

Annual fees	2022	2021
	$	$
H K McCann, Chairman	187,423	137,188
O Buck, Non-Executive Director[1]	42,750	82,313
A Kluge, Non-Executive Director	86,000	65,850
M Nelson, Non-Executive Director	102,833	82,313
T Olson, Non-Executive Director[2]	70,725	-
J Skinner, Non-Executive Director	111,052	90,544
	600,783	**458,208**

1. Fees paid to O Buck up to his retirement on 18 May 2022
2. Fees paid to T Olson from her commencement as Director on 31 March 2022

It is recognised that as an Australian headquartered business, overseas-based NEDs may be required to undertake substantial additional travel to attend meetings or other Board-related matters in Australia. Effective 1 January 2023, a travel allowance of $10,000 is in place for internationally based NEDs who travel to and from Australia to attend two Board and/or committee meetings or other Board-related matters during the year. The allowance is in addition to the reimbursement of travel costs.

Ms Tiffany Olson joined the Board as a NED on 31 March 2022. Following shareholder approval at the 2021 AGM, in 2022, Ms Olson was issued with 52,070 PSARs with a notional exercise price of $4.95 expiring 17 May 2026 (TLXO0014).

On 9 November 2022, Ms Jann Skinner exercised 495,000 options granted to her for joining the Board following shareholder approval obtained at the 2019 AGM.

KMP remuneration for the year ended 31 December 2022

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

	Fixed remuneration			Variable remuneration			Termination benefits	Total	STVR and option	
	Salary / fees	Super	Leave accruals[1]	Other	STVR[2]	Share-based payment[3]				
Non-Executive Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
H K McCann	169,998	17,425	-	-	-	-	-	187,423	-	-
O Buck[4]	42,750	-	-	-	-	-	-	42,750	-	-
A Kluge	86,000	-	-	-	-	-	-	86,000	-	-
M Nelson	93,273	9,560	-	-	-	-	-	102,833	-	-
T Olson[5]	70,725	-	-	-	-	22,679	-	93,404	22,679	24.28
J Skinner	100,727	10,325	-	-	-	2,536	-	113,588	2,536	2.23
	563,473	**37,310**	**-**	**-**	**-**	**25,215**	**-**	**625,998**	**25,215**	
Executive Director										
C Behrenbruch	422,345	27,500	62,405	-	86,976	265,311	-	864,537	352,287	40.75
	422,345	**27,500**	**62,405**	**-**	**86,976**	**265,311**	**-**	**864,537**	**352,287**	
Other KMP										
D Smith[6]	172,708	11,458	21,361	-	24,616	8,923	-	239,066	33,539	14.03
R Valeix[7]	39,295	2,432	9,068	-	4,987	3,685	-	59,467	8,672	14.58
C Hayward[8]	224,560	6,138	39,526	-	37,088	269,415	-	576,727	306,503	53.15
D Cubbin[9]	219,961	16,042	-	-	-	(17,152)	-	218,851	(17,152)	(7.84)
G Liberatore[10]	218,585	16,042	-	-	-	(12,941)	38,714	260,400	(12,941)	(4.97)
	875,109	**52,112**	**69,955**	**-**	**66,691**	**251,930**	**38,714**	**1,354,511**	**318,621**	
Total for all KMP	**1,860,927**	**116,922**	**132,360**	**-**	**153,667**	**542,456**	**38,714**	**2,845,046**	**696,123**	

1. Remuneration includes movement in annual leave provisions during the year.
2. C Behrenbruch is eligible to receive an annual STVR of up to 32% of remuneration. D Smith is eligible to receive an annual STVR of up to 27% of remuneration, C Hayward and R Valeix are eligible to receive an annual STVR of up to 26% of remuneration. Non-Executive Directors are not eligible to receive an STVR amount. In the year to 31 December 2022, based on actual achievement against corporate objectives, 60% of STVR entitlement due to each eligible KMP for the year was awarded. The remaining 40% of STVR entitlement due to each eligible KMP for the year was forfeited. The issue of LTI awards for performance in the year ended 31 December 2021 occurred on 5 April 2022.
3. As a means of cost-effective consideration for agreeing to join the Board, and following Shareholder approval, premium-priced unlisted share options were issued to Mssrs McCann, Nelson and Buck in 2017, and Ms Skinner in 2019. The amounts recorded for share-based payments (options) for Non-Executive Directors and KMP reflect the fair value of these options expensed each year over the life of the option.
4. Fees paid to O Buck up to his retirement on 18 May 2022.
5. Fees paid to T Olson from commencement as Director on 31 March 2022.
6. D Smith joined the Group on 31 January 2022 as Deputy Chief Financial Officer and was appointed as Chief Financial Officer on 1 August 2022.
7. R Valeix was appointed as Chief Commercial Officer on 5 December 2022.
8. C Hayward's role as Chief Medical Officer was designated a KMP role from 17 August 2022.
9. D Cubbin retired from his role as Chief Financial Officer on 31 July 2022. As part of his exit agreement, it was agreed that 140,000 TLXO006 options would remain on foot. The negative share-based payment remuneration reflects the reversal of previously recognised share-based payment expense arising from the lapse of options due to not meeting the continuous service condition associated with certain options held at the time of his exit.
10. G Liberatore's position as Chief Operating Officer was made redundant on 31 July 2022. As part of his redundancy agreement, it was agreed that 140,000 TLXO006 options would remain on foot. The negative share-based payment remuneration reflects the reversal of previously recognised share-based payment expense arising from the lapse of options due to not meeting the continuous service condition associated with certain options held at the time of his exit.

KMP remuneration for the year ended 31 December 2021

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

	Fixed remuneration			Variable remuneration			Total	STVR and option	
	Salary / fees	Super	Leave accruals[1]	Other[2]	STVR[3]	Share-based payment[4]			
Non-Executive Directors	$	$	$	$	$	$	$	$	%
H K McCann	125,000	12,188	-	-	-	-	137,188	-	-
O Buck	82,313	-	-	-	-	-	82,313	-	-
A Kluge	65,850	-	-	-	-	-	65,850	-	-
M Nelson	75,000	7,313	-	-	-	-	82,313	-	-
J Skinner	82,500	8,044	-	-	-	35,393	125,937	35,393	28.10
	430,663	**27,545**	**-**	**-**	**-**	**35,393**	**493,601**	**35,393**	
Executive Director									
C Behrenbruch	374,146	26,250	46,350	-	82,086	91,509	620,341	173,595	27.98
	374,146	**26,250**	**46,350**	**-**	**82,086**	**91,509**	**620,341**	**173,595**	
Other KMP									
D Cubbin	275,913	26,250	21,221	15,000	51,628	90,716	480,728	142,344	29.61
G Liberatore	280,492	26,250	20,643	-	52,144	86,172	465,701	138,316	29.70
	556,405	**52,500**	**41,864**	**15,000**	**103,772**	**176,888**	**946,429**	**280,660**	
Total for all KMP	**1,361,214**	**106,295**	**88,214**	**15,000**	**185,858**	**303,790**	**2,060,371**	**489,648**	

1. Remuneration includes movement in annual and long service leave provisions during the year.
2. This includes a once off share option entitlement to D Cubbin in FY2021 for resignation from a Chairman position as requested by Telix Pharmaceuticals Board. The equity portion has not been issued yet, hence booked at an estimate. Fair value will be calculated once the rights are granted in FY2022.
3. C Behrenbruch is eligible to receive an annual STVR of up to 30% of remuneration. D Cubbin and G Liberatore are eligible to receive an annual STVR of up to 25% of remuneration. Non-Executive Directors are not eligible to receive an STVR amount. In the year to 31 December 2021, based on actual achievement against corporate objectives, 75% of STVR entitlement due to each eligible KMP for the year was awarded. The remaining 25% of STVR entitlement due to each eligible KMP for the year was forfeited. The issue of LTI awards for performance in the year ended 31 December 2020 occurred on 27 January 2021.
4. As a means of cost-effective consideration for agreeing to join the Board, and following Shareholder approval, premium-priced unlisted share options were issued to Mssrs McCann, Nelson and Buck in 2017, and Ms Skinner in 2019. The amounts recorded for Share-based payments (options) for Non-Executive Directors and KMP reflect the fair value of these options expensed each year over the life of the option.

Related party transactions with KMP

Remuneration: Remuneration to KMP is recorded in the tables above.

Loans: There were no loans between the Company and any KMP in the years ended 31 December 2022 and 2021.

Other transactions: Non-Executive Director, Dr Andreas Kluge, is the principal owner and Geschäftsführer (Managing Director) of ABX-CRO, a clinical research organisation (CRO) that specialises in radiopharmaceutical product development. Telix entered into a master services agreement with ABX-CRO in 2018 for the provision of project management, clinical and analytical services for its ZIRCON clinical trial. During 2022, the ZIRCON trial was extended to increase patients from 248 to 300 and ABX-CRO resumed key site monitoring activities when COVID restrictions were lifted at hospitals.

During the year ended 31 December 2022, the total amount paid was $3,411,019 (2021: $1,512,452) and the amount payable to ABX-CRO at 31 December 2022 was $274,524 (2021: $485,384) respectively. ABX-CRO's fees and charges for activities undertaken in 2022 were on an arm’s length basis and competitive with quotes obtained from other CRO’s for similar services.

Other than those noted above, there were no related party transactions with any KMP in the year ended 31 December 2022.

Employment contracts

Executive KMP have rolling contracts, not limited by term. Terms approved by the Board as at the date of this report are as follows:

KMP and start date	Remuneration	Notice period	STVR and treatment of STVR on termination	LTVR and treatment of LTVR on termination
Christian Behrenbruch – MD and Group CEO Appointed 3 January 2017	Base salary of $475,650 subject to annual review. Exclusive of superannuation paid at government-determined levels.	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 annual STVR of up to 32% of base remuneration. Payout of any STVR is at the discretion of the Board. The treatment of STVR on termination is at Board discretion.	Eligible to receive a FY23 LTVR of 50% of FP upon target achievement. Issue of LTVR is at the discretion of the Board. Any issue of securities is subject to shareholder approval. The treatment of LTVR on termination is at Board discretion.
Darren Smith – Group CFO Appointed 1 August 2022	Base salary of $420,000 subject to annual review. Exclusive of superannuation paid at government-determined levels.	4 months' notice of termination by either party. All payments on termination will be subject to the termination benefits cap under the Corporations Act.	Eligible to receive an annual STVR of up to 27% of base remuneration. Payout of any STVR is at the discretion of the Board. The treatment of STVR on termination is at Board discretion.	Eligible to receive a FY23 LTVR of 50% of FP upon target achievement. Issue of LTVR is at the discretion of the Board. The treatment of LTVR on termination is at Board discretion.
Richard Valeix – Group COO Appointed 5 December 2022	Base salary of CHF $295,000 subject to annual review. Exclusive of country determined pension plan.	3 months' notice of termination by either party. All payments on termination will be subject to the termination benefits cap under the Corporations Act.	Eligible to receive an annual STVR of up to 26% of base remuneration. Payout of any STVR is at the discretion of the Board. The treatment of STVR on termination is at Board discretion.	Eligible to receive a FY23 LTVR of 50% of FP upon target achievement. Issue of LTVR is at the discretion of the Board. The treatment of LTVR on termination is at Board discretion.
Colin Hayward – Group CMO Determined KMP effective 17 August 2022	Base salary of USD $449,604 subject to annual review. Exclusive of country determined pension plan.	3 months' notice of termination by either party. All payments on termination will be subject to the termination benefits cap under the Corporations Act.	Eligible to receive an annual STVR of up to 26% of base remuneration. Payout of any STVR is at the discretion of the Board. The treatment of STVR on termination is at Board discretion.	Eligible to receive a FY23 LTVR of 35% of FP upon target achievement. Issue of LTVR is at the discretion of the Board. The treatment of LTVR on termination is at Board discretion.

KMP shareholdings for the year ended 31 December 2022

	Balance 1 January	Shares issued from Options exercised	Net acquired/ (disposed)	Other changes[1]	Balance 31 December
H K McCann	1,150,000	-	-	-	1,150,000
O Buck	1,552,500	-	250,000	(1,802,500)	-
A Kluge	24,675,000	-	(2,000,000)	-	22,675,000
M Nelson	3,628,750	-	-	-	3,628,750
T Olson[2]	-	-	43,930	-	43,930
J Skinner	100,000	495,000	-	-	595,000
C Behrenbruch	24,675,000	400,000	(2,000,000)	-	23,075,000
D Smith[3]	-	-	6,500	-	6,500
R Valeix[4]	-	125,000	-	-	125,000
C Hayward[5]	-	-	-	-	-
D Cubbin[6]	726,740	400,000	(115,000)	(1,011,740)	-
G Liberatore[7]	-	400,000	-	(400,000)	-
	56,507,990	**1,820,000**	**(3,814,570)**	**(3,214,240)**	**51,299,180**

1. Amounts presented here represent the number of shares held immediately preceding commencement or prior to ceasing respective KMP roles
2. Appointed as Director on 31 March 2022
3. Appointed as Group Chief Financial Officer on 1 August 2022
4. Appointed Group Chief Commercial Officer on 5 December 2022
5. Designated KMP effective 17 August 2022
6. Resigned as Group Chief Financial Officer on 31 July 2022
7. Role as Group Chief Operating Officer was made redundant on 31 July 2022

KMP shareholdings for the year ended 31 December 2021

	Balance 1 January	Shares issued from Options exercised	Net acquired/(disposed)	Balance 31 December
H K McCann	160,000	990,000	-	1,150,000
O Buck	1,552,500	-	-	1,552,500
A Kluge	24,675,000	-	-	24,675,000
M Nelson	2,638,750	990,000	-	3,628,750
J Skinner	100,000	-	-	100,000
C Behrenbruch	24,675,000	-	-	24,675,000
D Cubbin	49,298	790,000	(112,558)	726,740
G Liberatore	-	-	-	-
	53,850,548	**2,770,000**	**(112,558)**	**56,507,990**

