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

ASX RELEASE

Results Announcement for the Full Year Ended 31 December 2023

Melbourne (Australia) – 22 February 2024. Telix Pharmaceuticals Limited (ASX: TLX, Telix, the Company) announces its financial results for the year ended 31 December 2023.

As approved by the Board of Telix, and in accordance with ASX Listing Rule 4.3A, please find attached the following for immediate release to the market:

- Appendix 4E; and
- Annual Report which contains the Operating and financial review, the Directors' report (including the Remuneration report) and Financial report.

Annual General Meeting

Telix's Annual General Meeting (AGM) will be held on Wednesday, 22 May 2024 at 10am (Sydney time). Full details of the agenda and instructions to participate in the AGM will be provided to shareholders when the Notice of Meeting is released.

In accordance with Telix's Constitution, the closing date for Director candidate nominations is Wednesday, 10 April 2024, being at least 30 business days before the AGM.

Authorised for lodgement by:

Genevieve Ryan
Company Secretary

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

Appendix 4E

Financial year ended

31 December 2023

Results announcement to the market

Current Reporting Period:	**year ended 31 December 2023**
Previous Reporting Period:	year ended 31 December 2022

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 also comply with Australian Accounting Standards. Amounts are presented in Australian dollars (AUD).

Revenue and net profit/(loss)

	2023 result	**Change**	**Change**	**Change**	**2022 result**
	$'000		**$'000**	**%**	**$'000**
Revenue from contracts with customers	502,547	Up	342,451	214%	160,096
Profit/(loss) after income tax for the year attributable to members	5,211	Up	109,290	-	(104,079)
Total comprehensive loss for the year attributable to members	(536)	Down	102,952	-	(103,488)

Dividends

No dividend was proposed or paid. Should any dividends be paid in the future, no assurances can be given as to the level of franking credits attaching to such dividends.

	2023	**2022**
	Cents	**Cents**
Profit/(loss) per share	1.63	(33.50)
Net tangible assets per share	3.59	3.30
Dividend per share	-	-

Brief explanation of results

Telix recorded an operating profit for the year of $5,211,000 (2022: loss of $104,079,000), primarily driven by continued strong growth in U.S. sales of Illuccix® in the second year since commercial launch (April 2022). The Company generated total revenue of $502,547,000 (2022: $160,096,000). Operating expenditure (including an income tax benefit) in the year totalled $497,336,000 (2022: $264,175,000). Included within operating expenditure was $128,844,000 (2022: $81,008,000) 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 Company's investor releases and Annual Report, including the Operating and financial review and Financial report lodged with the ASX today.

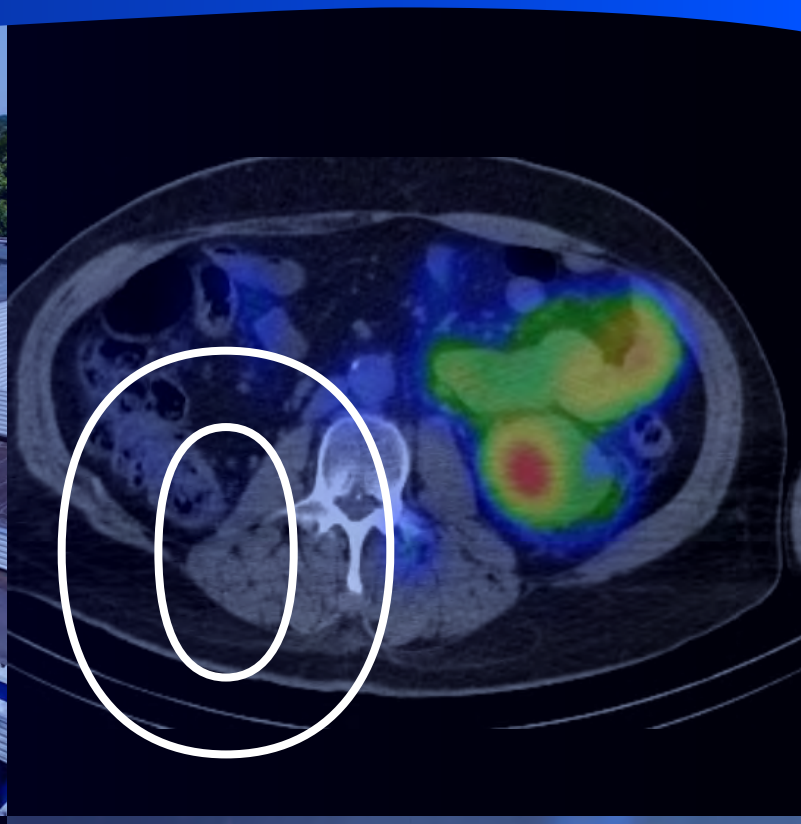
Audit report

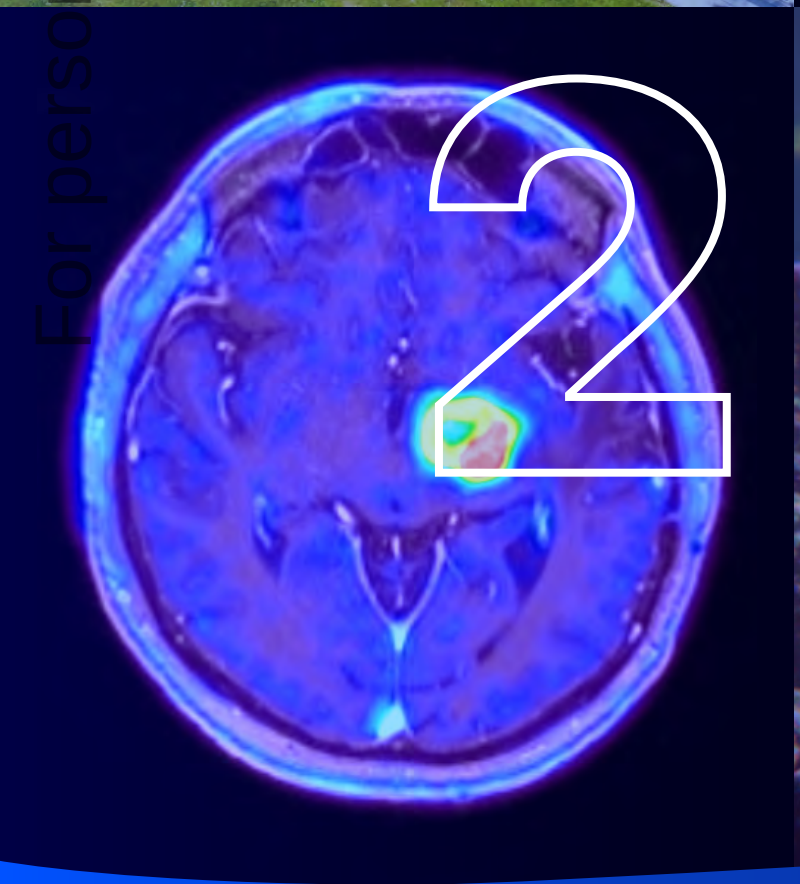
This Appendix 4E is based on the audited Financial report for the year ended 31 December 2023, contained in the attached Annual Report.

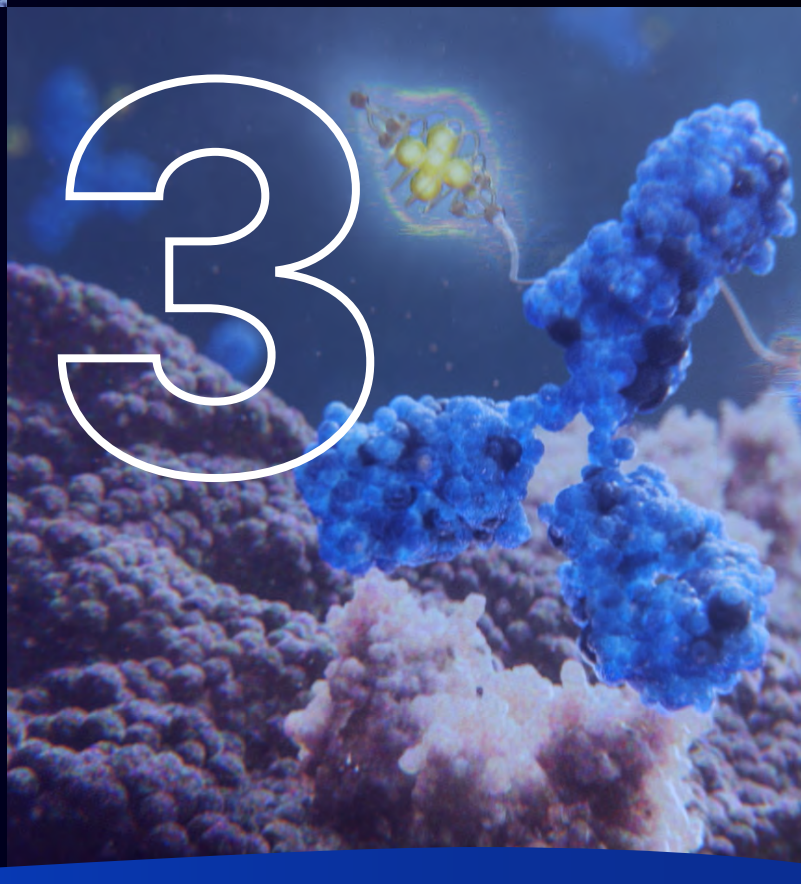
The Appendix 4E and Annual Report have been approved for release by the Board of Directors.

Genevieve Ryan
Company Secretary
22 February 2024

Telix Pharmaceuticals 2023 Annual Report







Legal notice. This report is intended for global use.

This 2023 Annual Report is a summary of Telix's operations and activities for the year ended 31 December 2023 and its financial position as at 31 December 2023.

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 subsidiaries or affiliated Group companies' related bodies corporate. Telix products are currently for investigational use only unless indicated and are subject to future regulatory developments and product approvals. Telix's lead imaging product, gallium-68 (^{68}Ga) gozetotide injection, (also known as ^{68}Ga PSMA-11 and marketed under the brand name Illuccix®), has been approved by the U.S. Food and Drug Administration (FDA), by the Australian Therapeutic Goods Administration (TGA), and by Health Canada. Telix's miniaturised surgical gamma probe, SENSEI,® for minimally invasive and robotic-assisted surgery, has attained a marketing authorisation in the U.S., having been registered with the FDA and has attained a Conformité Européenne (CE) Mark for use in the European Economic Area for the intraoperative detection of sentinel lymph nodes. With the exception of Illuccix® and SENSEI® as noted above, no Telix product has 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 countryspecific 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 publication.

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, pricing 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 epidemics, pandemics 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. Telix uses various non-IFRS financial information to reflect its underlying performance. For further information, the reconciliation of non-IFRS financial information to Telix's statutory measures, reasons for usefulness and calculation methodology, please refer to the Alternative performance measures section in this Report. 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 / ACN 616 620 369)

Front cover images, clockwise from top left: Telix Manufacturing Solutions in Belgium; TLX250 SPECT image showing uptake in CAIX-positive lesions (Credit: Memorial Sloan Kettering Cancer Center, New York); illustration showing TLX591 binding to PSMA; TLX101-CDx PET image showing uptake in glioblastoma.

Contents

Operating and financial review

Our purpose-led approach

Our purpose is to create products that seek to improve the quality of life for people living with cancer and rare diseases.

Telix is transforming the use of targeted radiation in cancer care from diagnosis and staging, to therapy and surgical intervention. Our 'theranostic' solutions and associated medical technologies and devices combine therapeutic and diagnostic modalities to benefit patients across their entire medical journey. Our broad and deep portfolio and innovative pipeline are supporting clinicians to make the best decisions, more accurately and efficiently, and to deliver better patient outcomes in both quality and quantity of life.

We are united by a common purpose and commitment to our values. Our purpose, mission and values reflect our patient 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 act 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.

Chairman's message

"Telix has built a strong foundation as a diversified business and demonstrated our ability to capture this opportunity. We have an extensive clinical-stage pipeline of first-in-class or best-in-class therapeutic assets validated by clinical data, a specialist and proven commercial team, and have commenced the vertical integration of our supply chain and manufacturing activities."

Dear Shareholders,

I am pleased to present our results, and operating review and product developments, for the financial year ended 31 December 2023.

Our continued growth

This has been another year of tremendous growth and accomplishment at Telix.

We have established a significant commercial footprint in the U.S., enhanced our in-house manufacturing and development capabilities and capacity, and are delivering milestones across our commercial and clinical theranostic portfolio of innovative treatments for cancer and rare diseases.

Total revenue generated in 2023 was $502.5 million, predominately from commercial sales of Illuccix®, our prostate cancer imaging agent, which launched two years ago. This has enabled us to build a financially sustainable business that is now funding in excess of $100 million in research and development activities annually. Most of our investment in 2024 is focused on the delivery of late-stage programs, including preparation to launch our kidney cancer imaging agent Zircaix™[1] and Pixclara™,[1] an imaging agent for cancerous brain lesions, subject to regulatory approval, and advancing the ProstACT GLOBAL therapy trial of TLX591.

Radiopharmaceuticals (including theranostics) are set to become a fundamental pillar in cancer care. The opportunity is vast and growing rapidly, with global sales forecast to reach US$35 billion by 2035.[2] Much of this will be driven by the delivery of therapeutic products.

In its short history, Telix has built a strong foundation as a diversified business and demonstrated our ability to capture this opportunity. We have an extensive clinical-stage pipeline of first-in-class or best-in-class therapeutic assets validated by clinical data, a specialist and proven commercial team, and have commenced the vertical integration of our supply chain and manufacturing activities.

Growing our commercial footprint in urology will remain a key focus for the Company in 2024. This will be achieved through the continued growth of Illuccix® sales in the U.S. and expansion into global markets along with, subject to regulatory approval, the launch of Zircaix™.[1] The development of our recently acquired complementary surgical (Lightpoint Medical's SENSEI®) and artificial intelligence (AI) tools will also contribute to our growth.

As momentum builds in our clinical programs, shareholders can expect to see greater focus on our therapeutic pipeline as we work towards recruitment milestones and data readouts across multiple clinical trials. Notably, we have commenced recruiting patients into a Phase III study of our lead investigational prostate cancer therapy, ProstACT GLOBAL, initially in Australia, with international sites to be added during 2024. The completion of the ProstACT SELECT study in 2023 provided a valuable insight into the differentiated approach of our first-in-class radio antibody-drug conjugate (rADC), supporting a clinically-relevant safety profile and short dosing regimen, and highlighting potential advantages compared to the small molecule approach. We expect to report further data from this trial in mid-2024, and hope this will further crystallise the potential advantages of this asset.

1. Trade name subject to final regulatory approval.
2. Medrays Intel Nuclear Medicine Market report 2022.

Our commitment to sustainability

Our approach to sustainability continues to evolve as we mature as a company. We believe the foundations of delivering sustainable value to our shareholders and all stakeholders include a social purpose that puts people front and centre, ethical and good governance practices, performance, and respecting our responsibility to the environment.

I am pleased to inform you that we have made progress on a number of important initiatives including programs to foster diversity and inclusion in the workforce and a commitment to operate within sound environmental practices.

You can read more about our progress and vision for a sustainable future in the Sustainability section of this Report.

An acknowledgement of our people

The calibre of talent at Telix is impressive, as is their commitment to our purpose of improving the lives of people with cancer and rare diseases. As the Company matures and our profile increases, we are able to attract more specialists in the field of radiopharmaceuticals and people with the required experience to take us through our next phase of growth. We have an ongoing process of succession planning at the executive level, together with development opportunities for all Telix employees. This has resulted in some appointments and internal promotions that refresh the skills required to take the Company forward. I thank our employees – past and present – who have contributed to our journey to date.

On behalf of the Board, I would like to thank our Managing Director and Group Chief Executive Officer (MD & CEO), Dr Christian Behrenbruch, for his extraordinary commitment to Telix and his leadership of the Company, the Group Executive Team (GET) and our worldwide employees who have contributed to our success in 2023.

Once again, my Board colleagues have supported me in my role as Chairman and this has resulted in a very effective Board and contributed to the achievements of Telix in 2023.

I would also like to thank our shareholders for their ongoing support.

2024 is shaping up to be another exciting year for Telix and I look forward to sharing the next phase of our journey with you.

H Kevin McCann AO
Independent Non-Executive Chairman

CEO's message

"We have continued to make significant progress across our extensive and highly differentiated clinical-stage therapeutic pipeline, dosing patients in our core therapy programs in prostate, kidney and brain cancer, whilst preparing to launch new studies in bone marrow conditioning and soft tissue sarcoma. The progress made in 2023 sets the stage for multiple catalysts and readouts in 2024."

Dear Shareholders,

We have a vision to create a truly integrated radiopharmaceutical company, a company enabled by precision medicine and with the development, commercialisation and manufacturing expertise to bring our highly differentiated therapeutics to patients around the world. Our achievements in 2023 have all been delivered with this vision in mind and further solidify Telix's position as a leader in this rapidly growing field of cancer treatment.

A commercial-stage company, with an expanding product portfolio

In the second year since launching Illuccix®, our commercial-stage diagnostics business has gone from strength to strength, underpinning total revenue growth of 214% from $160.1 million in 2022, to $502.5 million in 2023. We have achieved a meaningful market share in the U.S., estimated at over 30% of the PSMA-PET/CT[1] imaging market for prostate cancer. This growth has been driven by our reputation for availability and flexible scheduling, our demonstrated excellence in customer support and increasingly the clear clinical differentiation of Illuccix®. This is an outstanding achievement.

In 2024, we are focused on continuing to grow revenue from Illuccix® in the U.S. and globally in line with increased clinical utilisation and as we secure marketing authorisations in additional geographies. We are also poised to expand our commercial-stage portfolio with the anticipated launch of two new imaging agents, subject to regulatory approvals: Zircaix™[2] for kidney cancer imaging and Pixclara™[2] for imaging of glioma.

During 2023 we commenced the regulatory filing for Zircaix™,[2] with the United States Food and Drug Administration (FDA) under a Biologics License Application (BLA) rolling submission, an important milestone and major achievement for the Company. We will soon file our New Drug Application (NDA) for Pixclara™.[2] Both products are supported by strong clinical evidence, have a clear value proposition and potential to address significant unmet need in their respective indications.

The clinical results of the ZIRCON Phase III trial in kidney cancer imaging have been showcased at the world's leading medical congresses, testament to the groundbreaking trial outcomes of this clinical program. Patients in the U.S. and Europe can now access this important imaging agent in our expanded access and named patient programs, facilitating patient access and addressing unmet medical need whilst regulatory submissions are progressed.

The ability to successfully commercialise our imaging agents is important to our strategy in several ways. Revenue generation provides a significant source of funding towards the development of our therapeutic programs. More strategically, it is the foundation of our integrated precision medicine approach because the ability to precisely quantify disease, guide treatment decisions and select patients for therapy both de-risks and enhances our therapeutic pipeline. You can read more about our strategy in the Forward strategy and operational targets section of this Report.

Delivering on the potential of our pipeline of first-in-class therapeutic assets

We have continued to make significant progress across our extensive clinical-stage therapeutic pipeline, dosing patients in our core therapy programs in prostate, kidney and brain cancer, whilst preparing to launch new studies in bone marrow conditioning (BMC) and soft tissue sarcoma (STS). Our programs are highly differentiated and validated by extensive clinical and pre-clinical data. The progress made in 2023 sets the stage for multiple catalysts and readouts in 2024.

The release of interim data from the ProstACT SELECT trial in late 2023 was an important milestone that enabled us to demonstrate the safety benefits of our first-in-class rADC and lead prostate cancer therapy candidate, TLX591. The rADC

1. Imaging of prostate-specific membrane antigen with positron emission tomography/computed tomography.
2. Trade name subject to final regulatory approval.

approach is highly differentiated from small molecule-based PSMA-targeted therapies in terms of dosing, side-effect profile and, potentially, survival. The ProstACT GLOBAL Phase III trial is now dosing patients at Australian sites and expansion into the U.S. is imminent, subject to regulatory approval. We expect an interim readout from this study in 2025.

Clinical trials are being progressed for our kidney cancer therapy candidate TLX250, which like Zircaix™[2] for imaging, targets carbonic anhydrase IX (CAIX). CAIX is a scientifically validated target in clear cell renal cell carcinoma (ccRCC), which is the most prevalent and aggressive form of kidney cancer. We continue to recruit patients into the STARLITE-1 and STARLITE-2 studies, exploring TLX250 in combination with immunotherapies.

Clinical experience and scientific literature support the expanded use of TLX250 in other cancers that express CAIX, including ovarian, triple-negative breast cancer and bladder cancer and our expanded clinical program for TLX250-CDx and TLX250 is evaluating utility as a pan-cancer theranostic pair. In 2023 we commenced dosing patients in the Phase 1b trial, STARSTRUCK, of TLX250 and peposertib (Merck KGaA, Darmstadt, Germany) in patients with ccRCC as well as other selected solid tumours and the STARBURST Phase II trial of TLX250-CDx exploring CAIX expression in patients with a diverse range of solid tumours for potential therapeutic and diagnostic applications. As these trials progress, they will generate important insights and inform our development strategy.

We have continued the evaluation of our brain cancer therapy candidate in the front-line and recurrent disease settings where we have observed promising preliminary clinical evidence of anti-tumour effect and disease stabilisation in glioblastoma, a rare disease. We successfully completed a pre-clinical proof of concept of radiolabelled olaratumab, the antibody we in-licensed from Eli Lilly and Company (Lilly) in 2022, in soft tissue sarcoma. This has generated very promising results and paves the way to commence a clinical trial of TLX300-CDx in this indication.

2024 will be an exciting year for Telix as we deliver on the milestones across these programs and focus on execution as a therapeutic company.

Augmenting our capabilities and pipeline through acquisitions

Telix continues to be differentiated by innovative nuclear medicine solutions spanning the patient treatment continuum from diagnosis, through surgical intervention, to therapy.

To date, this is best demonstrated by our offering in urologic oncology, initially for the treatment of prostate cancer. The acquisition of Lightpoint Medical's business enhances our portfolio with the addition of SENSEI® a miniature gamma probe device used to detect radiation in patients and guide surgery. By delivering molecular imaging solutions to the operating theatre, we will build deeper relationships with key opinion leaders and physicians who use our products, better supporting patients through their cancer journey.

The acquisition of Dedicaid GmbH and its clinical decision support software (CDSS) and AI platform has enhanced our AI capabilities. We believe that AI has an important role to play in increasing efficiency and supporting clinical decision-making in order to maximise the capacity of imaging infrastructure. Advanced image analysis techniques will bridge diagnostic and therapeutic medicine by personalising treatment, further optimising patient outcomes.

We have built a strong global supply, manufacturing and distribution network. This has underpinned the successful launch of Illuccix® and the delivery of many clinical trials. We continue to invest in vertical integration and manufacturing and in 2023 we opened our state-of-the-art radiopharmaceutical production facility in Belgium – one of the largest of its kind in Europe. In addition, the integration of Optimal Tracers has expanded our translational radiochemistry capability and established a U.S.-based laboratory and production footprint for radiopharmaceutical doses to support clinical trials.

Conclusion

I expect 2024 to be a pivotal year in the history of Telix, as we unlock the value in our therapeutic pipeline and continue to impact the lives of patients worldwide, every single day. I thank all of our employees who work so tirelessly, inspired by our purpose to help patients with cancer and rare diseases live longer, better quality lives. To our valued shareholders, we appreciate your ongoing support of the company. We look forward to sharing the next phase of our growth with you.

Dr Christian Behrenbruch
Managing Director and Group CEO

2023 highlights

During 2023 we achieved profitability while intensively investing in the development of our late-stage assets and the scale-up of our commercial infrastructure and marketing activity. This has resulted in Telix capturing a meaningful market share in the growing urology imaging market whilst laying the foundation for our next comcatamercial products.

We are continuing to accelerate the development of our theranostic pipeline and vertical integration of supply and manufacturing. This activity, which is key to diversifying our revenue streams, creates additional value for our therapeutic assets and further differentiates Telix as a fully integrated global radiopharmaceutical company.

Key financial metrics: Earnings accelerate development in late-stage assets

Revenue growth of 214%
$502.5M
($160.1M FY22)

Inaugural profit after tax
$5.2M
(Net loss $104.1M FY22)

Operating cash inflow
$23.9M
(Outflow $64.0M FY22)

Adjusted EBITDA
$58.4M
(-$67.8M FY22)

Operational highlights: Driving towards our next phase of value creation

Illuccix® for prostate cancer imaging
- Global revenue $496.2 million up 218% on 2022
- U.S. indication expanded to include patient selection for PSMA-directed radioligand therapy

Prostate cancer therapy
- ProstACT SELECT positive interim readout
- ProstACT GLOBAL dosing patients in Australia

CAIX program including kidney cancer
- TLX250-CDx (Zircaix™[1]) BLA submitted
- Four clinical trials dosing patients
- OPALESCENCE IIT[2] in breast cancer, positive top-line data

Brain cancer therapy
- IPAX-2 second patient cohort enrolled
- IPAX-Linz IIT exceeds 70% recruitment

Soft tissue sarcoma
- Preclinical proof-of-concept for radiolabelled olaratumab (TLX300)
- Ethics application submitted for TLX300-CDx trial

Manufacturing and supply
- Telix Manufacturing Solutions Stage 1 buildout complete
- Optimal Tracers business integration and onboarding complete

Pipeline expansion
- Acquisition of Dedicaid GmbH
- Acquisition of Lightpoint Medical's business
- Strategic investment in Mauna Kea Technologies

Further detail on financial and operational performance can be found in the Our performance, strategy and future prospects section of this Report.

1. Trade name subject to final regulatory approval.
2. Investigator-initiated trial.

Our company

We are a commercial-stage biopharmaceutical company focused on the development and commercialisation of therapeutic and diagnostic radiopharmaceuticals. We are headquartered in Melbourne, Australia with operations in the U.S., Europe (Belgium and Switzerland) and Japan. Our mission is to be the global leader in our field by combining therapeutic and diagnostic modalities for the benefit of patients, an innovative precision medicine concept generally referred to as 'theranostics'.

We have an extensive pipeline of theranostic radiopharmaceutical candidates, with a focus on urologic oncology (prostate and kidney), neuro-oncology (glioma), musculoskeletal oncology (sarcoma) and bone marrow conditioning. Our theranostic approach is intended to use imaging and therapy together to 'see and treat' cancer and rare diseases, to both better inform treatment decisions and deliver personalised therapy for patients.

Our therapeutic radiopharmaceutical platform harnesses the power of radioactive isotopes combined with multi-platform targeting agents to deliver targeted radiation directly to the tumour site. These therapies have the potential to be efficacious as stand-alone treatments or as complements to existing treatment modalities, addressing areas of high unmet medical need.

Underpinning our theranostic approach is the pairing of each therapeutic with a diagnostic imaging agent whereby two conjugates are used to target the same cell-surface receptor: one for detection, localisation or staging, and the other for selective destruction of target cancer cells. When used in tandem to plan and execute treatment, and then to assess response and monitor for progression, this approach allows the delivery of truly personalised therapy to patients.

Leading the field of radiopharmaceuticals

Extensive theranostic pipeline

- Late-stage therapeutic and diagnostic assets in clinical trials
- First-in-class rADC for prostate cancer therapy in Phase III trial (TLX591)
- Highly differentiated therapeutic pipeline utilising alpha and beta emitters

Commercial stage imaging portfolio

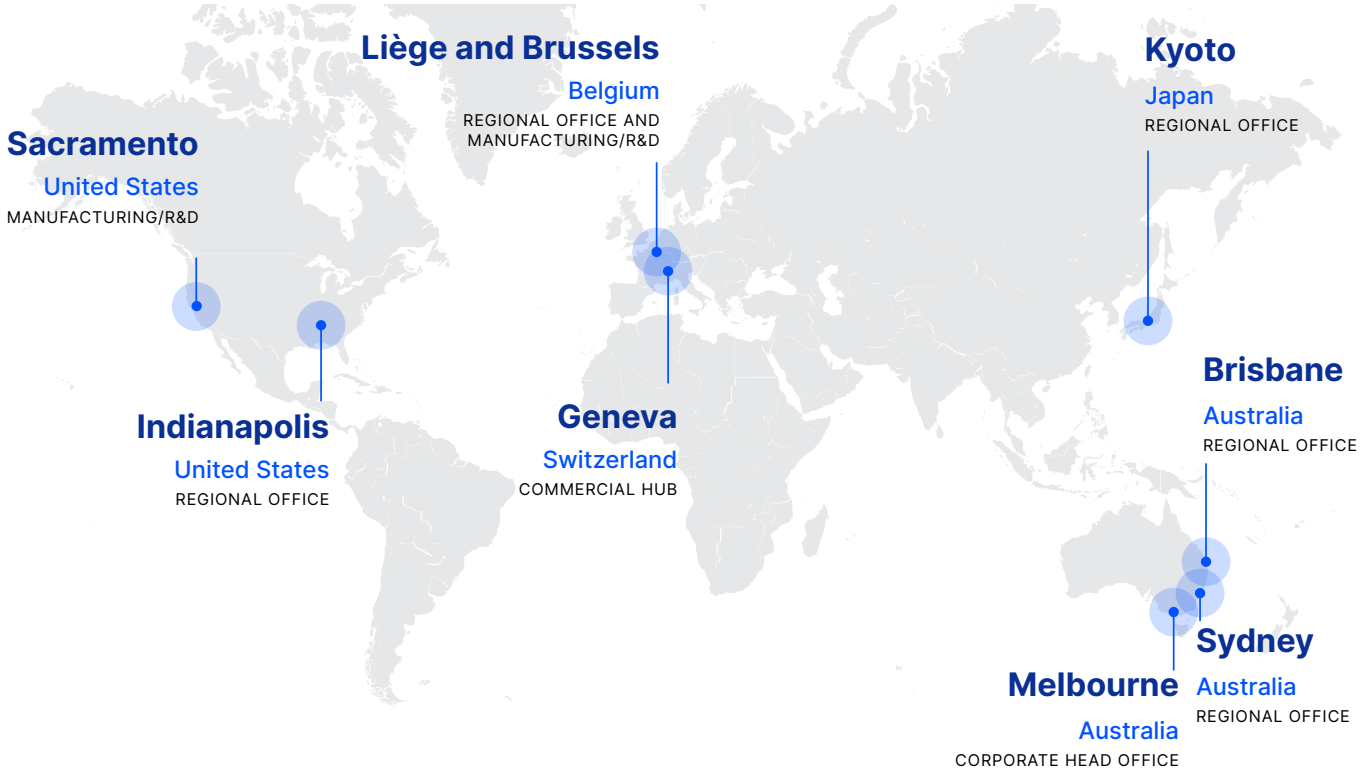
- Significant growth from Illuccix®, total revenue up 214% to $502.5 million in 2023
- BLA submitted for TLX250-CDx (Zircaix™)[1] for kidney
- Preparing to file NDA for TLX101-CDx (Pixclara™)[1] for imaging of glioma cancer imaging

Investing for future growth

- Commercial revenue funds substantial R&D activity
- Addition of complementary technologies and capabilities through acquisition
- Vertically integrated and world-class supply, logistics and manufacturing

1. Trade name subject to final regulatory approval.

World-class innovation and manufacturing infrastructure



Our technology

Many existing therapies for cancer and rare diseases are non-selective and as a result can act against healthy tissue and vital organs while treating disease. Existing external beam radiation therapy (EBRT) approaches are effective but typically only deliver localised treatment and cause damage to surrounding tissue. Localised therapeutic approaches rely on the treating physician making assumptions about the extent of disease and can result in imprecise application of treatment. Treatments that miss small amounts of affected cells can lead to a recurrence of the cancer or disease.

