



Telix Pharmaceuticals Ltd 2021 AGM Report

ASX Code	TLX
Meeting Time/Date	10.30am, Wednesday 12 May 2021
Type of Meeting	Hybrid
Monitor	Alan Hardcastle
Pre AGM Meeting?	Yes, with chair Kevin McCann AO and company secretary Melanie Farris

From a 'start up' to a 'grown-up'

What the Company Does

The Company is developing both diagnostic and therapeutic products for the treatment of prostate, kidney, brain, blood and rare cancers. This combination of diagnostic and treatment is known as 'theranostics'. The first commercial product launch is expected in the second half FY21, thus transitioning to what is expected to be a financially sustainable revenue generating company.

Developments in the Financial Year

Noting that TLX is in transition from a 'start up' to a 'grown up' company, neither the CEO nor the Chair addressed purely financial matters. Australian headquartered, TLX has strong regional teams in the US, Japan and the EU. In late FY20 it acquired TheraPharm (a EU biotech company) and initiated a strategic partnership with China Grand Pharma (CGP) with a concomitant 'cash injection' from that China-based distribution company. CGP made a one-time equity investment of AU\$35m in TLX in the form of a placement of 20.9m shares at \$1.69. And TLX acquired all the shares of TheraPharm for \$16.6m, giving the Australian company access to a portfolio of products, patents and data relating to molecular targeted radiation (MTR) in hematology and immunology. While Covid-19 did slow some clinical trials, the Company maintained solid progress with its product commercialisation initiatives. TLX, as at 31 March 2021, held \$61.42m cash, enough to fund its first commercial launch, Illuccix (prostate treatment). TLX has been very active in terms of product development, distributor alignments and corporate arrangements, resulting in high profile marketplace communications.

Summary of Historical ASA Issues with the Company

Commanding a market capitalisation of some \$1.0b, TLX was founded just five years ago and has been listed on the ASX for three years. The ASA has proxy collected in two previous years and this is the first time TLX has been monitored.

Debate and Voting at the AGM

A pre-AGM meeting chat with the CEO Dr Christian Behrenbruch was enlightening. He strongly believes that until TLX becomes truly commercial, generating revenues and profits, it should not be soliciting investment in any ways from small retail investors. Dr Behrenbruch said at this stage of the Company's development it's only institutions that should be investing.

There was little to no discussion at the AGM. The only questions posed from the floor were those from the ASA Monitor; they related to an affirmation of more female Board representation and the likelihood of an increased shareholding by CGP (unlikely and inappropriate). There were a couple of online questions pertaining to ESG but they had already been addressed by the chair in his presentation. The AGM went smoothly from a virtual perspective and the Chair was careful to invite and answer comprehensively investor comments and questions at all times.

The seven resolutions were all passed with ‘fors’ ranging from about 95% to 99%. The chair commented, during the resolution voting procedure, that TLX’s NEDs and the KMPs were presently ‘underpaid’ when compared to industry medians. He also made some off the cuff noises about life sciences companies that were over paying when at very much developmental stages. And a post AGM talk with the COO revealed the TLX management team takes pride in running lean at this R&D stage.

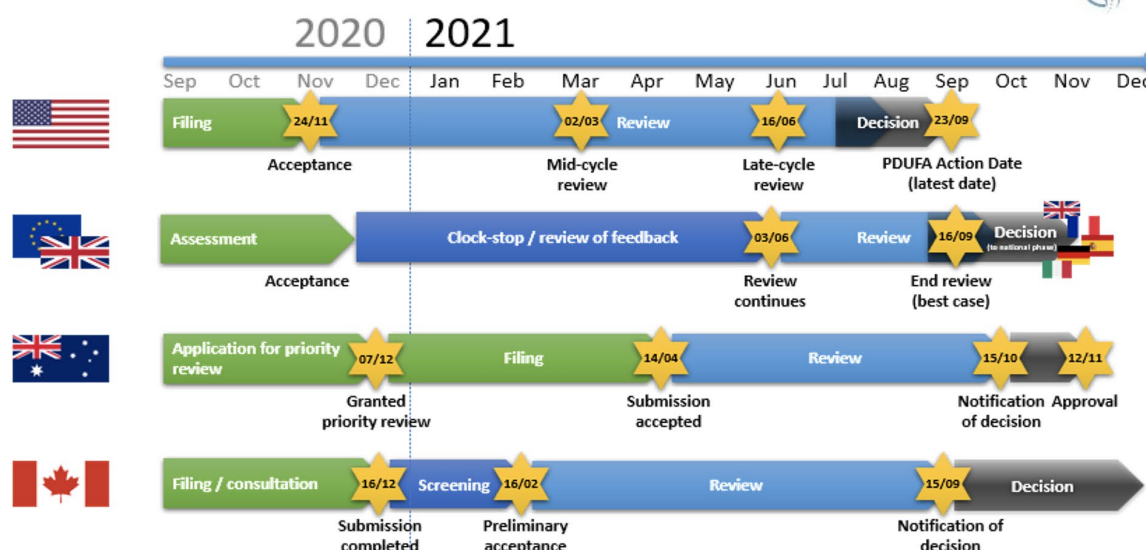
Outlook Statements from the Company

While the Chair emphasised TLX’s emphasis on ESG, the CEO explained that “in terms of delivering a ‘grown-up’ business, the biggest mind-shift we are undertaking is the transition to becoming a patient-centric firm.” In putting the patient first, “significant value creation for shareholders is a natural consequence,” Dr Behrenbruch noted. He set out the three main inflections that will define TLX for the next three to five years - Commence, Complete and Launch.

The Company’s first launch, Illuccix, will be an important measure of TLX’s future success. Claiming Illuccix to be the ‘vanguard’ of prostate cancer imaging, TLX has already delivered tens of thousands of doses globally. By the time it expects to get FDA (US) approval (September 2021 at the latest) the Company will have 100 nuclear pharmacies able to reach 95% of the US population ready to go. “It’s an exciting time for the Company and an exciting time to be a Telix shareholder. The most exciting part is that ‘commence, complete, launch’ is not years away, it is months away,” stated Dr Behrenbruch. One of the biggest commercial ‘de-risks for TLX is a second approved product. That will be the TLX250-CDx for renal cancer and manufacturing is gearing up with the phase III Zircon trial to complete enrolment mid-year or early Q3.

<https://telixpharma.com/investors/>

Illuccix® Timelines (Estimated)



Meeting Statistics

Number of Holdings Represented by ASA	12
Number of Shares represented by ASA	85,669; directors and institutions dominate holdings
Value of Shares represented by ASA	\$0.32m
Number Attending Meeting	14 shareholders at live plus 55 virtual attendees
Market capitalisation	\$1b
Were proxies voted?	Yes, on a poll

Monitor Shareholding

The individual involved in the preparation of this voting intention has a shareholding in this company.

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