KMP option holdings for the year ended 31 December 2022

	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 in current or prior year	Eligible to exercise at 31 December	Unvested at 31 December
T Olson	18-05-22	52,070	4.95	18-05-27	2.1865	31-12-24	52,070	-	-	-	-	52,070
J Skinner	22-05-19	495,000	1.09	24-01-23	0.23	24-01-22	495,000	495,000	-	495,000	-	-
C Behrenbruch	23-05-19	400,000	1.09	24-01-23	0.23	24-01-22	400,000	400,000	-	400,000	-	-
	13-01-20	200,000	2.23	12-01-24	0.46	12-01-23	200,000	-	-	-	-	200,000
	26-01-21	100,708	4.38	26-01-26	2.12	28-10-22	100,708	100,708	-	-	100,708	-
	5-04-22	139,672	4.95	4-04-27	2.19	31-12-24	139,672	-	-	-	-	139,672
D Smith	24-10-22	45,449	6.15	24-10-27	3.08	24-10-25	45,449	-	-	-	-	45,449
	24-10-22	32,463	6.15	24-10-27	3.08	24-10-25	32,463	-	-	-	-	32,463
R Valeix[1]	21-07-21	75,000	5.37	20-07-26	2.62	28-10-22	75,000	75,000	-	-	75,000	-
	21-07-21	125,000	-	20-07-26	5.35	28-10-22	125,000	125,000	-	125,000	-	-
	5-04-22	89,300	4.95	4-04-27	2.43	31-12-24	89,300	-	-	-	-	89,300
C Hayward[1]	1-07-20	400,000	1.83	1-07-24	0.42	1-07-23	400,000	-	-	-	-	400,000
	26-01-21	140,661	4.38	26-01-26	2.12	28-10-22	140,661	140,661	-	-	140,661	-
	5-04-22	85,185	4.95	4-04-27	2.43	31-12-24	85,185	-	-	-	-	85,185
D Cubbin[2]	24-01-19	400,000	1.09	24-01-23	0.23	24-01-22	400,000	400,000	-	400,000	-	-
	12-01-20	150,000	2.23	12-01-24	0.46	12-01-23	140,000	-	10,000	-	-	140,000
	26-01-21	92,153	4.38	26-01-26	2.12	28-10-22	-	-	92,153	-	-	-
	5-04-22	48,148	4.95	4-04-27	2.43	31-12-24	-	-	48,148	-	-	-
G Liberatore[3]	24-01-19	400,000	1.09	24-01-23	0.23	24-01-22	400,000	400,000	-	400,000	-	-
	12-01-20	150,000	2.23	12-01-24	0.46	12-01-23	140,000	-	10,000	-	-	140,000
	26-01-21	81,455	4.38	26-01-26	2.12	28-10-22	-	-	81,455	-	-	-
	5-04-22	48,971	4.95	4-04-27	2.43	31-12-24	-	-	48,971	-	-	-
		3,751,235					**3,460,508**	**2,136,369**	**290,727**	**1,820,000**	**316,369**	**1,324,139**

1. Option balances disclosed represent number of options held prior to commencing as a KMP
2. D Cubbin option balances disclosed represent the number of options that remain on foot at the time of ceasing to be a KMP.
3. G Liberatore option balances disclosed represent the number of options that remain on foot at the time of ceasing to be a KMP.

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 Related Party Disclosures, 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, therefore the figures shown above may differ from those holdings reported in at Note 32 to the Consolidated Financial Statements.

KMP option holdings for the year ended 31 December 2021

	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 in current or prior year	Eligible to exercise at 31 December	Unvested at 31 December
H K McCann	15-10-17	329,670	0.85	15-10-21	0.23	15-10-18	329,670	-	-	329,670	-	-
	15-10-17	329,670	0.85	15-10-21	0.23	15-10-19	329,670	-	-	329,670	-	-
	15-10-17	330,660	0.85	15-10-21	0.23	15-10-20	330,660	-	-	330,660	-	-
O Buck	15-10-17	164,835	0.85	15-10-21	0.23	15-10-18	164,835	-	-	164,835	-	-
	15-10-17	164,835	0.85	15-10-21	0.23	15-10-19	164,835	-	-	164,835	-	-
	15-10-17	165,330	0.85	15-10-21	0.23	15-10-20	165,330	-	-	165,330	-	-
A Kluge	-	-	-	-	-	-	-	-	-	-	-	-
M Nelson	15-10-17	329,670	0.85	15-10-21	0.23	15-10-18	329,670	-	-	329,670	-	-
	15-10-17	329,670	0.85	15-10-21	0.23	15-10-19	329,670	-	-	329,670	-	-
	15-10-17	330,660	0.85	15-10-21	0.23	15-10-20	330,660	-	-	330,660	-	-
J Skinner	22-05-19	495,000	1.09	24-01-23	0.23	24-01-22	495,000	-	-	-	495,000	495,000
C Behrenbruch	23-05-19	400,000	1.09	24-01-23	0.23	24-01-22	400,000	-	-	-	400,000	400,000
	13-01-20	200,000	2.23	12-01-24	0.46	12-01-23	200,000	-	-	-	200,000	200,000
D Cubbin	15-10-17	263,070	0.85	15-10-21	0.23	15-10-18	263,070	-	-	263,070	-	-
	15-10-17	263,070	0.85	15-10-21	0.23	15-10-19	263,070	-	-	263,070	-	-
	15-10-17	263,860	0.85	15-10-21	0.23	15-10-20	263,860	-	-	263,860	-	-
	24-01-19	400,000	1.09	24-01-23	0.23	24-01-22	400,000	-	-	-	400,000	400,000
	13-01-20	150,000	2.23	12-01-24	0.46	13-01-23	150,000	-	-		150,000	150,000
G Liberatore	24-01-19	400,000	1.09	24-01-23	0.23	24-01-22	400,000	-	-	-	400,000	400,000
	13-01-20	150,000	2.23	12-01-24	0.46	13-01-23	150,000	-	-	-	150,000	150,000
		5,460,000					**5,460,000**	**-**	**-**	**3,265,000**	**2,195,000**	**2,195,000**

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 Related Party Disclosures, 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, therefore the figures shown above may differ from those holdings reported in at Note 32 to the Consolidated Financial Statements.

This Directors' report is approved in accordance with a resolution of the Directors.

H Kevin McCann AO
Chairman
27 February 2023

Christian Behrenbruch
Managing Director and Group CEO
27 February 2023

Auditor's Independence Declaration

As lead auditor for the audit of Telix Pharmaceuticals Limited for the year ended 31 December 2022, 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.

Brad Peake
Partner
PricewaterhouseCoopers

Melbourne
27 February 2023

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Financial report

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Consolidated statement of comprehensive income or loss

for the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Continuing operations			
Revenue from contracts with customers	5	160,096	7,596
Cost of inventory sold		(61,556)	(2,548)
Research and development costs	6	(57,857)	(34,135)
Selling, general and administration costs	7	(43,999)	(16,882)
Employment costs	8	(64,485)	(30,104)
Remeasurement of provisions	26	(17,724)	(14,855)
Depreciation and amortisation	9	(5,379)	(5,174)
Finance costs	10	(6,693)	(5,218)
Other income and expenses	11	(1,025)	20,855
Loss before income tax		**(98,622)**	**(80,465)**
Income tax expense	12	(5,457)	(45)
Loss from continuing operations after income tax		**(104,079)**	**(80,510)**
Loss is attributable to:			
Owners of Telix Pharmaceuticals Limited		(104,079)	(80,510)
Loss for the year		**(104,079)**	**(80,510)**
Other comprehensive income/(loss):			
Items to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		591	(1,452)
Total comprehensive loss for the year		**(103,488)**	**(81,962)**
Total comprehensive loss for the year attributable to:			
Owners of Telix Pharmaceuticals Limited		(103,488)	(81,962)

	Note	2022 Cents	2021 Cents
Basic loss per share from continuing operations attributable to the ordinary equity holders of the Company	38.1	(33.5)	(28.5)
Diluted loss per share from continuing operations attributable to the ordinary equity holders of the Company	38.2	(33.5)	(28.5)

The above consolidated statement of comprehensive income or loss is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of financial position
as at 31 December 2022

	Note	2022 $'000	2021 $'000
Current assets			
Cash and cash equivalents	13	116,329	22,037
Trade and other receivables	14	39,354	19,420
Inventories	15	8,477	3,454
Other current assets	16	9,073	2,632
Total current assets		**173,233**	**47,543**
Non-current assets			
Trade and other receivables	14	327	212
Deferred tax assets	17	3,971	-
Property, plant and equipment	18	12,032	3,951
Right-of-use assets	19	6,806	2,378
Intangible assets	21	58,984	55,729
Total non-current assets		**82,120**	**62,270**
Total assets		**255,353**	**109,813**
Current liabilities			
Trade and other payables	22	49,519	19,040
Borrowings	23	-	19
Current tax payable		7,320	-
Contract liabilities	24	4,940	6,143
Lease liabilities	25	641	613
Provisions	26	15,585	7,403
Employee benefit obligations	27	7,551	4,764
Total current liabilities		**85,556**	**37,982**
Non-current liabilities			
Borrowings	23	3,312	-
Contract liabilities	24	22,522	23,056
Lease liabilities	25	6,493	1,907
Provisions	26	57,248	44,578
Employee benefit obligations	27	215	132
Total non-current liabilities		**89,790**	**69,673**
Total liabilities		**175,346**	**107,655**
Net assets		**80,007**	**2,158**
Equity			
Share capital	28.1	370,972	170,840
Employee share trust reserve	28.2	(26,909)	-
Foreign currency translation reserve		(562)	(1,153)
Share-based payments reserve	28.3	9,321	5,942
Accumulated losses		(272,815)	(173,471)
Total equity		**80,007**	**2,158**

The above 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 2022

	Note	Share capital $'000	Employee share trust reserve $'000	Foreign currency translation reserve $'000	Share-based payments reserve $'000	Accumulated losses $'000	Total equity $'000
Balance as at 1 January 2022		**170,840**	**-**	**(1,153)**	**5,942**	**(173,471)**	**2,158**
Loss for the year		-	-	-	-	(104,079)	(104,079)
Other comprehensive income		-	-	591	-	-	591
Total comprehensive loss		**-**	**-**	**591**	**-**	**(104,079)**	**(103,488)**
Contributions of equity		175,000	-	-	-	-	175,000
Transaction costs arising on new share issues		(7,816)	-	-	-	-	(7,816)
Issue of shares on exercise of options		32,948	(26,909)	-	-	-	6,039
Transfer on exercise of options		-	-	-	(4,735)	4,735	-
Share based payments	28.3	-	-	-	8,114	-	8,114
		200,132	**(26,909)**	**-**	**3,379**	**4,735**	**181,337**
Balance as at 31 December 2022		**370,972**	**(26,909)**	**(562)**	**9,321**	**(272,815)**	**80,007**
Balance as at 1 January 2021		**167,058**	**-**	**299**	**4,620**	**(92,961)**	**79,016**
Loss for the year		-	-	-	-	(80,510)	(80,510)
Other comprehensive loss		-	-	(1,452)	-	-	(1,452)
Total comprehensive loss		**-**	**-**	**(1,452)**	**-**	**(80,510)**	**(81,962)**
Issue of shares on exercise of options		3,782	-	-	-	-	3,782
Share based payments	28.3	-	-	-	1,322	-	1,322
		3,782	**-**	**-**	**1,322**	**-**	**5,104**
Balance as at 31 December 2021		**170,840**	**-**	**(1,153)**	**5,942**	**(173,471)**	**2,158**

The above 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 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		124,095	4,158
Receipts in relation to R&D tax incentive		18,909	12,123
Payments to suppliers and employees		(204,566)	(75,420)
Income taxes paid		(2,278)	-
Interest received		1	-
Interest paid		(131)	(189)
Net cash used in operating activities	29	**(63,970)**	**(59,328)**
Cash flows from investing activities			
Payments for acquisition of subsidiary, net of cash acquired		(973)	-
Purchases of intangible assets		(6,823)	-
Purchases of plant and equipment		(7,038)	(1,339)
Payments for decommissioning liability		(2,163)	(1,387)
Net cash used in investing activities		**(16,997)**	**(2,726)**
Cash flows from financing activities			
Proceeds from borrowings		3,014	-
Repayment of borrowings		(13)	(340)
Principal element of lease payments		(1,264)	(596)
Proceeds from issue of shares and other equity		181,039	3,782
Transaction costs of capital raising		(7,816)	-
Net cash provided by financing activities		**174,960**	**2,846**
Net increase/(decrease) in cash held		**93,993**	**(59,208)**
Net foreign exchange differences		299	3,300
Cash and cash equivalents at the beginning of the financial year		22,037	77,945
Cash and cash equivalents at the end of the financial year	13	**116,329**	**22,037**

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

Notes to the consolidated financial statements

1. Corporate information

Telix Pharmaceuticals Limited (Telix or the Company) is a for profit company limited by shares incorporated in Australia whose shares have been publicly traded on the Australian Securities Exchange since its listing on 15 November 2017 (ASX: TLX). Telix is developing a portfolio of clinical-stage products that address significant unmet medical need in oncology and rare diseases.

Telix is the ultimate parent company of the Telix Pharmaceuticals Group (the Group).

This consolidated financial report of Telix Pharmaceuticals Limited for the year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 27 February 2023.

2. Summary of significant accounting policies

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

2.1. Going concern

For the year ended 31 December 2022, the Group incurred a loss for the year of $104,079,000 (2021: $80,510,000) and cash used in operating activities of $63,970,000 (2021: $59,328,000). As at 31 December 2022 the net assets of the Group stood at $80,007,000 (2021: $2,158,000), with cash on hand at $116,329,000 (2021: $22,037,000).

On 27 January 2022 the Group completed a $175,000,000 institutional placement of new, fully paid ordinary shares at a price of $7.70 per share. In addition, sales of Illuccix generated receipts from customers of $124,095,000 (2021: $4,158,000) during the year.

Cash on hand following the institutional placement and future cash inflows from commercial activities 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.

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 2022.

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.

2.2. 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. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

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: intellectual property, share based payments, government grants, contingent consideration and decommissioning liabilities which are measured at fair value.

c. Comparatives and rounding

Where necessary, comparative information has been re-classified to achieve consistency in disclosure with current financial amounts and other disclosures. The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in some cases the nearest dollar.

d. New and amended standards adopted by the Group

The Group has adopted all relevant new and amended standards and interpretations issued by the Australian Accounting Standards Board which are effective for annual reporting periods beginning on 1 January 2022. The new standards and amendments did not have any impact on the amounts recognised in the current and prior periods.

e. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

f. Alternative performance measures

The Group has identified certain alternative performance measures (APMs) that it believes will assist the understanding of the performance of the business.