Our radiopharmaceuticals are designed to deliver focused doses of radiation with precision targeting via an injection, regardless of where the cancer or disease is in the body.

We use a radioactive isotope as a payload, attached to a targeting agent – such as a small molecule or antibody – with an affinity for biomarkers on the surface of cancerous or diseased cells. Depending on the choice of radioisotope payload, either imaging or therapy can be delivered. This specificity of the targeting agent is designed to concentrate radiation at the tumour sites and to limit off-target tissue exposure.

Our clinical targets

We select clinical targets to pursue based on a deep understanding of radiation biology and radiopharmaceutical development. Our objective is to develop first-in-class or best-in-class theranostic products with a targeting agent and isotope-agnostic approach. We choose our targeting agents for the specific biological target and clinical application and then aim to optimise the radio-biology accordingly. We believe this approach allows for efficient drug development and gives us the ability to select the optimal targeting strategy and isotope for the tumour(s) being evaluated.

With the successful launch of Illuccix® – our commercially available PSMA-PET prostate cancer imaging agent – Telix has established itself as a leading innovator in radiopharmaceuticals.

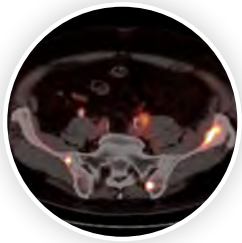
Our extensive portfolio

Impacting the patient journey: From diagnosis to surgical intervention to therapy

In addition to our deep pipeline of theranostics, we aim to complement our theranostic product candidates with innovative nuclear medicine solutions spanning the patient treatment continuum from diagnosis, through surgical intervention, to therapy.

Our complementary portfolio approach is best exemplified by our offering in urologic oncology for the medical specialists managing the treatment of patients with prostate, kidney and bladder cancer. In prostate cancer our offering includes Illuccix®, surgical tools to guide cancer-detection, two therapeutic product candidates (TLX591 and TLX592) currently being evaluated in clinical trials, and a complementary AI platform currently in development to provide reader and clinical decision support. We are also building a similar portfolio of complementary products in kidney cancer and intend to expand this approach into other oncology indications.

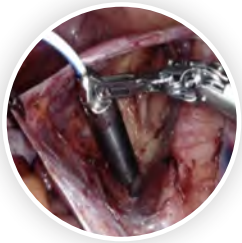
Leadership in urologic oncology



Diagnosis and Staging

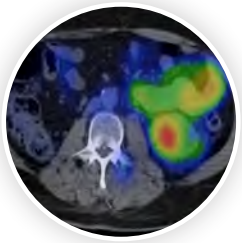
illuccix® (kit for the preparation of gallium Ga 68 gozetotide injection)

Zircaix™[2] (TLX250-CDx)



Surgical Technologies

Lightpoint



Therapy[1]

ProstACT GLOBAL

STARLITE

Telix AI™

1. Telix therapies have not been approved in any jurisdiction and are for investigational, compassionate or magisterial use only.
2. Trade name subject to final regulatory approval.

We believe that therapeutic and diagnostic radiopharmaceuticals can become a fundamental pillar of cancer care that may deliver transformative survival and quality of life outcomes for patients, building upon recent practice-changing advances in immuno-oncology, targeted oncology and antibody-drug conjugates (as well as the advent of cell and gene therapies).

Clinical trials

At the time of this report, we have 18 clinical studies underway worldwide across a range of diseases. Some of these studies are funded directly by Telix, while others are funded in collaboration with leading cancer centres and commercial partners. This extensive investment puts Telix at the forefront of global innovation in theranostic drug development.

A full list of our active and completed clinical trials can be found at ClinicalTrials.gov

Brain cancer

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

Sarcoma

Ph	Name	Asset	Dx/Tx
I	Soft tissue sarcoma	TLX300-CDx	Dx

Bladder cancer

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

Multiple tumour types expressing CAIX

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

Kidney cancer

Ph	Name	Asset	Dx/Tx
II	STARLITE-1 (IIT)	TLX250	Tx
II	STARLITE-2 (IIT)	TLX250	Tx
NPP[1]	TLX250-CDx (EU)	TLX250-CDx	Dx
EAP[2]	TLX250-CDx (US)	TLX250-CDx	Dx
III	ZIRCON-CHINA	TLX250-CDx	Dx

Prostate cancer

Ph	Name	Asset	Dx/Tx
III	ProstACT GLOBAL	TLX591	Tx
II	ProstACT TARGET	TLX591	Tx
I	CUPID	TLX592	Tx
III	China Registration Study	TLX591-CDx	Dx
Registry	NOBLE	TLX599-CDx	Dx

Bone marrow conditioning

Ph	Name	Asset	Dx/Tx
II	Acute myeloid leukemia	TLX66	Tx
II	Paediatric leukaemia	TLX66	Tx

Dx = Diagnostic
Tx = Therapeutic
1. Named patient program
2. Expanded access program

For most of our programs, particularly the prostate and kidney programs, we have generated extensive clinical data that demonstrate the potential for efficacy and good safety profile. We believe the targets and indications we are pursuing are well validated and are well suited for the delivery of therapeutic and diagnostic targeted radiation. The use of imaging to select patients for therapy is also a differentiated aspect of our commercial strategy.

It is our view that this precision medicine or theranostic approach may increase the potential of our therapeutic development programs, as patients can be selected for therapy with greater confidence that the drug target is sufficiently present to potentially confer therapeutic benefit. This may, in turn, lead to more streamlined and efficient clinical trials and enable improved patient outcomes.

Our core product development pipeline

Prostate (PSMA)	Isotope		PHASE 1	PHASE 2	PHASE 3	COMMERCIAL
Antibody	^{177}Lu	Tx	TLX591-Tx (^{177}Lu-rosopatamab tetraxetan)			
Antibody	α (alpha)	Tx	TLX592-Tx (alpha-RADmAb®)			
Small molecule	^{68}Ga	Dx	TLX591-CDx (^{68}Ga-PSMA-11, Illuccix®)			
Kidney (CAIX)	**Isotope**		**PHASE 1**	**PHASE 2**	**PHASE 3**	**COMMERCIAL**
Antibody	^{177}Lu	Tx	TLX250-Tx (^{177}Lu-girentuximab)			
Antibody	^{89}Zr	Dx	TLX250-CDx (^{89}Zr-girentuximab, Zircaix™[1])			
Brain (LAT1[2])	**Isotope**		**PHASE 1**	**PHASE 2**	**PHASE 3**	**COMMERCIAL**
Small molecule	^{131}I	Tx	TLX101-Tx (^{131}I-IPA)			
Small molecule	^{18}F	Dx	TLX101-CDx (^{18}F-floretyrosine, Pixclara™[1])			
STS (PDGFRα[3])	**Isotope**		**PHASE 1**	**PHASE 2**	**PHASE 3**	**COMMERCIAL**
Antibody	Undisclosed	Tx	TLX300-Tx (-olaratumab)			
Antibody	^{89}Zr	Dx	TLX300-CDx (^{89}Zr-olaratumab)			
BMC (CD66[4])	**Isotope**		**PHASE 1**	**PHASE 2**	**PHASE 3**	**COMMERCIAL**
Antibody	^{90}Y	Tx	TLX66-Tx (^{90}Y-besilesomab)			
Antibody	^{99m}Tc	Dx	TLX66-CDx (^{99m}Tc-besilesomab, Scintimun®[5])			

Therapy Imaging

1. Trade name subject to final regulatory approval.
2. L-type amino acid transporter 1.
3. Platelet derived growth factor receptor alpha.
4. Cluster of differentiation 66.
5. Sold under licence by Curium Pharma as an approved product for imaging osteomyelitis (bone infection) in approximately 30 countries.

Prostate cancer

Our goal is to unlock the full potential of PSMA-targeted therapies to help treat the approximately 1.4 million men worldwide who are diagnosed with prostate cancer every year.

In 2022, the global incidence of prostate cancer was estimated to be 1,349,000, and this is expected to reach approximately 1,455,000 by 2027.[1]

Our prostate cancer portfolio programs target PSMA – a protein that is overexpressed on the surface of prostate cancer cells and is low or absent on most normal healthy cells. PSMA has become a major breakthrough in the staging, treatment and management of prostate cancer. Imaging with targeted radiation can identify prostate cancer wherever it is in the body and help guide patient treatment. The PSMA receptor is expressed in over 80% of prostate cancer tumours.[2] This expression of PSMA provides a specific target to design therapeutic and diagnostic agents for the treatment and imaging of prostate cancer.

Our prostate cancer portfolio

Therapy

TLX591 (^{177}Lu rosopatamab tetraxetan), is our investigational rADC directed at PSMA. We are evaluating the efficacy and safety profile of TLX591 in the ProstACT series of clinical trials in prostate cancer, from first recurrence to advanced metastatic disease.

Key TLX591 attributes include:

- encouraging safety and tolerability data from the Phase I ProstACT SELECT trial[3]
- promising evidence of efficacy demonstrated in Phase I-II studies, including up to 42.3 months median overall survival
- high PSMA tumour antigen specificity with low rates of off-target organ exposure and an acceptable safety profile, and
- two-dose regimen administered over 14 days, offering patient convenience with lower radiation exposure.

TLX592 (^{64}Cu/^{225}Ac-RADmAb®) is our investigational next-generation targeted alpha therapy (TAT) based on our proprietary RADmAb® engineered antibody technology. The Phase I CUPID trial[4] is evaluating ^{64}Cu-labelled TLX592 in patients with advanced prostate cancer, prior to commencing therapeutic studies with ^{225}Ac.

Key TLX592 attributes include:

- an engineered antibody vector designed for faster elimination from circulation than standard antibodies and slower elimination than small molecules that may result in side effects
- a potentially reduced bone marrow residence time designed to mitigate the risk of haematologic toxicity, while retaining PSMA-mediated tumour localisation and exertion of cytotoxic activity, and
- positive efficacy signal from in vivo animal studies.

We do not intend to develop diagnostic imaging applications with TLX592, and are using ^{64}Cu to understand safety profile, pharmacology and dosimetry prior to use of an alpha-emitting isotope.

Imaging

Illuccix® (^{68}Ga-PSMA-11) – also referred to as TLX591-CDx in some territories where approval has not yet been granted – is our preparation for imaging prostate cancer with PET. It is currently approved in the U.S., Australia and Canada.

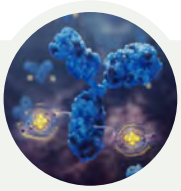
Key Illuccix® attributes include:

- a radiopharmacy distribution model with flexible scheduling
- validated accuracy compared to other PSMA imaging agents, including lower rate of false positives and strong efficacy in patients with low disease burden, and
- potential for expanded clinical utility based on guidelines and clinical research.

1. Pharma Intelligence September 2023, Prostate Cancer Disease Analysis report.
2. Schwab M, ed. In: Encyclopedia of Cancer. 3rd ed.; Kratochwil et al. *J Nucl Med.* 2016; Wright et al. *Urology.* 1996.
3. ClinicalTrials.gov ID: NCT04786847. Telix ASX disclosure 19 October 2023.
4. ClinicalTrials.gov ID: NCT04726033.

Our lead investigational therapy, TLX591, is a lutetium-labelled rADC that we believe has the potential to deliver a better efficacy and safety profile with a more efficient dosing regimen compared to existing small molecule products, including those commercially available and in clinical development.

TLX591 has been evaluated in 242 patients across eight clinical trials. A single-arm Phase II clinical trial of TLX591 reported a 42.3 month median survival in 17 patients with advanced metastatic castrate-resistant prostate cancer (mCRPC) when TLX591 was delivered under a fractionated dosing regimen.[1] Median survival was 19.6 months at the lower dose level and was 27.8 months across both dose cohorts. In an area of high unmet medical need, this program is generating significant interest among clinicians and medical professionals.



TLX591 patient case study

Benefit from compassionate use[1]

Paul[1] was diagnosed with locally advanced prostate cancer in 2008 at age 65 and had his prostate removed. Unfortunately, a routine test in 2015 showed that his cancer had returned, and by 2017 it had spread to his lungs.

Paul was treated with chemotherapy and hormone therapy but, when his cancer recurred once more, his oncologist suggested a different approach.

He was enrolled on a clinical trial[3] of a small molecule-based lutetium therapy. Initially he responded well to this treatment – with a drop in his PSA level and palliation – but ultimately relapsed.

Paul went back onto chemotherapy, followed by hormone therapy, and then compassionate access small molecule alpha therapy, which stabilised his disease for a period of time before symptoms returned, and this time were far more acute.

When his disease progressed again, with worsening back pain, his oncologist recommended compassionate access to TLX591.

By this time, Paul was in a lot of pain, on extremely strong pain relief medication (causing sleepiness, confusion and dizziness), and his quality-of-life was severely compromised.

Following TLX591 therapy, he had a more significant PSA response than with any prior treatment, and saw a dramatic and immediate reduction in his symptoms, particularly bone pain – and an associated improvement in quality-of-life through to end-of-life.

"I have been impressed by the rapid response I see for symptom control with TLX591, for patients with bone pain. This patient was extremely grateful for the quality-of-life he was able to get back after treatment with TLX591."

Nat Lenzo, MD. Professor of Medicine and Nuclear Medicine Physician

Patient representative example – individual results may vary. Used with permission.

1. In some circumstances when participation in clinical trials is not possible, patients with life-threatening conditions may seek special access to investigational medicines via a physician, outside of a formal clinical trial setting on a compassionate use basis.

2. TheraP trial, ClinicalTrials.gov ID: NCT03392428

3. Not his real name.

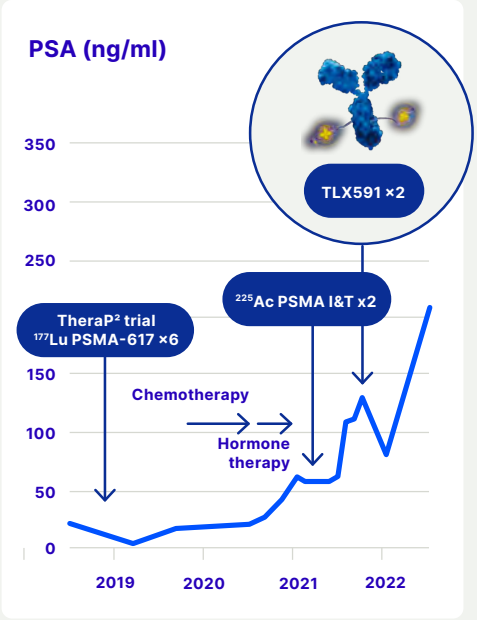
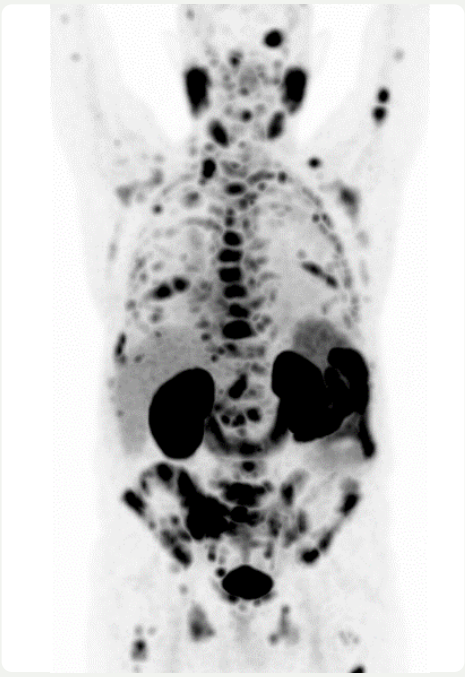


Chart showing PSA tumour burden over time.



Illuccix® (68Ga-PSMA-11) PET scan.

1. Tagawa et al. *Cancer.* 2019.

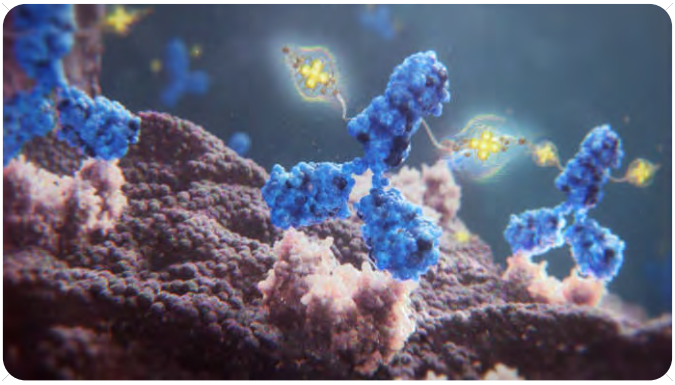
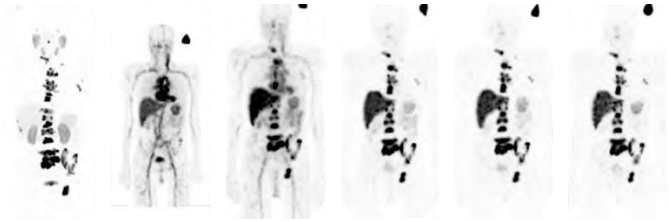


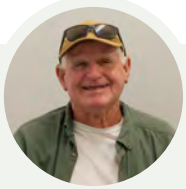
Illustration showing TLX591 binding to PSMA.



Single photon emission computed tomography (SPECT) images showing retention of TLX591 in tumour and metastases.

In November 2023, we initiated a randomised, multinational, multicentre, open-label Phase III trial – ProstACT GLOBAL – to evaluate TLX591 for the treatment of PSMA-positive mCRPC patients in combination with the standard of care (SoC) compared to SoC alone. We expect the final readout of the Phase I ProstACT SELECT trial - evaluating the safety and tolerability profile of TLX591 in combination with the SoC in mCRPC patients - in the second half of 2024.

We have built on our experience with TLX591 to develop TLX592 (^{225}Ac-RADmAb®). TLX592 is our investigational next generation prostate cancer TAT and is the first clinical program based on our proprietary RADmAb® engineered antibody platform technology. Through the TLX592 program, we are exploring how the conjugation of an antibody vector with an alpha-emitting isotope might deliver a next-generation rADC with a different therapeutic profile. The Phase I CUPID trial is currently ongoing to evaluate ^{64}Cu labelled TLX592 in patients with prostate cancer. To date, 11 patients with PSMA-avid disease – based on Illuccix® imaging – have been recruited to understand biodistribution and dosimetry before proceeding to a therapeutic study with an alpha-emitting isotope, actinium-225 (^{225}Ac).



Terry's story

Illuccix® regional access in Australia

With rising prostate specific antigen (PSA) levels, Terry had a magnetic resonance imaging (MRI) scanfollowed by a biopsy in early 2023, which revealed that his prostate cancer had spread. He was recommended a gallium-68 PSMA-PET scan to confirm the extent of disease.

Living in Mackay in North Queensland, Terry's options at the time were limited to travelling several hundred kilometres to either Townsville or Bundaberg, or to have a dose flown from Brisbane. This second option presented a logistical challenge, with a product that decays like a melting ice cube from the moment it is made.

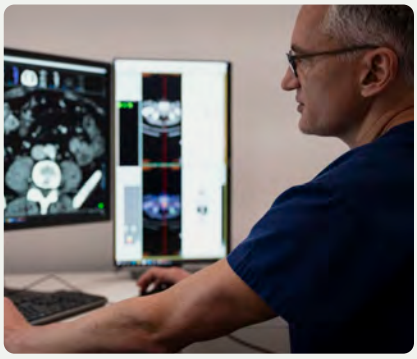
Thanks to Telix's kit-based approach, which works with generator-produced gallium-68, Terry had an alternative.

In August, Terry became the first man in regional Queensland to be imaged with Illuccix®. A new gallium-68 generator at Qscan Mackay allows for Illuccix® doses to be made on site and on demand.

No longer reliant on transport by plane, where doses would arrive later in the day and often delayed, patient wait times and staff staying late at the clinic have decreased dramatically.

Used with permission.

Terry entering PET/CT scanner at Qscan Mackay



Physician reading Illuccix® PSMA-PET

Our prostate cancer portfolio also includes Illuccix®, our commercially available gallium 68-labelled PSMA-PET imaging agent. The 'cold kit' format of Illuccix® enables rapid radiolabeling at room temperature with high radiochemical purity and production consistency, which is suited to the commercial and hospital radiopharmacy setting. Approved indications in the U.S. include staging of high-risk patients, identification of suspected recurrence, and selection for PSMA-directed lutetium therapy. We are also exploring potential future utilisation in additional indications through our lifecycle management program. These include monitoring progression in metastatic and non-metastatic castrate-resistant patients and monitoring response to PSMA-directed lutetium therapy.

Kidney (renal) cancer and other cancers expressing CAIX

Our goal is to pioneer new theranostic approaches in kidney and other cancers expressing the biomarker CAIX where there is significant unmet medical need.

According to the *Global Cancer Statistics 2020: GLOBOCAN* survey, in 2020, the global incidence of kidney cancer was 431,288.[1] ccRCC is the most common subtype of malignant kidney tumours at 80-90%, and is one of the subtypes with the worst prognosis, where survival can depend on how early it is detected.[2]

Currently, there are unmet needs for improvements in the diagnosis of ccRCC from indeterminate renal masses, and the staging of advanced disease through more accurate and specific imaging techniques. Despite the transformative impact of immunotherapies on the prognosis of patients with metastatic kidney cancer, a considerable number fail to respond adequately to these and eventually progress.[3]

Our target for kidney cancer is CAIX; a scientifically validated target in ccRCC, which is the most prevalent and aggressive form of kidney cancer. CAIX is a cell surface protein that is highly expressed in ccRCC and in many other solid tumours in the hypoxic tumour microenvironment. Hypoxic tumour cells are characteristic of advanced disease with typically poor treatment outcomes. Hypoxic tumours are also typically more aggressive and less responsive to current treatments, particularly immunotherapies.

Our kidney cancer portfolio

Therapy

TLX250 (^{177}Lu-DOTA-girentuximab) is our investigational rADC therapy for the treatment of advanced metastatic kidney cancer.

Key TLX250 attributes include:

- early clinical trials in patients with advanced ccRCC demonstrate promising safety profile and efficacy outcomes
- animal models indicate that the combination of TLX250 with checkpoint inhibitor immunotherapies can improve therapeutic response, and
- potential application in a range of cancers with unmet clinical needs that are known to express CAIX.

Imaging

TLX250-CDx (^{89}Zr-DFO-girentuximab, Zircaix™[4]) is our PET diagnostic imaging agent for the characterisation of renal masses as ccRCC. A BLA has been submitted to the FDA under a rolling review schema for marketing authorisation.

Key TLX250-CDx attributes include:

- high affinity for CAIX, expressed in up to 94% of ccRCC and many hypoxic solid tumours, with low expression in normal tissue, and
- positive results in Phase III ZIRCON trial[5] and 'Breakthrough Designation' from the FDA.

A U.S. launch is targeted for 2024, with future expansion into the Europe and Asia Pacific regions, subject to regulatory approval.

1. Sung et al. *CA Cancer J Clin* 2021.
2. Ljungberg et al. *Eur Urol.* 2019.
3. Makhov et al. *Mol Cancer Ther.* 2018.
4. Trade name subject to final regulatory approval.
5. ClinicalTrials.gov ID: NCT03849118.

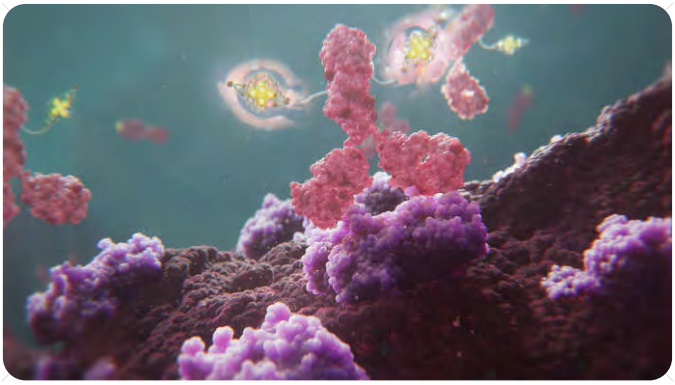
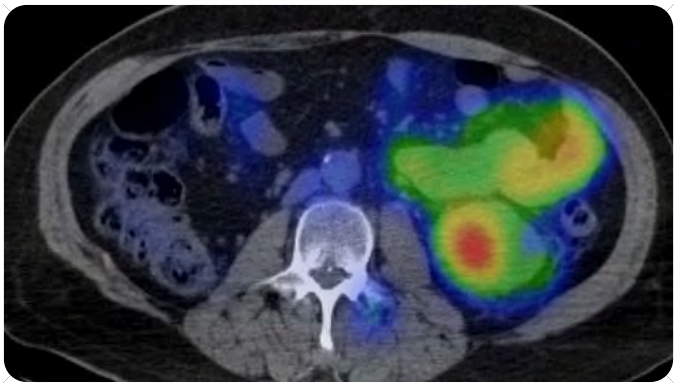


Illustration showing TLX250 binding to CAIX.



TLX250 SPECT image showing uptake in CAIX-positive lesions (STARLITE-2 study).

To target CAIX, we use a monoclonal antibody – girentuximab – which has been designed to have a high degree of selectivity and affinity for the target and is cleared from the body by the liver. The lack of kidney excretion is an advantage for patients with primary kidney disease. We believe the target profile and the properties of girentuximab make the ccRCC phenotype promising as the first therapeutic indication for TLX250.

An increasing body of scientific evidence suggests low doses of targeted radiation can potentially overcome immune resistance.[1] This approach, known as immunological 'priming', has the potential to render tumours more responsive to cancer immunotherapy.

TLX250 is being evaluated in two Phase II IITs in the first and second-line kidney cancer setting, in combination with checkpoint inhibitors,[2,3] and in a company-sponsored Phase I trial in combination with a Merck KGaA DNA-dependent protein kinase (DNA-PK) inhibitor candidate, peposertib.[4]

The combined diagnostic and therapeutic potential of TLX250 may also extend into other cancers that significantly express CAIX, including certain Von Hippel Landau (VHL)-induced cancers, ovarian cancer, triple-negative breast cancer (TNBC) and bladder cancer. We have observed encouraging preliminary clinical data in TNBC[5] and bladder cancer.[6]

Our PET diagnostic imaging agent, TLX250-CDx (Zircaix™[7]), for the characterisation of renal masses as ccRCC, recently completed the pivotal Phase III ZIRCON trial. The trial met all primary and secondary endpoints and showed a 93% positive-predictive value (PPV) for ccRCC.[8] We believe this demonstrated the ability of TLX250-CDx to reliably detect the clear cell phenotype and provide an accurate, non-invasive method for diagnosing ccRCC.

In December 2023, we submitted a BLA for TLX250-CDx to the FDA for imaging of ccRCC. The BLA was granted a rolling review process. Subject to regulatory approval, we aim to commercialise TLX250-CDx in the second half of 2024. If approved, TLX250-CDx will be the first targeted radiopharmaceutical imaging agent for kidney cancer in the U.S.. We believe TLX250-CDx is a natural follow-on product to Illuccix®, as it is targeted at the same clinician users, the urologist and urologic oncologist, and it leverages our existing commercial infrastructure.

1. Guzik et al. *European Journal of Nuclear Medicine* 2021; Patel et al. *Science Translational Medicine* 2021.
2. Phase II STARLITE-1 IIT, ClinicalTrials.gov ID: NCT05663710.
3. Phase II STARLITE-2 IIT, ClinicalTrials.gov ID: NCT05239533.
4. Phase I STARSTRUCK study, ClinicalTrials.gov ID: NCT05868174.
5. ClinicalTrials.gov ID: NCT04758780. Telix media release 7 December 2023.
6. Telix ASX disclosure 18 October 2022.
7. Trade name subject to final regulatory approval.
8. Telix ASX disclosures 7 November 2022.

ZIRCON patient poster at IKCS

Engaging patient advocates during drug development and commercialisation

In November 2023, Kidney Cancer Association representatives presented a poster authored by advocates from leading kidney cancer organisations, on Telix's Phase III ZIRCON study at the International Kidney Cancer Symposium (IKCS), based on interactions with patient advocates during the year.

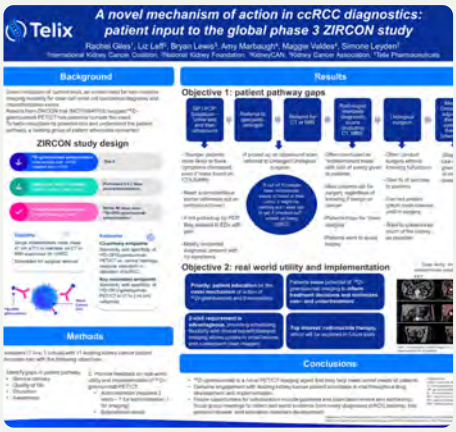
The objectives of our first patient-led publication were to:

- identify gaps in the patient pathway from diagnosis to treatment, and
- provide feedback on real-world utility / implementation of our investigational kidney cancer imaging agent, Zircaix™[1] (TLX250-CDx) PET/CT, including dosing regimen.

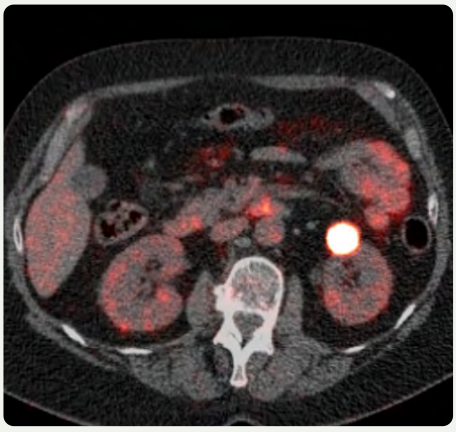
The panel of 11 leading kidney cancer patient advocates agreed that TLX250-CDx may help address unmet patient needs in ccRCC, and demonstrated that engagement with patient advocates is vital throughout drug development and commercialisation.

Future opportunities identified for collaboration include guideline and publication review and authorship, advisory boards, focus groups to collect real world evidence from newly diagnosed ccRCC patients, and development of education materials.

Patient representative example – individual results may vary.



ZIRCON poster presented at IKCS



TLX250-CDx PET identifying ccRCC (ZIRCON study).

Glioma (brain cancer)

Our goal is to improve the treatment options for patients with glioma, based on a theranostic approach.