The Group believes that Adjusted earnings before interest, tax, depreciation and amortsation (Adjusted EBITDA), Adjusted earnings before interest, tax and research and

development costs (Adjusted EBITRD), Adjusted earnings before interest, tax, depreciation and amortsation and research and development costs (Adjusted EBITDAR), net working capital and net tangible assets per share provide useful information to users of the financial statements. The terms are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures and are discussed further in the Glossary.

2.3. Principles of consolidation

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. If the Group loses control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary from the consolidated statement of financial position and recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. 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.

2.4. Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated 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. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income 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.

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 comprehensive income or loss are translated at actual exchange rates 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.

2.5. 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. 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 post-tax 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.

The acquisition date carrying value of the Group'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.

2.6. Current and non-current classification

Assets and liabilities are presented in the consolidated 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.

2.7. 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.

2.8. Trade and other receivables

Trade receivables and other receivables are all classified as financial assets held at amortised cost. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value.

a. Impairment of trade and other 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 (when it is available) and are regularly reviewed and updated. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 30.4 for further information about the Group's accounting for trade receivables and description of the Group's impairment policies.

2.9. Inventories

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 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.

2.10. Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfer 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 the cost, net of the residual values, over the 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:

- Buildings: 18 years
- 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 accumulated losses.

2.11. Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.12. Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2.13. 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 group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

b. Patents, trademarks, licenses and customer contracts

Separately acquired trademarks and licenses 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 life of these intangibles assets is 15 years.

c. Intellectual property

Intellectual property arising from business combinations is recognised at fair value when separately identifiable from goodwill. Intellectual property is recorded as an indefinite life asset when it is not yet ready for use. At the point the asset is ready for use, the useful life is reassessed as a definite life asset and amortised over an appropriate period. All assets are tested annually for impairment and subsequently carried at cost less accumulated impairment losses and/or accumulated amortisation. An impairment trigger assessment is 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.

2.14. 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 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.

2.15. 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.

2.16. 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.

a. Contingent consideration

The contingent consideration liabilities associated with business combinations are measured at fair value which has been calculated with reference to our judgement of the expected probability and timing of the potential future milestone payments, based upon level 3 inputs under the fair value hierarchy, which is then discounted to a present value using appropriate discount rates with reference to the Group's weighted average cost of capital.

Contingent consideration in connection with the purchase of individual assets outside of business combinations is recognised as a financial liability only when a non-contingent obligation arises (i.e. when milestone is met). The determination of whether the payment should be capitalised or expensed is usually based on the reason for the contingent payment. If the contingent payment is based on regulatory approvals received (i.e. development milestone), it will generally be capitalised as the payment is incidental to the acquisition so the asset may be made available for its intended use. If the contingent payment is based on period volumes sold (i.e. sales related milestone), it will generally be expensed.

Changes in the fair value of financial liabilities from contingent consideration will be capitalised or expensed based on the nature of the asset acquired (refer above), except for the effect from unwinding discounts. Interest rate effects from unwinding of discounts are recognised as finance costs.

b. Decommissioning liability

The Group has recognised a provision for its obligation to decommission its radiopharmaceutical production facility at the end of its operating life. At the end of a facility's life, costs are incurred in safely removing certain assets involved in the production of radioactive isotopes. The Group recognises the full discounted cost of decommissioning as an asset and liability when the obligation to restore sites arises. The decommissioning asset is included within property, plant and equipment with the cost of the related installation. The liability is included within provisions. Revisions to the estimated costs of decommissioning which alter the level of the provisions required are also reflected in adjustments to the decommissioning asset. The amortisation of the asset is included in the consolidated statement of comprehensive income or loss and the unwinding of discount of the provision is included within finance costs. Further detail has been provided in note 26.3.

2.17. 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 and annual leave that is 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. These liabilities 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 consolidated statement of financial position.

b. Other long-term employee benefit obligations

The liability for long service 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. Remeasurements 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 consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Share-based payments

Equity-settled share-based compensation benefits are provided to certain employees. Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to employees. The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using the 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.

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:

- when the Group can no longer withdraw the offer of those benefits, and
- when the entity recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination 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.

2.18. 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 consolidated statement of financial position 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 non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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.

2.19. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised using a five step approach in accordance with AASB 15 *Revenue from Contracts with Customers* to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Distinct promises within the contract are identified as performance obligations. The transaction price of the contract is measured based on the amount of consideration the Group expects to be entitled to from the customer in exchange for goods or services. Factors such as requirements around variable consideration, significant financing components, noncash consideration, or amounts payable to customers also determine the transaction price. The transaction is then allocated to separate performance obligations in the contract based on relative standalone selling prices.

Revenue is recognised when, or as, performance obligations are satisfied, which is when control of the promised good or service is transferred to the customer.

Amounts received prior to satisfying the revenue recognition criteria are recorded as contract liabilities. Amounts expected to be recognised as revenue within the 12 months following the consolidated statement of financial position date are classified within current liabilities. Amounts not expected to be recognised as revenue within the 12 months following the consolidated statement of financial position date are classified within non-current liabilities.

a. Sales of goods

Sales are recognised at a point-in-time when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, parties have accepted the products in accordance with the sales contract and the acceptance provisions have lapsed. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts.

Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a credit term of 45 days, which is consistent with market practice.

b. Licenses of intellectual property

When licenses of intellectual property are distinct from other goods or services promised in the contract, the transaction price is allocated to the license as revenue upon transfer of control of the license to the customer. All other promised goods or services in the license agreement are evaluated to determine if they are distinct. If they are not distinct, they are combined with other promised goods or services.

The transaction price allocated to the license performance obligation is recognised based on the nature of the license arrangement. The transaction price is recognised over time if the nature of the license is a 'right to access' license. This is where the Group performs activities that significantly affect the intellectual property to which the customer has rights, the rights granted by the license directly expose the customer to any positive or negative effects of the Group's activities, and those activities do not result in the transfer of a good or service to the customer as those activities occur. When licenses do not meet the criteria to be a right to access license, the license is a 'right to use' license, and the transaction price is recognised at the point in time when the customer obtains control over the license.

c. Research and development services

Where research and development (R&D) services do not significantly modify or customise the license nor are the license and development services significantly interrelated or interdependent, the provision of R&D services is considered to be distinct. The transaction price is allocated to the R&D services based on a cost-plus margin approach. Revenue is recognised over time based on the costs incurred to date as a percentage of total forecast costs. Reforecasting of total costs is performed at the end of each reporting period to ensure that costs recognised represent the goods or services transferred.

d. Financing component

The existence of a significant financing component in the contract is considered under the five-step method under AASB 15 *Revenue from Contracts with Customers*.

If the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer, the promised amount of consideration will be adjusted for the effects of the time value of money when determining the transaction price.

e. Milestone revenue

The five-step method under AASB 15 *Revenue from Contracts with Customers* is applied to measure and recognise milestone revenue.

The receipt of milestone payments is often contingent on meeting certain clinical, regulatory or commercial targets, and is therefore considered variable consideration. The transaction price of the contingent milestone is estimated using the most likely amount method. Within the transaction price, some or all of the amount of the contingent milestone is included only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the contingent milestone is subsequently resolved. Milestone payments that are not within the control of the Group, such as regulatory approvals, are not considered highly probable of being achieved until those approvals are received. Any changes in the transaction price are allocated to all performance obligations in the contract unless the variable consideration relates only to one or more, but not all, of the performance obligations. When consideration for milestones is a sale-based or usage-based royalty that arises from licenses of intellectual property (such as cumulative net sales targets), revenue is recognised at the later of when (or as) the subsequent sale or usage occurs, or when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

f. Sales-based or usage-based royalties

Licenses of intellectual property can include royalties that are based on the customer's usage of the intellectual property or sale of products that contain the intellectual property. The specific exception to the general requirements of variable consideration and the constraint on variable consideration for sales-based or usage-based royalties promised in a license of intellectual property is applied. The exception requires such revenue to be recognised at the later of when (or as) the subsequent sale or usage occurs and the performance obligation to which

some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).

2.20. Government grants

Income from government grants, such as research and development tax incentives, is recognised at 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 statement of comprehensive income or loss 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.

2.21. 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.

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 'standalone 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.

2.22. 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.

2.23. 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, 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.

2.24. Fair value measurement

Certain judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. The different levels have been defined as follows:

- **Level 1:** fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets is the current bid price.
- **Level 2:** fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise 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 is not based on observable market data, the instrument is included in level 3.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. Certain judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

2.25. 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 program directors and managers to identify services that have already been performed for the Group, estimating the level of services performed with associated costs incurred for the service for which the Group has not yet been invoiced or otherwise notified of the actual cost. The majority of service providers invoice the Company monthly in arrears for services performed or when contractual milestones are met. The Group estimates accrued expenses as of each consolidated statement of financial position date in the financial statements based on facts and circumstances known at that time. The Group periodically confirms the accuracy of estimates with the service providers and makes 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.

Impairment assessment – carrying value of goodwill and intangible assets

The assessment of impairment of the goodwill and intangible assets has required estimates and judgements to be made. The inputs for these have been outlined in note 21.

Contingent consideration and decommissioning liabilities

The Group has identified the contingent consideration and decommissioning liabilities as balances requiring estimates and significant judgements. These estimates and judgements have been outlined in note 26.

2.26. Climate change

In preparing the consolidated financial report management assessed the impact of climate change, particularly in the context of the disclosures included in the Environmental, Social, Governance and Sustainability (ESGS) report this year and the Group's commitments.

Management considered the impact of climate change on a number of key estimates within the financial statements, including:

- the estimates of future cash flows used in impairment assessments of the carrying value of non-current assets (such as intangible assets, and goodwill)
- the assumptions used in measuring decommissioning liabilities.

The considerations did not result in a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to February 2024 nor the viability of the Group over the next five years.

3. Segment reporting

The Group has operations in the Americas, Asia Pacific, and Europe, Middle East and Africa. During 2022, the Group achieved a major commercial milestone with the launch of its prostate cancer imaging product Illuccix in the U.S. and the subsequent receipt of first commercial revenues from sales of Illuccix in April 2022. Given the commercialisation of Illuccix, Group performance is evaluated by management and the Board based on commercial sales of Illuccix and the further development of the Group's pipeline of radiopharmaceutical products.

Reportable segments

The Group operated two reportable segments during the year ended 31 December 2022. The Group's operating segments are based on the reports reviewed by the Group Chief Executive Officer who is considered to be the chief operating decision maker. The prior year comparatives have not been restated. There is no change to the total revenue or loss after tax of the Group.

Segment performance is evaluated based on Adjusted EBITDA. Finance costs are managed on a Group basis.

Segment assets and liabilities are measured in the same way as in the financial statements. The assets and liabilities are allocated based on the operations of the segment. Finance costs are not allocated to segments, as this type of activity is driven by head office, which manages the cash position of the Group.

Reportable segment	Principal activities
Commercial operations	Commercial sales of Illuccix and other products subsequent to obtaining regulatory approvals
Product development	Developing radiopharmaceutical products for commercialisation. This segment includes revenue received from licence agreements prior to commercialisation and research and development services.

Group and unallocated includes head office results.

	Commercial	Product development	Group and unallocated	Group
	$'000	$'000	$'000	$'000
Revenue	156,369	3,727	-	160,096
Cost of inventory sold	(61,556)	-	-	(61,556)
Research and development costs	(730)	(57,047)	(80)	(57,857)
Selling, general and administration costs	(27,370)	(3,539)	(13,090)	(43,999)
Employment costs	(27,094)	(19,170)	(18,221)	(64,485)
Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA)	**39,619**	**(76,029)**	**(31,391)**	**(67,801)**
Remeasurement of provisions	(1,020)	-	(16,704)	(17,724)
Depreciation and amortisation	(4,610)	(578)	(191)	(5,379)
Finance costs	-	-	(6,693)	(6,693)
Other income and expenses	200	10	(1,235)	(1,025)
Profit/(loss) before income tax	**34,189**	**(76,597)**	**(56,214)**	**(98,622)**
Income tax expense	(5,707)	-	250	(5,457)
Profit/(loss) from continuing operations after income tax	**28,482**	**(76,597)**	**(55,964)**	**(104,079)**
Total assets	111,619	44,275	99,459	255,353
Total liabilities	60,887	19,272	95,187	175,346

	Revenue by location of customer	Non-current assets by location of asset
	$'000	$'000
Australia	149	31,815
Austria	1,483	-
Belgium	564	41,174
China	3,353	-
Other countries	2,496	-
United Kingdom	2,045	-
U.S.	150,006	5,160
Total	**160,096**	**78,149**

The total non-current assets figure above excludes deferred tax assets.

4. Reconciliation of alternative performance measures

Outlined below is a reconciliation of the Group's APMs used to measure performance.

			2022	2021
Metric	**Note**	**Operating segment**	**$'000**	**$'000**
Loss before income tax			(98,622)	(80,465)
Adjusting items:				
Revenue	5	Product development	(3,727)	(2,698)
Research and development costs	3	Product development	57,047	34,135
Selling, general and administration costs	3	Product development	3,539	595
Employment costs	3	Product development	19,170	13,593
Remeasurement of provisions			17,724	14,855
Finance costs			6,693	5,218
Other income and expenses			1,025	(20,855)
Adjusted EBITRD[1]			**2,849**	**(35,622)**
Depreciation and amortisation			5,379	5,174
Adjusted EBITDAR[2]			**8,228**	**(30,448)**

1. Adjusted earnings before interest, tax and research and development costs
2. Adjusted earnings before interest, tax, depreciation and amortisation and research and development costs

5. Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The Group derives revenue from the sale and transfer of goods and services over time and at a point in time under the following major business activities:

		2022	2021
	Operating segment	$'000	$'000
Sale of goods - at a point in time	Commercial	155,984	4,471
Royalty income	Commercial	385	427
Licenses of intellectual property - at a point in time	Product development	374	-
Research and development services - over time	Product development	3,353	2,698
Total revenue from continuing operations		**160,096**	**7,596**

6. Research and development costs

	2022	2021
	$'000	$'000
Manufacturing	28,339	18,542
Clinical	16,443	10,395
Other research and development related costs	8,528	4,991
Preclinical	4,547	207
	57,857	**34,135**

Included within employment costs is $19,170,000 (2021: $13,593,000) of costs related to research and development activities. Refer to Note 8 for further details.