According to the *Global Cancer Statistics 2020: GLOBOCAN* survey, in 2020, the global incidence of brain and nervous system tumours was 308,102.[1] Gliomas make up approximately 30% of all brain and central nervous system (CNS) tumours and 80% of all malignant brain tumours.[2]

Glioblastoma (GBM) – the most aggressive sub-type of glioma – has a poor prognosis, primarily due to there being few effective treatment options, with a median survival from initial diagnosis of 12-15 months.[3] The mainstay of treatment for GBM is surgical resection, followed by combined radiotherapy and chemotherapy. Despite such treatment, recurrence occurs in almost all patients.

Our brain cancer program targets two membrane transport proteins known as large amino acid transporter 1, and large amino acid transporter 2 (LAT1 and LAT2), validated targets that are highly expressed in several solid tumours, including malignancies of the CNS.

We believe that the LAT1 and LAT2 receptors, which are expressed on both sides of the blood-brain barrier (BBB), are suitable targets for the delivery of radiation to both primary CNS malignancies and metastases from non-CNS cancers such as lung and breast cancer. As such, we see several potential indications for theranostic radiopharmaceuticals targeting LAT1 and LAT2.

1. Sung et al. *CA Cancer J Clin.* 2021.
2. Goodenberger et al. *Cancer Genet.* 2012.
3. Ostrom et al. *Neuro Oncol.* 2018.

Our brain cancer portfolio

Therapy

TLX101 is our investigational therapy for the treatment of patients with brain cancer.

Key TLX101 attributes include:

- Phase I/II IPAX-1 study[1] met its primary endpoint of safety and tolerability profile of TLX101 and demonstrated encouraging tumour response in recurrent GBM
- Phase I IPAX-2 study[2] designed to extend TLX101 into the front-line setting for the first time, building upon experience in the recurrent setting
- evidence of rapid clearance from the brain observed in the IPAX-1 trial, and
- Orphan drug designation (ODD) in the U.S. and Europe, with potential to meet major unmet need.

Imaging

TLX101-CDx (Pixclara™[3]) is our investigational PET agent for imaging gliomas that is widely used in clinical research settings, including in our IPAX series of studies, as a complementary diagnostic agent to our TLX101 investigational therapy.

Key TLX101-CDx attributes include:

- potential as a tool for the management of progression and treatment monitoring
- ODD in the U.S., potential to meet major unmet need, and
- widely used in Europe and recommended in joint guidelines for imaging of gliomas.[4]

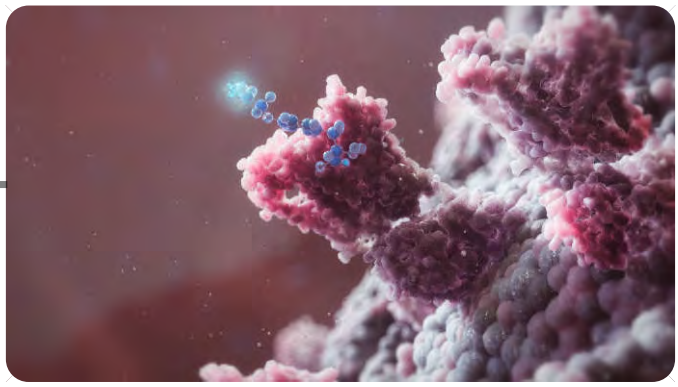
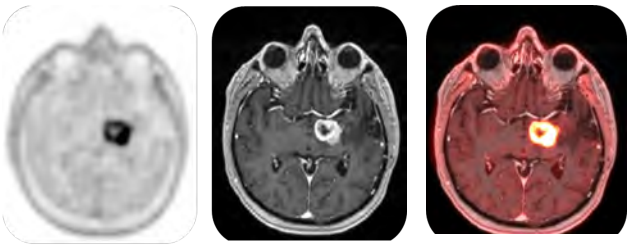


Illustration showing TLX101-CDx binding to LAT1.



Patient representative example – individual results may vary. Used with permission.

IPAX-1 scans showing uptake of TLX101-CDx in glioma.

TLX101 (^{131}I-IPA) is our LAT1-targeting investigational therapy for patients with brain cancer. We are using a small molecule for this therapy due to the need to cross the BBB, the normal protective barrier that prevents many potential drug candidates entering the brain. TLX101 has received ODD in the U.S. and Europe for the treatment of glioma. We are currently evaluating TLX101 in the front-line (Phase I)[5] and recurrent (Phase II)[6] disease settings, where we have observed promising preliminary clinical evidence of anti-tumour effect and disease stabilisation.

1. ClinicalTrials.gov ID: NCT03849105.
2. ClinicalTrials.gov ID: NCT05450744.
3. Trade name subject to final regulatory approval.
4. Joint European Association of Nuclear Medicine/European Association of Neurooncology/Response Assessment in Neurooncology practice guidelines/Society for Nuclear Medicine and Molecular Imaging procedure standards for the clinical use of PET imaging in gliomas.
5. Phase I IPAX-2 study, ClinicalTrials.gov ID: NCT05450744.
6. Phase II IPAX-Linz IIT.

Our investigational imaging agent, TLX101-CDx (Pixclara™[1]), also known as ^{18}F-floretyrosine or ^{18}F-FET, is a PET diagnostic agent designed to image cancerous lesions in the brain. TLX101-CDx has received ODD in the U.S. for the imaging of glioma and is currently being prepared for a NDA. TLX101-CDx targets both LAT1 and LAT2.

Soft tissue sarcoma

Our goal is to leverage a successful pre-clinical program and established clinical safety profile to provide new treatment options in this disease, known to be susceptible to radiation.

Soft tissue sarcoma (STS) is a complex disease that encompasses a diverse group of relatively rare cancers, with more than 50 histological subtypes. Standard treatments for STS include surgery, radiation therapy and chemotherapy. For patients with advanced, unresectable or metastatic disease, treatment typically involves chemotherapy with single agents (e.g., doxorubicin) or anthracycline-based combination regimens. However, the prognosis for these patients remains poor, with treated patients with metastatic disease having a median overall survival of around 12 to 18 months.[2]

Our investigational products, TLX300 and TLX300-CDx employ antibody-directed targeted radiation for both therapeutic and diagnostic applications, respectively, against platelet-derived growth factor receptor alpha (PDGFRα), which is a tyrosine kinase receptor involved in fibrogenesis. We believe that the targeting of activated fibroblasts in the tumour micro-environment is a promising strategy to drive durable treatment responses in certain solid tumours. Lilly provided us with a licence for olaratumab, a naked antibody that was formerly marketed as Lartruvo®. We have repurposed olaratumab as a radiopharmaceutical.

Our soft tissue sarcoma portfolio

Therapy

TLX300 is our investigational therapy being developed for the treatment of patients with advanced or metastatic STS, administered in combination with doxorubicin.

Key TLX300 attributes include:

- established clinical safety profile and favourable toxicology dataset, and
- potential application in a range of other cancers (e.g. bone, brain, breast, lung, ovarian and prostate).

Imaging

TLX300-CDx is our investigational diagnostic, and a potential first imaging agent to specifically detect the presence of PDGFRα in patients with STS.

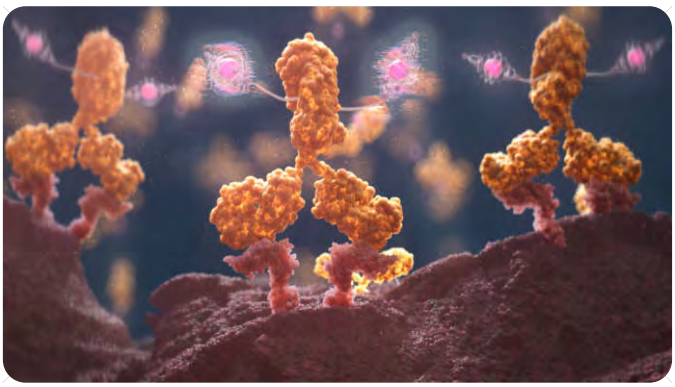
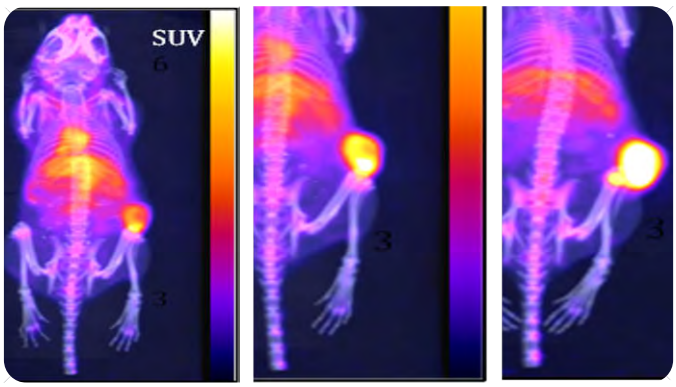


Illustration showing TLX300 binding to PDGRFα.



Xenograft tumour mouse model showing specific delivery of TLX300-CDx targeted radiation to STS cancer cells.

1. Trade name subject to final regulatory approval.
2. In et al. *Ther Adv Med Oncol.* 2017.

TLX300 has completed pre-clinical validation[1] and we anticipate regulatory approval to initiate a proof-of-concept (PoC) targeting and biodistribution trial in Australia and New Zealand in the first half of 2024. We are developing TLX300 and TLX300-CDx (^{89}Zr-DFOsq-olaratumab, including our proprietary DFO-squaramide chelator) as a theranostic pair targeting STS.

Bone marrow conditioning

Our goal is to develop reduced intensity conditioning regimes for patients unable to tolerate chemotherapy, addressing critical unmet medical need.

According to the Worldwide Network of Blood and Marrow Transplantation, in 2019 approximately 90,000 first haematopoietic stem cell transplantations (HSCTs) were performed, of which 47% were allogeneic.[2]

Prior to undergoing HSCT for the treatment of haematologic malignancies (blood cancers), patients undergo a BMC treatment. The current standard of care typically requires BMC with multi-drug chemotherapy regimens. However, these regimens are highly toxic, and patients may not tolerate treatment. This creates an important unmet medical need for more tolerable BMC regimens.

We are exploring the potential utility of targeted radiation in BMC to ablate bone marrow as part of a pre-conditioning regimen for bone marrow transplantation, novel stem cell therapies and gene therapies – each of which requires conditioning prior to treatment.

TLX66 (^{90}Y-DOTA-besilesomab) – our investigational BMC therapy – has been evaluated in approximately 100 patients, with promising results both as a monotherapy and in combination with low-dose chemotherapy conditioning regimes.

We plan to evaluate TLX66 in a Phase II clinical trial as a BMC agent in patients with acute myeloid leukaemia (AML) who are not suitable for conventional BMC regimes. TLX66 is also being studied in multiple myeloma (MM), systemic amyloid light chain amyloidosis (SALA) and paediatric leukaemia through IITs. Clinical data suggests TLX66 could be a well-tolerated (and therefore highly versatile) BMC agent, which could be utilised as a single agent or in combination with either reduced or high intensity conditioning agents preceding either autologous or allogeneic HSCT.

Our bone marrow conditioning portfolio

Therapy

TLX66 is our investigational therapy for BMC for HSCT conditioning – a broad clinical indication with applicability to many different diseases.

Key TLX66 attributes include:

- minimal uptake in non-haematopoietic organs, such as the liver, kidneys and gut
- approximately 100 patients treated in several Phase I and II IITs in different haematological diseases (AML, MM, SALA) requiring autologous or allogeneic stem cell transplantation, and
- ODD granted in the U.S. and Europe for BMC.

Imaging

TLX66-CDx is our imaging agent for osteomyelitis.

Key TLX66-CDx attributes include:

- approved for imaging of peripheral osteomyelitis in 2010 by the European Medicines Agency, and
- Phase III trial showed that imaging is accurate, efficacious and well-tolerated in diagnosing infection of the peripheral skeleton.

1. Telix ASX disclosure 17 April 2023.
2. Neiderwieser et al. *Haematologica* 2022. An allogeneic haematopoietic cell transplant uses a donor's bone marrow or blood. The donor is usually a relative of the patient, although unrelated donors or umbilical cord blood are sometimes used. An autologous haematopoietic cell transplant uses a patient's own bone marrow or blood.

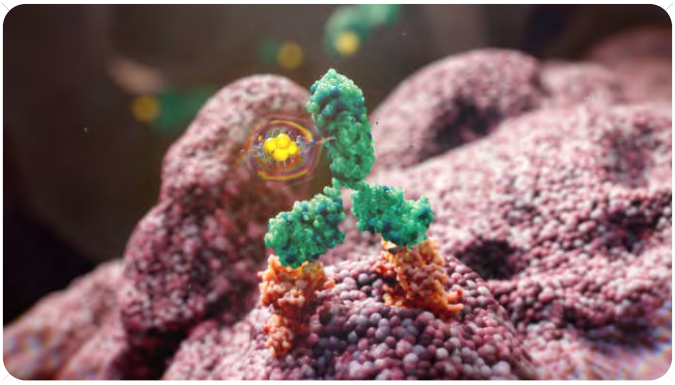
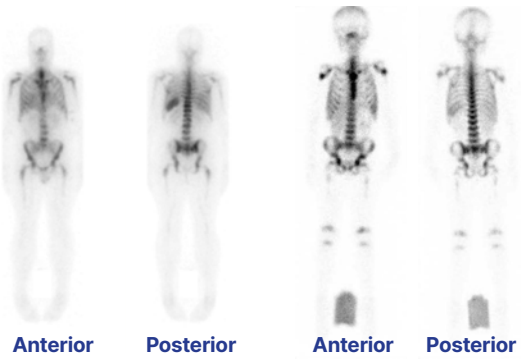


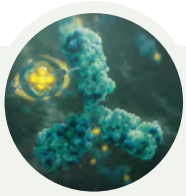
Illustration showing TLX66 binding to CD66.



SPECT images showing biodistribution of TLX66 in an adult (L) and paediatric patient (R). Used with permission.

The target of TLX66 – cluster of differentiation 66 (CD66) – is a well validated leukocyte and neutrophil target. The imaging application of besilesomab (^{99m}Tc-besilesomab) has already been commercialised and is sold under licence by Curium Pharma as an approved product (marketed as Scintimun®) for imaging osteomyelitis (bone infection) in approximately 30 countries.

In parallel to the therapeutic applications of TLX66, we are exploring several indication expansions, as well as geographic expansion to key commercial markets.



TLX66 therapy

Improving patient outcomes with reduced intensity conditioning in blood cancers

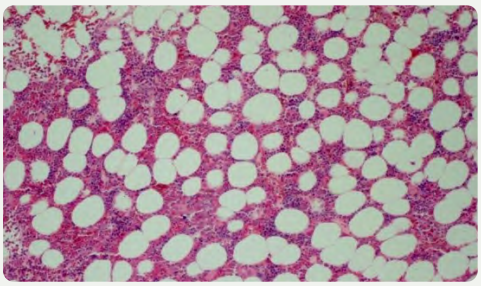
Diagnosed with very high-risk acute myeloid leukemia at 22 years old, Cathy[1] did not want to risk conditioning with total body irradiation – a standard of care for this aggressive blood cancer – over concerns about fertility.

She enrolled on a trial exploring reduced intensity bone marrow conditioning with TLX66 and responded well to treatment.

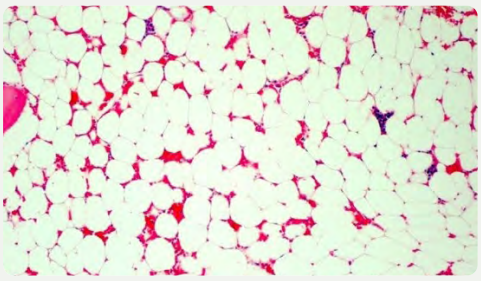
10 years later, Cathy had a normal pregnancy – giving birth to a healthy child and she remains in remission having recently fallen pregnant with her second child.

Patient representative example – individual results may vary. Used with permission.

1. Not her real name.



Bone marrow biopsy pre-TLX66 treatment.



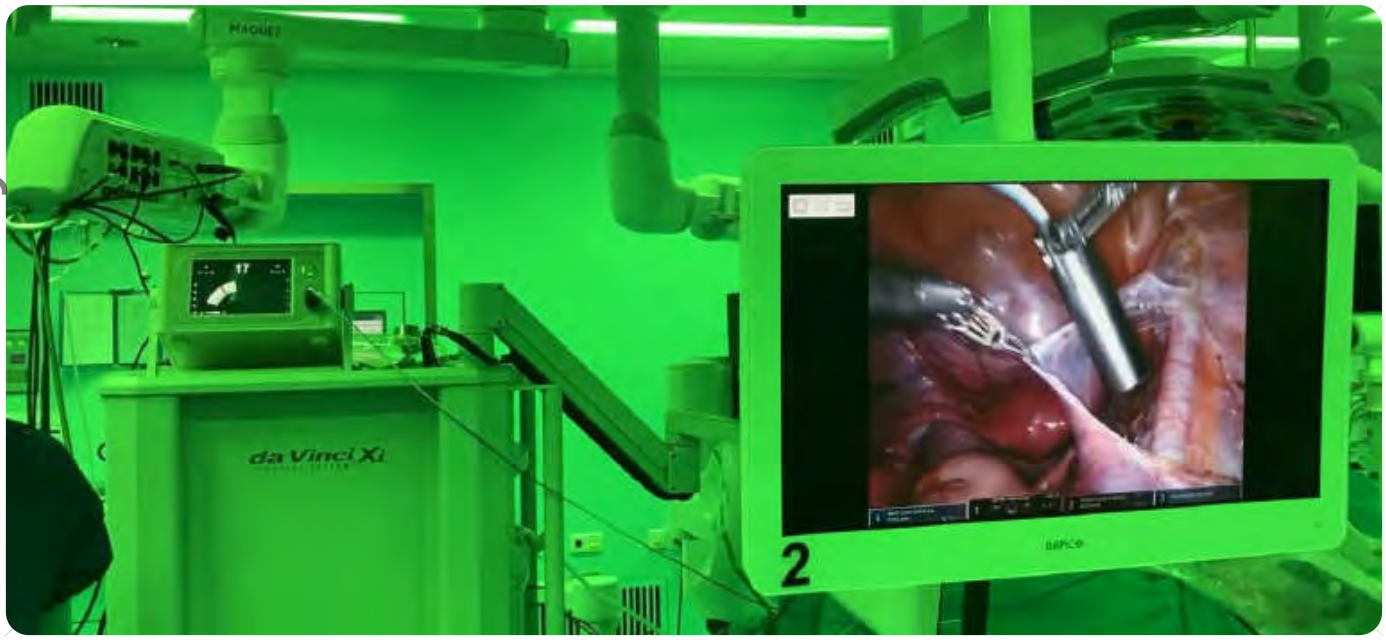
Bone marrow biopsy post-TLX66 treatment

Our precision-guided surgical solutions and artificial intelligence

During 2023, we established a new MedTech Division, further differentiating Telix by enabling us to create technologies designed to harness the power of targeted radiation across the entire patient journey from diagnosis to surgical intervention and therapy. We anticipate first applying this in urology – for prostate and kidney cancer – and then across the breadth of disease areas we are pursuing.

Radio-guided surgery

In November 2023, we acquired the SENSEI® radio-guided surgery (RGS) business from Lightpoint Medical.[1] SENSEI® is a miniaturised surgical gamma probe for minimally invasive and robotic-assisted surgery. It is inserted into a surgical port and controlled by the surgeon during a procedure. When used with targeted imaging agents, SENSEI® may enable the intraoperative detection of cancer in real time, supporting greater precision in the removal of tumours.



Lightpoint's SENSEI® gamma probe being used with the da Vinci Xi surgical robotic platform.

SENSEI® has attained a marketing authorisation in the U.S., having been registered with the FDA and has attained a Conformité Européenne (CE) Mark for use in the European Economic Area, for intraoperative detection of sentinel lymph nodes (SLNs).[2]

Our initial commercial objective is to align SENSEI® with our Illuccix® and TLX599-CDx (^{99m}Tc-iPSMA) programs for prostate cancer. Additionally, there is scope to expand the use of SENSEI® and explore advanced surgical radiation detection probes in other urologic and non-urologic malignancies, including TLX250-CDx (Zircaix™[3]), our kidney cancer imaging agent.

In November 2023, we made a strategic investment in Mauna Kea Technologies (Mauna Kea),[4] a leading medical device company pioneering the development of real time intraoperative microscopic visualisation of tissue during surgery. This investment is an expansion of our existing alliance with Mauna Kea,[5] established to develop new hybrid pharmaceutical device products through the combination of our cancer-targeting agents with Cellvizio®, Mauna Kea's confocal surgical laser endomicroscopy *in vivo* cellular imaging platform.

Cellvizio® is owned and marketed by Mauna Kea pursuant to multiple 510(k) clearances in the U.S. and is CE Marked for a range of applications in Europe.[6]

1. Telix ASX disclosure 1 November 2023.
2. Lightpoint Medical media release 20 January 2021.
3. Trade name subject to final regulatory approval.
4. Telix media release 13 November 2023.
5. Telix ASX disclosure 16 December 2020.
6. Mauna Kea media release, 3 March 2020.

Andre’s story

PSMA radio-guided surgery gives new hope in prostate cancer battle

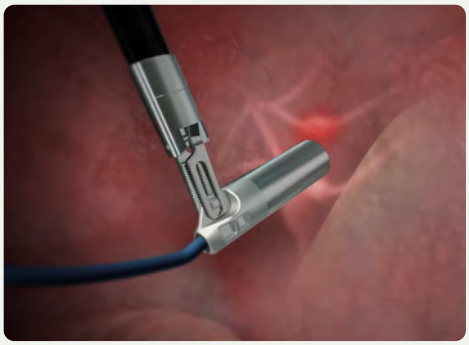
When Andre’s doctor found a 3mm suspected prostate cancer nodule on his PSMA-PET scan, he was told that surgically removing it would be like “finding a needle in a haystack” and that androgen deprivation therapy and radiation were the best options.

Instead, thanks to a UCLA clinical trial on PSMA radio-guided surgery using the SENSEI® drop-in gamma probe, Andre had the node successfully removed without the need for further treatment.

Now, 17 months post-surgery, Andre’s latest PSA is less than 0.04ng/mL, essentially undetectable.

Read about more about Andre’s story here. Used with permission.

Andre and his wife with their grandchildren.



Telix’s SENSEI® drop-in gamma probe.

Mauna Kea's Cellvizio® probe being used during an endoscopic or surgical procedure. Credit: Mauna Kea.

We believe this technology is complementary to our existing portfolio. When used preoperatively, our radiopharmaceutical imaging agents, such as Illuccix® or TLX250-CDx, allow for surgical planning to determine the location and extent of disease. SENSEI® works in conjunction with suitable cancer-seeking radiotracer agents to enable the intraoperative localisation of cancer in lymph nodes during a surgical intervention. In addition, Cellvizio® can be leveraged intraoperatively, in real time, to define and confirm surgical margin(s) via endomicroscopic fluorescence imaging.

Improving surgical outcomes by bringing molecular imaging into the operating theatre

Lightpoint

SENSEI®

A miniature robotic gamma probe, used with targeted radiation imaging agents to guide surgery and enable the intraoperative detection of cancer in real time

Mauna Kea Technologies

Cellvizio®

Enables highly localised tissue visualisation through endomicroscopic fluorescence detection to potentially define/confirm surgical margins in real time

Software as a Medical Device - powered by artificial intelligence

Medical devices and software applications are already an integral component in the delivery of nuclear medicine. Radiation dosimetry-planning software tools are used to inform therapeutic doses during development, and PET and SPECT cameras operate in conjunction with image-analysis software to interpret the resulting scan data. This data-rich environment supports the need for better software tools to drive clinical care and decision-making that can be enhanced with AI.

In 2023 we acquired Vienna-based Dedicaid GmbH and its clinical decision support software (CDSS) AI platform capable of rapidly generating indication specific CDSS applications from available datasets, for use with PET and other imaging modalities. Each CDSS application is trained to predict outcomes such as the severity of disease, risk to the patient and/or inform treatment decisions.

Dedicaid employs an automated machine-learning (Auto ML) engine. We believe that this platform is differentiated from commercially-available AI solutions currently used in PSMA-PET imaging, which are limited to supporting clinicians in the interpretation and reading of images – without a prediction capability. This platform is designed to reduce the time, cost and level of expertise required to build, test and validate new CDSS applications, facilitating a streamlined development and regulatory pathway for each new application.

Dedicaid developed the technology with PoC on the machine-learning methodology demonstrated for prostate, breast and lung cancer applications published in leading peer-review journals.[1] We expect that our acquisition of this AI platform will provide us with the capability to quickly and easily generate algorithms from clinical data and medical images, add predictive capabilities alongside the imaging analysis module and will be used to accelerate the development of Telix AI applications across the pipeline. The Dedicaid acquisition also included a lead medical device tool that is designed to interpret the risk of prostate cancer advancement from a PSMA-PET scan image by correlating it to a well-known histopathology indicator (the Gleason Grade). A second AI asset supporting Illuccix®, being developed in partnership with Invicro LLC, is designed to automate the identification and classification of prostate cancer lesions from PSMA-PET scans to support greater efficiency and standardisation in the imaging workflow.

1. Papp, L et al. *Journal of Nucl Med*. 2018; Papp, L et al. *European Journal of Nucl Med and Mol Imaging*. 2021; Zhao, M et al. *European Radiology*. 2022; Krajnc, D et al. *Cancers*. 2021; Papp, L, *Journal of Nucl Med*. 2019.

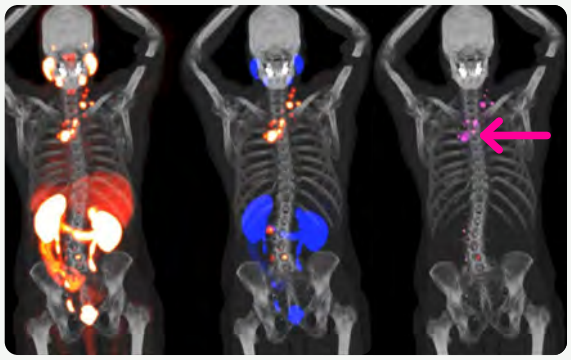
Telix AI: Earlier, more accurate diagnosis, and personalised disease predictions

The acquisitions of both Dedicaid and Lightpoint Medical's RGS business provide a founding MedTech capability that we believe will enable Telix to generate AI and software applications that are complementary to our radiopharmaceutical pipeline.

Reader support

Increases efficiency and reproducibility of imaging assessments:

- automates lesion segmentation and differentiates physiological uptake
- potential to identify lesions of low PSMA SUV (<3) uptake, and
- future potential to track individual lesions between scans to show changes over time.



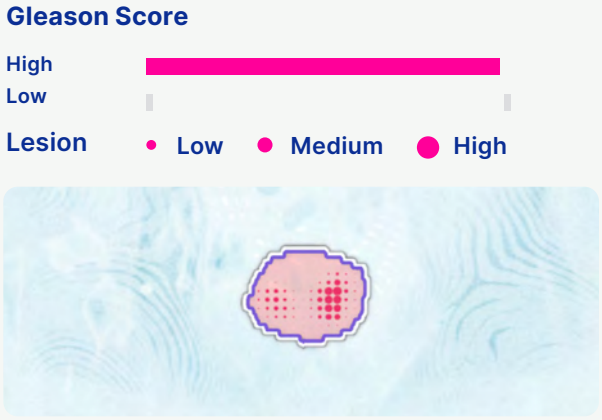
Original scan | **AI removes normal uptake (blue)** | **AI lymph node segmentation (pink)**

Patient representative example - individual results may vary.

Clinical decision support

Predicts disease outcomes including potential risk, severity and response to treatment:

- AutoML platform can generate indication-specific applications for use with PET and other imaging modalities
- predictive capabilities differentiated from commercially available AI solutions
- in prostate cancer can reliably predict a patient's Gleason score from an Illuccix® PET scan, and
- potential to apply the model to new indications.



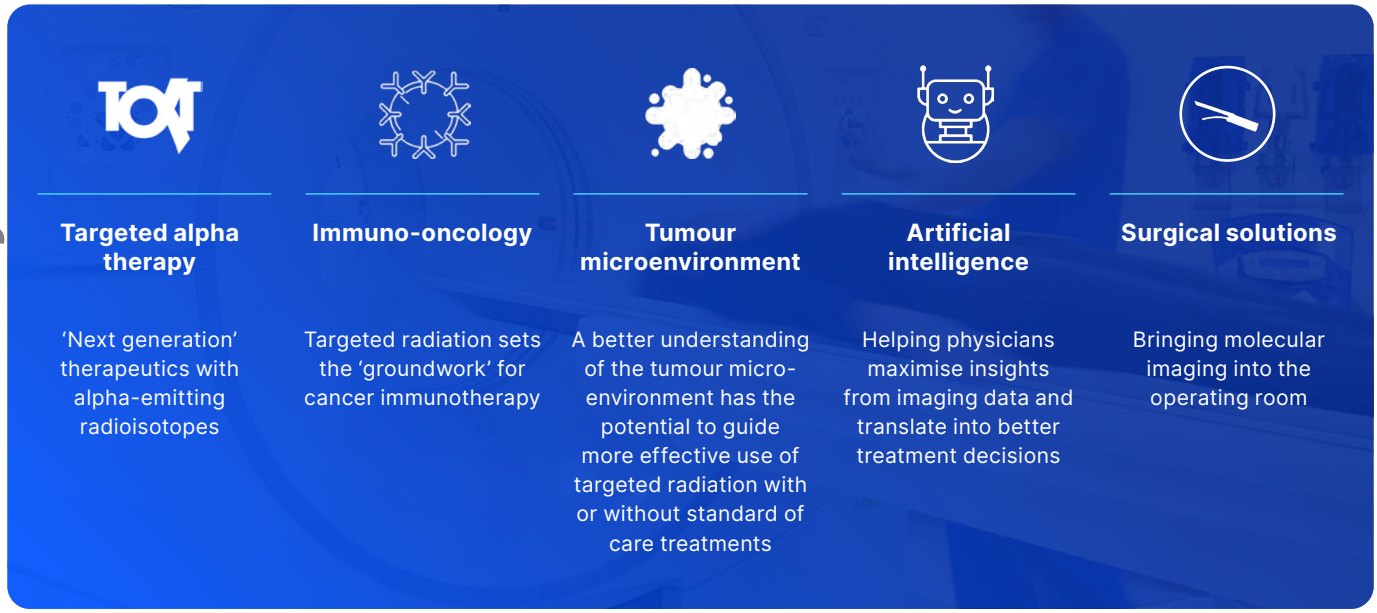
Body showing prostate area with lesion probability map. Note that lesion probability is not related to the risk level of the given lesion

Our research and innovation focus

Our research and innovation focus will define our future.

We are harnessing the power of targeted radiation to develop new targets, complement existing therapies and explore new clinical applications. Our aim is to build a pipeline of new product candidates and related platform technologies that can dramatically improve patient outcomes.

The team's expertise in technology evaluation and product development – along with our standing as one of the world's largest dedicated radiopharmaceutical companies – has opened up access to a range of new opportunities and partnerships.



Targeted alpha therapy

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

Our vision is to develop alpha and beta therapies for the indications we are pursuing, to increase the options available to treat cancer within our portfolio and provide patients with additional options along their treatment journey.

For prostate cancer, we are developing TLX591 – a beta therapy, and the subject of the ProstACT series of studies – in parallel with TLX592, a potential alpha therapy currently being evaluated in the Phase I CUPID trial.

The TLX250 platform is also being explored as a potential alpha therapy in the investigator-initiated Phase II OPALESCENCE and Phase I PERTINENCE studies in breast and bladder cancer, respectively, which completed enrolment during 2023.

Immuno-oncology

An increasing body of scientific evidence suggests that low doses of targeted radiation can potentially overcome immune resistance. This approach, known as immunological 'priming', has the potential to render tumours more susceptible to cancer immunotherapy. Pre-clinical studies have shown an enhanced therapeutic outcome of checkpoint inhibitors when they are administered after a systemic radiotherapy,[1] including rendering immunologically inert tumours sensitive to treatment.

The STARLITE-1 and STARLITE-2 Phase II IITs of TLX250 in kidney cancer therapy are evaluating CAIX-targeted radiation in combination with checkpoint inhibitors – a form of immunotherapy.

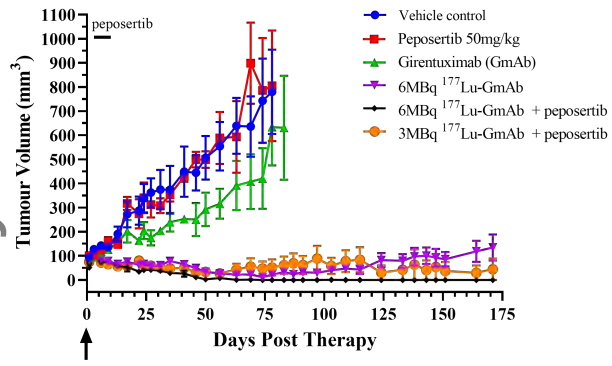
Tumour microenvironment

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, we

1. Herrera et al. *Cancer Discovery*. 2022.

are developing new approaches to complement existing treatments and make them more effective. An example of this translational research is our collaboration with Merck KGaA where we are exploring Telix's targeted radiation in combination with Merck's DNA damage repair inhibitors.

The Phase Ib STARSTRUCK trial is evaluating TLX250 in combination with peposertib – a Merck KGaA DNA-dependent protein kinase (DNA-PK) inhibitor candidate. The trial is evaluating the combination in patients with solid tumours expressing CAIX that are relapsed or refractory to standard of care treatment options. We believe that the combination may provide an enhancement in potency through the synergistic action on cancer cells. Targeted radiation effectively induces DNA damage in targeted cancer cells and peposertib may act to prevent the cell from repairing this damage, resulting in higher potency at lower doses.



Professor Andrew Scott AM

Head of Tumour Targeting Laboratory at Olivia Newton-John Cancer Research Institute, and Director of the Department of Molecular Imaging and Therapy at Austin Health

"Our research have shown that the combination of TLX250 (^{177}Lu-girentuximab) and peposertib in preclinical models was well tolerated, and showed enhanced anti-tumour efficacy compared to either therapy given alone. We believe this data is compelling, and shows great promise for improving therapeutic options for patients with CAIX expressing cancers. This novel therapy approach is being evaluated in Telix's STARSTRUCK clinical trial, where we are looking forward to the results, which we hope will be a major step forward in cancer treatment."

Preclinical data demonstrating improved therapeutic response of peposertib in combination with TLX250.

We are working with leaders in the field to progress this research and have in-licensed a number of novel radiotracers for translation into new theranostics.

Novel applications of AI

Radio-imaging using targeted radiation relies heavily on digital data processing and input from highly trained technologists and radiologists to correctly interpret data. AI technology has the potential to transform image analysis by improving the accuracy and speed of decision-making for clinicians by recognising complex patterns in large datasets and conducting predictive analysis.

Telix is utilising its AI platform and AutoML capabilities to pursue disease diagnosis and risk prediction, and treatment response prognosis, and to investigate other advanced AI techniques to support and advance the clinical utility (and clinical trials) of its radiopharmaceutical products. This will provide clinicians with more information than is currently available to help make better decisions for their patients, leading to improved outcomes.

Surgical solutions

To fully explore the capabilities of the SENSEI® probe and role of Telix's targeting agents in the operating theatre, we are exploring the use of different agents, alternative radioisotope and fluorescent payloads, and new detection technology to enhance surgical outcomes. This includes prototyping early drugs and devices for development as medical devices by the Lightpoint team.

Our manufacturing and supply footprint

During 2023, we made significant progress with the buildout of our radioisotope manufacturing facility in Brussels South, Belgium. At 2,800m^2, Telix Manufacturing Solutions (TMS) is one of the largest radiopharmaceutical production facilities in Europe. The site will enable improved access to radiopharmaceuticals for patients across the Europe, Middle East and Africa (EMEA) region and worldwide as a primary good manufacturing practice (GMP) capable manufacturing site for our clinical and commercial products.

Telix Manufacturing Solutions in Belgium.

The site also has extensive R&D capabilities, with a focus on alpha-emitting isotopes. We believe the proximity of an alpha radiopharmaceutical laboratory (the 'AlphaLab') to a production GMP environment is a differentiated capability to our competition. We expect the site to evolve and develop as a hub for strategic collaborations via R&D facilities and a manufacturing line designated for university and small and medium-sized enterprise partners.

A Telix employee at TMS, Telix's state-of-the-art facility for commercial production and R&D.

During 2023 we also completed the business integration of Optimal Tracers – a California-based company that provides radiochemistry process development services and research tracers for use in clinical trials. Optimal Tracers is advantageously located to service leading clinical sites along the West Coast of the U.S. and has the capability to deliver certain research products across the entire country. This expands our translational radiochemistry capability and offers a unique environment for pharma partnerships and collaborations.

Our performance, strategy and future prospects

Financial review

Financial highlights

$502.5M
Total Group revenue
Up $342.4M from 2022 reflects a full year of commercial sales of Illuccix®

$5.2M
Net profit after tax
Significantly improved from $104.1M loss in 2022

$23.9M
Operating cash inflow
Substantial improvement from an outflow of $64.0M in 2022

$58.4M
Adjusted EBITDA
Up $126.2M from a $67.8M loss in 2022, reflects the strength of the commercial business

Our operational results

Telix delivers inaugural full year profit, as revenue exceeds $0.5 billion

Revenue was $502.5 million for the year ended 31 December 2023, an increase of $342.4 million, or 214%, compared to $160.1 million for the year ended 31 December 2022. The majority of this revenue was from sales of Illuccix® in the U.S. in its second year of commercial sales.

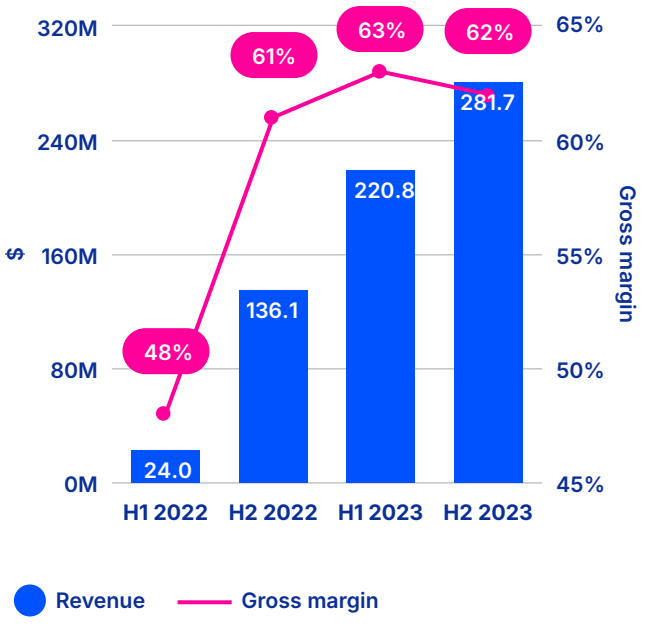
Gross margin steadily improved during the year to end at 63% for 2023 (up from 59% in 2022), reflecting optimised manufacturing and distribution costs.

Reported inaugural full year profit after tax attributable to Telix shareholders was $5.2 million, compared to a net loss of $104.1 million in 2022. This profit demonstrates the ability to build a sustainable business while investing for growth and pipeline development of late-stage assets.

The Group generated cash from operating activities of $23.9 million, a substantial improvement from an outflow of $64.0 million in 2022. This includes $16.3 million paid to previous shareholders of Advanced Nuclear Medicine Ingredients SA (ANMI).

Adjusted earnings before, interest, tax, depreciation and amortisation (Adjusted EBITDA) of $58.4 million, improved by $126.2 million compared to a loss of $67.8 million, in the prior year.

Total revenue and gross margin by half-year



Commercial

	2023	% of revenue	2022	% of revenue
	$M		$M	
Revenue (product)	497.1		156.4	
Cost of sales	(188.2)		(65.2)	
Gross profit	**308.9**	**62%**	**91.2**	**58%**
Research and development costs	(0.3)	(0%)	(0.7)	(0%)
Selling and marketing expenses	(54.4)	(11%)	(37.8)	(24%)
General and administration costs	(36.1)	(7%)	(17.7)	(11%)
Other losses (net)	(0.9)	(0%)	(0.8)	(1%)
Operating profit	**217.2**	**44%**	**34.2**	**22%**
Group adjusted EBITDAR	**180.9**		**8.2**	

Maturation of cost base delivering higher margins

U.S. sales from Illuccix® the main driver with a 218% increase in revenue compared to 2022, reflecting a full year of commercial sales and continued growth in sales and market share gains. Average daily demand for doses continued to grow throughout 2023.

Gross margin steadily improved during the year to end at 62% for 2023 (up from 58% in 2022), reflecting optimised manufacturing and distribution costs.

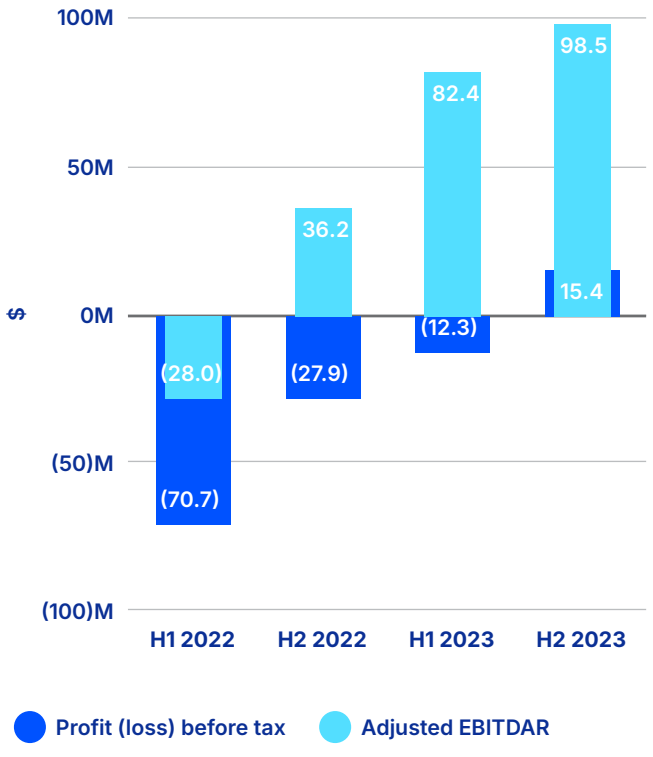
Sales and marketing expenses were $54.4 million for the year ended 31 December 2023, an increase of $16.6 million, or 44%, compared to $37.8 million for the year ended 31 December 2022. This increase was primarily driven by increased investment in promotional marketing programs and salesforce operations, effectively deployed to drive higher sales volumes of Illuccix®. Selling and marketing expenses continue to reduce as a percentage of revenue, indicative of revenue growth exceeding cost base growth and expenditure control.

General and administration costs were $36.1 million for the year ended 31 December 2023, an increase of $18.4 million, or 104%, compared to $17.7 million for the year ended 31 December 2022. This increase was primarily driven by an increase in infrastructure to support the expansion of services assisting commercial operations in each region.

Operating profit margin (operating profit as a percentage of revenue) improved by 22% reflecting the strength of the commercial business.

Group adjusted earnings before interest, tax, depreciation, amortisation and research and development (Adjusted EBITDAR) was $180.9 million, improved significantly, from $8.2 million in 2022. This metric demonstrates the profitability of the commercial organisation and strong revenue growth from Illuccix® during the period.

Profit/(loss) before tax and Adjusted EBITDAR by half-year



Product development

Projects	2023	% of total	2022	% of total
	$M		$M	
Late-stage diagnostics	53.9	42%	29.0	36%
Therapeutics and other assets	32.4	25%	27.9	35%
Total external R&D	**86.3**		**56.9**	
Employment costs	32.1	25%	19.2	24%
General and administration costs	10.1	8%	4.2	5%
Total R&D expenditure	**128.5**		**80.3**	

Preparing for marketing launch of two new products in 2024

R&D investment during 2023 was in line with plan and was predominantly focused on preparation for commercial launch of late-stage diagnostic assets (Zircaix™[1] and Pixclara™[1]) including commercial manufacturing process qualification and validation, preparation of U.S. FDA filings and commercial launch plans and early access programs. R&D was also directed towards clinical manufacturing for a late-stage therapeutic asset to progress the ProstACT GLOBAL trial.

Total investment in R&D was $128.5 million for the year ended 31 December 2023, an increase of $48.2 million, or 60%, compared to $80.3 million for the year ended 31 December 2022. Approximately 42% of R&D expenses was directed towards delivering two new diagnostic assets.

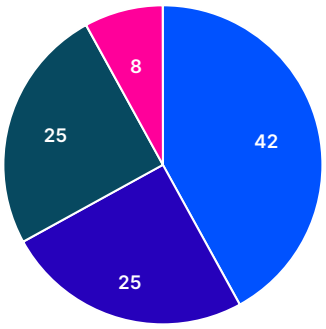
Investment in late-stage diagnostic assets was $53.9 million (2022: $29.0 million), comprising:

- commercial manufacturing process qualification and validation
- preparation and filing BLA and NDA with FDA, and
- commercial launch preparation and early access programs.

Overall investment in therapeutics and other assets totalled $32.4 million (2022: $27.9 million) This included, late-stage therapeutic asset investment directed towards clinical manufacturing ($11.2 million) and progressing the ProstACT GLOBAL trial ($2.1 million).

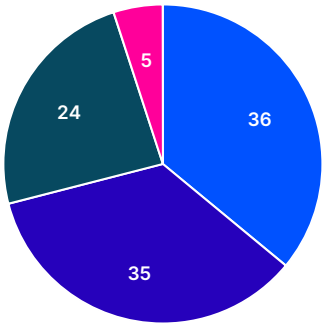
Employment and general and administration costs reflect increased activity in our late-stage assets.

2023 R&D investment



Late-stage diagnostics 42.0%
Therapeutics and other assets 25.0%
Employment costs 25.0%
General and administration costs 8.0%

2022 R&D investment



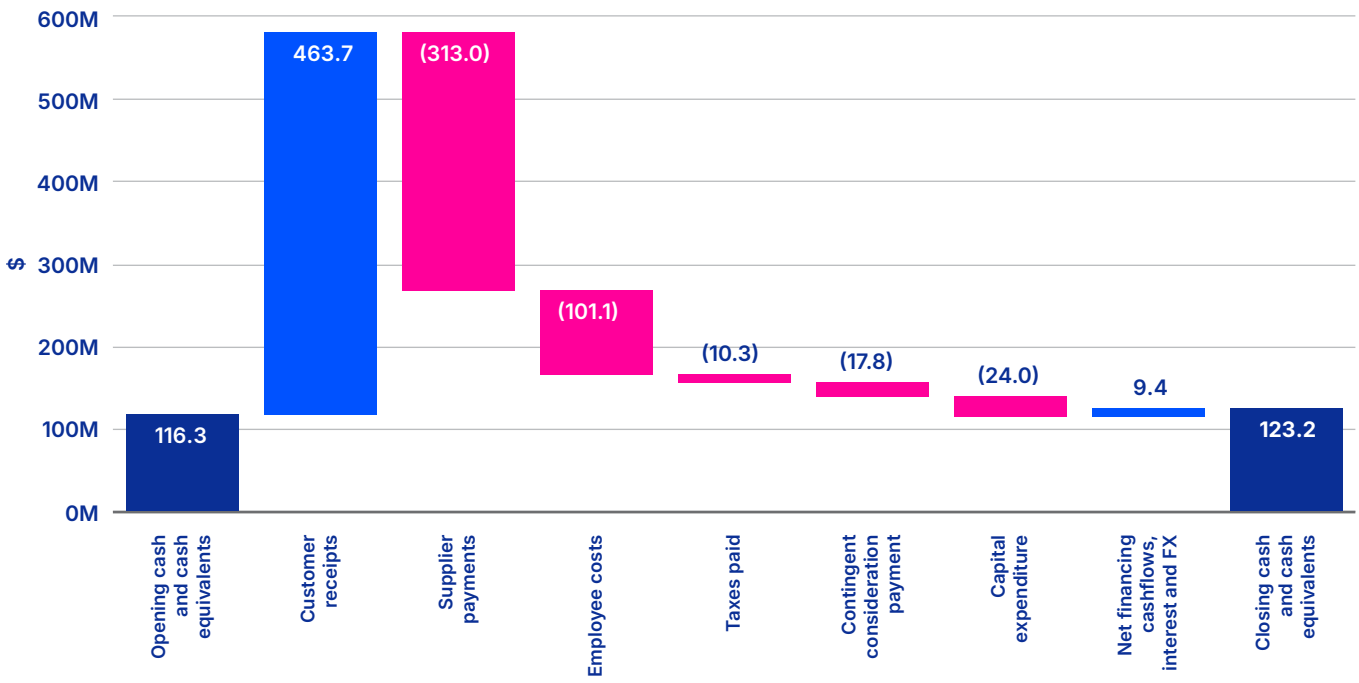
Late-stage diagnostics 36.0%
Therapeutics and other assets 35.0%
Employment costs 24.0%
General and administration costs 5.0%

1. Trade name subject to final regulatory approval.

Cash balance and activities

Cash and cash equivalents of $123.2 million as at 31 December 2023 (2022: $116.3 million) with five consecutive quarters of positive net operating cash flow delivered. As a result of these consecutive quarterly operating cash inflows, the Group is not required by the ASX to lodge quarterly cash flow and activities reports under Listing Rules 4.7B and 4.7C[1].

Closing cash bridge



Operating activities

Net cash generated from operating activities was $23.9 million (2022: net cash used in operating activities of $64.0 million). The primary sources of cash from operating activities were collections from sales of Illuccix® of $463.7 million (2022: $124.1 million). The improved customer receipts reflect sales growth and sound debtor management during the year.

The primary uses of cash in operating activities were payments to suppliers and employees of $414.1 million (2022: $204.3 million), including manufacturing and R&D expenditures, selling and marketing efforts for Illuccix®, employee costs and income taxes paid (primarily in the U.S.) of $10.3 million (2022: $2.3 million). Operating cash outflows also included a $16.3 million contingent consideration payment to former ANMI shareholders and a $5.9 million payment for the FDA filing fee paid on submission of the BLA for TLX250-CDx (Zircaix™[2]).

Investing activities

Net cash used in investing activities of $25.5 million (2022: $17.0 million) comprised payments totalling:

- $1.5 million (2022: nil) to former ANMI shareholders
- $13.2 million for the acquisition of QSAM Biosciences, Inc and investment into Mauna Kea
- $9.7 million (2022: $7.0 million) for the buildout of our Brussels South manufacturing facility (TMS), and
- $1.1 million (2022: $6.8 million) relating to intangible asset acquisitions.

Financing Activities

Net cash provided by financing activities totalled $10.2 million (2022: $175.0 million) comprising $6.6 million (2022: $173.2 million) received from the issuance of new ordinary shares, including on the exercise of options previously granted to employees, proceeds received from borrowings of $5.8 million (2022: $3.0 million) related to the loan facilities provided for the construction of TMS and $2.2 million (2022: $1.3 million) paid for lease liabilities.

1. Telix ASX disclosure 18 December 2023.
2. Trade name subject to final regulatory approval.

Business performance

We have articulated a clear growth strategy to benefit patients and shareholders. We are achieving this strategy through advancing our therapeutic and diagnostic (theranostic) portfolio of commercial and clinical stage products and associated medical devices, strong supply chain and manufacturing, and continued innovation. Our key focus areas and progress in 2023 are outlined below.

Growth strategy	Focus areas	Progress in 2023
Grow Illuccix® revenue globally 	Focus on driving adoption and increasing market share of Illuccix® in our commercial markets, including the U.S. Expand into new geographies through submission of new product marketing applications	• Illuccix® global revenue $496.2 million up 218% on 2022[1] • U.S. indication expanded to include patient selection for PSMA-directed radioligand therapy[2] • commercial launch in Canada[3] • marketing authorisation applications submitted in the European Union and United Kingdom[4] • pivotal Phase III registration study in China intended to bridge to FDA approval of Illuccix®: Surpassed 50% enrolment,[5] and • pre-NDA meeting with the Pharmaceuticals and Medical Devices Agency (PMDA) in preparation towards regulatory filing in Japan.[6]
Commercialise the diagnostic portfolio 	Advance regulatory filings for two additional diagnostic imaging agents	**TLX250-CDx (Zircaix™[7]) for PET imaging of ccRCC** • rolling BLA submission commenced with the FDA[8] • first patients dosed in named patient and expanded access programs (NPP/EAP) in Europe[9] and the U.S.,[10] and • ZIRDOSE-CP Phase I dosimetry study in China: Completed enrolment.[11] **TLX101-CDx (Pixclara™[7]) for glioma (brain cancer) imaging** • NDA being prepared, and • preparing to open U.S. EAP.
Advance the therapeutic pipeline 	Deliver on clinical milestones across core therapy programs in prostate, kidney, glioma (brain) and haematologic (blood) cancers/bone marrow conditioning	**PSMA** • ProstACT GLOBAL Phase III study of TLX591: First patient dosed in Australia[12] • ProstACT SELECT Phase I study of TLX591 in prostate cancer: Positive interim readout confirmed favourable safety profile and clinical advantages of two dose regimen, and • CUPID Phase I study of TLX592 (investigational TAT): Target enrolment complete.

1. Includes pre-commercial sales from investigational, clinical trial, magisterial and compassionate use in accordance with local laws and regulations (not as a commercial diagnostic imaging product sold for routine clinical practice).
2. Telix ASX disclosure 16 March 2023.
3. Telix media release 2 May 2023.
4. Telix ASX disclosure 3 April 2023.
5. ClinicalTrials.gov ID: NCT05847348.
6. Telix ASX disclosure 18 October 2023.
7. Trade name subject to final regulatory approval.
8. Telix ASX disclosure 19 December 2023.
9. Telix media release 4 December 2023.
10. Telix media release 11 December 2023. ClinicalTrials.gov ID: NCT06090331.
11. ClinicalTrials.gov ID: NCT05861778.
12. Telix ASX disclosure 13 November 2023. ClinicalTrials.gov ID: NCT04876651.

Growth strategy	Focus areas	Progress in 2023
Advance the therapeutic pipeline (continued) 	Deliver on clinical milestones across core therapy programs in prostate, kidney, glioma (brain) and haematologic (blood) cancers/bone marrow conditioning	**CAIX** • STARBURST Phase II study of TLX250-CDx, exploring theranostic utility across a range of solid tumours: First patient dosed[1] • OPALESCENCE (Ph II) and PERTINENCE (Ph I) IITs in breast and bladder cancer, respectively: Completed enrolment; positive top-line data presented for OPALESCENCE[2] • STARSTRUCK Phase Ib study of TLX250 therapy in combination with peposertib in CAIX-expressing solid tumours: First patient cohort enrolled,[3] and • STARLITE-1 and STARLITE-2 Phase II IITs of TLX250 in combination with immunotherapy: Continuing to dose patients. **Glioma (LAT1 and LAT2)** • IPAX-2 Phase I study of TLX101 in front-line setting: second patient cohort enrolled • IPAX-Linz Phase II IIT of TLX101 therapy in refractory setting continuing to dose patients • IPAX-China Phase I study of TLX101 therapy approved by Chinese National Medical Products Administration,[4] and • preparing global label-indicating study for TLX101. **BMC and STS (CD66, PDGFRα)** • TLX66 Phase II IIT in paediatric leukaemia active, screening patients, and • preclinical validation completed for TLX300,[5] ethics application submitted to commence a Phase I trial in STS.
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	• Telix Manufacturing Solutions (TMS): Stage one buildout complete,[6] and • Optimal Tracers: Business integration and onboarding complete.
Expand the future pipeline 	Leverage our expertise to identify, evaluate and develop novel targets, clinical applications and manufacturing technologies to build the future pipeline	• Acquisition of Dedicaid GmbH[7] • Acquisition of Lightpoint Medical's SENSEI® (RGS) business • Telix AI 510(k) premarket submission to FDA progressed • Agreement to acquire QSAM Biosciences Inc. and its lead asset, Samarium-153-DOTMP,[8] and • Strategic investment to support expanded collaboration with Mauna Kea.

1. Telix ASX disclosure 19 June 2023. ClinicalTrials.gov ID: NCT05563272.
2. Telix media release 7 December 2023.
3. Telix media release 18 October 2023.
4. Telix media release 11 April 2023.
5. Telix ASX disclosure 17 April 2023.
6. Telix media release 8 June 2023.
7. Telix ASX disclosure 27 April 2023.
8. Telix ASX disclosure 8 February 2024.

Forward strategy and operational targets

The global radiopharmaceutical industry is undergoing a period of transformative growth with theranostics emerging as a key pillar in the armamentarium of oncology treatment.[1] We believe that with increasing integration of nuclear medicine and traditional oncology clinical practice, radiopharmaceuticals will become a core component of the multi-disciplinary approach to cancer treatment with a proportionate benefit to patients.

To address this, our therapeutic radiopharmaceutical platform harnesses the power of radioactive isotopes combined with targeting agents to deliver targeted radiation directly to the tumour site. These therapies have the potential to be efficacious as stand-alone treatments or as complements to existing treatment modalities to address areas of high unmet medical need.

Each therapeutic is paired with a diagnostic imaging agent, this underpins the theranostic approach whereby two conjugates are used to target the same cell-surface receptor, one for detection, localisation or staging, and the other for selective destruction of target cancer cells. When used in tandem to plan and execute treatment, and then to assess response and monitor for progression, this approach allows the delivery of truly personalised therapy to patients.

Our strategy is to launch innovative imaging agents in our core disease areas in order to finance and prepare the market for our late-stage therapeutic assets as well as our earlier-stage next-generation radiopharmaceuticals. This strategy is underpinned by a vertically integrated approach to supply and manufacturing and supported by a first-class commercial organisation ensuring global patient access to our products.

The key elements of our strategy:

Grow our commercial footprint in urology

Our first commercial product, Illuccix®, has provided an important entry point into the field of urology through our specialised field force. We intend to broaden our commercial footprint in urology by:

- expanding Illuccix® into new indications
- obtaining approval for synergistic products, including TLX250-CDx (Zircaix™[2]), for which we submitted a BLA in December 2023, that may enable us to deepen our clinical and commercial relationships with clinical decision-makers, and
- evaluating lifecycle management of Illuccix®.

We also intend to develop an AI solution for reader and clinical decision-making support and RGS probes and tracers. We believe this offering will enable our field force to support healthcare practitioners with products spanning across the patient journey.

Invest to commercialise our late-stage pipeline of therapeutic product candidates

We aim to build both breadth and depth in oncology and to address areas of significant unmet medical need, both for large oncology indications such as prostate cancer and kidney cancer, as well as rare oncology applications such as glioma. This is based on a target selection process that is aligned with our expertise in radiation biology.

We intend to advance TLX591, TLX250 and TLX101 late-stage clinical trials for the treatment of prostate cancer, kidney cancer and gliomas, respectively.

We are currently evaluating TLX591 in our ProstACT GLOBAL trial in patients with advanced prostate cancer. We believe that TLX591 is the most advanced rADC in this disease area and has potential to be the first approved rADC for the treatment of advanced prostate cancer. Our clinical data suggests that our targeting approach could enable high on-target PSMA tumour-binding with low rates of off-target organ exposure and with a potentially favourable safety profile.

We are also advancing TLX250 and TLX101 into late-stage clinical trials for the treatment of kidney cancer and glioblastoma, respectively. We believe that each of our product candidates is currently the most advanced systemic radiotherapy in its respective indication. We are continuing to initiate earlier-stage clinical trials of our therapeutic product candidates as monotherapies and in combinations, including of TLX300 for the treatment of STS, and TLX250 in combination with peposertib, a Merck KGaA DNA-PK inhibitor, for the treatment of CAIX-expressing solid tumours (including ccRCC). We believe that these trials provide opportunities to generate further clinical data and demonstrate the differentiated positioning of our clinical product candidates.

1. Vu et al. *ANZ Journal of Surgery.* 2022.
2. Trade name subject to regulatory approval.

Advance and augment our pipeline and progress development of next generation radiopharmaceuticals

We have established a track-record in identifying validated clinical product candidates that can be optimised as radiopharmaceutical therapies to develop them through to commercial products. We are leveraging this capability to expand our pipeline with next-generation radiopharmaceuticals, particularly targeted alpha-emitting therapies, through business development, as well as internal R&D programs and collaborations. These efforts focus on product candidates with a validated clinical rationale, a scientific profile to support efficacy as a radiopharmaceutical, and which are complementary to our existing pipeline.

Through our existing clinical programs and dedicated research facilities in the U.S. and Europe, we are focused on the development of alpha therapy candidates as a future pipeline expansion opportunity, and on building supply and manufacturing capabilities required to support an eventual commercial launch.

Vertically integrate manufacturing and supply chain activities

Radiopharmaceutical companies have particularly onerous manufacturing, supply chain, distribution and logistical requirements due to products typically having a short shelf-life and the need to be manufactured in proximity to the patient. Radiopharmaceuticals begin to decay as soon as they are produced and are stable for hours to days.

Since inception, we have invested in our supply and manufacturing, and distribution capabilities, working with industry-leading partners. This has underpinned the successful commercialisation of Illuccix® and delivery of multiple clinical studies, including international multi-centre studies. We have also opened our first scale-up manufacturing and R&D facility in Belgium and acquired the Optimal Tracers platform (Sacramento, California) for early-stage radiochemistry process development and clinical dose supply.

We continue to invest in this area with the goal of completing the vertical integration of our business, adding manufacturing and process development as a core capability, and continuing to build on our production capabilities, both in-house and through partners, to ensure a high level of control and redundancy in our supply chain. We believe this is an essential foundation for long-term commercial success across the breadth of our product pipeline.