7. Selling, general and administration costs

	2022	2021
	$'000	$'000
Marketing and sponsorship	16,187	5,891
Professional fees	13,177	6,176
Travel and conferences	4,404	622
IT infrastructure, hosting and support	3,224	1,235
Rent and insurance	1,998	1,754
Other administration	1,993	230
Regulatory fees and licences	1,803	595
Other staff costs	1,213	379
	43,999	**16,882**

8. Employment costs

	2022	2021
	$'000	$'000
Salaries and wages	47,302	24,618
Share based payment charge[1]	8,114	1,319
Short term incentives and commissions	7,138	3,060
Superannuation	1,270	642
Non-Executive Directors' fees	661	465
	64,485	**30,104**

1. Includes a charge of $4,700,000 to accelerate the vesting of options when certain performance conditions were met during the year.

Salary and wages of $903,000 are included within the cost of inventory sold line item of the Consolidated statement of comprehensive income or loss.

9. Depreciation and amortisation

	2022	2021
	$'000	$'000
Amortisation of intangible assets	4,098	4,179
Depreciation	1,281	995
	5,379	**5,174**

10. Finance costs

	2022	2021
	$'000	$'000
Unwind of discount	6,287	5,029
Interest expense on lease liabilities	277	157
Other interest expense	46	6
Bank fees	83	26
	6,693	**5,218**

The Group recognised an unwind of discount on provisions of $5,209,000 (2021: $3,881,000) and contract liabilities of $1,078,000 (2021: $1,148,000).

11. Other income and expenses

	2022	2021
	$'000	$'000
Other income	91	583
Research and development tax incentive income[1]	-	18,574
Realised currency loss	(668)	(914)
Unrealised currency (loss)/gain	(449)	2,612
Interest income	1	-
	(1,025)	**20,855**

1. The Group has not recognised any amounts in relation to the R&D tax incentive, as a result of revenue exceeding the threshold of $20,000,000 in the financial year.

12. Income tax expense

12.1. Income tax expense

	2022	2021
	$'000	$'000
Current tax expense[1]	9,428	45
Deferred tax credit	(3,971)	-
	5,457	**45**

1. The current tax expense is attributable to Telix Innovations SA and Telix Pharmaceuticals US, Inc and is driven by the individual entity's taxable profits.

12.2. Numerical reconciliation of prima facie tax payable to income tax expense

	2022	2021
	$'000	$'000
Loss before income tax	(98,622)	(80,465)
Prima-facie tax at a rate of 30.0% (2021: 26.0%)[1]	(29,587)	(20,920)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
R&D tax incentive credit	(30,291)	(4,829)
Eligible expenses claimed under R&D tax incentive	23,603	10,473
Remeasurement of provisions	7,423	3,862
AASB 2 Share-based payments expense	2,434	343
Employee Share Trust payments	(8,073)	-
Deductible transaction costs on share issues	-	(305)
Sundry items	2	(48)
Foreign exchange translation loss	(464)	(203)
	(34,953)	**(11,627)**
Current year tax losses not recognised	46,325	10,624
Prior year tax losses recognised	(854)	-
Adjustment for current tax of prior periods	561	581
Provisions recognised in international jurisdictions	-	45
Difference in overseas tax rates	(5,622)	422
Income tax expense	**5,457**	**45**

1. The Group has applied a prima-facie tax rate of 30% in 2022, as it is no longer eligible for the lower corporate tax rate of 26% available to small company taxpayers in Australia.

12.3. Tax losses

	2022	2021
	$'000	$'000
Unused tax losses and carried forward tax credits for which no deferred tax asset has been recognised:		
Australia	61,330	17,882
Other countries	1,503	2,538
Unrecognised income tax benefit	**62,833**	**20,420**

13. Cash and cash equivalents

	2022	2021
	$'000	$'000
Cash on hand	**116,329**	**22,037**

1. 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.

14. Trade and other receivables

	2022	2021
	$'000	$'000
Trade receivables[1]	39,354	730
R&D tax incentive receivable	-	18,690
Deposits	327	212
	39,681	**19,632**
Current	39,354	19,420
Non-current	327	212
Total trade and other receivables	**39,681**	**19,632**

1. The Group has not recognised an impairment provision due to the limited historical loss experience available from nine months of commercial operations.

The Group has not recognised any amounts receivable in relation to the R&D tax incentive, as a result of revenue exceeding the threshold of $20,000,000 in the financial year. As a result of exceeding this threshold, eligible R&D expenditure qualifies for a non-refundable tax credit which can be carried forward similar to tax losses to the extent that it satisfies the continuity of ownership test or failing that, the same business test. Refer to Note 17.3 for further details of the unrecognised deferred tax assets associated with carried forward tax losses and credits.

In 2021 the R&D tax incentive receivable was determined based on a combination of eligible domestic and international expenditure of $42,965,000 at a rate of 43.5 cents tax incentive rebate per eligible R&D dollar spent. This amount was received in cash during the financial year.

15. Inventories

	2022	2021
	$'000	$'000
Raw materials and stores	2,422	3,283
Work in progress	3,773	-
Finished goods	2,282	171
Total inventories	**8,477**	**3,454**

The amount of inventory recognised as an expense during the year was $6,232,000 (2021: $2,090,000).

16. Other current assets

	2022	2021
	$'000	$'000
Other receivables	3,675	290
GST receivables	2,890	1,135
Prepayments	2,508	1,207
Total other current assets	**9,073**	**2,632**

17. Deferred tax assets and liabilities

17.1. Deferred tax assets

Following the launch of its prostate cancer imaging product Illuccix in the U.S. and the subsequent receipt of first commercial revenues from sales of Illuccix, the Group reviewed previously unrecognised tax losses and determined that it was now probable that future taxable profits will be available in the U.S. and Belgium against which tax losses in these jurisdictions can be utilitised.

	2022	2021
	$'000	$'000
The balance comprises temporary differences attributable to:		
Tax losses	4,400	4,692
Intangible assets	2,434	-
Employee benefit obligations	1,052	-
Lease liabilities	803	756
Inventories	363	-
Other	157	-
Total deferred tax assets	**9,209**	**5,448**
Set-off of deferred tax liabilities pursuant to set-off provisions	(5,238)	(5,448)
Net deferred tax assets	**3,971**	**-**

Deferred tax assets movements	Tax losses $'000	Intangible assets $'000	Employee benefit obligations $'000	Lease liabilities $'000	Inventories $'000	Other $'000	Total $'000
The balance comprises temporary differences attributable to:							
Balance at 1 January 2022	**4,692**	**-**	**-**	**756**	**-**	**-**	**5,448**
(Charged)/credited:							
to profit and loss	(292)	2,434	1,052	47	363	157	**3,761**
Balance at 31 December 2022	**4,400**	**2,434**	**1,052**	**803**	**363**	**157**	**9,209**
Balance at 1 January 2021	**6,066**	**-**	**-**	**555**	**-**	**-**	**6,621**
(Charged)/credited:							**-**
to profit and loss	(1,374)	-	-	201	-	-	**(1,173)**
Balance at 31 December 2021	**4,692**	**-**	**-**	**756**	**-**	**-**	**5,448**

17.2. Deferred tax liabilities

	2022	2021
	$'000	$'000
The balance comprises temporary differences attributable to:		
Intangible assets	3,634	4,734
Right-of-use assets	1,604	714
Total deferred tax liabilities	**5,238**	**5,448**
Set-off of deferred tax assets pursuant to set-off provisions	(5,238)	(5,448)
Net deferred tax liabilities	**-**	**-**

	Intangible assets	Right-of-use assets	Total
Deferred tax liabilities movements	$'000	$'000	$'000
The balance comprises temporary differences attributable to:			
Balance at 1 January 2022	**4,734**	**714**	**5,448**
Charged/(credited):			
to profit and loss	(1,100)	890	(210)
Balance at 31 December 2022	**3,634**	**1,604**	**5,238**
Balance at 1 January 2021	**6,094**	**527**	**6,621**
Charged/(credited):			
to profit and loss	(1,351)	187	(1,164)
directly to equity	(9)	–	(9)
Balance at 31 December 2021	**4,734**	**714**	**5,448**

17.3. Unrecognised deferred tax assets

The composition of the Group's unrecognised deferred tax assets is as follows:

	2022	2021
Unrecognised deferred tax assets	$'000	$'000
Tax losses and tax credits	62,833	20,420
Temporary differences in relation to provisions	1,600	2,560
Temporary differences in relation to employee benefit obligations	898	1,236
Temporary differences in relation to intangible assets	2,127	6,350
Temporary differences in relation to lease liabilities	838	756
Temporary differences in relation to share based payments	10,508	1,782
Total unrecognised deferred tax assets	**78,804**	**33,104**

18. Property, plant and equipment

	Land and buildings	Plant and equipment	Furniture, fittings and equipment	Leasehold improvements	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2022	**2,203**	**991**	**461**	**296**	**3,951**
Additions	6,717	152	203	1,165	8,237
Acquisition of business	-	258	-	-	258
Reclassifications	766	(766)	-	-	-
Depreciation charge	(70)	(63)	(230)	(57)	(420)
Exchange differences	(5)	4	7	-	6
Balance at 31 December 2022	**9,611**	**576**	**441**	**1,404**	**12,032**
Cost	9,830	765	939	1,541	13,075
Accumulated depreciation	(219)	(189)	(498)	(137)	(1,043)
Net book amount	**9,611**	**576**	**441**	**1,404**	**12,032**
Balance at 1 January 2021	**2,402**	**250**	**225**	**187**	**3,064**
Additions	-	796	396	147	1,339
Depreciation charge	(88)	(52)	(161)	(38)	(339)
Exchange differences	(111)	(3)	1	-	(113)
Balance at 31 December 2021	**2,203**	**991**	**461**	**296**	**3,951**
Cost	2,352	1,117	729	376	4,574
Accumulated depreciation	(149)	(126)	(268)	(80)	(623)
Net book amount	**2,203**	**991**	**461**	**296**	**3,951**

19. Right-of-use assets

	Properties	Motor vehicles	Total
	$'000	$'000	$'000
Balance at 1 January 2022	**2,067**	**311**	**2,378**
Additions	5,054	384	5,438
Acquisition of business	423	0	423
Depreciation charge	(640)	(221)	(861)
Disposals	(580)	0	(580)
Exchange differences	3	5	8
Balance at 31 December 2022	**6,327**	**479**	**6,806**
Cost	8,104	1,034	9,138
Accumulated depreciation	(1,777)	(555)	(2,332)
Net book amount	**6,327**	**479**	**6,806**
Balance at 1 January 2021	**1,380**	**377**	**1,757**
Additions	1,195	73	1,268
Depreciation charge	(515)	(141)	(656)
Exchange differences	7	2	9
Balance at 31 December 2021	**2,067**	**311**	**2,378**
Cost	3,204	645	3,849
Accumulated depreciation	(1,137)	(334)	(1,471)
Net book amount	**2,067**	**311**	**2,378**

The consolidated statement of comprehensive income or loss shows the following amounts relating to right-of-use assets:

Depreciation charge on right-of-use assets	2022	2021
	$'000	$'000
Properties	640	515
Motor vehicles	221	141
	861	**656**

20. Acquisitions

Optimal Tracers

On 31 December 2022, the Group completed the acquisition of Optimal Tracers, a radiochemistry development business providing radiochemistry process development services and research tracers for use in clinical trials, from Sacramento-based Northern California PET Imaging Center (NCPIC).

Optimal Tracers is a specialised business that provides development services and clinical trial doses to pharmaceutical and biotech companies, as well as academic research institutions. Optimal Tracers is advantageously located to service leading clinical sites along the West Coast of the U.S., with capability to deliver certain research products across the entire country.

The following table summarises the consideration paid for Optimal Tracers, the provisional fair value of assets acquired and liabilities assumed at the acquisition date.

	Provisional fair value
Consideration	**$'000**
Cash paid	973
Contingent consideration	718
Total consideration	**1,691**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	258
Right-of-use assets	423
Lease liabilities	(423)
Total identifiable assets	**258**
Goodwill	1,433
Total	**1,691**

The consideration comprises cash consideration of $973,000 (USD$650,000) and contingent consideration based on a percentage of sales to existing customers of Optimal Tracers for a period of 24 months. The total consideration and fair value adjustments to the assets and liabilities assumed are provisional and are management's best estimates at this time.

The goodwill arising is attributable to the acquired workforce, anticipated future cost savings from utilising Optimal Tracer's research and radiopharmaceutical development capability and synergies of integrating the business within the Group. The goodwill arising from the acquisition has been allocated to the Radiopharmaceutical production facility CGU.

Optimal Tracers did not contribute towards revenue or loss before tax attributable to equity holders of the parent given the acquisition date of 31 December 2022. As a preliminary assessment, had the acquisition of Optimal Tracers been completed on the first day of the period, Group revenues would have been approximately $1,898,000 higher and Group loss before tax attributable to equity holders of the parent would have been approximately $60,000 higher.

21. Intangible assets

	Goodwill	Intellectual property	Patents	Licences	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2022	**4,097**	**44,486**	**337**	**6,809**	**55,729**
Acquisition of business	1,433	-	-	-	1,433
Additions	-	-	-	6,823	6,823
Amortisation charge	-	(3,742)	(34)	(322)	(4,098)
Changes in provisions	-	256	-	(1,120)	(864)
Exchange differences	(11)	60	(3)	(85)	(39)
Balance at 31 December 2022	**5,519**	**41,060**	**300**	**12,105**	**58,984**
Cost	5,519	58,875	675	12,835	77,905
Accumulated amortisation	-	(17,815)	(375)	(730)	(18,921)
Net book amount	**5,519**	**41,060**	**300**	**12,105**	**58,984**
Balance at 1 January 2021	**4,224**	**50,377**	**249**	**4,339**	**59,189**
Transfers	-	(125)	125	-	-
Amortisation charge	-	(3,823)	(66)	(290)	(4,179)
Changes in provisions	-	(170)	-	2,975	2,805
Exchange differences	(127)	(1,773)	29	(215)	(2,086)
Balance at 31 December 2021	**4,097**	**44,486**	**337**	**6,809**	**55,729**
Cost	4,097	55,680	672	7,301	67,750
Accumulated amortisation	-	(11,194)	(335)	(492)	(12,021)
Net book amount	**4,097**	**44,486**	**337**	**6,809**	**55,729**

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

	2022	2021
CGU	$'000	$'000
TLX591-CDx (Illuccix)	14,709	18,316
TLX591	12,796	12,984
TLX101	1,676	1,473
TLX66	15,080	14,824
TLX66-CDx	898	986
Olaratumab	6,823	-
Radiopharmaceutical production facility	6,702	6,809
Patents	300	337
	58,984	**55,729**

Impairment test for goodwill and indefinite life intangible assets

TLX591-CDx (Illuccix®): Goodwill and definite life intangible assets, being intellectual property, were acquired as part of the acquisition of Telix Innovations (formerly ANMI). At 31 December 2022 the Directors used a fair value less costs to sell approach to assess the carrying value of goodwill. No impairment of goodwill was recognised by the Group. No impairment of definite life intangible assets was recognised by the Group at 31 December 2022 as no impairment triggers were noted.

TLX591 and TLX66: Indefinite life intangible assets, being intellectual property, were acquired as part of the acquisitions of Telix France (formerly Atlab) and Telix Switzerland (formerly TheraPharm) and are required to be annually tested for impairment. At 31 December 2022, the Directors used a fair value less costs to sell approach to assess the carrying value of the intangible assets. No impairment was recognised by the Group.

TLX101: Goodwill and indefinite life intangible assets, being intellectual property, were acquired as part of the acquisition of Therapeia and are required to be annually tested for impairment. At 31 December 2022, the Directors used a fair value less costs to sell approach to assess the carrying value of the goodwill and intangible assets. No impairment was recognised by the Group.

Olaratumab: The Group entered into a licence agreement with Eli Lilly and Company (Lilly) under which Telix is granted exclusive worldwide rights to develop and commercialise radiolabelled forms of Lilly's olaratumab antibody for the diagnosis and treatment of human cancers. Telix's initial development focus will be on a rare type of cancer known as soft tissue sarcoma (STS).

Under the terms of the agreement Telix paid Lilly an upfront payment of $6,823,000 (US$5,000,000) for the grant of an exclusive licence to Lilly's intellectual property related to the development of a radiolabelled olaratumab, as well as access to material for use by Telix in initial pre-clinical and early-phase clinical studies in application to potential uses for the diagnosis and treatment of human cancers.

Lilly may be eligible for up to US$225,000,000 in payments based upon the achievement of pre-specified development, regulatory and commercial milestones. Lilly would also be eligible to receive industry standard royalties on net sales. The agreement also includes an option for Lilly to be granted an exclusive licence to a radiolabelled companion diagnostic which would be developed by Telix. If exercised, Lilly will pay Telix US$5,000,000 and up to US$30,000,000 in potential development milestones, as well as industry standard royalties.

Radiopharmaceutical production facility: The Group acquired an isotope licence as part of the Belgium-based radiopharmaceutical production facility acquired in April 2020. The licence represents a definite life intangible asset which is required to be tested for impairment where triggers have been identified. The licence does not generate cash inflows that can be separately identified from other assets therefore the CGU for the licence is the production facility as a whole. During the year the Group acquired the assets of Optimal Tracers, the goodwill arising from this acquisition has been allocated to this CGU. At 31 December 2022, there were no impairment triggers noted.

The Group has identified the estimate of the recoverable amount as a significant judgement for the year ended 31 December 2022. In determining the recoverable amount of all CGU's listed above, the Group has used discounted cash flow forecasts and the following key assumptions:

- Risk adjusted post-tax discount rate – 15.0% (2021: 12.2%)
- Regulatory/marketing authorisation approval dates
- Expected sales volumes
- Net sales price per unit
- Approval for marketing authorisation probability success factor
- Costs of disposal were assumed to be immaterial at 31 December 2022.

The Group has considered reasonable possible changes in the key assumptions and has not identified any instances that could cause the carrying amounts of the intangible assets at 31 December 2022 to exceed their recoverable amounts.

22. Trade and other payables

	2022	2021
	$'000	$'000
Accruals	22,325	6,468
Trade creditors	16,806	11,884
Government rebates payable	4,349	-
Other creditors	3,148	253
Accrued royalties	1,919	-
Payroll liabilities	972	435
Total trade and other payables	**49,519**	**19,040**

23. Borrowings

	2022	2021
	$'000	$'000
Current	-	19
Non-current	3,312	-
Total borrowings	**3,312**	**19**

All borrowings outstanding at 31 December 2022 are in relation to the build-out of the Brussels South radiopharmaceutical production facility. Telix entered into loan agreements with BNP Paribas and IMBC Group totalling €10,100,000 on a 10-year term, and a loan with BNP Paribas totalling €2,000,000 on a two-year, extendable term. All loans have a two-year repayment holiday period, with repayments due to commence from March 2024. The loans are secured by a fixed charged over the facility. Details of the borrowings are as follows:

Lenders	Loan balance	Due < 1 year	Due > 1 year	Maturity date
	$'000	$'000	$'000	
BNP Paribas	3,312	-	3,312	29-Feb-32
Total	**3,312**	**-**	**3,312**	

1. All loans are denominated in Euros and have been translated to Australian dollars at the exchange rate current at 31 December 2022.

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.

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 2022 the Group's on-balance sheet gearing and leverage ratio was less than 1% (2021: less than 1%).

Reconciliation of liabilities arising from financing activities:

	Opening balance	Net cash inflow/ (outflow)	Other non-cash movements	Closing balance
	$'000	$'000	$'000	$'000
For the year ended 31 December 2022				
Borrowings	19	3,293	-	3,312
Lease liabilities	2,520	(1,541)	6,155	7,134
	2,539	**1,752**	**6,155**	**10,446**
For the year ended 31 December 2021				
Borrowings	359	(340)	-	19
Lease liabilities	1,848	(596)	1,268	2,520
	2,207	**(936)**	**1,268**	**2,539**

24. Contract liabilities

The Group has recognised the following liabilities related to contracts with customers in licencing arrangements and non-reimbursable government grants received:

	2022	2021
	$'000	$'000
Balance at 1 January	**29,199**	**30,750**
Consideration received	537	-
Revenue recognised	(3,352)	(2,698)
Unwind of discount	1,078	1,147
Balance at 31 December	**27,462**	**29,199**
Current	4,940	6,143
Non-current	22,522	23,056
Total contract liabilities	**27,462**	**29,199**

Grand Pharma strategic partnership

On 2 November 2020, the Group entered into a strategic commercial partnership with Grand Pharmaceutical Group Limited (Grand Pharma or GP, formerly known as China Grand Pharma or CGP) for the Group's portfolio of MTR products. A non-refundable upfront payment of US$25,000,000 was received upon signing of the contract with GP. The strategic partnership with GP includes a licence of existing intellectual property and the provision of research and development services. The Group has recorded it's contractual liability to undertake the identified performance obligations relating to research and development services using a cost plus margin approach.

Walloon Region non-reimbursable grant

On 29 August 2022, Telix Innovations SA received a non-reimbursable government grant to support research efforts associated with 11At-TLX591/TLX592. The first instalment received was for €365,000, this amount will be released to the statement of comprehensive income or loss as the associated expenditure is incurred.

25. Lease liabilities

The consolidated statement of financial position shows the following amounts relating to leases:

Lease liabilities	2022	2021
	$'000	$'000
Current	641	613
Non-current	6,493	1,907
Total lease liabilities	**7,134**	**2,520**

	2022	2021
	$'000	$'000
Balance at 1 January	2,520	1,848
Additions	6,164	1,268
Acquisition of business	423	-
Interest expense	277	157
Lease payments (principal and interest)	(1,541)	(753)
Disposals	(633)	-
Exchange differences	(76)	-
Balance at 31 December	**7,134**	**2,520**

The consolidated statement of comprehensive income shows the following amounts relating to leases:

Interest expense relating to leases	2022	2021
	$'000	$'000
Properties	244	126
Motor vehicles	33	31
Total lease interest	**277**	**157**

The total cash outflow for leases in 2022 comprises $1,264,000 (2021: $596,000) principal and $277,000 (2021: $157,000) interest payments.

26. Provisions

	Government grant liability	Contingent consideration	Decommissioning liability	Total
	$'000	$'000	$'000	$'000
Balance at 1 January 2022	**1,539**	**41,910**	**8,532**	**51,981**
Remeasurement of provisions	1,017	16,707	-	17,724
Unwind of discount	115	4,957	137	5,209
Charged to profit or loss	**1,132**	**21,664**	**137**	**22,933**
Exchange differences	(120)	401	(73)	209
Acquisition of business	-	718	-	718
Amounts added to / (deducted from) intangible assets	-	256	(1,100)	(844)
Provision utilised	-	0	(2,163)	(2,163)
Balance at 31 December 2022	**2,551**	**64,949**	**5,333**	**72,833**
Current	402	15,183	-	15,585
Non-current	2,149	49,766	5,333	57,248
Total provisions	**2,551**	**64,949**	**5,333**	**72,833**
Balance at 1 January 2021	**1,055**	**25,096**	**6,796**	**32,947**
Remeasurement of provisions	587	14,268	-	14,855
Unwind of discount	155	3,283	443	3,881
Charged to profit or loss	**742**	**17,551**	**443**	**18,736**
Exchange differences	(197)	(567)	(295)	(1,059)
Amounts added to / (deducted from) intangible assets	-	(170)	2,975	2,805
Provision utilised	(61)	-	(1,387)	(1,448)
Balance at 31 December 2021	**1,539**	**41,910**	**8,532**	**51,981**
Current	55	5,078	2,270	7,403
Non-current	1,484	36,832	6,262	44,578
Total provisions	**1,539**	**41,910**	**8,532**	**51,981**

26.1. Government grant liability

Telix Innovations has received grants from the Walloon regional government in Belgium. These grants meet the definition of a financial liability as defined in AASB 9 *Financial Instruments* and were designated to be measured at fair value through profit and loss.

The grants are repayable to the Walloon government based on a split between fixed and variable repayments. The fixed proportion is based on contractual cash flows agreed with the Walloon government. The variable cash flows are based on a fixed percentage of future sales and are capped at an agreed upon level.

The Group has estimated that the full variable repayments will be made up to the pre-agreed capped amount. The key inputs into this calculation are the risk adjusted discount rate of 3.2% (2021: 0.4%), the expected sales volumes and the net sales price per unit. The expected sales volumes and net sales price per unit assumptions are consistent with those utilised by the Group in the calculation of the contingent consideration liability and intellectual property valuation.

26.2. Contingent consideration

Telix Switzerland (formerly TheraPharm)

Telix acquired TheraPharm on 14 December 2020. Part of the consideration for the acquisition was in the form of future payments contingent on certain milestones. These are:

- €5,000,000 cash payment upon successful completion of a Phase III pivotal registration trial
- €5,000,000 cash payment upon achievement of marketing authorisation in the Europe or the United States, whichever approval comes first, and
- 5% of net sales for the first three years following marketing authorisation in the Europe or the United States, whichever approval comes first.

The valuation of the contingent consideration has been performed utilising a discounted cash flow model that uses certain unobservable assumptions. These key assumptions include risk adjusted post-tax discount rate of 15.0% (2021: 12.2%), marketing authorisation date, expected sales volumes over the forecast period, net sales price per unit and approval for marketing authorisation probability success factor.

The following table summarises the quantitative information about these assumptions, including the impact of sensitivities from reasonably possible changes where applicable:

Contingent consideration valuation

Unobservable input	Methodology	31 December 2022
Risk adjusted post-tax discount rate	The post-tax discount rate used in the valuation has been determined based on required rates of returns of listed companies in the biotechnology industry (having regards to their stage of development, size and risk adjustments).	A 0.5% increase in the post-tax discount rate would decrease the contingent consideration by 2.5% and a decrease in the post-tax discount rate by 0.5% would increase the contingent consideration by 2.5%.
Expected sales volumes	This is determined through assumptions on target market population, penetration and growth rates in the U.S. and Europe.	A 10% increase in the sales volumes would increase the contingent consideration by 1.7% and a 10% decrease in sales volumes would decrease the contingent consideration by 1.7%.
Net sales price per unit	The sales price per unit is estimated based on comparable products currently in the market.	A 10% increase in the net sales price per unit would increase the contingent consideration by 1.7% and a 10% decrease in net sales price per unit would decrease the contingent consideration by 1.7%.
Approval for marketing authorisation probability success factor	This assumption is based on management's estimate for achieving regulatory approval and is determined through benchmarking of historic approval rates.	An increase in the probability of success factor by 10% would increase the contingent consideration by 50.0% and a 10% decrease in the probability of success factor would decrease the contingent consideration to nil.

Telix Innovations (formerly ANMI)

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 five years following the achievement of marketing authorisation of the product. The percentage of net sales varies depending on the net sales achieved in the U.S. and the rest of the world. The Group also holds an option to buy-out the remaining future variable payments in the third year following the achievement of marketing authorisation, if specified sales thresholds are met.

As at consolidated statement of financial position date, the Group has remeasured the contingent consideration to its fair value. The remeasurement is as a result of changes to the key assumptions such as risk adjusted post-tax discount rate, expected sales volumes and net sales price per unit.

The contingent consideration liability has been valued using a discounted cash flow model that utilises certain unobservable level 3 inputs. These key assumptions include risk adjusted post-tax discount rate 15.0% (2021: 12.2%), expected sales volumes over the forecast period and net sales price per unit.

The following table summarises the quantitative information about these assumptions, including the impact of sensitivities from reasonably possible changes where applicable:

Contingent consideration valuation

Unobservable input	Methodology	31 December 2022
Risk adjusted post-tax discount rate	The post-tax discount rate used in the valuation has been determined based on required rates of returns of listed companies in the biotechnology industry (having regards to their stage of development, size and risk adjustments).	A 0.5% increase in the post-tax discount rate would decrease the contingent consideration by 0.6% and a 0.5% decrease in the post-tax discount rate would increase the contingent consideration by 0.6%.
Expected sales volumes	This is determined using actual sales volumes for 2022 and forecasting sales volumes for 2023 and beyond for each region.	A 10% increase in sales volumes across all regions would increase the contingent consideration by 7.2% and a 10% decrease in sales volumes would decrease the contingent consideration by 7.2%
Net sales price per unit	This is determined using actual sales prices for 2022 and forecasting sales prices for 2023 and beyond for each region.	A 10% increase in net sales price per unit across all regions would increase the contingent consideration by 5.7% and a 10% decrease in sales prices would decrease the contingent consideration by 5.7%.