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

- continued revenue growth of Illuccix®
- marketing authorisation and successful commercial launch of Zircaix™[1]
- marketing authorisation and successful commercial launch of Pixclara™[1]
- advancement of our therapeutic pipeline, and
- application of our precision-guided surgical solutions and complementary AI technologies (MedTech).

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

1. Trade name subject to regulatory approval.

Managing risk

Risk governance

The Board and its supporting committees, including the Audit and Risk Committee (ARC) and People, Culture, Nomination and Remuneration Committee (PCNRC) oversees and approves Telix's strategic direction. The Board also retains ultimate oversight of material risks and opportunities. The Board has delegated responsibility to the ARC for risk management, governance and oversight. The ARC receives quarterly reports relating to strategic risks, risk management activities, and the effectiveness of - and operational compliance with - the Group's Enterprise Risk Management Framework (ERMF) and risk appetite and tolerances. The Board, through the ARC, sets the Group's risk appetite, which constitutes the boundaries within which Management operates while achieving strategic and corporate objectives.

The MD & CEO, and GET are ultimately responsible for the identification and management of financial and non-financial risks (including compliance risks) and opportunities relevant to the delivery of the Group's strategic objectives and operational targets. Accountability for developing and implementing the ERMF sits within our Governance Risk and Compliance (GRC) function, led by the Senior Vice President of Global Governance, Risk and Compliance (SVP GRC).

Our strategy for the management of risk and opportunity substantially follows the guidelines of ISO 31000:2018 – Risk Management and is designed to enable us to: identify and manage risks and opportunities to improve business performance; remain innovative and establish competitive advantage; anticipate and communicate uncertainties; reduce operational losses and surprises; and protect our corporate reputation. Our ERMF data informs leaders in their decision-making from prioritising activities, to resourcing, to escalation.

We manage risk and opportunity through objective and consistent identification, assessment, monitoring, measurement and reporting across the Group. Management executes daily risk management activities, including by making decisions within stated Board-delegated authority; ensuring employees understand their responsibilities for managing risk through a 'three lines' model; and establishing internal controls and guidance for the implementation of the ERMF.

In the three lines model, the first line - consisting of the business units and expert teams - executes core processes and controls. The second line - comprising the GRC function - sets policies and establishes frameworks to manage risks. The third line, which constitutes internal and external audit, provides independent review of the first and second lines.

Principal risks

The risk context within which we operate is underpinned by:

- our purpose to 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 various business activities, including innovation of new products, product development, commercialisation and marketing of approved products, service delivery, and research and manufacturing operations
- the global regulatory regime, and
- our intent to deliver adequate shareholder returns in a complex and/or competitive environment.

We actively manage a range of principal risks and uncertainties with the potential to have a material impact on the Group and our ability to achieve our strategic and business objectives.

During 2023, we reassessed our strategic risk profile to ensure we had appropriately identified risks and opportunities relating to our short, medium and long-term objectives. These principal risks have formed the basis of our forward-looking three-year internal audit plan.

While we have made every effort to identify and manage all material risks, there may be currently unknown risks, or risks that are not detailed below, that may impact our future performance.

Because of the specialised nature of our business, we are highly dependent on attracting and retaining qualified, scientific, technical and managerial personnel. A failure to do so could harm our R&D and commercialisation programs, and materially and adversely affect our business, operating results and financial prospects. The management of people-related risks and opportunity is one of the five pillars of our sustainability strategy. More detail on our programs to build a safe, inclusive and rewarding workplace is included in the Sustainability section of this Annual Report.

A summary of our principal risks is provided below.

Principal risk area	Description of risk	Key mitigation strategies and tactics
Successful commercialisation of assets	Telix's operating and financial performance is dependent on its ability to develop and successfully commercialise its product portfolio. The Group 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 is subject to the following risks: • clinical trials may not succeed • regulatory approvals may not be granted • acceptable pricing and reimbursement of products may not be achieved • Telix's development program may be delayed • the oncology therapy industry is highly competitive and radiopharmaceuticals is increasingly competitive • reliance on effective exclusivity and intellectual property protection • reliance on licence agreements for key products, and • dependence on commercial partnering. 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, adequate pricing and reimbursement to address unmet patient need in the longer term, and Telix's ability to continue to drive market growth and market penetration.	Telix's purpose and mission are implemented through short, medium and long-term strategies, 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 implemented dedicated global commercial strategy and global asset development business units. Telix has embedded program development and commercialisation planning and reporting systems into its operations - including asset lifecycle management planning, an intellectual property development and management strategy, 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 its complex global environment. Telix has an enterprise 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. Lifecycle planning strategies are in place to enable the identification of opportunities and risks associated with the continuing success of Illuccix®.

Principal risk area	Description of risk	Key mitigation strategies and tactics
Supply chain resilience and responsibility	Nuclear medicine products and technologies have inherently complex manufacturing, supply and logistics chains. Telix is dependent on third parties, including Contract Development and Manufacturing Organisations and radiopharmacy networks, 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, through the acquisition and development of in-house manufacturing capability at its TMS facility. Supplier risk programs are critical elements of Telix's risk mitigation tactics in this area and we aim to continuously improve our vendor selection, diligence and vendor management strategy and framework to manage supply chain resilience and related risk.
Compliance, including legal and regulatory	As a complex global organisation, Telix has substantial compliance obligations across its business units, including legal and healthcare compliance, commercial, pricing and regulatory compliance, financial, statutory and taxation compliance, and environmental compliance. The profitability of Telix's operations and its continued viability - including its ability to have assets successfully approved or commercialised in its operating regions - may be adversely impacted by material non-compliance and/or regional specific legal or regulatory regimes. This could result in delays or rejections of applications (or sanctions if not appropriately managed), changes in legal, 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.	The GRC function is in place to establish and embed the framework to help ensure Telix meets its obligations under applicable laws, regulations, codes and corporate policy. Telix aims to continuously improve its integrated program, which is consistent with ISO 37301:2021 Compliance Management Systems. The pillars of Telix's compliance framework are: • **inform** - ensuring employees are aware of their obligations and the legislative changes that may impact their business units/activities • **comply** - via ongoing review of the compliance register, recorded obligations and completion of activities, and • **assure** - via internal and/or external audit and review of activity where appropriate. Telix has teams and structures in place to enable it to maintain awareness of relevant legal and regulatory changes, including as relates to market access, pricing and reimbursement.
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 a dynamic and changing competitive landscape. Telix will also need to protect and enhance the intellectual property position surrounding its portfolio in the long-term.	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 the commercialisation of Telix assets, including Illuccix®, will provide the Company with optionality to fund the research and development of its core pipeline assets to address unmet patient needs. The commercial and business development teams remain alert to scientific, medical and market developments and the Group engages expert scientific advisors. The Group dedicates resources to intellectual property protection strategy, competitive monitoring and implementation.
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. Telix may need to raise additional capital.	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.

Principal risk area	Description of risk	Key mitigation strategies and tactics
Product quality	Telix is committed to delivering high quality innovative medicines to patients and conducting our clinical trials with a philosophy and in a manner that recognises the importance of patient safety and respecting the rights of participants. 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 products.	Telix has a Quality Management System (QMS) in place based on the international ISO 9001 series of Quality Management standards that is consistently implemented, and risk-based to maintain quality product for clinical and commercial distribution. High quality clinical research is conducted in accordance with all applicable laws and regulations. When conducting multinational, multi-site trials we follow all applicable legal, ethical and scientific standards. Telix products are researched, manufactured and tested at certified Good Laboratory Practice (GLP), Good Distribution Practice (GDP) and Good Manufacturing Practice (GMP) facilities, and processes, methods and change control are validated. Telix has a Global Safety Review Committee (GSRC) that meets quarterly to oversee safety signal assessments across all Telix products in human use including clinical trials, compassionate use, and post market use. Telix's Quality and Safety Evaluation Board (QSEB) is responsible for reviewing and evaluating product release and quality and safety issues. The QSEB comprises the CDO, CMO and senior representatives of the quality, regulatory, medical and risk and compliance functions.
Information management and information security including cybersecurity	Increasing sophistication of external attacks 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. This includes loss or misuse of data or personal information.	Telix undertakes business continuity, crisis 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 our ability to prevent, detect and respond to cyber-attacks both through implementing new tools and a cyber awareness program for team members. We have in place an Information Security and Information Management (ISMS) program that is subject to ongoing review and internal audit.
Environmental risk	Radiopharmaceutical products use radioactive materials, which generate medical and other regulated wastes. The possession and disposal of these materials and waste products present the risk of accidental environmental contamination and physical injury.	We have designed manufacturing and storage processes for radioactive compounds to mitigate the risk of exposure of employees and others to radioactive materials. These processes are subject to internal and (where relevant) external audit. We have systems and processes in place to enable us to maintain awareness of national radioprotection laws in the jurisdictions in which the Company operates. We have a vendor assurance program whereby we conduct due diligence and internal audit on material suppliers. This includes ensuring our relevant vendors have the appropriate licences and standard operating procedures (SOPs) as well as regulatory compliance certifications (as relevant) for the safe disposal of radiopharmaceuticals.
Sustainability risk	Risks arising from perceived or actual shortcomings in the management of sustainability matters, including Environment, Social and Governance (ESG) matters.	Telix will continue to best-manage sustainability-related risks through the incorporation of sustainability matters (including those classed as ESG) into its ERMF. In this way, sustainability topics and risk and opportunity areas are built into the fabric of strategic and business decision making. Governance and oversight, management, delivery, compliance, reporting and accountability align with the Group's three lines model of risk and opportunity management, and we will monitor, measure and report on performance. We incorporate this into our governance and operations with a strong investor and stakeholder engagement program, which includes materiality assessments. We will further develop scenario planning capability to enhance visibility and thinking related to emerging areas of risk and opportunity.

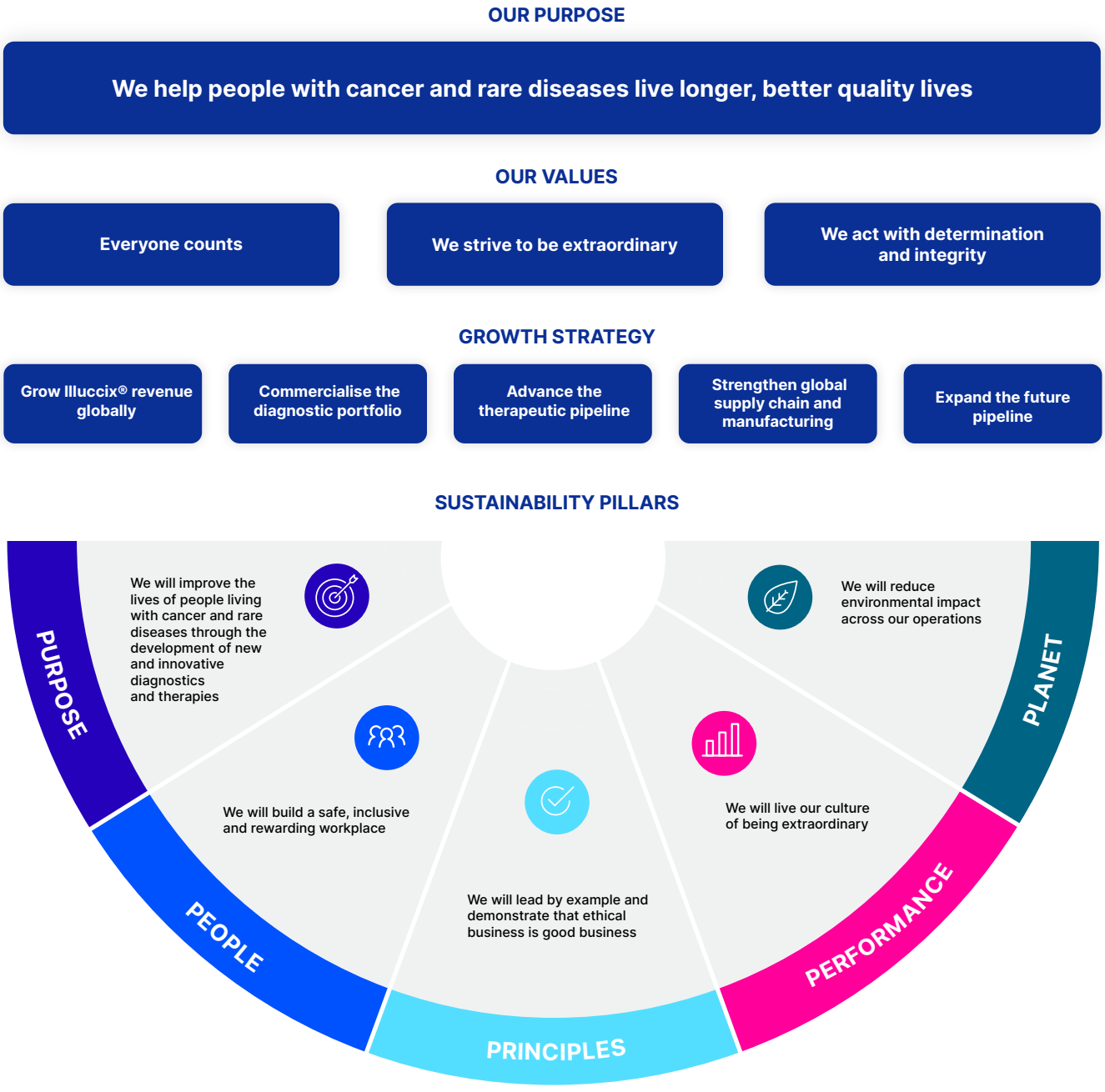
Sustainability

Our five pillars of sustainability

Our mission is to deliver on the promise of precision medicine through targeted radiation. We exist to create products that seek to improve the quality of life for people living with cancer and rare diseases. We are committed to refining the use of radiation in cancer care from diagnostics and staging, to therapy and surgical intervention.

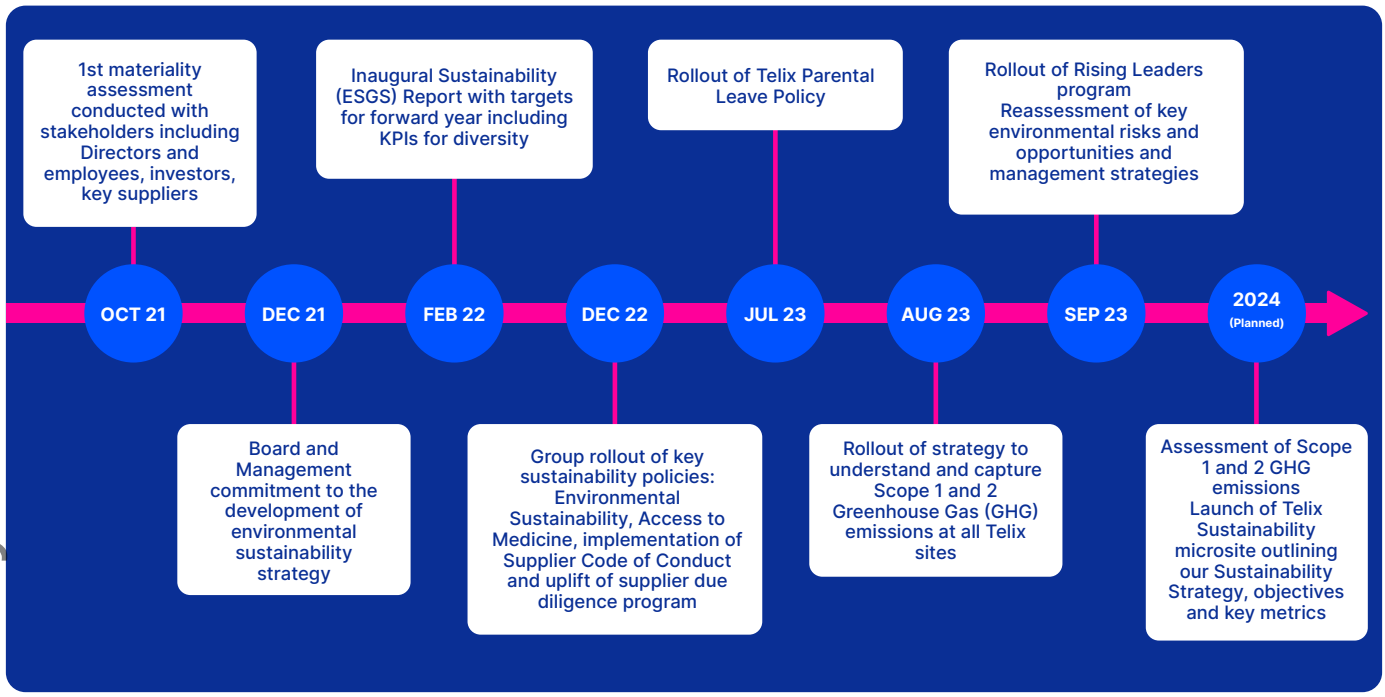
We understand the importance of integrating sustainability into all that we do in the delivery of our purpose and mission. We continue to build on an internal culture that is driven by: ethics and values; patient outcomes, including access to medicines; the health, safety and wellbeing of our employees; and improving environmental performance. We aim for continued improvement across the spectrum of sustainability measures. Among other desirable outcomes, each is important in managing Group risk and opportunity, and improving financial and operating performance.

Our sustainability strategy centres on five pillars - our 'Five Ps': Purpose. People. Principles. Performance. Planet.



When we published our first Sustainability report in February 2022, we provided a clear roadmap for our sustainability journey. This 2023 report describes how we have progressed on this journey to improve our performance across our five sustainability pillars.

Our sustainability journey



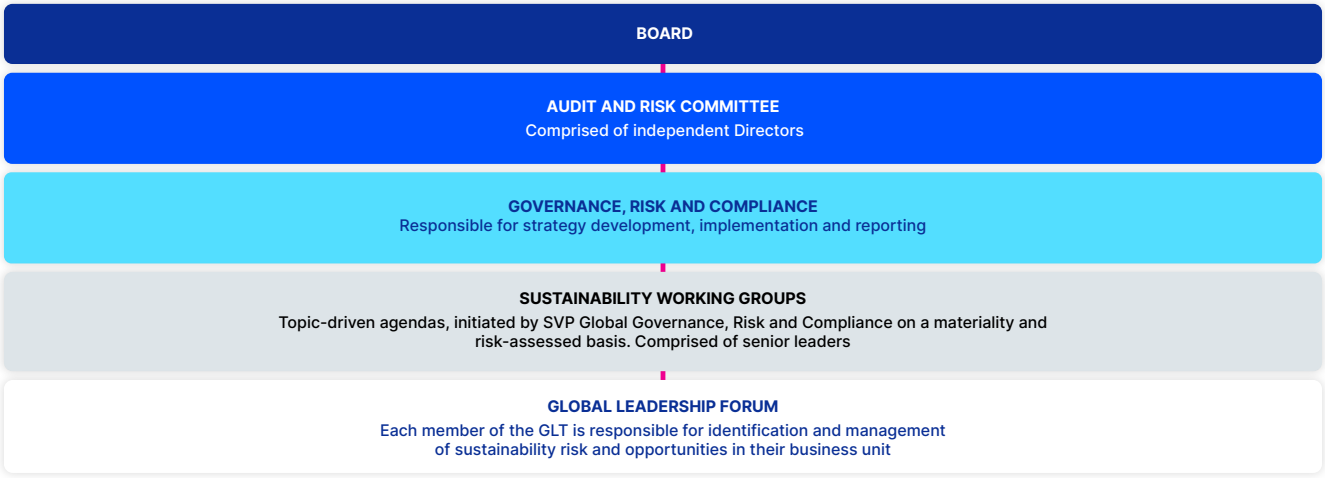
Sustainability governance

The Board and its supporting committees, including the Audit and Risk Committee (ARC) and People, Culture, Nomination and Remuneration Committee (PCNRC), oversee and approve our strategic direction. The Board also retains ultimate oversight of material risks and opportunities, including sustainability and climate-related risks and opportunities. Through the Board and ARC Charters, the Board has delegated responsibility to the ARC for risk management, governance and oversight, including for sustainability matters.

The Managing Director and Group Chief Executive Officer (MD & CEO), and Group Executive Team (GET) are ultimately responsible for delivering our sustainability strategy. Accountability for developing and implementing this strategy sits within our GRC function, led by the SVP GRC. Management reports quarterly to the ARC on progress against the sustainability strategy and implementation plan. Depending on the topic, 'deep dives' on material sustainability issues are also regularly presented to the Board, ARC or PCNRC.

We continue to take a risk-based approach to identifying, assessing, and strategically implementing policies and programs for sustainability that support the delivery of the Group's strategic objectives.

Sustainability oversight structure



How we determine material sustainability issues

We are committed to continuously advancing our sustainability strategy, our sustainability operations and related disclosures. We engage with internal and external stakeholders at all levels on sustainability matters on an ongoing basis.

Identify sustainability materiality topics

by reviewing legislation, regulation and reporting frameworks as well as considering topics specific to our industry and mission

Gather feedback from internal and external stakeholders

by interviewing, surveying and workshopping topic areas to determine relative importance

Validate the results

via our enterprise risk management framework to assess the greatest risks and opportunities to the Group's business and objectives

Our materiality assessment outcomes form the foundation of our planning and implementation:

Sustainability materiality matrix

Stakeholder engagement

Frequent and effective engagement with our internal and external stakeholders is critical for us to develop and operationalise our sustainability strategy and related disclosures. It also enables us to better understand how stakeholder expectations and needs might align with 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 drives innovation and delivers on the Group's objectives and goals	• Training and development pathways • Engagement surveys • Company events to facilitate connection and collaboration • Proactive and inclusive internal communication forums • Health, safety, wellbeing and environment (HSWE) programs

Who	Why	How
Medical community and patients – including medical societies and patient advocacy groups 	To ensure our innovation and pipeline development remains connected to patient needs and experience	• Key opinion leader strategy • Product and disease area advisory boards • Direct connections with patient and patient advocacy groups (subject to local laws for engagement)
Customers – including healthcare system payers 	To mitigate risk and ensure our commercial-stage and development-stage assets meet customers' needs	• Participation in scientific and medical congresses • Direct communication • Fair and balanced medical and scientific education about our products and innovation
Shareholders and investors 	To communicate the strategy and governance that supports our delivery and performance	• Investor communications strategy and dedicated investor relations team • Direct engagement with shareholders and investors • Hybrid Annual General Meetings which enable direct feedback to Directors from the widest possible group of shareholders • 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 and incentivise 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 • Contribute to policy initiatives that improve healthcare system readiness for theranostics, across governance, regulation and reimbursement, service provision, workforce and health information
Partners, business-to-business partners, contract organisations and material supply chain vendors 	To support sustainable business growth and deliver access to a range of diagnostics and therapies	• Conduct diligence and risk assessments of our contract research, development and manufacturing organisations and other material supply chain vendors • Foster connections between material supply chain partners to facilitate collaboration to achieve objectives • Alignment on shared sustainable business growth and other institutional partnerships

Bringing our sustainability pillars to life

Purpose

- Product and service safety, including clinical trial safety
- Access to medicine

Patients. The reason we strive for excellence.

We conduct our clinical trials with a philosophy - and in a manner - that recognises the importance of patient safety and respecting the rights of participants.

We require that clinical investigators obtain and document informed consent - freely given without coercion - from all potential research participants.

We respect and maintain the privacy of research participants by ensuring individuals' data is de-identified and we safeguard the confidentiality of each participant's medical information in accordance with applicable laws and regulations.

Overall responsibility for product development, patient safety and related governance sits with our Group Chief Development Officer (CDO) and Group Chief Medical Officer (CMO). The CDO is responsible for ensuring decisions on product safety issues are made in the patients' best interests. The CMO is responsible for clinical trial development, ethical trial design, patient safety practices, and ethical conduct surrounding patient participation in clinical studies - paramount to clinical study development and conduct.

High-quality clinical research is conducted in accordance with all applicable laws and regulations. When conducting multinational, multi-site trials we follow legal, ethical and scientific standards, including Good Clinical Practice (GCP). The Guideline for GCP is an internationally accepted standard for designing, conducting, recording and reporting clinical trials. GCP captures informed consent for: clinical trial patients; trial management; data handling and record-keeping; clinical safety data management and reporting; and ethical conduct of clinical trials. We only conduct clinical trials when there is a sound unmet medical need and proven scientific methodology to investigate a scientific or medical question that is relevant to patients and/or healthcare professionals to improve patient lives and benefit society as a whole. We only enrol the number of participants required to answer the scientific questions under investigation.

To protect patient safety during the clinical trial process, we continuously collect, analyse, characterise and communicate the safety data of our products. We log adverse events as part of ongoing monitoring. We promptly share new findings and emerging concerns with investigators, regulators and/or research participants to appropriately manage risks associated with using our products, whether investigational or approved for marketing.

We have a Global Safety Review Committee (GSRC) that meets quarterly to oversee safety signal assessments across all Telix products in human use - including clinical trials, compassionate use, and post-market use - and collaborates on any actions needed. The GSRC comprises the CMO, medical affairs, pharmacovigilance, regulatory affairs, risk and compliance functional leads, and qualified persons.

In the event of a product quality issue that may impact patient safety, Telix's Quality and Safety Evaluation Board (QSEB) is responsible for reviewing and evaluating product release and quality and safety issues. The QSEB comprises the CDO, CMO and senior representatives of the quality, regulatory, medical and risk and compliance functions. Outcomes of the QSEB are reported to the MD & CEO.

Improving access to medicine

Access to quality-assured medical products improves health and saves lives, but access is not equitable across the globe. One-third of the world's population does not have access to essential medicines and treatments.

Our philosophy and statement of commitment are detailed in our Access to Medicine Policy. This includes our commitment to working with industry partners and patient advocacy groups to enhance access to medicine, particularly in the least developed countries or to the poorest populations in more developed countries.

Given the Group's current size and stage of development, setting defined targets for access to medicine strategies is not appropriate. We will continue to assess this status as we grow.

We are committed to discovery and innovation; enabling access where possible, and incorporating compliant access strategies into our product development, post-clinical trial and lifecycle management plans and strategies; working with industry partners and patient advocacy groups with the aim of reaching more people with more products; and promotion of strong global healthcare systems.

We have a strong research and innovation program, with a strategic scope to develop new medical products, improve existing medical products and/or make them more accessible to patients with unmet medical needs worldwide.

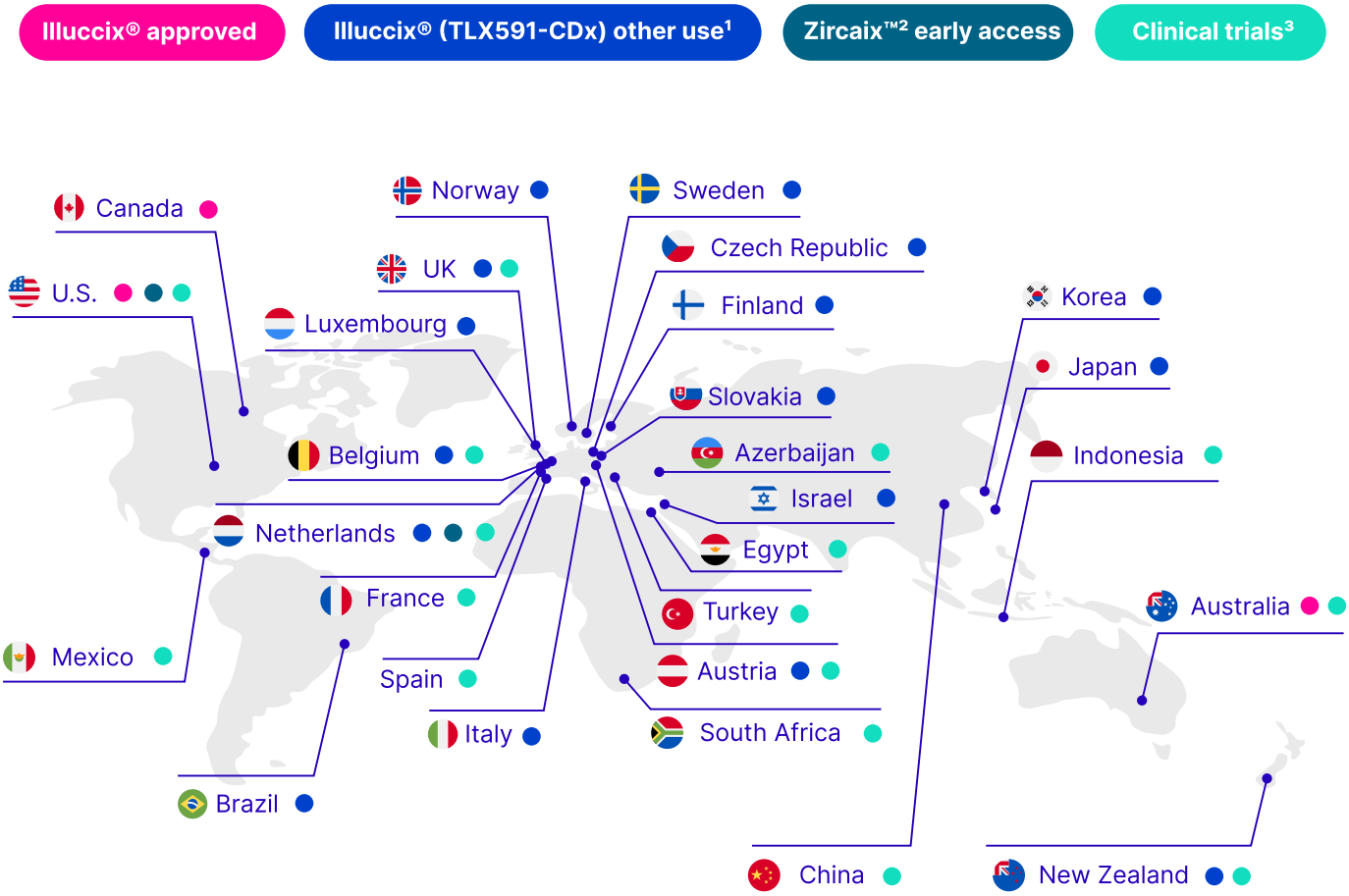
Special, early or expanded access to investigational medicines ('Managed Access')

We believe participating in clinical trials is the most appropriate way for patients to be treated with investigational medicines prior to regulatory approval and marketing authorisation.

When participation in a formal clinical trial is not possible, patients with life-threatening conditions may, in some circumstances, seek special access to investigational medicines via a physician on a compassionate use basis. This is particularly the case for our CAIX-, PSMA- and LAT-targeting programs - for kidney cancer, prostate cancer, and glioma, respectively. These Managed Access programs are typically referred to as compassionate use, but can also be known as named patient request, magisterial prescribing, expanded access, early access and emergency use protocols.

Patient impact and expanded access

During the year Illuccix® and investigational products were used in 28 countries worldwide.



1. Illuccix® sale permitted under special exemption, compassionate or magisterial use.
2. Trade name subject to final regulatory approval.
3. Clinical trials (including IITs) and NOBLE Registry.