Optimal Tracers

The Group acquired the assets of Optimal Tracers on 31 December 2022. The consideration includes two contingent payments based on a percentage of revenue from existing customers for the years ending 31 December 2023 and 2024.

The valuation of the contingent consideration has been performed utilising a discounted cash flow model that uses certain unobservable assumptions. These key assumptions include risk adjusted post-tax discount rate of 15.0% and expected revenue from existing customers over the two year period.

The following table summarises the quantitative information about these assumptions, including the impact of sensitivities from reasonably possible changes where applicable:

Contingent consideration valuation

Unobservable input	Methodology	31 December 2022
Risk adjusted post-tax discount rate	The post-tax discount rate used in the valuation has been determined based on required rates of returns of listed companies in the biotechnology industry (having regards to their stage of development, size and risk adjustments).	A 0.5% increase in the post-tax discount rate would decrease the contingent consideration by 0.6% and a 0.5% decrease in the post-tax discount rate would increase the contingent consideration by 0.6%.
Expected revenue	This is determined using actual revenue for 2022 and forecasting revenue for 2023 and 2024.	A 10% increase in revenue would increase the contingent consideration by 10.0% and a 10% decrease in revenue would decrease the contingent consideration by 10.0%

26.3. Decommissioning liability

Telix purchased the radiopharmaceutical production facility in Belgium on 27 April 2020. The site had cyclotrons installed in concrete shielded vaults which also contained some nuclear contamination associated with past manufacturing activities. As part of this transaction, Telix assumed the obligation to remove the cyclotrons and restore the site.

The Group removed the cyclotrons from the site during 2022. Other decommissioning activities not required to upgrade the production facility have been deferred to the end of the operating life of the facility in 2041. The decommissioning costs expected to be incurred in 2041 of €4,357,000 have been discounted using the Belgium risk-free rate of 3.2% (2021: 0.4%) and translated to Australian dollars at the exchange rate at 31 December 2022.

The provision represents the best estimate of the expenditures required to settle the present obligation at 31 December 2022. While the Group has made its best estimate in establishing its decommissioning liability, because of potential changes in technology as well as safety and environmental requirements, plus the actual timescale to complete decommissioning, the ultimate provision requirements could vary from the Group's current estimates. Any subsequent changes in estimate which alter the level of the provision required are also reflected in adjustments to the intangible licence asset. Each year, the provision is increased to reflect the unwind of discount and to accrue an estimate for the effects of inflation, with the charges being presented in the consolidated statement of comprehensive income or loss. Actual payments for commencement of decommissioning activity are disclosed as provision utilised in the above table.

27. Employee benefit obligations

	2022	2021
	$'000	$'000
Bonus	5,101	2,887
Annual leave	2,450	1,877
Long service leave	215	132
Balance at 31 December	**7,766**	**4,896**
Current	7,551	4,764
Non-current	215	132
Total employee benefit obligations	**7,766**	**4,896**

28. Equity

28.1. Share capital

	2022	2022	2021	2021
	Number '000	$'000	Number '000	$'000
Balance at 1 January	**285,073**	**170,840**	**280,405**	**167,058**
Shares issued through the exercise of share options and warrants [1,2]	8,543	32,948	4,668	3,782
Contributions of equity [3]	22,727	175,000	-	-
Transaction costs arising on new share issues	-	(7,816)	-	-
Balance at 31 December	**316,343**	**370,972**	**285,073**	**170,840**

1. Options exercised during the year through the employee Equity Incentive Plan resulted in 8,542,589 (2021: 4,667,586) shares being issued of total value of $32,948,000 (2021: $3,782,000).
2. On 11 September 2018, Telix completed the acquisition of Atlab. The consideration for the acquisition comprised $12,612,000 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 $184,000 (780,923 warrants). The warrants were exercised on 22 March 2022 at an exercise price of $1.34 per warrant.
3. On 27 January 2022, the Group completed a $175,000,000 institutional placement of 22,727 new, fully paid ordinary shares at a price of $7.70 per share. As part of this placement, the Group also incurred $7,816,000 of associated transaction costs.

The weighted average ordinary shares for the period 1 January 2022 to 31 December 2022 is 310,644,169 (2021: 282,205,557). The Company does not have a limited amount of authorised capital.

Rights applying to securities:

1. *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.
2. *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 32.

28.2. Employee share trust reserve

	2022	2022	2021	2021
	Number '000	$'000	Number '000	$'000
Balance at 1 January	-	-	-	-
Treasury shares acquired	4,054	26,909	-	-
Balance at 31 December	**4,054**	**26,909**	**-**	**-**

Ordinary shares in the Company were purchased by the Telix Pharmaceuticals Employee Share Trust for the purpose of issuing shares under the Equity Incentive Plan (see note 32 for further information).

28.3. Share-based payments reserve

	2022	2022	2021	2021
	Number '000	$'000	Number '000	$'000
Balance at 1 January	**17,148**	**5,942**	**20,226**	**4,620**
Options issued	4,436	8,114	3,745	1,322
Options exercised	(8,843)	(4,735)	(4,716)	-
Options lapsed	(1,005)	-	(2,107)	-
Balance at 31 December	**11,736**	**9,321**	**17,148**	**5,942**

29. Cash flow information

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

	Note	2022 $'000	2021 $'000
Loss before income tax		(98,622)	(80,465)
Adjustments for			
Depreciation and amortisation		5,379	5,174
Fair value remeasurement of contingent consideration	26	17,724	14,855
Unwind of discount		6,287	5,029
Share based payments	8	8,114	1,322
Foreign exchange losses / (gains)		433	(2,612)
Income taxes paid		(2,278)	-
Change in assets and liabilities			
{Increase) in trade and other receivables		(19,934)	(7,192)
(Increase) in inventory		(5,023)	(2,821)
(Increase) / decrease in other current assets		(6,441)	197
(Increase) in other non-current assets		(115)	(29)
Increase in trade creditors		30,451	7,484
Increase in employee benefit obligations		2,870	2,428
(Decrease) in contract liabilities	24	(2,815)	(2,698)
Net cash used in operating activities		**(63,970)**	**(59,328)**

30. 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.

30.1. Interest rate risk

The Group's borrowings that have been drawn down at 31 December 2022 have fixed interest rates, and therefore the Group is not exposed to any significant interest rate risk.

30.2. Price risk

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

30.3. 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 operates internationally and is exposed to foreign exchange risk, primarily the US Dollar and Euro. Foreign exchange risk arises from commercial activities in the U.S. and research and development activities in Europe and the U.S..

The Group's treasury risk management policy is to settle all US Dollar denominated expenditure with US Dollar denominated receipts from sales of Illuccix in the U.S.. The Group also manages currency risk by making decisions as to the levels of cash to hold in each currency by assessing its future activities which will likely be incurred in those currencies. Any remaining foreign currency exposure has therefore not been hedged.

The Group has both foreign currency receivables and payables, predominantly denominated in US Dollar and Euro. The Group had a surplus of foreign currency receivables over payables of $24,176,000 at 31 December 2022 (2021: deficit of $10,081,000).

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 and US Dollar, however given the level of current investments in foreign subsidiaries, the impact is limited.

As at 31 December 2022, the Group held 44.5% (2021: 1.2%) of its cash in Australian dollars, 52.1% (2021: 93.6%) in United States dollars, 3.2% (2021: 4.3%) in EUR, 0.1% (2021: 0.9%) in Japanese Yen (JPY) and 0.1% (2021: Nil) in Swiss Francs (CHF).

Exposure

The balances held at 31 December 2022 that give rise to currency risk exposure are presented in Australian dollars below:

	USD	EUR	CHF	JPY	SGD	GBP	CAD
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	60,659	3,678	118	133	-	-	-
Trade receivables	37,131	1,168	-	-	-	-	-
Trade payables	(9,224)	(4,721)	-	(8)	-	(162)	(8)
Government grant liability	-	(2,550)	-	-	-	-	-
Decommissioning liability	-	(5,333)	-	-	-	-	-
Contingent consideration liability	-	(64,231)	-	-	-	-	-
Borrowings	-	(3,312)	-	-	-	-	-

The balances held at 31 December 2021 that give rise to currency risk exposure are presented in Australian dollars below:

	USD	EUR	CHF	JPY	SGD	GBP	CAD
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	20,624	947	-	193	-	-	-
Trade receivables	32	700	-	-	-	-	-
Trade payables	(5,293)	(5,248)	(14)	(7)	(5)	(186)	(60)
Government grant liability	-	(1,539)	-	-	-	-	-
Decommissioning liability	-	(8,532)	-	-	-	-	-
Contingent consideration liability	-	(41,910)	-	-	-	-	-
Borrowings	-	(19)	-	-	-	-	-

Sensitivity

Outlined below is a sensitivity analysis which assesses the impact that a change of +/- 10% in the exchange rates as at each reporting date would have on the Group's reported profit/(loss) after income tax and/or equity balance.

	Impact on post-tax profit			
	2022	2022	2021	2021
	+10% Profit/(loss)	-10% Profit/(loss)	+10% Profit/(loss)	-10% Profit/(loss)
	$'000	$'000	$'000	$'000
USD	(8,051)	9,841	(1,401)	1,712
EUR	6,846	(8,367)	5,054	(6,177)
CHF	(11)	13	1	(2)
JPY	(11)	14	(17)	20
SGD	-	-	-	(1)
GBP	15	(18)	17	(21)
CAD	1	(1)	5	(7)
Total	**(1,211)**	**1,482**	**3,659**	**(4,476)**

30.4. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables.

Credit risk is managed on a group basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The compliance with credit limits by customers is regularly monitored. 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.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and the failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented within selling, general and administration costs within profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 December 2022, the expected credit losses are $Nil (2021: $Nil). The following tables sets out the ageing of trade receivables, according to their due date:

Aged trade receivables

	2022	2021
Gross carrying amount	**$'000**	**$'000**
Not past due:	37,145	-
Past due:		
30 days	1,599	487
60 days	121	164
90 days	34	79
120 days	455	-
Total	**39,354**	**730**

30.5. 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 Group'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 consolidated statement of financial position.

	1-6 months	6-12 months	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
As at 31 December 2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-derivatives						
Trade and other payables	49,519	-	-	-	49,519	49,519
Borrowings	58	58	5,080	1,800	6,996	3,312
Lease liabilities	815	802	6,419	1,862	9,898	7,134
Government grant liability	330	550	1,490	368	2,738	2,551
Contingent consideration	15,331	-	63,793	2,130	81,254	64,949
Decommissioning liability	-	-	-	9,468	9,468	5,333
Total financial liabilities	**66,053**	**1,410**	**76,782**	**15,628**	**159,873**	**132,798**

As at 31 December 2021	1-6 months $'000	6-12 months $'000	1-5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount of liabilities $'000
Non-derivatives						
Trade and other payables	19,040	-	-	-	19,040	19,040
Borrowings	19	-	-	-	19	19
Lease liabilities	417	375	1,940	330	3,062	2,520
Government grant liability	-	55	1,022	468	1,545	1,539
Contingent consideration	-	5,400	64,853	1,549	71,802	41,910
Decommissioning liability	2,271	-	-	6,809	9,080	8,532
Total financial liabilities	**21,747**	**5,830**	**67,815**	**9,156**	**104,548**	**73,560**

30.6. Fair value

Provisions are categorised as Level 3 financial liabilities and remeasured at each reporting date with movements recognised in profit or loss, except in instances where changes are permitted to be added to / reduce an associated asset. The inputs used in fair value calculations are determined by Management.

The carrying amount of financial liabilities measured at fair value is principally calculated based on inputs other than quoted prices that are observable for these financial liabilities, either directly (i.e. as unquoted prices) or indirectly (i.e. derived from prices). Where no price information is available from a quoted market source, alternative market mechanisms or recent comparable transactions, fair value is estimated based on the Group's views on relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates.

Sensitivity of Level 3 financial liabilities

The potential effect of using reasonably possible alternative assumptions in valuation models, based on a change in the most significant input, such as sales volumes, by an increase/(decrease) of 10% while holding all other variables constant will increase/(decrease) profit before tax by $4,510,000 (2021: $1,006,000).

Valuation processes

The finance team of the Group performs the valuation of provisions required for financial reporting purposes, including Level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and Board at least once every six months, in line with the Group's half-yearly reporting periods.

The main Level 3 inputs used by the Group in measuring the fair value of provisions are derived and evaluated as follows:

- discount rates are determined by an independent third party using a weighted average cost of capital model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- regulatory/marketing authorisation approval dates and approval for marketing authorisation probability risk factors are derived in consultation with the Group's regulatory team.
- expected sales volumes and net sales price per unit are estimated based on market information on annual incidence rates and information for similar products and expected market penetration.
- contingent consideration cash flows are estimated based on the terms of the sale contract. Changes in fair values are analysed at the end of each reporting period during the half-yearly valuation discussion between the CFO and Board. As part of this discussion the CFO presents a report that explains the reason for the fair value movement.

31. Contingent liabilities and contingent assets

On 18 March 2021 the Group entered into a non-exclusive global clinical and commercial supply agreement with Garching-based ITM Isotopen Technologien München AG (ITM) for the supply of highly pure no-carrier-added lutetium-177, a therapeutic isotope. ITM will supply the product for use in the Group's investigational programs in prostate and kidney cancer therapy and subject to approval of the Group's drug candidates for therapeutic use, also provide the product for scale-up and commercialisation.

At 31 December 2022 there is a possible obligation for the Group to pay €1,000,000 to ITM on the approval of the product for therapeutic use by the relevant regulatory authority in either USA, France, Germany, Spain, Italy or the UK and €1,000,000 when the Group makes a commercial arms-length sale of the product. The existence of the obligation will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group.