During 2023, Illuccix® became available in two additional regional Australian locations - Mackay in Queensland, and Hobart in Tasmania. For the first time, men living outside metropolitan areas in Australia have access to advanced prostate imaging that is both approved by the Australian Therapeutic Goods Administration (TGA) and available for reimbursement on the Medicare Benefits Schedule (MBS).

In September 2023, we launched a bursary scheme with RMIT University to support nuclear medicine students on placement in areas of rural, regional, and remote Victoria where there is a workforce shortage. Under the scheme,

we will be making several placement bursaries available per semester for students across all year levels, to fund accommodation, travel and meal costs, and ensure that as many students as possible can access enriching education and experience outside major cities.

Tara's story

Telix student bursary addresses shortage in regional nuclear medicine workforce

In 2022, the Victorian Labor government promised to deliver eight new PET scanners into state hospitals by 2026, with four of these planned for rural and regional areas.

However, the sector faces major difficulties in attracting and retaining nuclear medicine technologists to operate this equipment.

To help address this, during 2023 Telix launched a bursary program with RMIT University, the only Victorian university that teaches students to become Australian Health Practitioner Regulation Agency (AHPRA) registered nuclear medicine technologists/ scientists.

According to Mark Scalzo, RMIT University nuclear medicine stream leader, the greatest barrier to graduation from the course is students having to fund their placements for the 51 weeks required, especially in rural, regional and remote centres.

Financial support from Telix is enabling aspiring nuclear medicine scientists and technologists like Tara, regardless of background or location, to qualify in their desired career path and positively impact patient outcomes. Tara completed her third-year placement in Bendigo in regional Victoria.

Used with permisson.

Tara during her placement in Bendigo.

Map of regional Victoria.

In October 2023, we formalised our support for the Oncidium Foundation's radioligand therapy platform, RLT-Connect, aimed at reducing healthcare disparities, particularly in low- and middle-income countries. The platform connects healthcare professionals with radioisotope suppliers to make these therapies accessible to patients in need. This aligns with our core commitment to improve access to innovative radiopharmaceuticals globally.

In December 2023 we dosed the first patients in early access programs in the U.S. (ClinicalTrials.gov ID: NCT06090331) and the Netherlands for our breakthrough PET imaging agent TLX250-CDx (Zircaix™[1]) for the detection and characterisation of CAIX-positive lesions in adults with renal masses. This followed the completion of our successful global Phase III ZIRCON study, which reported positive results in November 2022, meeting all co-primary and secondary endpoints.[2]

Promoting strong global healthcare systems

We are actively involved in supporting policy and legislative measures that encourage innovation and promote access for patients, such as the FIND Act in the U.S..[3] This U.S. legislation, which has growing bi-partisan support will ensure appropriate Medicare reimbursement and equitable access to the most innovative radiopharmaceutical imaging drugs.

1. Trade name subject to final regulatory approval.
2. Telix ASX disclosures 7 November 2022.
3. Facilitating Innovative Nuclear Diagnostics Act (H.R 1199).

People

- Employee health and wellbeing
- Diversity, equity and inclusion
- Employee engagement, satisfaction and development

Everyone counts

Our success starts with our people. We are committed to providing a safe, healthy and inclusive workplace for our employees (including contractors) and have a comprehensive Health, Safety, Wellbeing and Environment (HSWE) strategy.

We comply with all applicable safety laws and regulations, and aim for the highest international standards in the harmonisation of our policies and practices across our operations. We seek to eliminate, as far as reasonably practicable, work-related injuries, illnesses and unplanned events from all aspects of our operations through programs related to our HSWE strategy.

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

HSWE leading and lagging statistics are reported to the GET, PCNRC, and Board. Statistics include incidents, accidents, near misses, training, wellbeing surveys, utilisation of the Employee Assistance Program, anonymous reports, hazardous environmental working practices and/or working practices that may impact the environment (considered from the context of employee wellbeing).

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

We monitor and address employee wellbeing through regular surveys and initiatives to drive wellness, encourage work-life balance, and offer direct support for employees. We provide employees with up to four paid wellness days every calendar year (in addition to statutory leave requirements). We also promote 'meeting-free' days and, given the global nature of our operations and essential cross-jurisdictional collaboration, target zones for meeting versus meeting-free hours.

In 2023 we launched our Resilience First Aid program which identified individuals who are dedicated to promoting mental and emotional wellbeing within our organisation. These employees play a vital role in providing support, guidance and resources to help global colleagues build resilience, manage stress, and navigate challenges effectively.

Creating a safe workplace and culture that foster 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. Our programs and practices include:

- hybrid work and flexible working
- global paid parental leave policy and entitlement
- ‘Respect in the Workplace' training for all employees
- mental health awareness surveys and initiatives, and
- engagement surveys.

Developing our future leaders

We have a broad portfolio of internal and external learning and development opportunities available to employees at all levels. We provide internal development in the form of lunch-time webinars and seminars by subject matter experts, access to tens of thousands of self-paced online learning modules through the Learning Management System, and an opt-in ‘Learning Ladies Network’ available to all Telix learners.

In 2023, we launched the 'Rising Leaders' program offering 26 leaders the opportunity to develop their skills, mindset, and relationships to grow and thrive in their roles and prepare them for future leadership at Telix. The program includes participants from all regions and functions.

Investing in the professional growth and development of our diverse leaders and emerging talent contributes to diversity, equity, inclusion and belonging within our workforce. It also enhances our organisational agility and innovation while creating the next generation of leaders. As we continue along this path, we are confident that our empowered leaders' diverse perspectives and skills will contribute significantly to our long-term sustainability goals.

We also support learning and development opportunities from external providers. During 2023, three of our female leaders completed the Australian-based 'Women Rising' program, which takes an evidence-based approach, grounded in psychology and neuroscience, to help female leaders reach their leadership potential. Opportunities can be identified by managers, People & Culture, or employees themselves and accessed through a structured application process.

We further support our employees through annual goal setting and performance reviews, annual performance-based bonuses, our equity-based incentive program and hybrid work arrangements. Employees can also apply to access the learning and development budget for leadership or business coaching. Our People & Culture plan for 2024 includes an inaugural mentorship program.

Combining people and purpose

In September 2023 (Prostate Cancer Awareness Month), Telix global employees participated in the Prostate Cancer Foundation of Australia's The Long Run and ZERO Prostate Cancer's Run/Walk in the U.S.. Collectively, the team raised more than $27,000 for prostate cancer education, testing, patient support, research and advocacy.

Gender diversity in the workforce

We are committed to advancing diversity – in all its forms – in the workplace. Gender diversity has been a focus throughout our history and women represent 49% of our global workforce. The Board and GET monitor the percentage of women in the workforce, with a particular focus on increasing female representation in senior management.

Our gender representation progress through the 2023 financial year is as follows:

- we have met the gender representation goal set by the ASX Corporate Governance Council, of at least 30% of each gender on the Board, with employees identifying as female represented at 33%
- the representation of women in our Global Leadership Forum is at 44%, and
- women represent 30% of our Band 3 employees.

See our Corporate Governance Statement for more information available at www.telixpharma.com/investor-centre/corporate-governance.

Principles

- Business ethics and integrity
- Transparency and reporting
- Supply chain responsibility
- Labour practices and human rights

We act with determination and integrity

We have established policies and procedures, including our Code of Conduct, that articulate our principles and values and provide a framework for ethical conduct. Our Code of Conduct establishes our expectation that management, employees, and agents of Telix act in accordance with all applicable laws and Telix policies and procedures, as well as the highest standards of ethics. The Code of Conduct emphasises a strong culture of integrity and ethical conduct in association with independent Anti-Bribery and Anti-Corruption and Whistleblower Protection Policies.

We have policies applicable to interactions with healthcare professionals both in the public and private sector, and all interactions are additionally expected to comply with applicable laws. These policies, including the Code of Conduct, detail multiple reporting channels for suspected breaches and are strongly linked to the Whistleblower Protection Policy.

Material breaches of the Code of Conduct and the Anti-Bribery and Anti-Corruption Policy, and reports of incidents under the Whistleblower Protection Policy, are reported to the Board. This program is periodically reviewed for its effectiveness and promoted to all employees.

We have a global ethics and compliance program designed to promote compliant and ethical conduct and to prevent and detect violations of the law and our policies.

All employees are required to undertake compliance training as part of induction and at regular retraining intervals. This training covers our Code of Conduct and key policy areas relating to anti-bribery and anti-corruption, modern slavery, privacy, competition, whistleblower protection, diversity, equity and inclusion, anti-discrimination, and workplace health, safety and wellbeing.

Our employees are expected and encouraged to speak up, ask questions to seek guidance or clarification, and report ethical or compliance concerns in good faith and without fear of retaliation. Clear instructions about this are addressed in our Whistleblower Protection Policy, which is available in English, French and Japanese – the key employee languages used across our business. We have a commitment to no retaliation, which is documented in our Whistleblower Protection Policy.

We have internal and external reporting channels, including anonymous options, for employees, suppliers and other relevant parties to report reasonably suspected misconduct, compliance violations or other matters, including:

- unethical/illegal behaviour
- coercion
- harassment or discrimination
- modern slavery
- privacy
- fraud or corrupt practices, and
- workplace safety or environmental hazards.

Our grievance, complaints and reporting procedures all include clear processes for investigating and responding to claims and concerns in an ethical, confidential and transparent way.

We also raise awareness of important global community issues via internal events and programs, such as International Women's Day, Pride Month, World Suicide Prevention Day, R U OK? Day, World Mental Health Day, International Human Rights Day, and Movember.

Supply chain responsibility and transparent reporting

We expect our employees and relevant business partners to adhere to our values and commitments, wherever they operate. We strive to have a transparent supply chain and to report in a way that complies with all applicable modern slavery and human rights legislation.

Through our Supplier Code of Conduct, we have documented the expectation that suppliers implement their business in a manner that respects and supports human rights. We expect that they:

- do not engage in or tolerate activities that contribute towards human exploitation, including as relates to children and child labour
- respect and support worker needs with regard to wages, benefits and working hours
- respect workers' rights to freedom of association and privacy
- do not engage in or tolerate discrimination in any form
- comply with health and safety laws
- actively manage the environmental impact of their operations, and
- conduct their business in a fair, ethical, professional and transparent manner.

We support and track adherence to our Supplier Code of Conduct with high-risk suppliers in a multitude of ways:

- building awareness and supporting suppliers to address modern slavery and human rights risks in their operations
- minimum contractual clauses for compliance with applicable laws
- building awareness within employee base
- utilising data from complaints/grievance mechanisms to assess the effectiveness of systems, policies and practices
- delivering compulsory training for all staff and targeted training opportunities
- utilising internal and external audit programs to verify the effectiveness of internal controls, and
- quarterly risk reporting to the GET and ARC.

We collect and monitor internal and external information for use as data points in line with applicable laws to inform and improve the definition of our supplier risk profile, and support our human rights risk assessments.

The majority of products and services required for our business or supply chains are procured from Australia, the U.S. and countries in Europe - countries that do not create inherent heightened modern slavery risks (2023 Global Slavery Index).

However, we recognise that modern slavery risks may exist in partner supply chains that may not be obvious from the country source of such products or services. These risks generally relate to a lack of awareness and acceptance of modern slavery risks or where there are underdeveloped human rights or labour laws. This is particularly relevant for small to medium-sized enterprises still developing their management capability and understanding of labour standards.

There are limitations in our ability to influence our broader supply chain, but we engage with our key direct suppliers on a risk basis to raise awareness of modern slavery risks within their own organisations and supply chains.

While we recognise that spend does not necessarily correlate with modern slavery risk, we have included it as a relevant risk analytic because of our assumed increased ability to influence our high-spend suppliers to address this risk.

We use a range of internal and external data sources in supplier onboarding and due diligence processes to continually improve the definition of supplier risk profile.

In 2023, we continued to identify and refine the traceability of goods and services within our own and our supplier operations, focusing on the geographic scope and goods and services most relevant to our business.

We acknowledge that without adequate contractual arrangements and due diligence there is a risk that we could contribute or be directly linked to modern slavery practices through our arrangements with suppliers. We take the following precautions to help verify that our suppliers meet our expectations:

- we select suppliers based on their merit and quality of goods or services
- before contracting suppliers we consider to be of higher risk, and periodically after that, we conduct targeted, risk-based due diligence through a tiered, risk-based program
- we include targeted provisions in supplier contracts to request compliance with applicable laws and principles of relevant Telix policies, and
- we require Telix pre-approval for any sub-contracting for key suppliers.

Labour practices and human rights

We respect human rights and are committed to creating a safe workplace with a culture that fosters diversity, equity, inclusion, belonging and wellbeing. We are committed to operating our business with integrity and accountability, including respecting worker rights, complying with employment and human rights laws, and working to prevent any child labour, modern slavery or human trafficking from occurring in any part of our business operations or supply chain.

Our philosophy is based on and informed by the United Nations' (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. During 2023, we published our inaugural Modern Slavery Statement for the 2022 financial year.

In Australia, Telix is subject to the requirements of the Payment Times Reporting Scheme which requires us to publicly report on payment terms and practices for our Australian small business suppliers. During 2023, we received a total of 591 invoices from 73 small suppliers and based on the invoice value, paid a total of 90% within 60 days of receiving the invoice, with 66% being paid within 30 days.

Ethical use of animals

We are involved in testing potential new medicines on animals and in humans. This is an essential requirement of international medicine development and regulatory approval processes. Telix has and enforces an ethical use of animals policy that requires all studies undertaken involving animals or humans are developed in association with medical, scientific and regulatory advisors. These studies reference 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 undertaken when there are no alternatives, represent the only feasible option to advance investigational agents, and only commence after necessary ethics approvals have been received from the institution or clinical site at which studies are to be carried out.

Performance

- Risk management
- Data privacy and cybersecurity
- Board composition and governance
- Executive compensation and benefits

We strive to be extraordinary

Effective risk management is essential in delivering sustainable value for our stakeholders. It requires commitment and involvement across the business, from the Board to employees at all levels of our operations. The Managing risk section in this Report provides a comprehensive overview of our risk management processes and procedures.

Protecting privacy and ensuring information security

We are committed to protecting the privacy of all individuals with whom we engage. Telix's global Privacy Policy describes how we collect, use, disclose, protect and store personal information collected, and what choices and rights individuals have with respect to that information. We do not generally collect 'sensitive information' (defined as including, for example, information about racial or ethnic origin, political opinions, religious beliefs or affiliations, membership of trade unions or associations, and sexual preferences or practices), other than health information in very limited circumstances in relation to a clinical trial, or reasonably necessary to ensure the health and safety of personnel at Telix premises around the world.

We take all reasonable steps to ensure the security of our systems and to protect information from misuse, interference and loss, as well as unauthorised access, modification or disclosure. We limit access to personal information. Information is stored on high security servers. In the event of a data breach, we are committed to complying in all respects with the requirements of all relevant privacy laws, including, but not limited to, the provisions of the Australian Privacy Act, the General Data Protection Regulation (GDPR), the UK Data Protection Act, the U.S. Health Insurance Portability and Accountability Act (HIPAA), the Californian Privacy Act and the Japan Act on the Protection of Personal Information (APPI). We have in place data breach policies and plans that apply when handling personal information breaches under applicable laws.

We have an Information Security and Information Management (ISMS) program led by the Chief Information Officer and Director of Cyber Security. Our policy is that information in all forms must be protected from accidental or intentional unauthorised modification, destruction or disclosure throughout its lifecycle. This protection includes an appropriate level of security over the equipment, processes and software used to process, store and transmit information. We have established and seek to continuously improve effective information security governance. We adopt a risk-based approach in line with the ERMF to address potential gaps in security controls. All employees must participate in information security training when hired, with at least annual refresher training.

We conducted an internal audit of our ISMS system during 2023 to assess effectiveness and associated compliance.

Structuring the Board to add value

The Board is committed to ensuring that it comprises individuals who collectively have the appropriate skills and experience to develop and support its responsibilities and Company objectives. See our Corporate Governance Statement available at www.telixpharma.com/investor-centre/corporate-governance for further information on the Board's composition, role and responsibilities.

We promote Director and employee ownership of shares to foster shared ownership and commitment to company, stakeholder, partner and patient outcomes. All Directors own shares in Telix, and the Company utilises an Employee Incentive Plan to encourage and enable share ownership by all employees across the organisation.

Our performance during the year – linked to executive remuneration

See 2023 highlights section of this Report for a snapshot of financial and operational performance. Additional detail on business performance can be found in the Our performance, strategy and future prospects section of this Report.

Planet

- Environmental sustainability
- Climate strategy

Human health is interconnected with the health of the planet

Climate change is a global issue leading to an ever-growing responsibility of companies and industries to understand and address their environmental impact and sustainability. We are committed to contributing to the creation of a more sustainable world.

We monitor existing and emerging risks stemming from the manufacturing, regulatory, people and supply chain aspects of our business.

We recognise that our operations and business activities could affect biodiversity values within land, marine and freshwater ecosystems. We aim to operate in a manner that will minimise our environmental impacts and promote sustainable land use. We will apply a mitigation hierarchy of avoidance, minimisation and mitigation during the lifecycle stages of our operations.

We are committed to meeting international standards in biodiversity protection. We believe in science-based solutions and will form partnerships to better understand potential impacts and inform management practices.

We are committed to maximising natural land use on our sites and minimising biodiversity impacts. Our plans for natural land best use and regeneration include tree-planting and preserving or restoring habitats that promote biodiversity activity – wherever possible, and in accordance with local regulation and guidance.

We will conduct environmental risk assessments while we explore the feasibility and practicality of implementing a formal Environmental Management System. As part of this process, we aim to balance the delivery of Telix's strategic objectives and obligations under the complex regulatory environments in which we operate.

We follow the practice of 'plan – do – check – act' as we continue to:

- review our environmental goals
- analyse the environmental impacts and legal requirements related to our operations
- set objectives to reduce environmental impacts and comply with legal requirements
- establish programs to meet these objectives and targets
- monitor and measure progress in achieving the objectives, and
- seek to ensure employees' environmental awareness and competence.

Nuclear industries must carefully monitor and control what they release into the environment to keep the air, water and land clean. We recognise and support the safety standards of the International Atomic Energy Agency (IAEA) and the International Commission of Radiological Protection (ICRP), which provide rigorous regulatory mechanisms to restrict the release of radionuclides and control any radiological impact on people and the environment. We are committed to limiting the release of radioactivity into the environment and ensuring compliance with established radiation protection standards.

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

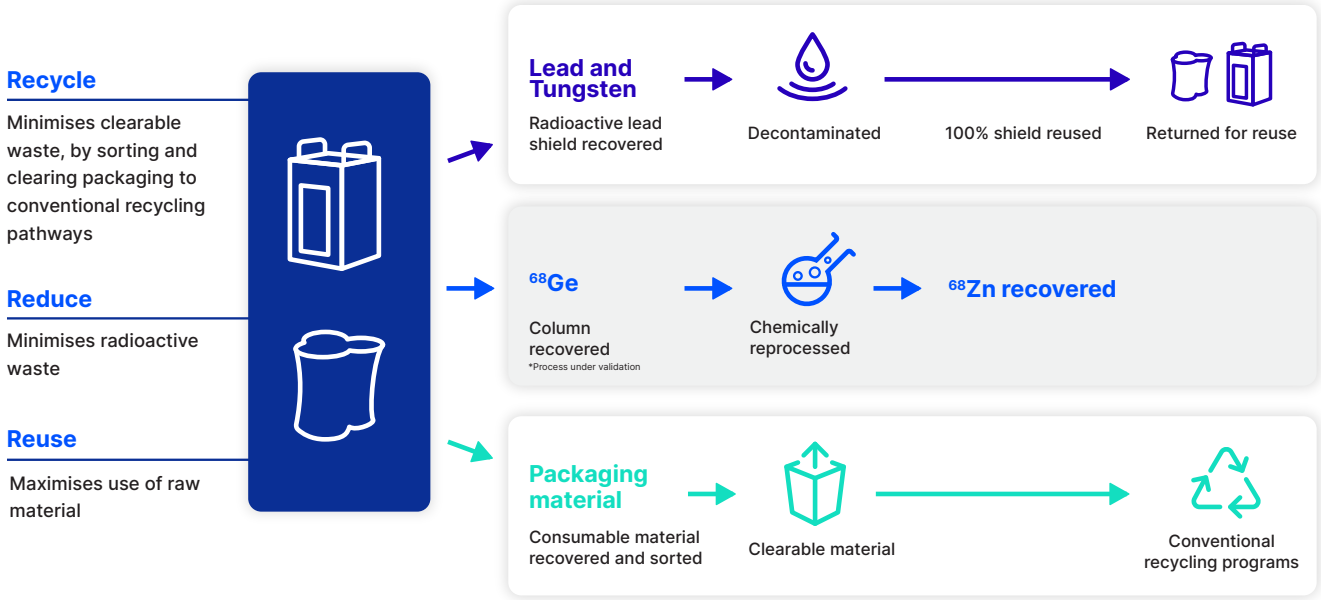
We have a rigorous assurance program through which we conduct due diligence on and internal audit of material vendors and suppliers. This includes ensuring our relevant vendors and suppliers have the appropriate licences and SOPs, and regulatory compliance certifications (where required) for the safe disposal of radiopharmaceuticals.

Principles in practice

The Illuccix® kit is intended for use with Eckert & Ziegler's GalliaPharm® and IRE EliT's Galli Eo® gallium-68 generators, where, in both cases, the three main components can be recycled. The radioactive lead shield is recovered, decontaminated and returned for re-use. The germanium-68 column is recovered and then chemically reprocessed to recover zinc-68 (85-95%) for recycled zinc-68 targets. Packaging is separated into consumable material (recovered and sorted) and clearable material, which can enter conventional recycling programs.

Recycle, reduce, reuse ^{68}Ge/^{68}Ga generators

Contribution to our local and global sustainability goals



Climate related disclosures

We support the Task Force on Climate-related Financial Disclosures framework, which we have used to guide our 2023 climate-related disclosures. We also support the International Sustainability Standards Board's (ISSB's) issuance of its inaugural standards: IFRS S1 and IFRS S2. We continue to develop our disclosure methodology in accordance with leading standards and frameworks, including the emerging Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information.

Informing the Board about environmental issues and climate change

We identify and manage environmental and climate-related risks and opportunities as part of, and in accordance with, our ERMF – including when determining the materiality of our exposure to climate-related risks. We are working to integrate climate risk into the supporting policies, processes and controls for our key climate risks and continue to update these as our climate risk management capabilities mature.

We operationalise the three lines model for risk and opportunity management and assurance. Each functional lead is the ultimate first-line risk and opportunity owner for their Business Unit. With leadership, guidance and support from the second-line GRC function, the functional leads form the sustainability committee within the business, ensuring that sustainability and climate- related matters are considered when setting and implementing Business Unit strategy, objectives and activities.

Climate strategy is governed by the Board, while our operational climate guidance and day-to-day management of climate- and sustainability-related risks and opportunities are driven by management. The Board and its committees receive quarterly presentations from management on environmental, governance and social issues, such as climate; diversity, equity and inclusion; pay equity; and the integration of sustainability factors into our operations. The ARC receives quarterly reports on material risks and opportunities to the business, including environmental and climate-related matters.

Management reports the status of initiatives addressing environmental risk (strategy implementation, target setting, policy and other indicators, and risk response) to the ARC. During 2023 we delivered against a strategic plan to

start capturing and recording data (including data integrity and assurance processes) to help us understand our environmental footprint and inform our goals for disclosure and future setting of science-based targets.

Climate-related issues that may have a material financial impact on the organisation

Understanding the potential impact of future climate scenarios - together with proactive mitigation, intervention plans and targeted investment in line with our overarching strategic objectives - is an essential consideration of the Board and management. This understanding supports our efforts to build resilience and ensure long-term sustainability and continued development and commercialisation of theranostics for patients living with cancer and rare diseases.

We are also committed to understanding the physical climate change risks for our workforce in delivering on our purpose.

In 2023 we focused on identifying environmental and climate-related risks and opportunities. Our priorities for 2024 and 2025 include screening climate impacts across our operations on a risk-assessed basis and defining a methodology to ensure climate risks associated with our operations are integrated into our business planning.

We will use scenario analysis to help us understand the broad range of climate-related issues that may impact our business. Our focus will be on enhancing the resilience of our operations while implementing energy efficiency initiatives and renewable energy projects where possible, practicable and relevant to the delivery of our strategic objectives. We will aim to incorporate applicable physical climate scenarios into supply chain, built assets, and operational decisions.

We are developing strategies and plans to increase our knowledge base with regard to the potential financial impact of extreme weather events (e.g., the cost of supply interruptions), to enable us to develop appropriate mitigation and intervention plans. We will assess these financial impacts and disclose them where material.

In 2024 and 2025 we aim to develop methodologies that consider the potential impact of extreme weather events on our business, strategy and financial planning in the following areas:

- products and services
- supply chain and value chain
- adaptation and mitigation activities
- investment in R&D
- operations
- acquisitions or divestments, and
- access to capital.

The nature of the risks and opportunities we face depends on the physical aspects of climate change, as well as transition risks related to regulatory and commercial changes in the markets in which we operate. In addition to these risks, there is the opportunity to reduce our carbon footprint and to shape a culture of climate action focused on de-carbonising our value chain. Physical and transition climate-related risks may include:

Risk or opportunity	Description	Mitigation and management
Policy and legal risks	There is uncertainty over the future environmental policy and fiscal landscape in many countries where we operate. We anticipate increased regulation and other developments related to carbon pricing and broader environmental taxation over the medium to long-term. We may face increased pricing of greenhouse gas (GHG) emissions, enhanced emissions-reporting obligations, mandates on and regulation of existing products and services, which may in turn increase our exposure to litigation.	We aim to maintain awareness of current and emerging policy across our areas of operation. This includes proactive searches, participation in industry and policy area events and conferences, subscriptions and memberships to policy monitoring services, and engagement of expert third parties for advice. We will continue to incorporate awareness of emerging issues into our business sustainability thinking and decision-making. We aim to understand our GHG footprint and set targets to reduce or offset our emissions where applicable. We will look to implement life-cycle assessments for products that include a GHG footprint to help assess and manage risks to reduce the environmental footprint of our products. We will aim over time to develop an asset sustainability index to capture GHG (Scope 1, 2, 3) per product per patient per annum, as well as targeting the measure of percentage of renewable power and other resources used to make that product.

Risk or opportunity	Description	Mitigation and management
Market risk including changes in cost base and changes in technology	Separate to supply chain resiliency, increased operational costs in the supply chain may have an effect on pricing and costs of raw materials including packaging and logistics. We may face changing customer behaviour, uncertainty in market signals and/or increased cost of raw materials.	We aim to continuously develop our understanding of our critical supply chain and value chain so we can address emerging risks. We recognise the opportunity to develop products with lower emissions ratings that may connect to higher commercial potential. We will continue to use financial risk management strategies to manage increasing costs associated with broad market changes. We recognise that more efficient buildings will reduce costs and improved facilities management will lead to lower costs for repair and replacements. The use of lower-emission sources of energy will reduce costs and will reduce exposure to fossil fuel and carbon price changes. The use of more efficient production and distribution processes will reduce operational and logistical costs. Each of these may contribute to offset cost increases elsewhere in the value chain.
Increased frequency of extreme weather and climate-related natural disasters (acute physical risks); long term changes in climate (chronic physical risks)	Acute climate-related risks may manifest when physical risks, such as flooding or storms disrupt our own properties, operations, rented corporate service arrangements and/ or material supply chain partners. Chronic climate-related risks can come from long-term changes in precipitation, extreme variability in weather patterns, rising mean temperatures and/or rising sea levels.	We will seek to mitigate material business impact arising from short-term events by investing in at-risk Group sites, through thoughtful design and sustainability of supply chains, and by managing levels of inventory. We will address identified risks in business continuity plans and will integrate required investments into the normal mid- and long-term financial planning process. We will assess and determine suppliers with high criticality and exposure to significant future climate hazards, and aim to work with them to ensure that they build climate-related resilience into their business continuity plans. We will conduct climate risk assessments in site evaluation criteria for investment in new operations. Managing long-term changes in climate will require a proactive and strategic approach. We are committed to understanding the science of climate change, including its potential impacts, and taking action relevant to managing risk associated with our operations. This will include adaptation planning and may include, for example, building or purchasing climate-resilient infrastructure.

Governance

Governance at a glance

The Board of Directors is committed to achieving and demonstrating standards of corporate governance appropriate to the size and operations of Telix. It continuously refines and improves Telix's governance framework and practices to ensure they meet the interests of shareholders and other key stakeholders.

The Board believes good corporate governance:

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

Learn more about our key corporate governance policies and practices in our Corporate Governance Statement at www.telixpharma.com/investor-centre/corporate-governance

2023 governance highlights

- In May 2023, we published our inaugural Modern Slavery Statement for the 2022 financial year, including our key focus areas for 2023
- In August 2023, the Board visited our Americas headquarters in Indianapolis and met with the Americas leadership team and key distributors
- In September 2023, our Board Chairman visited our newly opened European manufacturing facility, TMS, in Brussels South, Belgium and met with the EMEA leadership team
- On 18 December 2023, we announced to the market that the Australian Securities Exchange (ASX) had advised that Telix was no longer required to lodge quarterly cash flow and activities reports under Listing Rules 4.7B and 4.7C due to its record of positive net operating cash flows over the past 12 months
- In December 2023, we completed an independent Board effectiveness and performance review, and
- During the reporting period, we updated our Board and Committee Charters and key corporate governance policies, including our Code of Conduct, Continuous Disclosure Policy, Securities Dealing Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblower Protection Policy, and Privacy Policy. We also published our Tax Code of Conduct.

Governance structure

Our governance framework fosters a high-performing and respectful culture and underpins our values. Our Board Charter is central to the governance framework and embodies our purpose, strategy, and values. It documents membership, and sets out the operating procedures and allocation of responsibilities between the Board and management.

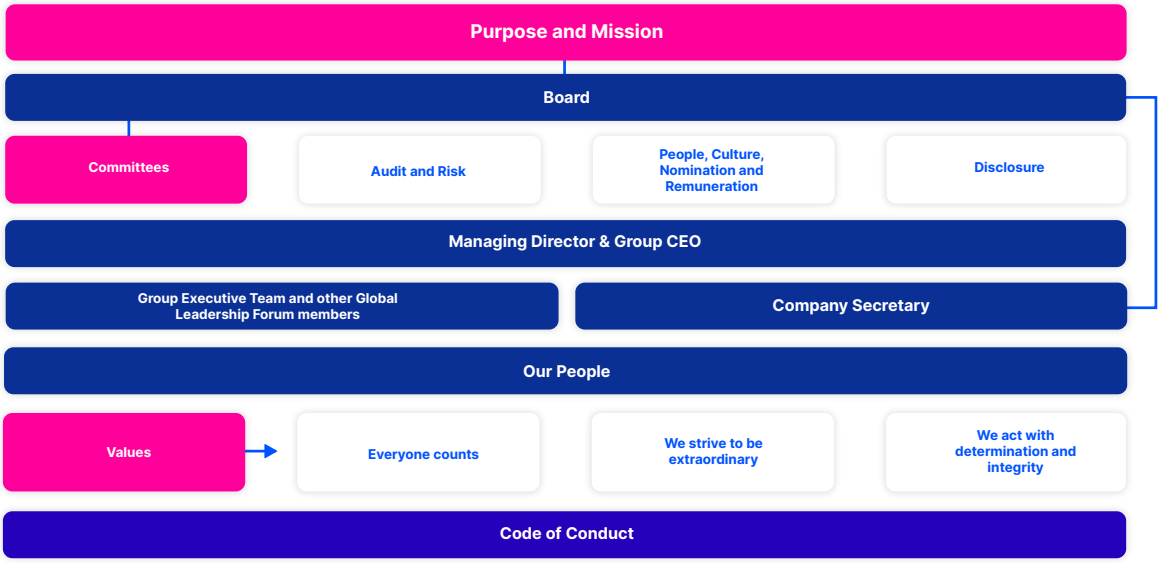
The Board, with assistance from its standing Committees, in particular the Audit and Risk, and People, Culture, Nomination and Remuneration Committees:

- approves Telix's strategic objectives, budgets, statutory financial reports and other periodic corporate reports
- monitors operational and financial performance, and strategic people and culture matters
- sets the risk appetite within which the Board expects management to operate and oversees Telix's risk management framework, compliance system and internal control framework, and
- oversees Telix's management, performance and corporate governance frameworks, including ensuring that mechanisms are in place for making timely and balanced disclosure to shareholders and the market regarding Telix's performance and major developments affecting its state of affairs.

The Board has delegated the day-to-day management of Telix and the implementation of approved business plans and strategies to the MD & CEO, who in turn further delegates to senior management (as appropriate).

Processes are in place to ensure the delegation flows through the Board and its Committees to the MD & CEO, GET and other senior leadership, and into the organisation. The MD & CEO and GET are responsible for the day-to-day management of the Group. This governance framework also facilitates the flow of information and accountability from our people, through management levels, to the Board.

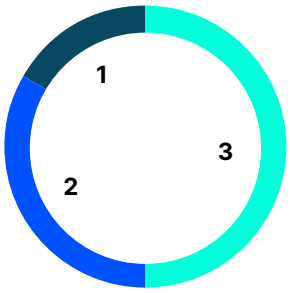
Corporate governance



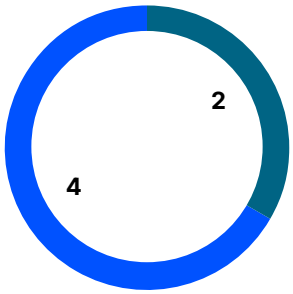
Board composition as at 31 December 2023

The Board focuses on maintaining an appropriate mix of skills and diversity in its membership, including experience in the radiopharmaceuticals industry, international business, finance and accounting, and risk, compliance and people management, and gender diversity. A detailed matrix of Board skills is available in our 2023 Corporate Governance Statement, available at www.telixpharma.com/investor-centre/corporate-governance

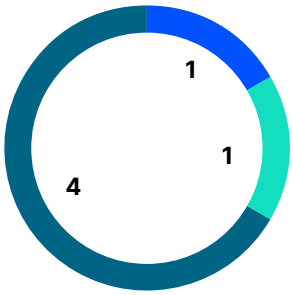
Tenure



Gender diversity



Location



Board of Directors

The names and details of the Company's Directors at the date of this report are set out below. All Directors except Andreas Kluge served on the Board for the full financial year ended 31 December 2023. Andreas Kluge took leave of absence from his role as Non-Executive Director from 29 March to 29 September 2023, inclusive.[1]

Board committee membership

Chair Chair

H Kevin McCann AO

BA LLB (Hons) (Syd), LLM (Harvard), LLD (Syd) (Hons), Life Fellow AICD
Appointed Non-Executive Director and Chairman, 17 September 2017

Skills and experience

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

In his roles as Chairman of the Board and Chair of the People, Culture, Nomination and Remuneration Committee, his experienced leadership promotes a cohesive, constructive challenge and oversight environment. Mr McCann's expertise in shaping culture (including through organisational and remuneration design), public policy, social performance and stakeholder engagement, enables him to bring valuable insights in these areas.

Mr McCann received a Bachelor of Arts and a Bachelor of Law (Honours) from Sydney University, a Master of Law from Harvard University and has been awarded an honorary Doctor of Laws from Sydney University. He is a Life Fellow of the Australian Institute of Company Directors.

Career summary

Previously, Mr McCann served as Chairman of Macquarie Group and Macquarie Bank Limited (from December 1996 to March 2016), Origin Energy Limited (from January 2000 to October 2013) and the Sydney Harbour Federation Trust (from June 2001 to June 2010 and from June 2015 to June 2018). He was also previously a Director of Bluescope Steel Ltd (from May 2002 to April 2013) and E&P Financial Group Limited (from February 2020 to November 2021). He was also a Director of the U.S. Studies Centre at the University of Sydney (from June 2010 to June 2020) and was a Trustee of the Sydney Opera House (from January 2018 to December 2023). Currently, Mr McCann is a Member of Champions of Change Founding Group (since April 2010), Chairman of Sydney Harbour Foundation Management (since August 2015), Chairman of China Matters (since November 2018), a Director of Haydn Ensemble (since December 2020), and Chair and Board Advisor of Blueprint Institute (since June 2022).

Mr McCann 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. He was made an Officer of the Order of Australia for services to business, corporate governance and gender equality in January 2020.

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

Country flags represent the primary place of residence of each Board member

1. Telix ASX disclosure 29 March 2023.

Board committee membership

Christian Behrenbruch

BEng (Hons), DPhil (Oxon), MBA (TRIUM), JD (Melb) FIEAust
Co-Founder. Appointed Managing Director and Group Chief Executive Officer, 3 January 2017

Skills and experience

Dr Behrenbruch has more than two decades of radiopharmaceuticals experience and a strong track record in global healthcare and biotechnology entrepreneurship and technology commercialisation. He brings a unique blend of technical expertise and executive leadership to guide Telix as it enters the next stage of its strategy.

Dr Behrenbruch has a strong focus on purpose and values-leadership, and is well versed in all aspects of running a publicly listed company as both CEO and Director in the U.S. and Australia.

Dr Behrenbruch 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 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.

Career summary

Previously, Dr Behrenbruch served as Chief Executive Officer at Mirada Solutions (now Mirada Medical Limited) (from July 2001 to December 2002), President at CTI Molecular Imaging (now Siemens Healthcare) (from August 2003 to September 2006), Chief Executive Officer at Fibron Technologies, Inc. (from June 2008 to December 2011) and Chief Executive Officer at ImaginAb, Inc. (from October 2007 to February 2015). He served as a Director at Siemens Molecular Imaging Ltd (from May 2005 to September 2006), Momentum Biosciences LLC (from July 2007 to June 2009), Radius Health Ltd (now Adaptix Ltd) (from May 2009 to February 2011), Factor Therapeutics Limited (ASX: FTT) (from October 2015 to May 2021) and Amplia Therapeutics Limited (ASX: ATX) (from May 2016 to February 2020). Dr Behrenbruch was the Chairman of Cell Therapies Pty Ltd (a partnership with the Peter MacCallum Cancer Centre) (from October 2012 to July 2014).

Andreas Kluge

MD PhD (Berlin)
Co-Founder. Appointed Executive Director, 3 January 2017
Transitioned to Non-Executive Director, 2 June 2020

Skills and experience

Dr Kluge's depth of clinical research and development experience in radiochemistry, molecular imaging and clinical development is highly valued by the Board. He brings a critical mind to the requirements of clinical development of novel radionuclide-based products and devices to enable successful clinical trials and commercialisation of Telix's pipeline assets.

Dr Kluge received his doctorate degree in Medicine from the Free University of Berlin. He is a registered physician and the author of numerous patents and publications in the field of nuclear medicine, neurology, infection and immunology.

(Continued)

Career summary

Dr Kluge is a Founder, General Manager and Medical Director of ABX-CRO Advanced Pharmaceutical Services GmbH (since August 2002), a full-service Contract Research Organisation (CRO) for Phase I-III biological, radiopharmaceutical and anticancer trials based in Dresden, Germany. He was also a Founder and founding CEO of ABX GmbH (www.abx.de) (from September 1996 to July 2002), one of the leading manufacturers of radiopharmaceutical precursors globally.

Mark Nelson

BSc (Hons) (Melb), MPhil (Cantab), PhD (Melb)
Appointed Non-Executive Director, 17 September 2017

Board committee membership

Skills and experience

Dr Nelson's vast experience in the investment community, including in life sciences, brings a sound investment perspective to the implementation of Telix's strategy and makes him a highly valued member of the Telix Board.

Dr Nelson received his BSc from the University of Melbourne, his MPhil from the University of Cambridge and his PhD from the University of Melbourne.

Career summary

Dr Nelson has served as Chairman of the Caledonia Investments Group (since January 2012) and as a Director of The Caledonia Foundation (since August 2002). He previously served as Chief Executive Officer and Co-Chief Investment Officer of the Caledonia Investments Group (from February 1992 to January 2012). Dr Nelson has served as Chairman of Art Exhibitions Australia (since 2019), Director of the Mindgardens Neuroscience Network (since February 2018), Governor of the Florey Neurosciences Institute (since October 2007), and Director of Kaldor Public Art Projects (since October 2005).

Tiffany Olson

MBA (Minnesota), BSB (Minnesota)
Appointed Non-Executive Director, 31 March 2022

Board committee membership

Skills and experience

Ms Olson brings a depth of experience in commercialisation and corporate strategy in oncology, including in the radiopharmaceuticals sector, which the Telix Board values highly as it oversees the implementation of the Company's strategy.

Ms Olson received her MBA and BSB from the University of St. Thomas and BSB from the University of Minnesota.

Career summary

Ms Olson's most recent executive role was with Cardinal Health, the largest provider of radiopharmaceuticals in the U.S.. As President of Cardinal Health Nuclear & Precision Health Solutions (from July 2013 to October 2021), overseeing Cardinal's radiopharmaceutical manufacturing and nuclear pharmacy network, she led a significant business transformation that increased market share and profit growth.

(Continued)

Prior to Cardinal Health, Ms Olson served as President of NaviMed (from August 2011 to July 2013), as Vice President Diagnostics at Eli Lilly and Company (from November 2009 to July 2011), and as President and Chief Executive Officer at Roche Diagnostics Corporation (from June 2005 to May 2008). Previously she was a Director at Asuragen, Inc (from August 2016 to March 2021) and at BioTelemetry, Inc. (from February 2019 to February 2021). She currently serves as a Director of Castle Biosciences, Inc. (since April 2021), an Advisory Board member at Langham Logistics (since August 2021), a Director at Education and Research Foundation, Nuclear Medicine & Molecular Imaging (since April 2022) and a Partner at Trusted Health Advisors (since August 2023).

Jann Skinner

BCom (UNSW), FCA, FAICD
Appointed Non-Executive Director, 19 June 2018

Board committee membership

Chair

Skills and experience

Ms Skinner has significant financial acumen, accounting and auditing expertise, with a strong understanding of risk management compliance frameworks and control oversight. Her listed company experience and expertise in capital management and corporate development enable her to challenge management constructively.

Ms Skinner is a Fellow of both Chartered Accountants Australia & New Zealand and the Australian Institute of Company Directors. She received her Bachelor of Commerce from the University of New South Wales.

Career summary

Ms Skinner is a qualified chartered accountant with extensive experience in auditing, accounting and in the insurance industry. She was a partner of PricewaterhouseCoopers for 17 years before retiring in 2004.

She has served as an independent Non-Executive Director of QBE Insurance Group Limited (since October 2014) and a Director of Create Foundation Limited (since June 2004). She also served as a Director of HSBC Bank Australia Limited (from April 2017 to April 2023).

Genevieve Ryan

BSc (Hons), LLB (Hons) (Monash), FGIA, FCG
Appointed Company Secretary, 5 December 2022

Career summary

Ms Ryan has 18 years' experience in legal and governance roles, including with ASX-200 companies. Previously, she was General Counsel – Governance, Corporate and Commercial at Orora Limited. Ms Ryan has also been Senior Legal Counsel and Alternate Company Secretary at Australian Pharmaceutical Industries Limited (acquired by Wesfarmers Limited). Ms Ryan began her career as a lawyer with law firm Ashurst (formerly Blake Dawson).

Group executive team

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

Managing Director and Group Chief Executive Officer

Dr Behrenbruch is a co-founder of Telix and was appointed Managing Director and Group Chief Executive Officer on 3 January 2017. See above for further biographical details.

Darren Smith FCPA, MBA

Group Chief Financial Officer

Mr Smith has more than 20 years of experience in executive finance and general management across a broad range of industries, including in life-sciences, for publicly listed, private, international and Australian government organisations. Prior to joining us, Darren was Global Chief Financial Officer and Company Secretary at Sirtex Medical Ltd (from June 2008 to March 2019).

Richard Valeix MBA

Group Chief Commercial Officer

Mr Valeix has more than 20 twenty years of pharmaceutical industry experience, including radiopharmaceuticals, gained in senior executive leadership roles across a broad range of therapeutic product areas. Previously, Richard worked (from January 2014 to April 2021) at Advanced Accelerator Applications (AAA), a Novartis Company, where he served in the roles of General Manager for France, Switzerland, Belgium, the Netherlands and Luxembourg, and Global Head of Marketing and Sales.

Country flags represent the place of employment of each Executive

Dr David Cade MBBS, MBA, GAICD

Group Chief Medical Officer

Dr Cade has more than 20 years experience as an industry physician spanning the fields of novel biotechnology, pharmaceuticals and medical devices. Prior to joining us, David held senior executive roles at Cochlear Ltd, where he served as Chief Medical Officer, and at Sirtex Medical Ltd, where he served also 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.

James Stonecypher BSc, MSc, RAC

Group Chief Development Officer

Mr Stonecypher has more than 25 years of experience in the life science industry in research, development and commercialisation of novel human medicines. An expert in Regulatory Affairs and Quality, James is passiontate 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.

Lena Moran-Adams LLB, GCLP

Group General Counsel

Ms Moran-Adams has more than 25 years of experience driving proactive, results-driven legal and compliance solutions worldwide, including 19 years' experience in the pharmaceutical industry in various country, regional and global leadership roles. Prior to joining us, Lena was the Head of Legal and Business Conduct, Intercontinental at Gilead Sciences and a Global Head of Legal at Novartis. Lena is admitted to the bar and entitled to practise law in Australia, the UK and in New York.

Kevin Richardson MBA

Chief Executive Officer, Americas

Mr Richardson has more than 25 years of experience in the healthcare industry, including seven years focused in sales, marketing and business operations in the radiopharmaceutical segment. Immediately prior to joining us, 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 Ltd.

Raphaël Ortiz LLB, MIA, MBA

Chief Executive Officer, APAC and EMEA

Mr Ortiz joined Telix with 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 AAA, a Novartis Company, and most recently in the role of Asia-Pacific Cluster Head, setting up the radioligand therapy operations in the region.

Directors' report

This Directors' report is presented by the Board of Directors of Telix Pharmaceuticals Limited, together with the Group's Financial report, for the financial year ended 31 December 2023.

Directors

At the date of this report, the Directors in office are:

- H Kevin McCann – appointed 17 September 2017
- Christian Behrenbruch – appointed 3 January 2017
- Andreas Kluge – appointed 2 June 2020[2]
- Mark Nelson – appointed 17 September 2017
- Tiffany Olson – appointed 31 March 2022
- Jann Skinner – appointed 19 June 2018

Information about Directors' qualifications, skills and experience, specific Telix responsibilities, and other external appointments is outlined in the Governance section of this Annual Report.

Meetings and attendance

The following table documents Directors' meetings, including meetings of standing Board Committees, held during the financial year ended 31 December 2023, and the number of meetings attended by each Director. All Directors are welcome to attend Committee meetings even if they are not members.

	Board of Directors		Audit and Risk Committee		People, Culture, Nomination and Remuneration Committee		Disclosure Committee	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
H K McCann	7	6	4	3	4	3	4	4
C Behrenbruch[1]	7	7	4	4	4	4	4	4
A Kluge[2]	4	2	-	-	-	-	-	-
M Nelson	7	7	4	3	4	4	-	-
T Olson	7	7	4	4	-	-	-	-
J Skinner	7	7	4	4	4	4	4	4

1. C Behrenbruch attends above committee meetings by invitation.
2. A Kluge took a leave of absence from his Non-Executive Director role from 29 March to 29 September 2023, inclusive. Prior to his appointment as Non-Executive Director, Dr Kluge was employed as an Executive Director of the Company.

Directors' interests in the securities of Telix

The relevant interests of each Director in the share capital of Telix 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	560,648
A Kluge	22,675,000	-
M Nelson	3,628,750	-
T Olson	95,235	52,070
J Skinner	595,000	-

Details are set out in the Remuneration report of this Annual Report.

Company Secretary

Genevieve Ryan BSc (Hons), LLB (Hons) (Monash), FGIA, FCG

Ms Ryan was appointed Company Secretary effective 5 December 2022. She has 18 years' experience in legal and governance roles, including with ASX-200 companies. Previously she was General Counsel – Governance, Corporate and Commercial at Orora Limited, and Senior Legal Counsel and Alternate Company Secretary at Australian Pharmaceutical Industries Limited (acquired by Wesfarmers Limited). Ms Ryan began her career as a lawyer with law firm Ashurst (formerly Blake Dawson).

Principal activities of the Company in the year under review

Telix was incorporated on 3 January 2017 and listed on the Australian Securities Exchange on 15 November 2017. It is a commercial-stage biopharmaceutical company focused on the development and commercialisation of diagnostic and therapeutic radiopharmaceuticals and associated medical devices. Headquartered in Melbourne, Australia with operations in the U.S., Europe (Belgium and Switzerland) and Japan, Telix is developing an extensive portfolio of highly differentiated assets in both large oncology indications and rare diseases, with high unmet medical need.

Telix's activities during the year were principally directed to further advancing its standing as a globally recognised theranostics company through commercialising and developing the therapeutic and imaging products in its core pipeline across five key disease areas:

- TLX591 / TLX591-CDx (Illuccix®): treatment and diagnosis of metastatic castrate-resistant prostate cancer
- TLX250 / TLX250-CDx (Zircaix™[1]): treatment and diagnosis of kidney (renal) cancer
- TLX101 / TLX101-CDx (Pixclara™[1]): treatment and diagnosis of glioblastoma (brain cancer)
- TLX300 / TLX300-CDx: treatment and diagnosis of soft tissue sarcoma, and
- TLX66 / TLX66-CDx (Scintimun®): bone marrow conditioning and rare diseases.

Review of operations, likely developments and expected results

A review of the Group's operations for the financial year ended 31 December 2023 can be found in the Operating and financial review section of this Annual Report.

The Group expects total revenue for the year ended 31 December 2024 to be in the range of $675,000,000 to $705,000,000 (US$445,000,000 to US$465,000,000 at current exchange rates), representing an approximate 35-40% increase compared to the prior year. Revenue guidance is based on worldwide sales of Illuccix with potential upside from Zircaix™[1] and Pixclara,™[1]. Guidance will be updated throughout the year, as appropriate, to reflect product approvals.

The Group expects additional investment in R&D of 40% to 50% (compared with 2023), including both external and internal costs funded by operating cash flow and broadly in line with revenue growth. R&D investment activity is expected to include validation of commercial manufacturing and market launch activities in preparation for approval of Zircaix™[1] (kidney cancer imaging) and Pixclara™[1] (glioma imaging), a fully operationalised Phase III therapy trial in prostate cancer (ProstACT GLOBAL) and initiation of additional therapeutic clinical trials, including manufacturing activity, across the broader pipeline. R&D investment also includes indication expansion and life-cycle management of Illuccix®.

Certain information regarding developments in operations in future years and expected results 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 2023 other than as disclosed in this Annual Report.

Events subsequent to the end of the financial year

On 5 January 2024 Telix announced that it is considering an initial public offering (IPO) of American Depositary Shares (ADSs) representing its ordinary shares in the U.S. and listing on the Nasdaq Global Market (Nasdaq). Telix's ordinary shares will remain listed on the Australian Securities Exchange. The number of ADSs that may be offered, the number of underlying ordinary shares that may be issued, the price for such instruments and the timing of the offering have not

1. Trade name subject to regulatory approval.

yet been finalised. No final decision has been made in respect of the offering or Nasdaq listing and there can be no assurance as to the occurrence, timing, pricing and/or completion of such an offering or listing.

On 8 February 2024 Telix entered into an agreement to acquire QSAM Biosciences, Inc. (QSAM), a U.S. based company developing therapeutic radiopharmaceuticals for primary and metastatic bone cancer. The purchase price comprises $50,800,000 (US$33,100,000) upfront, which is payable in the form of 4,369,914 Telix ordinary shares (subject to certain adjustments at completion) and performance rights, that represent the right of the holders to receive contingent payments up to $138,000,000 (US$90,000,000) in aggregate. The contingent payments are payable in cash and/or in ordinary shares, upon achievement of certain clinical and commercial milestones. Completion of the transaction is subject to customary conditions, including approval of QSAM's shareholders and regulatory approvals.

There were no other subsequent events that required adjustment to or disclosure in the Directors' report or the Financial statements of the Company for the year ended 31 December 2023.

Dividend

No dividend was declared or paid during the year. Telix did not return capital to any of its shareholders during the year.

Issue of unlisted equity securities

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

Options/Rights granted	ASX code	Expiry date	Exercise price ($)	Number under option
TLXO015	TLXAO	27 March 2028	6.90	3,362,160
TLXO016	TLXAO	16 May 2028	10.04	817,481
TLXO017	TLXAP	Various	$Nil	260,000
TLXO018	TLXAO	20 September 2028	11.37	507,533
TLXO019	TLXAP	1 November 2028	$Nil	466,000
TLXO020	TLXAP	1 November 2029	$Nil	466,000
Performance Rights	TLXAR	1 November 2028	$Nil	2,523,720
TLXO021	TLXAO	14 November 2028	8.91	810,194

Unlisted share options or rights do not allow the holder to participate in any share or rights issue of the Company. Shares to be allocated to employees following vesting of options or rights are held in the Telix Employee Share Trust. Performance Share Appreciation Rights and other rights were issued to employees in line with Telix's Equity Incentive Plan rules. More information can be found in the Remuneration report. For details of all unlisted equity incentives on issue, refer to note 28 of the Financial report.

Performance Rights were issued to Lightpoint Medical Limited as part of the acquisition of Lightpoint Medical's RGS business, assets and operations. Refer to note 19 and note 27.3 of the Financial report for further details.

Shares issued on exercise of options and lapse of options

Ordinary shares of Telix issued during the financial year ended 31 December 2023 on the exercise of options granted over unissued shares and lapse of options were as follows:

- a total of 3,878,633 fully paid ordinary shares were issued upon exercise of 4,523,958 unlisted share options, and
- a total of 1,823,703 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 2023 and the date of this report, 255,589 shares have been issued from the exercise of 325,000 options under Telix's Equity Incentive Plan.

Regulatory and environmental matters

Telix's operations are subject to national and international legislation, and Telix is required to carry out its activities in accordance with applicable environmental and human safety regulations in each of its operating jurisdictions, including but not limited to Australia, Belgium and the U.S..

Telix conducts its activities at TMS in accordance with applicable environmental regulations, including regular inspections by the Belgian Federal Agency for Nuclear Control (FANC). In 2022, TMS received updated authorisations from FANC, aligned with the scope of Telix operations, and Telix is complying with its obligations under these licences and existing Belgian regulation. In December 2022, TMS was granted an updated operation authorisation and environmental permit from FANC, valid until 7 October 2042.

Following the 31 December 2022 acquisition of Optimal Tracers in California, U.S. and integration into Telix operations, Telix conducts its activities at Optimal Tracers in accordance with applicable environmental regulations, including inspections by relevant authorities as required.

There were no known non-compliance issues with environmental and human safety regulations during the year.

Information about Telix's sustainability program, including for environmental matters, is detailed in the Sustainability section of this Annual Report.

Beyond these matters, Telix is unaware of any regulatory and environmental matters applying to the Group's operating activities that require disclosure.

Indemnification

Indemnification of officers

Under Telix's Constitution, Telix 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, the Company Secretary and other executive officers, indemnifying them against any liability to any person other than Telix, 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 2023, Telix has paid or agreed to pay the premiums for an insurance policy to insure current and previous Directors and other executive officers against certain liabilities incurred in that capacity. Due to the confidentiality obligations and undertakings set out in these agreements, no further details regarding premiums paid, or the terms of the agreements, can be disclosed. No indemnity payment has been made under any document referred to above during or since the financial year ended 31 December 2023.

Indemnification of auditors

To the extent permitted by law, Telix 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

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

Details of amounts paid or payable to Telix's auditor, PricewaterhouseCoopers, for non-audit services provided during the year are set out in note 34 of the Financial report. The Directors, in accordance with 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:

- the Audit and Risk Committee has reviewed all non-audit services 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 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's work, acting in a management or decision-making capacity for Telix, acting as an advocate for Telix, or jointly sharing the economic risks and rewards.

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is included in 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 are rounded off in accordance with the instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Corporate governance

Telix complies with all relevant recommendations outlined in the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. An overview of Telix's corporate governance practices is included in the Governance section of this Annual Report. The full Corporate Governance Statement is available at www.telixpharma.com/investor-centre/corporate-governance

Remuneration 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 Telix's Remuneration report for the year ended 31 December 2023.

The Board's view continues to be that remuneration elements should provide a range of appropriate reward outcomes linked to performance, behaviour and culture, market benchmarking and Telix's strategy and long-term sustainability.

Remuneration report enhancements

This year we have evolved and enhanced the Remuneration report to increase readability. The Board has taken the first step towards providing retrospective disclosure of short-term variable remuneration (STVR) outcomes, while acknowledging Telix's growth stage, current placement within the ASX 200 and commercial sensitivities related to our strategic objectives.

We have also provided the current shareholding of Executive KMP as a proportion of their base salary at year end (section 11.1.2). Equity incentives provide future potential for increased shareholdings, aligned to performance against measurable, pre-determined targets. Future changes to the pay mix in 2024 will also increase shareholdings for Executive KMP.

Telix performance and 2023 remuneration outcomes

2023 has seen Telix's continued sustainable growth as a commercial-stage radiopharmaceutical company, with our first commercial diagnostic product, Illuccix®, generating significant revenue and contributing to total revenue growth of 214% from $160,096,000 in 2022 to $502,547,000 in 2023. The adjusted EBITDAR result was $180,920,000 in 2023 compared to $8,228,000 in 2022.

Re-investment of income generated from sales of Illuccix® into our priority therapeutics and diagnostics product pipeline will help us deliver on our purpose of supporting longer and healthier lives for patients, and ultimately longer-term value to the Group and shareholders.

Telix's strong performance in 2023 resulted in STVR outcomes for Executive KMP of 79% of target/maximum opportunity (there is no over-earn capacity for STVR).

As Telix rapidly grows the retention of talent is critical for continued commercial success. To retain and ensure achievement of operational and strategic objectives over the next three years, in 2023 the Board approved the future grant in 2024 of Performance Share Incentive Rights to two members of the Executive KMP as detailed in section 5.4.2.

Looking forward to 2024

The Board continues to face the unique but positive challenge of Telix's consistent and rapid growth and alignment with remuneration market benchmarks. As Telix's market capitalisation increased from $2.21 billion in 2021 to $3.26 billion at the end of 2023, KMP pay (Executives and Non-Executive Directors (NEDs)) faced a growing shortfall against market benchmark remuneration. To remain competitive and align with remuneration principles, the Board is focused on achieving KMP remuneration aligned to the market median (P50) of the competitive global talent market. The Board decided a full review was necessary and in 2023 the People, Culture, Nomination and Remuneration Committee (PCNRC) appointed Mercer Consulting (Australia) Pty Ltd (Mercer) to assist with market benchmarking for all KMP.

For Executive KMP, Mercer provided an external remuneration recommendation under section 9B of the *Corporations Act 2001* to address the gap. This includes increases to total fixed remuneration and the weighting of variable and performance pay (STVR and LTVR) to align pay mix to the benchmark over time. The Board has adopted Mercer's recommendation and increases to fixed remuneration and remuneration mix for Executive KMP will apply from 1 January 2024, as detailed in section 8.3.1 and with full details to be disclosed in the 2024 Remuneration report.

For NEDs, Mercer's review found that similar to Executive KMP, NED remuneration is well below market benchmark (P25). The Board has adopted an approach provided by Mercer (not a recommendation) to achieve NED remuneration aligned to P50 over time. Subject to shareholder approval, the Board will increase the NED aggregate fee level via shareholder resolution at the 2024 Annual General Meeting (AGM) from $700,000 to $1,350,000. If approved by shareholders, the Board will increase Director and Committee fees with effect from 1 January 2024 to match the Executive KMP changes and bring NED fees to the market median, as detailed in section 9.2.2.

I invite you to read the Remuneration report which will be presented for adoption at Telix's 2024 AGM.

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

Remuneration report (audited)

This Remuneration report details Telix's remuneration policy and practice for Key Management Personnel (KMP) for the financial year ended 31 December 2023. This report has been prepared in accordance with the *Corporations Act 2001* (Cth) (Corporations Act) for the Company and its controlled entities (collectively Telix, or the Group). It has been audited by Telix's external auditor.

1. Key Management Personnel

KMP are individuals with the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. Telix's 2023 Remuneration report covers both the Non-Executive Directors (NED) and Executive KMP noted below during 2023 and up to the date of this report:

Name	Position	Term as KMP
Non-Executive Directors		
H Kevin McCann AO	Director and Chairman	Full year
Andreas Kluge MD PhD[1]	Director	Full year
Mark Nelson PhD	Director	Full year
Tiffany Olson	Director	Full year
Jann Skinner	Director	Full year
Executive KMP		
Christian Behrenbruch PhD	Managing Director and Group Chief Executive Officer (MD & CEO)	Full year
Darren Smith	Group Chief Financial Officer (CFO)	Full year
Colin Hayward PhD[2]	Group Chief Medical Officer (CMO)	Full year
Richard Valeix	Group Chief Commercial Officer (CCO)	Full year

1. As advised to the market on 29 March 2023, Dr Kluge was on a leave of absence for the period 29 March 2023 to 29 September 2023.
2. Dr Hayward resigned as KMP and ceased employment with Telix on 31 December 2023. Dr David Cade commenced in the CMO role effective 1 January 2024, and his remuneration will be included in the 2024 Remuneration report.