On 4 April 2022 the Group announced that it is part of a $71,200,000 Australian Precision Medicine Enterprise (APME) Project, which has been awarded $23,000,000 in Federal Government grant funding under the Manufacturing Collaboration Stream of the Modern Manufacturing Initiative (MMI). The APME Project brings together industry partners Global Medical Solutions' (GMS) Australia subsidiary, Global Medical Solutions Australia (GMSA) and Telix Pharmaceuticals with Monash University to address the Good Manufacturing Practice (GMP) manufacturing gap in the Australian radiopharmaceuticals manufacturing sector. As a project partner, Telix will benefit from the increased capacity to develop and manufacture theranostic radiopharmaceuticals in Australia, strengthening its global supply chain for both clinical and commercial products. At 31 December 2022 there is a possible obligation for the Group to contribute $5,000,000 over the three-year period, subject to the establishment of a formal consortium agreement and receipt of grant funding. The existence of the obligation will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group.

We have entered into a number of agreements with other third parties pertaining to intellectual property. Contingent liabilities may arise in the future if certain events or developments occur in relation to these agreements and as of 31 December 2022 we have assessed these contingent liabilities to be remote.

32. Share based payments

Equity Incentive Plan and Options

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 2022. 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.

Share options contain a cashless exercise clause that allows employees to exercise options for an exercise price of $0.00 in exchange for forfeiting a portion of their vested options.

	2022	2022	2021	2021
	Number		Number	
	'000	WAEP[1]	'000	WAEP[1]
Balance at 1 January	**17,148**	**2.03**	**20,226**	**1.34**
Granted during the year	4,436	5.10	3,745	4.46
Exercised during the year	(8,843)	1.25	(4,716)	0.85
Lapsed/forfeited during the year	(1,005)	3.80	(2,107)	2.36
Balance at 31 December	**11,736**	**3.62**	**17,148**	**2.03**
Vested and exercisable at 31 December	**3,199**	**3.93**	**1,319**	**0.85**

1. WAEP - weighted average exercise price

Expense arising from share based payments transactions:

	2022	2021
	$'000	$'000
Options issued under EIP	8,114	1,322
Total	**8,114**	**1,322**

Equity Incentive Plan and Options

Details of the number of options issued under the EIP outstanding at the end of the year:

Grant date	Vesting date	Expiry date	Exercise price	Options on issue at 1 January 2022	Issued during the year	Vested during the year	Exercised during the year	Lapsed during the year	Options on issue at 31 December 2022
				'000	'000	'000	'000	'000	'000
11-Jun-18	11-Jun-20	11-Jun-22	0.85	831	-	-	(831)	-	-
11-Jun-18	11-Jun-21	11-Jun-22	0.85	1,319	-	-	(1,119)	(200)	-
24-Jan-19	24-Jan-22	24-Jan-23	1.09	5,945	-	450	(5,495)	-	450
4-Nov-19	4-Nov-22	3-Nov-23	2.30	1,310	-	430	(880)	-	430
13-Jan-20	13-Jan-23	12-Jan-24	2.23	3,300	-	-	(150)	(70)	3,080
1-Jul-20	1-Jul-23	30-Jun-24	1.83	1,300	-	-	-	-	1,300
27-Jan-21	1	26-Jan-26	4.38	1,900	-	1,386	(218)	(296)	1,386
27-Jul-21	27-Jul-25	27-Jul-26	5.37	1,018	-	933	(25)	(60)	933
27-Jul-21	27-Jul-25	27-Jul-26	0.00	225	-	-	(125)	-	100
5-Apr-22	31-Jan-24	4-Apr-27	4.95	-	2,756	-	-	(304)	2,452
5-Apr-22	31-Jan-24	4-Apr-27	0.00	-	220	-	-	(15)	205
24-Oct-22	24-Oct-25	24-Oct-27	6.15	-	1,460	-	-	(60)	1,400
				17,148	**4,436**	**3,199**	**(8,843)**	**(1,005)**	**11,736**

1. The options vest on or before their expiry date subject to the achievement of $100 million in cumulative revenue from product sales, commencing from 1 January 2021. These options vested during the year.

The assessed fair value of recent tranches of options granted are outlined below. 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 2022 and 31 December 2021 are included below.

	Jan-21	Jul-21	Jul-21	Apr-22	Oct-22
Fair value	$2.12	$2.62	$2.62	$2.43	$3.08
Consideration	$NIL	$NIL	$NIL	$NIL	$NIL
Exercise price	$4.38	$5.37	$NIL	$4.95	$6.15
Grant date	27-Jan-21	27-Jul-21	27-Jul-21	5-Apr-22	24-Oct-22
Expiry date	1	27-Jul-26	27-Jul-26	4-Apr-27	24-Oct-27
Term	5 years	5 years	5 years	5 years	5 years
Share price at grant date	$4.36	$5.35	$5.35	$4.53	$6.97
Volatility	58%	58%	58%	60%	60%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free rate	0.38%	0.56%	0.56%	2.62%	3.52%

1. The options vest on or before their expiry date subject to the achievement of $100 million in cumulative revenue from product sales, commencing from 1 January 2021. These options vested during the year.

33. Commitments

At 31 December 2022 and at the date of this Report, the Group had commitments against existing R&D and capital commitments relating to the construction of the Brussels South manufacturing facility. R&D commitments in future years are estimated based on the contractual obligations included within agreements entered into by the Group.

	Due < 1 year	Due >1 year
	$'000	$'000
At 31 December 2022		
Capital commitments	14,246	-
R&D commitments	15,583	2,293
	29,829	**2,293**
At 31 December 2021		
R&D commitments	13,916	2,069
	13,916	**2,069**

34. Related party transactions

34.1. Key management personnel compensation

	2022	2021
	$	$
Short-term employee benefits	2,146,954	1,635,286
Superannuation entitlements	116,922	106,295
Share-based payments	542,456	303,790
	2,806,332	**2,045,371**

34.2. Transactions with other related parties

	2022	2021
	$	$
Purchases of various goods and services from entities controlled by key management personnel[1]	3,685,543	1,997,836

1. Non-Executive Director, Dr Andreas Kluge, is the principal owner and Geschäftsführer (Managing Director) of ABX-CRO, a clinical research organisation (CRO) that specialises in radiopharmaceutical product development.

   Telix entered into a master services agreement with ABX-CRO in 2018 for the provision of project management, clinical and analytical services for its ZIRCON clinical trial. During 2022, the ZIRCON trial was extended to increase patients from 248 to 300 and ABX-CRO resumed key site monitoring activities when COVID restrictions were lifted at hospitals.

   During the year ended 31 December 2022, the total amount paid was $3,411,019 (2021: $1,512,452) and the amount payable to ABX-CRO at 31 December 2022 was $274,524 (2021: $485,384) respectively. ABX-CRO's fees and charges for activities undertaken in 2022 were on an arm's length basis and competitive with quotes obtained from other CRO's for similar services.

34.3. Interests in other entities

The Group's principal subsidiaries at 31 December 2022 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	Australia	100	Dormant
Telix International Pty Ltd[1]	Australia	100	Holding company
Telix Pharmaceuticals (ANZ) Pty Ltd[1]	Australia	100	Commercial operations
Telix Pharmaceuticals (Belgium) SRL	Belgium	100	Manufacturing and development
Telix Innovations SA	Belgium	100	Commercial operations
Telix Pharmaceuticals (Canada) Inc.	Canada	100	Clinical R&D
Telix Pharmaceuticals (France) SAS	France	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
TheraPharm Deutschland GmbH	Germany	100	Clinical R&D
Telix Pharma Japan KK	Japan	100	Clinical R&D
Telix Pharmaceuticals (NZ) Limited	New Zealand	100	Clinical R&D
Telix Pharmaceuticals (Singapore) Pte Ltd	Singapore	100	Clinical R&D
Telix Pharmaceuticals (Switzerland) GmbH	Switzerland	100	Clinical R&D
Telix Life Sciences (UK) Ltd	United Kingdom	100	Clinical R&D
Telix Pharmaceuticals (US) Inc.	USA	100	Commercial operations
Telix Optimal Tracers, LLC	USA	100	Manufacturing and development

1. Denotes an entity that is a party to a deed of cross guarantee, refer to note 35 for further information

35. Deed of cross guarantee

During the year, the Company and certain subsidiaries of the Group entered into a deed of cross guarantee. By entering into the deed, the subsidiaries who are party to the deed have been relieved from the requirement to prepare and lodge an audited financial report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The subsidiaries identified with a '1' in note 34.3 are parties to a deed of cross guarantee under which each Company guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

The consolidated statement of comprehensive income and statement of financial position of the entities party to the deed of cross guarantee are provided as follows:

	2022
Consolidated statement of comprehensive income	**$'000**
Revenue	3,873
Cost of inventory sold	(2,165)
Research and development costs	(72,119)
Selling, general and administration costs	(15,225)
Employment costs	(25,351)
Remeasurement of provisions	(16,707)
Depreciation and amortisation	(4,269)
Finance costs	(6,505)
Other income and expenses	(207)
Loss before income tax	**(138,675)**
Income tax benefit	-
Loss from continuing operations after income tax	**(138,675)**
Total comprehensive loss for the year	**(138,675)**

Consolidated statement of financial position	2022 $'000
Current assets	
Cash and cash equivalents	62,668
Trade and other receivables	5,942
Inventories	184
Other current assets	4,493
Total current assets	**73,287**
Non-current assets	
Investment in subsidiaries	43,178
Intangible assets	47,868
Property, plant and equipment	915
Right-of-use assets	2,752
Trade and other receivables	268
Total non-current assets	**94,981**
Total assets	**168,268**
Current liabilities	
Trade and other payables	18,741
Contract liabilities	4,402
Lease liabilities	343
Provisions	14,811
Employee benefit obligations	1,915
Total current liabilities	**40,212**
Non-current liabilities	
Contract liabilities	22,522
Lease liabilities	2,450
Provisions	49,420
Employee benefit obligations	216
Total non-current liabilities	**74,608**
Total liabilities	**114,820**
Net assets	**53,448**
Equity	
Share capital	370,972
Employee share trust reserve	(26,909)
Share-based payments reserve	9,326
Accumulated losses	(299,941)
Total equity	**53,448**

36. 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:

Statement of financial position	2022 $'000	2021 $'000
Current assets	72,622	21,573
Non-current assets	60,371	37,359
Total assets	**132,993**	**58,932**
Current liabilities	18,362	14,694
Total liabilities	**18,362**	**14,694**
Net assets	**114,631**	**44,238**
Reserves		
Issued capital	344,063	170,840
Other reserves	9,326	5,939
Accumulated losses	(238,758)	(132,541)
Total equity	**114,631**	**44,238**
Loss for the year	**(110,944)**	**(62,655)**
Total comprehensive loss for the year	**(110,944)**	**(62,655)**

37. Remuneration of auditor

Auditors of the Group - PwC Australia and related network firms	2022 $	2021 $
Audit or review of financial statements	367,200	310,080
Other advisory services	156,857	159,657
	524,057	**469,737**

Other auditors and their related network firms	2022 $	2021 $
Audit or review of financial statements	89,621	63,132
Other advisory services	9,435	-
	99,056	**63,132**

38. Earnings per share

38.1. Basic earnings per share

	2022	2021
	Cents	Cents
Basic loss per share from continuing operations attributable to the ordinary equity holders of the Company	(33.5)	(28.5)
Total basic loss per share attributable to the ordinary equity holders of the Company	(33.5)	(28.5)

38.2. Diluted earnings per share

	2022	2021
	Cents	Cents
Diluted loss per share from continuing operations attributable to the ordinary equity holders of the Company	(33.5)	(28.5)
Total diluted loss per share attributable to the ordinary equity holders of the Company	(33.5)	(28.5)

38.3. Weighted average number of shares used as the denominator

	2022	2021
	Number	Number
	'000	'000
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share[1]	310,644	282,206

1. The 4,436,046 options granted in 2022 are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 31 December 2022. These options could potentially dilute basic earnings per share in the future.

39. Events occurring after the reporting period

There were no subsequent events that required adjustment to or disclosure in the Directors' report or the Financial report of the Company for the year ended 31 December 2022.

Directors' declaration

1. In the opinion of the Directors:
   a. the financial statements and notes, and the Remuneration report within the Directors' report, of the Company and Group are in accordance with the *Corporations Act 2001* including:
      i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
      ii. giving a true and fair view of the Company's and Group's financial position as at 31 December 2022 and of their performance for the year ended on that date.
   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. Within the notes to the financial statements it is confirmed that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board and as disclosed in Note 2.2
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the Company and entities identified in note 35 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those entities pursuant to *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785*.
4. 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 2022.

Signed in accordance with a resolution of the Directors.

H Kevin McCann AO
Chairman
27 February 2023

Christian Behrenbruch
Managing Director and Group CEO
27 February 2023

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 2022 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 2022
- the consolidated statement of comprehensive income or loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- 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

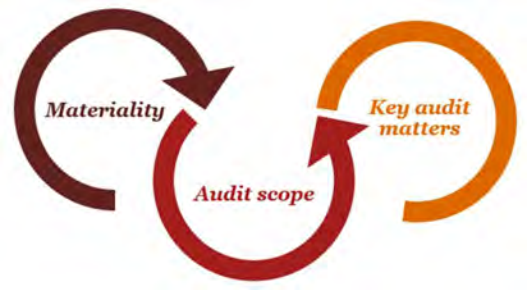
We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the 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.

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

Our audit approach

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



Materiality

- For the purpose of our audit we used overall Group materiality of $3.9m, which represents approximately 5% of the Group's adjusted 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 adjusted loss before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We adjusted for the fair value remeasurement of contingent consideration as this represents a volatile item.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- We performed an audit of the financial information of the parent company, Telix Pharmaceuticals Limited and significant components, Telix Innovations SA and Telix Pharmaceuticals (US) Inc. given their financial significance to the Group.
- We also performed further audit procedures at a Group level, including over impairment assessments, fair valuation of assets and liabilities, and consolidation of the Group's reporting units.
- Where audit work was performed by an auditor operating under our instruction (component auditor), we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion. This included active dialogue throughout the year through phone calls, discussions and written instructions.

- Component auditors performed an audit of Telix Innovations SA (formerly ANMI) given the nature and risk profile of the entity and its contribution to Group revenue. The responsibility for testing several balances was retained by PwC Australia as group auditor due to their significance or complexity, including: decommissioning liability, share-based payments and intangible asset impairment assessments.
- We performed specific risk focused audit procedures on selected balances and transactions arising within Telix International Pty Ltd and Telix Pharmaceuticals (Belgium) SPRL, as well as the specific out of scope balances for component auditors of Telix Innovations SA. We also performed analytical procedures over the financial information of all other entities 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. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Revenue from contracts with customers - Sales from commercial operations *(Refer to note 2.19, note 3, and note 5) $156.4 million* The Group recognised its first commercial sales of Illuccix in the year, having received regulatory approval from The United States Food and Drug Administration ('FDA') in December 2021. The Group recognised $156.4m of revenue from commercial operations which are coordinated by distributors under distribution agreements. We considered revenue recognition of commercial sales of Illuccix to be a key audit matter for the Group due to: • it was the first year of commercial sales • the financial significance of the balance • the number of distribution agreements, each with bespoke terms • the complexity involved in identifying performance obligations and determining transaction price in accordance with Australian Accounting Standards, given the bespoke terms and conditions of contracts with customers.	Our procedures over the Group's revenue recognised for the commercial sales of Illuccix for the year included, amongst others: • obtaining confirmations from a sample of the Group's independent distribution partners and agreeing the revenue recorded by the Group to the purchases per the confirmations • for a sample of distribution agreements: - developing an understanding of the key terms of the arrangements - assessing whether the Group has identified performance obligations and allocated prices, including variable consideration, in accordance with Australian Accounting Standards • for a selection of manual journal entries and manual adjustments to revenue, identifying those that do not follow the standard settlement mechanism and comparing them to relevant supporting documentation • considering the reasonableness of associated disclosures in the financial report in light of the requirements of the Australian Accounting Standards.

Key audit matter	*How our audit addressed the key audit matter*
Impairment assessment for goodwill and intangible assets *(Refer to note 21) $58.9 million* The Group has recognised $5.5 million of goodwill and $53.4 million of other intangible assets as at 31 December 2022. These assets are predominately divided amongst Illuccix ($14.7 million), TLX66 ($16.0 million), TLX591 ($12.8 million), TLX101 ($1.7 million), Radiopharmaceutical production facility ($6.7 million), and Olaratumab ($6.8 million) cash generating units (CGUs). In accordance with Australian Auditing Standards, the Group is required to test goodwill and indefinite lived intangible assets for impairment annually and consider definite lived intangibles for impairment indicators. We considered the impairment assessment of goodwill and intangible assets to be a key audit matter due to: ● the financial significance of the balances ● the judgement exercised by the Group in calculating the recoverable amount of each CGU, including estimating the regulatory/marketing authorisation dates, expected sales volumes, net sales price per unit and approval for marketing authorisation probability of success factor (key inputs and assumptions) ● the judgement exercised by the Group in calculating and applying a discount rate to the impairment models.	Our audit procedures over the Group's impairment assessments of goodwill and intangible assets included, amongst others: ● evaluating the existence of impairment indicators for definite lived intangible assets by considering both financial performance and product developments during the year ● evaluating the appropriateness of the discounted cash flow models used to estimate the recoverable amount (the impairment models) in light of the requirements of Australian Accounting Standards ● assessing the mathematical accuracy of key formulas in the impairment models ● comparing key assumptions used within the impairment models to Board approved budgets and other evidence obtained throughout the course of the audit ● for Illuccix, TLX66, TLX 591 and TLX101, comparing actual performance of the CGUs to the Group's prior year forecasts to assess budgeting accuracy ● comparing the key inputs and assumptions underpinning the impairment models to available external market and industry data ● with the assistance of PwC valuation experts, assessing whether the discount rates used in the models were appropriate by comparing them to market data, comparable companies and industry research ● assessing the Group's sensitivity analysis over key assumptions in the impairment models in order to assess the potential impact of a range possible outcomes ● comparing the valuation of goodwill and intangible assets as per the Group's impairment models to external data sources including broker report valuations ● considering the reasonableness of associated disclosures in the financial report in light of the requirements of the Australian Accounting Standards.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of contingent consideration *(Refer to note 26) $64.9 million* The Group values the contingent consideration that arose as part of the acquisition of Telix Innovations SA (formerly ANMI) and Telix Switzerland (formerly TheraPharm) at each balance sheet date. In addition, the acquisition of Optimal Tracers in the year includes two contingent payments which have been recognised in the Consolidated Statement of Financial Position. The initial measurement of contingent consideration was performed at the respective acquisition dates. The Group has remeasured liabilities to reflect post-acquisition changes in circumstances and assumptions in the valuation as at 31 December 2022. We considered the valuation of contingent consideration to be a key audit matter due to: • the financial significance of the contingent consideration liability • complexities and judgement required by the Group to determine the valuation of the liability including marketing authorisation dates, expected sales volumes, net sales prices per unit and approval for marketing authorisation probability of success factors (key inputs and assumptions) • the judgement exercised by the Group in calculating and applying a discount rate to the cash flow model used to calculate the valuation of the contingent consideration liability.	Our audit procedures to assess the Group's valuation of contingent consideration as at 31 December 2022 included, amongst others: • evaluating the Group's valuation methodology against the requirements of Australian Accounting Standards • assessing the mathematical accuracy of the valuation calculation • comparing the key inputs and assumptions underpinning the valuation to available external market and industry data • assessing the Group's sensitivity analysis over key inputs and assumptions in order to assess the potential impact of a range possible outcomes • with the assistance of PwC valuation experts, assessing whether the discount rates used in the models were appropriate by comparing them to market data, comparable companies and industry research • considering the reasonableness of associated disclosures in the financial report in light of the requirements of the 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 2022, 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: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 75 to 90 of the directors' report for the year ended 31 December 2022.

In our opinion, the remuneration report of Telix Pharmaceuticals Limited for the year ended 31 December 2022 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

Brad Peake
Partner

Melbourne
27 February 2023

Shareholder information

Telix Pharmaceuticals Limited ACN 616 620 369

Registered Office

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 will be held on Wednesday 24 May 2023. Details of how to participate will be included in the Notice of Meeting lodged with the ASX and distributed to shareholders.

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 2 February 2023.

Total securities on issue

	Securities (Listed)	Securities (Unlisted)
Fully paid ordinary shares	317,085,083	-
Options to acquire shares	-	10,815,344

Distribution of equity securities – ordinary shares

Range	Securities	%	No. of holders	%
100,001 and Over	270,497,382	85.41	170	2.12
10,001 to 100,000	31,245,983	9.87	1,061	13.23
5,001 to 10,000	6,564,043	2.07	854	10.65
1,001 to 5,000	7,001,222	2.21	2,692	33.57
1 to 1,000	1,397,464	0.44	3,242	40.43
Total	**316,706,094**	**100.00**	**8,019**	**100.00**
Unmarketable Parcels	6,494	0.00	226	2.82

Voting rights

Shareholders in Telix Pharmaceuticals Limited have a right to attend and vote at general meetings. At a general meeting, individual shareholders 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. A copy of the Constitution is available at https://telixpharma.com/investors/#corporate-governance.

Name	Securities	%
HSBC Custody Nominees (Australia) Limited	40,150,674	12.68
Citicorp Nominees Pty Limited	31,011,771	9.79
J P Morgan Nominees Australia Pty Limited	27,441,529	8.66
Elk River Holdings Pty Ltd As Trustee For The Behrenbruch Family Trust And C Behrenbruch	22,675,000	7.16
Gnosis Verwaltungsgesellschaftm B H	22,675,000	7.16

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 it 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	02 Feb 2023	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	40,150,674	12.68
2	CITICORP NOMINEES PTY LIMITED	31,011,771	9.79
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	27,441,529	8.66
4	ELK RIVER HOLDINGS PTY LTD AS TRUSTEE FOR THE BEHRENBRUCH FAMILY TRUST AND C BEHRENBRUCH	22,675,000	7.16
4	GNOSIS VERWALTUNGSGESELLSCHAFTM B H	22,675,000	7.16
5	NATIONAL NOMINEES LIMITED	12,886,518	4.07
6	GRAND DECADE DEVELOPMENTS LIMITED	10,947,181	3.46
7	UV-CAP GMBH & CO KG	7,525,000	2.38
8	BNP PARIBAS NOMINEES PTY LTD	6,675,428	2.11
9	THE ONCIDIUM FOUNDATION	6,239,360	1.97
10	BNP PARIBAS NOMS PTY LTD	5,443,420	1.72
11	SCINTEC DIAGNOSTICS GMBH	4,312,151	1.36
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,673,399	1.16
13	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	3,264,410	1.03
14	MAN HOLDINGS PTY LTD	3,228,750	1.02
15	PACIFIC CUSTODIANS PTY LIMITED	2,399,466	0.76
16	YELWAC PTY LTD	2,381,804	0.75
17	UBS NOMINEES PTY LTD	2,070,025	0.65
18	NETWEALTH INVESTMENTS LIMITED	1,955,439	0.62
19	JEAN-FRANCOIS CHATAL	1,797,069	0.57
20	WARBONT NOMINEES PTY LTD	1,753,946	0.55
	Total	**220,507,340**	**69.63**
	Balance of register	**96,198,754**	**30.37**
	Grand total	**316,706,094**	**100.00**

Company directory

Directors

H Kevin McCann AO (Chairman)
Christian P Behrenbruch (Group Managing Director and Chief Executive Officer)
Andreas Kluge MD
Mark Nelson
Tiffany Olson
Jann Skinner

Company Secretary

Genevieve Ryan

Registered Office

Telix Pharmaceuticals Limited
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
www.linkmarketservices.com.au

Glossary

Alternative performance measures

In reporting financial information, the Group presents alternative performance measures (APMs) which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures. The key APMs that the Group uses are outlined below.

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Income statement measures			
Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA)	Loss before income tax	Finance costs, income tax expense, depreciation and amortisation, remeasurement of provisions, other income and expenses.	Used to help assess current operational performance excluding the impacts of non-cash sunk costs (i.e. depreciation and amortisation from initial investment in tangible and intangible assets). It is a measure that management uses internally to assess the performance of the Group's segments and make decisions on the allocation of resources.
Adjusted earnings before interest, tax, depreciation and amortisation and research and development (Adjusted EBITDAR)	Loss before income tax	Finance costs, income tax expense, depreciation and amortisation, remeasurement of provisions, other income and expenses and costs associated with product development activities.	Used to assess the Group's performance excluding non-operating expenditure, finance costs, depreciation and amortisation, taxation expense and product development activities. Included as a metric for LTVR targets in 2023.
Adjusted earnings before interest, tax, research and development (Adjusted EBITRD)	Loss before income tax	Finance costs, income tax expense, remeasurement of provisions, other income and expenses and costs associated with product development activities.	Used to assess the Group's performance excluding non-operating expenditure, finance costs, taxation expense and product development activities. Included as a metric for LTVR targets in 2022.
Balance sheet measures			
Net working capital	None	The total of cash and cash equivalents, inventory and current trade and other receivables less current trade and other payables	Used to monitor the Group's working capital management and short-term liquidity.
Net tangible asset per share	None	Net assets excluding intangible assets, deferred tax assets and right-of-use assets divided by the Group's weighted average number of ordinary shares on issue	Disclosed in the Group's Appendix 4E as required by Rule 4.3A of the ASX listing rules.

Abbrevations used in Annual report

We have outlined below the meaning of various abbrevations or acronyms used in the Annual Report.

Abbreviation	Term
AI	Artificial intelligence
ANSTO	Australian Nuclear Science and Technology Organisation
APME	Australian Precision Medicine Enterprise
APPI	Japanese Act on the Protection of Personal Information
ASX	Australian Securities Exchange
BCR	Biochemical recurrence
BgRT	Biology guided radiotherapy
BLA	Biologics License Application
BT	Breakthrough therapy designation

Abbreviation	Term
CAIX	Carbonic anhydrase IX
ccRCC	Clear cell renal cell carcinoma
CDE	Center for Drug Evaluation (China)
CLE	Confocal laser endomicroscopy
CMS	Centers for Medicare & Medicaid Services
DEI	Diversity, equity and inclusion
DKMA	Danish Medicines Agency
EANM	European Association of Nuclear Medicine
EBRT	External beam radiation therapy
ERMF	Enterprise Risk Management Framework
ESGS	Environmental, Social, Governance and Sustainability
EZAG	Eckert & Ziegler Strahlen-und Medizintechnik AG
FADP	Swiss Federal Act on Data Protection
FANC	Belgian Federal Agency for Nuclear Control
FDA	United States Food and Drug Administration
FSS	Federal Supply Service
GBM	Glioblastoma multiforme
GCP	Good Clinical Practice
GDP	Good Distribution Practice
GDPR	General Data Protection Regulation
GLP	Good Laboratories Practice
GMP	Good Manufacturing Practice
HCP	Healthcare practitioner
HCPCS	Healthcare Common Procedure Coding System
HIPAA	US Health Insurance Portability and Accountability Act
HSCT	Hematopoietic stem cell transplant
IAEA	International Atomic Energy Agency
ICH	International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use
ICRP	International Commission of Radiological Protection
IIT	Investigator Initiated Trial
IND	Investigational new drug
I-O	Immuno-oncology
KMP	Key management personnel
LAT-1	L-type amino acid transporter 1
MAA	Marketing authorisation application
mCRPC	Metastatic castration-resistant prostate cancer
MTR	Molecularly targeted radiation
NDA	New Drug Application
NED	Non-Executive Director
NMPA	Chinese National Medical Products Administration
ODD	Orphan drug designation
P&C	People and Culture
PSA	Prostate-specific antigen
PSMA-PET	Prostate-specific membrane antigen imaging with positron emission tomography
QMS	Quality Management System
R&D	Research and development
RGS	Radio-guided surgery
SALA	Systemic amyloid light chain amyloidosis
SET	Senior executive team
SPECT	Single photon emission computed tomography
TAT	Targeted alpha therapy
TME	Tumour microenvironment
UK DPA	UK Data Protection Act
WHSE	Work, health, safety, and environment

Registered Office

Telix Pharmaceuticals Limited
55 Flemington Road
North Melbourne VIC 3051 Australia

If any amendments to this Annual Report are required, they will be disclosed to the ASX and posted on Telix's website under the "Investor centre" section at telixpharma.com/investor-centre/


Telix