2. Remuneration snapshot

2.1. 2023 performance highlights

During 2023, under the management of the Executive KMP, Telix delivered the following performance for the Group and shareholders:

2023 performance highlights

Global commercial sales (including revenue from contracts with customers)

$502.5 million 214% increase on 2022 ($160.1 million)

Financial

Adjusted EBITDAR[1] $180.9 million, up from $8.2 million in 2022

Share price growth

31 December 2023 $10.08 39% increase on 2022 ($7.27)

Market capitalisation

31 December 2023 $3.26 billion, 42% increase on 2022 ($2.30 billion)

1. Adjusted Earnings Before Interest, Tax, Depreciation, Amortisation and Research and Development Expense

2.2. 2023 remuneration at target

The remuneration elements (at target) for 2023 for Executive KMP are as follows:

Executive KMP	Base Salary	Short Term Variable Remuneration (STVR)		Long Term Variable Remuneration (LTVR)	
		% of base salary	Annual target[1]	% of base salary	Annual target[2]
Christian Behrenbruch PhD (MD & CEO)	AUD 475,650	32%	AUD 152,208	50%	AUD 237,825
Darren Smith (CFO)	AUD 420,000	27%	AUD 113,400	50%	AUD 210,000
Colin Hayward MD (CMO)	USD 449,604	26%	USD 116,897	35%[3]	USD 157,361
RIchard Valeix (CCO)	CHF 295,000	26%	CHF 76,700	50%	CHF 147,500

1. STVR maximum opportunity is 100% of target (there is no over-earn potential).
2. LTVR maximum opportunity is 150% of target (subject to achievement of a stretch financial performance condition).
3. As disclosed in the 2022 Remuneration report, Dr Hayward's LTVR opportunity is 35% of base salary at target to maintain total remuneration parity.

2.3. 2023 remuneration outcomes

In recognition of the significant contribution Executive KMP made to Telix's performance in 2023, their remuneration outcomes are aligned with Group performance. Further details are provided throughout the Remuneration report, and summarised as follows:

Total Fixed Remuneration (TFR)	Short Term Variable Remuneration (STVR)	Long Term Variable Remuneration (LTVR)
As at 1 January 2023: **MD & CEO** 5% increase **Other Executive KMP** 5% increase	**MD & CEO outcome** 79% of maximum[1] eligibility **Other Executive KMP outcome** 79% of maximum[1] eligibility	**No LTVR awards were performance tested or vested in 2023** The first LTVR award will be performance tested at the end of 2024, and outcomes disclosed in the 2024 Remuneration report.

1. The maximum STVR Executive KMP may achieve is equal to target (there is no over-earn potential).

As part of the CCO's appointment in December 2022, the Board approved a grant of 35,000 Sign on Performance Share Rights (PSRs) granted in 2023, with a second tranche of 35,000 to be granted in 2024. Refer to section 5.4.1 for details.

In addition, during 2023 two Executive KMP (the CFO and CCO) were identified by the Board to receive Performance Share Incentive Rights to be granted in 2024 (after the 2023 full year results announcement). Refer to section 5.4.2 for details.

Legacy equity awards that vested to Executive KMP during the year are detailed in section 7.1.4, and summarised below:

Plan	Grant date	Executive KMP	Grant details		Vesting details		Exercise details	
			Type	# units	Date	Exercise price	Date	Resultant shares
Unlisted share options	13-Jan-20	MD & CEO	Options	200,000	12-Jan-23	$2.23	8-Jan-24	153,298
Employee share option plan	1-Jul-20	CMO	Options	400,000	1-Jul-23	$1.83	29-Aug-23	331,907

3. 2023 Executive KMP remuneration overview

3.1. Remuneration principles

Telix's remuneration principles are designed to:

- Attract, motivate and retain talent in Telix's operating markets
- Reward corporate performance and execution of Telix's strategy
- Align the interests of employees with shareholders
- Be simple and transparent

3.2. 2023 Remuneration philosophy

Telix's Executive KMP are responsible for making and executing decisions that build Telix's 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 shareholders, executives, and all other stakeholders understand how remuneration at Telix helps drive the business strategy, shareholder alignment and reward outcomes.

Remuneration philosophy

- Provide fixed and variable remuneration to attract and retain the talent required to build and execute Telix's strategy
- Ensure variable remuneration is contingent on outcomes that grow and protect shareholder value
- Ensure a suitable proportion of remuneration is received as equity so performance is aligned with long-term shareholder interests and aids retention

3.3. 2023 Remuneration framework

The 2023 remuneration framework for Executive KMP detailed in this report includes the following elements:

	Total Fixed Remuneration (TFR)	Short Term Variable Remuneration (STVR)	Long Term Variable Remuneration (LTVR)
Purpose	Attract and retain global talent capable of leading and delivering Telix's strategy.	Reward achievement of Telix's annual corporate objectives aligned to the delivery of Telix's strategy.	Reward long-term performance aligned with delivery of Telix's strategic objectives.
Remuneration setting	TFR is set considering the elements mentioned under 'Rationale' below, and detailed in section 2.2.	Target STVR remuneration for Executive KMP is set as a % of base salary and detailed in section 2.2. The maximum outcome is 100% of target.	Target LTVR remuneration for Executive KMP is set as a % of base salary and detailed in section 2.2.
Composition and delivery	Base salary and statutory pension/ superannuation contributions paid in equal monthly cash instalments over the year, and packaged benefits.[1]	Annual performance incentive delivered in cash following completion of the performance period and assessment of performance (approximately February the following year).[2]	Award of Performance Share Appreciation Rights (PSARs)[3] subject to achievement of 3-year performance and vesting conditions.
Rationale	TFR is set with consideration of: • competence and capability • relativity to market benchmark, and • motivational and retention impact of TFR adjustments.	STVR rewards performance against annual financial and non-financial corporate objectives – maintaining a focus on underlying value creation within the business operations.	LTVR aligns the interests of Executive KMP with shareholders and rewards the achievement of long-term, sustainable performance and shareholder value creation.

1. Australian Executive KMP can choose to cap their superannuation at the statutory superannuation maximum and receive the additional 11% over the maximum as base salary. Refer to section 10 for full details in the statutory remuneration table.
2. Refer to section 8.3.2 regarding the introduction of equity deferral for Executive KMP STVR participation from 1 January 2024.
3. PSARs and other equity incentives are granted in accordance with the Equity Incentive Plan rules (approved by shareholders at the 2022 AGM).

Other remuneration elements

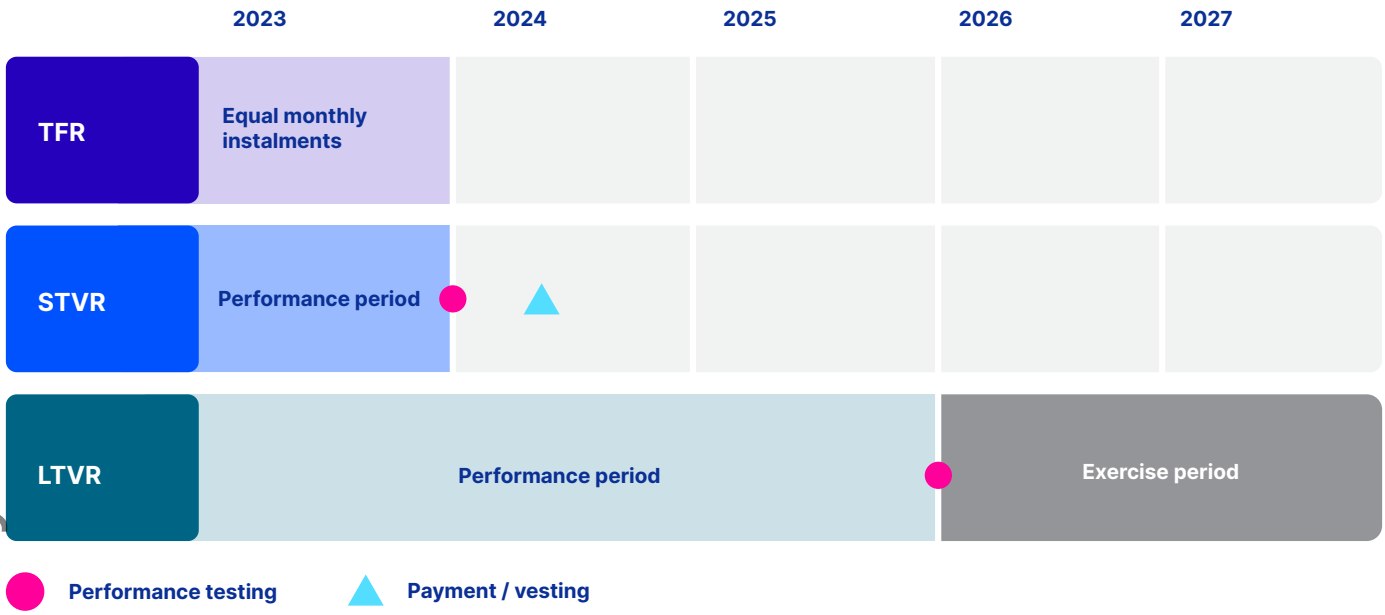
To attract and retain a strong and cohesive Executive team, additional remuneration awards may be made including sign-on incentives, retention incentives and other one-off incentives, aligned to Telix's remuneration principles and philosophy.

As part of the CCO's appointment in December 2022, the Board approved a grant of 35,000 Sign On Performance Share Rights (PSRs) granted in 2023, and an additional tranche of 35,000 PSRs to be granted in 2024. See section 5.4.1.

During 2023, two Executive KMP (the CFO and CCO) were identified to receive Performance Share Incentive Rights (PSIRs) in 2024 (after the 2023 full year results announcement). This grant will retain and motivate these business critical individuals in the execution of Telix's strategy and the creation of long-term sustainable value for shareholders. This is a one off grant. Refer to section 5.4.2 for further details.

3.4. Remuneration delivery

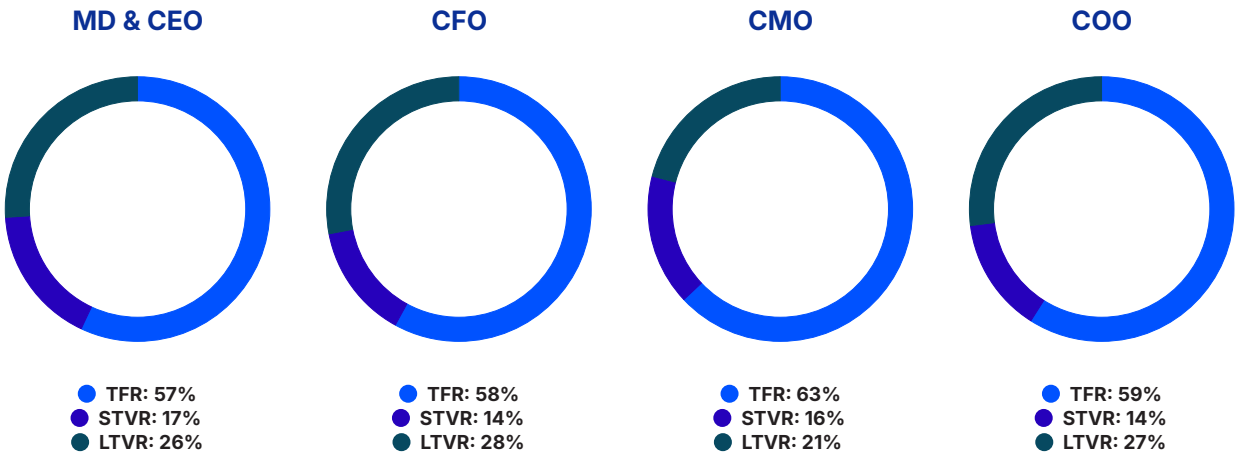
The following diagram illustrates how remuneration was delivered to Executive KMP in 2023:



3.5. Remuneration mix

The table and diagrams below reflect the remuneration elements at target from section 2.2 as a percentage of base salary and total remuneration mix for each individual Executive KMP.

Executive KMP	% of base salary			% of total remuneration mix		
	Base salary	STVR	LTVR	TFR	STVR	LTVR
Christian Behrenbruch PhD (MD & CEO)	100%	32%	50%	57%	17%	26%
Darren Smith (CFO)	100%	27%	50%	58%	14%	28%
Colin Haward MD (CMO)	100%	26%	35%	63%	16%	21%
Richard Valeix (CCO)	100%	26%	50%	59%	14%	27%



As demonstrated above, the current remuneration mix is heavily weighted towards fixed pay (57 – 63% of total target remuneration). Refer to section 8.3.1 for details regarding changes to the remuneration mix to apply from 1 January 2024.

4. Remuneration governance

4.1. Governance framework

The Governance of Telix's remuneration framework ensures that:

- the Board delegates specific responsibilities to the PCNRC which provides recommendations to the Board
- Telix's strategic objectives, corporate governance principles, market practice and stakeholder interests are considered, and
- achievement of pre-determined financial results and strategic objectives is rewarded through sustainable means for KMP.

<table>
<tr><th colspan="2">Roles in the Governance framework</th></tr>
<tr><td>THE BOARD has overall responsibility for oversight of Telix's remuneration approach for KMP (NEDs and Executives).

With input and guidance from the PCNRC, the Board is responsible for:

• evaluating performance, determining remuneration outcomes and succession planning for the MD & CEO
• determining remuneration outcomes, monitoring performance and succession planning of NEDs and Other Executive KMP, and
• approving the Group's remuneration policies and practices.</td><td>THE PCNRC assists the Board in fulfilling its responsibilities to shareholders and regulators in relation to the Group's people and culture, nomination and remuneration policies and practices.

From a remuneration perspective, the PCNRC assists and advises the Board with recommendations related to:

• remuneration for KMP (NEDs and Executives)
• Telix's remuneration policy
• Telix's short-term and long-term variable remuneration plans, including equity-based plans, and associated Equity Incentive Plan rules, and
• remuneration related reporting and disclosures.

The PCNRC may engage external advisors to provide information to assist in making remuneration decisions.</td></tr>
<tr><td>MANAGEMENT provides relevant information and analysis required to support effective decision making, including for remuneration related considerations.</td><td rowspan="2">EXTERNAL ADVISORS[1] may be engaged by the PCNRC to provide:

• information to support effective decision making
• an external perspective to assist in analysis with their expertise for remuneration related matters, and
• on occasion, to provide remuneration recommendation/s as defined by section 9B of the Corporations Act.</td></tr>
<tr><td>AUDIT AND RISK COMMITTEE assists the Board with the Group's risk management framework and risk appetite.</td></tr>
</table>

1. Refer to section 8.2 regarding the use of Remuneration Consultants in 2023.

Further information on the Board's role and Telix's corporate governance policies (including the Securities Dealing Policy) can be found in Telix's 2023 Corporate Governance Statement and on Telix's website at: telixpharma.com/investor-centre/corporate-governance/. Telix's Securities Dealing Policy prohibits hedging or margin lending in respect of Telix securities.

4.2. Malus and clawback

The Board in its sole discretion, may reduce, cancel in full, or seek to clawback any incentive provided to any Executive KMP, including former Executive KMP, if it determines that at any time the Executive KMP:

- 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 Telix making a material financial misstatement
- 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 Telix incurring significant reputational harm, a significant unexpected financial loss, impairment charge, cost or provision
- exposed employees, the broader community or environment to excessive risks, including risks to health and safety
- breached their post-employment conditions (unless otherwise determined by the Board)
- committed a breach or non-compliance with Telix's Code of Conduct and/or any other employee or governance related policies, and/or
- took excessive risks or contributed to or may benefit from unacceptable cultures within the Group.

5. Executive remuneration framework

5.1. Total Fixed Remuneration (TFR)

Executive KMP receive TFR in equal monthly instalments.

Element	2023 TFR principles
Market data	Benchmarked against similar Executive roles within ASX listed companies based on both market capitalisation and industry. The Board is committed to increase TFR over time to align base salary to the median (50th percentile) of the market.
Timing of review	Executive TFR is reviewed annually in line with Telix's performance review cycle.

Refer to section 8.3.1 regarding changes to the remuneration mix that will apply from 1 January 2024.

5.2. Short-term Variable Remuneration (STVR)

Executive KMP participated in the 2023 STVR under the following terms:

Feature	Key terms of the 2023 STVR				
Performance period	1 January to 31 December 2023				
Opportunity	**The STVR opportunity as a percentage of base salary for each Executive KMP is:**				
		MD & CEO	**CFO**	**CMO**	**CCO**
	Minimum	0%	0%	0%	0%
	Target	32%	27%	26%	26%
	Maximum (100% of target[1]	32%	27%	26%	26%
Weighting	All Executive KMP are measured against the STVR scorecard, which comprises 100% of their STVR opportunity.				
Outcome scale	The outcome for each performance measure is determined as either: • a completed or not completed result (hit/miss) for corporate objectives (0 or 100% outcome), or • a consideration of performance against target for financial objectives utilising audited Group financial results and any mitigating factors.				
Delivery	STVR outcomes are delivered in cash following completion of the performance period and assessment of performance (February 2024).[2]				
Treatment on cessation of employment	Participants who depart Telix prior to the cash payment date are generally treated as follows, although the Board retains discretion to determine a different treatment: • Provided notice of resignation: forfeited • Termination for cause: forfeited, and/or • Other circumstances such as death, disability, retirement, redundancy and mutually agreed separation: full or pro-rata award based on continued service during the Performance Period, and projection of Telix's achievement of corporate objectives.				

1. The maximum STVR Executive KMP may achieve is equal to target: there is no additional over-earn potential.
2. See section 8.3.2 regarding the introduction of equity deferral for STVR participation from 1 January 2024.

5.3. Long Term Variable Remuneration (LTVR)

5.3.1. 2023 LTVR Key terms

Executive KMP participated in the 2023 LTVR under the following terms:

Feature	Key terms of the 2023 LTVR
Offer	LTVR grants are awarded in the form of Performance Share Appreciation Rights (PSARs). PSARs are the right to acquire shares in Telix equal in value to the gain above the notional 'exercise' price, subject to the satisfaction of specific performance conditions set by the Board, plus terms and conditions over the Performance Period.
Notional 'exercise' price	$6.90, being the volume weighted average price (VWAP) of Telix shares over the 20 trading days following the announcement of the 2022 full year annual results (28 February to 28 March 2023).
Performance Period	1 January 2023 to 31 December 2025
Opportunity	**The LTVR opportunity as a percentage of base salary for each Executive KMP is:**

	MD & CEO	CFO	CMO	CCO
Minimum	0%	0%	0%	0%
Target	50%	50%	35%	50%
Maximum (150% of target)[1]	75%	75%	52.5%	75%

Grant	PSARs were granted at stretch target to the MD & CEO on 24 May 2023 following shareholder approval at the 2023 Annual General Meeting. All Other Executive KMP were granted PSARs at target on 2 May 2023. As detailed in the 2023 Notice of Meeting, the number of PSARs granted was determined on the concluded value of $2.9662, being the fair value price of $3.7866 (the independently determined Black Scholes valuation), adjusted for the probability of achievement of the non-market vesting conditions.
Performance conditions and weightings	As disclosed in the 2022 Remuneration report, the following performance conditions apply over the Performance Period (further details in Section 5.3.2):

Performance condition	% of PSARs that vest at target
Financial measure:	
Adjusted EBITDAR (Earnings Before Interest, Taxes, Depreciation and Amortisation and Research & Development expense)	50%
Product Milestones:	
• ProstACT GLOBAL Phase III interim read-out completed **(Product Milestone 1)**	25%
• Pre-pivotal trial (pre-investigative new drug (IND)) meeting completed with a major regulator for one of Telix's rare disease therapy programs **(Product Milestone 2)**	25%

Testing outcomes	Following the release of the audited 2025 full-year results in approximately February 2026, the PSARs related to the achievement of each metric that vest are calculated as follows (refer 5.3.2 for further details regarding the metrics):

Adjusted EBITDAR (50% weighting at target)	**% of PSARs that vest at target**
Below threshold	0%
At threshold	25%
Between threshold and target	Straight-line pro-rata vesting between threshold and target
Target	**50%**
Between target and stretch	Straight-line pro-rata vesting between target and stretch
Stretch[1]	100%[1]
Product Milestone 1 (25% weighting at target)	**% of PSARs that vest at target**
ProstACT GLOBAL Phase III Interim read-out	
• **completed**	**25%**

Feature	Key terms of the 2023 LTVR	
	• not completed	0%
	Product Milestone 2 (25% weighting at target)	**% of PSARs that vest at target**
	Pre-pivotal trial (pre-IND) meeting completed with a major regulator for one of Telix's rare disease therapy programs	
	• **completed**	**25%**
	• not completed	0%
Performance assessment / expiry period	At the end of the performance period and after the audited results are finalised, performance will be assessed and subject to achieving the performance conditions as set out above, PSARs will vest. If the performance condition(s) are not met at the time of performance testing, PSARs are forfeited and not retested. In certain circumstances the Board may determine that participants may receive a cash equivalent value of the vested element after testing. PSARs have a term of five years from the grant date and rights that are not exercised before the end of their term will lapse. The 2023 PSARs testing outcomes will be reported in the 2025 Remuneration report.	
Other details	Unvested and vested but unexercised PSARs have no dividend or voting rights. PSARs are held subject to Telix's Securities Dealing Policy. Treatment of PSARs are subject to Board discretion in the case of other events (e.g. change of control).	
Treatment on cessation of employment	Participants who depart Telix prior to vesting are generally treated as follows, although the Board retains discretion to determine a different treatment: • Termination for cause: all unvested PSARs are forfeited • Other reasons (death, disability, resignation and redundancy): a pro rata portion of the unvested PSARs based on the portion of the first year of the measurement period served will remain on-foot to the usual testing and vesting date, and/or • The Board will automatically exercise vested unrestricted PSARs into shares for Departed Executive KMP who retain their PSARs after exit within 90 days of the PSARs becoming unrestricted.	

1. The maximum LTVR Executive KMP may achieve is 150% of target, as the financial metric (50% of total LTVR at target) may achieve a maximum of 200% outcome (doubling the 50% of the LTVR target and resulting in an over-earn potential of 50% of the total LTVR) where the maximum stretch target is achieved.

5.3.2. 2023 LTVR performance conditions

Measures	Adjusted EBITDAR	Product Milestone 1	Product Milestone 2
Description	Adjusted EBITDAR on a 3-year cumulative basis.	ProstACT GLOBAL Phase III interim read-out completed.	Pre-pivotal trial (pre-IND) meeting completed with a major regulator for one of Telix's rare disease therapy programs.
Rationale	Demonstrates Telix's underlying performance before non-operating expenditure, finance costs, depreciation and amortisation, taxation expense and research and development activities.	Telix's growth strategy is reliant on the advancement of therapeutic programs, and continued commercialisation of Telix's diagnostic products. The prostate cancer therapy program ProstACT Global, and Telix's range of rare disease therapies and diagnostics are key drivers to provide the greatest impact for Telix's patients and create long-term, sustainable growth and value creation for Telix's shareholders.	
Complexity and strategic significance	Reflects Telix's commercial earnings.	This achieves the first Phase III efficacy data for this therapeutic candidate. Achievement requires the granting of an IND to commence the study in sites outside of Australia and enrolment of 120 patients.	This requires extensive development, including clinical progress, manufacturing and regulatory engagement and completion of the final clinical trial (as required) ahead of a regulatory filing.
Calculation	Refer to the Alternative performance measures section in the Annual report.	Either achieved or not achieved milestone measure (hit/miss).	

Measures	Adjusted EBITDAR	Product Milestone 1	Product Milestone 2
Measure type	Financial	Strategic delivery	Strategic delivery
Setting of targets	The Board sets the targets at the outset of each performance period. Targets are set to be sufficiently challenging for Executives and deliver appropriate returns for shareholders. These measures reflect Telix's transition to a commercial, revenue-generating, financially sustainable company and balance with advancement of therapeutic programs as part of Telix's growth strategy.		
2023 LTVR targets	Threshold $227 million Target $332 million Stretch $403 million	Target: complete milestone	Target: complete milestone

5.3.3. 2024 LTVR key terms and performance conditions

Executive KMP will be eligible to participate in the 2024 LTVR under the following terms:

Feature	Key terms of the 2024 LTVR
Performance period	1 January 2024 to 31 December 2026
Offer and notional 'exercise' price	Similar to the key terms of the 2023 LTVR in section 5.3.1, the 2024 LTVR grant will be awarded in the form of Performance Share Appreciation Rights (PSARs). PSARs are the right to acquire shares in Telix equal in value to the gain above the notional 'exercise' price, subject to the satisfaction of specific performance conditions set by the Board, plus terms and conditions over the Performance Period. The notional 'exercise' price will be calculated based on the VWAP of Telix shares over the 20 trading days following the announcement of the 2023 full year results.
Grant	For the MD & CEO, if shareholder approval is granted at the 2024 AGM, 2024 LTVR will be granted at stretch target on the grant date soon thereafter. The number of PSARs granted will be determined on the concluded value, being the independently determined Black Scholes valuation adjusted for the probability of achievement of the non-market vesting conditions. The grant of 2024 LTVR will be made to Other Executive KMP in approximately April/May 2024.
Performance assessment and expiry period	The same terms apply as detailed in section 5.3.1, however the 2024 PSARs will have an exercise period of two years from vesting, which will occur after the audited results are finalised in approximately February 2027. The 2024 PSARs testing outcomes will be reported in the 2026 Remuneration report.

The performance conditions for the 2024 LTVR are as follows:

Measures	Adjusted EBITDAR	Product Milestone 1	Product Milestone 2
Description	Adjusted EBITDAR on a 3-year cumulative basis.	Marketing authorisation application submitted in a commercially relevant jurisdiction for prostate cancer therapy.	Interim data readout from a global phase III trial in renal cancer therapy.
Rationale	Demonstrates Telix's underlying performance before non-operating expenditure, finance costs, depreciation and amortisation, taxation expense and research and development activities.	Supports Telix's growth strategy with the advancement of therapeutic programs. Both milestones will accelerate Telix's pathway to a commercial therapeutics company.	
Complexity and strategic significance	Reflects Telix's commercial earnings.	Requires successful completion of a pivotal clinical trial and manufacturing validation. The completion of these major developmental milestones will signal near-term transition to a commercial stage therapeutic in a large indication, strengthening our urology franchise.	Requires positive data from prior studies, execution of a multi-site Phase III study, requisite regulatory clearances and manufacturing scale-up. An interim readout will provide valuable insights and opportunities to profile the candidate at major medical congresses and engage with key opinion leaders in the field.
Calculation	Refer to the Alternative performance measures section in the Annual report	Either achieved or not achieved milestone measure (hit/miss).	
Measure type	Financial	Strategic delivery	Strategic delivery
Setting of targets	The Board sets the targets at the outset of each performance period. Targets are set to be sufficiently challenging for Executives and deliver appropriate returns for shareholders. These measures reflect Telix's transition to a commercial, revenue-generating, financially sustainable company and balance with advancement of therapeutic programs as part of Telix's growth strategy.		
2024 LTVR targets	Threshold US$410 million Target US$450 million Stretch US$490 million	Target: complete milestone	Target: complete milestone

5.4. Other equity grants

5.4.1. Performance Share Rights (PSRs)

The key terms of the first tranche of the CCO's sign on PSRs granted in 2023 are as follows:

Feature	Key terms of the sign on Performance Share Rights
Offer	PSRs are the right to acquire shares in Telix subject to the satisfaction of performance conditions set by the Board, plus terms and conditions over the Performance Period.
Performance Period	3 years (1 January 2023 to 31 December 2025).
Opportunity	The Board determined the CCO would receive a grant of 35,000 PSRs in 2023.
Grant	PSRs were granted on 6 July 2023.
Performance conditions and weightings	The same terms apply as detailed in section 5.3.1 for the PSRs.
Testing outcomes	The same terms apply as detailed in section 5.3.1 for the PSRs.
Performance assessment / expiry period	The same terms apply as detailed in section 5.3.1 for the PSRs.
Other details	The same terms apply as detailed in section 5.3.1 for the PSRs.
Treatment on cessation of employment	The same terms apply as detailed in section 5.3.1 for the PSRs.

5.4.2. Performance Share Incentive Rights (PSIRs)

The key terms of the PSIRs the Board determined to grant to the CFO and CCO in 2024 are as follows:

<table>
<tr><th>Feature</th><th>Key terms of the Performance Share Incentive Rights</th></tr>
<tr><td>Offer</td><td>PSIRs are the right to acquire shares in Telix subject to the satisfaction of specific performance conditions and terms and conditions over the Performance Period.</td></tr>
<tr><td>Performance Period</td><td>Tranches 1 and 2 are subject to a performance period of 3 years (1 January 2024 to 31 December 2026).

Tranche 3 is subject to a performance period of 4 years (1 January 2024 to 31 December 2027).</td></tr>
<tr><td>Opportunity</td><td>In 2023, the Board determined two Executive KMP (CFO and CCO) would receive grants of 70,000 PSIRs each, to be granted in 2024.</td></tr>
<tr><td>Grant</td><td>PSIRs will be granted in the open period (as detailed in the Securities Dealing Policy) after the 2023 full year results announcement (on or after 23 February 2024).</td></tr>
<tr><td>Performance conditions and weighting</td><td>For PSIRs to vest, the Board approved performance conditions must be met within the relevant Performance Period, and the employee must remain employed, and in good standing, at the testing date for each tranche to vest. If the performance conditions are not achieved, the full tranche will lapse.

The performance conditions are aligned to Telix's strategic objectives as follows:
<table>
<tr><th>Tranche</th><th>Performance condition</th><th>Weighting</th></tr>
<tr><td>1</td><td>Financial measure - Adjusted EBITDAR</td><td>25%</td></tr>
<tr><td>2</td><td>Financial measure - Revenue</td><td>25%</td></tr>
<tr><td>3</td><td>Product milestone</td><td>50%</td></tr>
</table></td></tr>
<tr><td>Testing outcomes[1]</td><td>Following the release of the audited 2026 full-year results in approximately February 2027, 50% of the PSIRs related to the achievement of the two financial metrics that vest are calculated as follows:
<table>
<tr><th>Financial measure 1 (25% weighting at target)</th><th>% of PSIRs that vest at target</th></tr>
<tr><td>Below target</td><td>0%</td></tr>
<tr><td>Target</td><td>25%</td></tr>
<tr><th>Financial measure 2 (25% weighting at target)</th><th>% of PSIRs that vest at target</th></tr>
</table></td></tr>
</table>

<table>
<tr><th>Feature</th><th colspan="2">Key terms of the Performance Share Incentive Rights</th></tr>
<tr><td></td><td>Below target</td><td>0%</td></tr>
<tr><td></td><td>Target</td><td>25%</td></tr>
<tr><td></td><td colspan="2">Following the release of the audited 2027 full-year results in approcimately February 2028, 50% of PSIRs related to the achievement of the product milestone that vest are calculated as follows:

Product Milestone (50% weighting at target) | % of PSIRs that vest at target
Completed | 50%
Not completed | 0%</td></tr>
<tr><td>Performance assessment / expiry period</td><td colspan="2">At the end of each performance period after the audited results are finalised (testing date), performance will be assessed and subject to achieving the performance conditions as set out above, PSIRs will vest. If the performance condition(s) are not met at the time of performance testing, PSIRs are forfeited and not retested. In certain circumstances, the Board may determine that participants may receive a cash equivalent value of the vested element after testing.

PSIRs have an exercise period of two years from the testing date and rights that are not exercised before the end of their term will lapse.

The PSIRs targets and outcomes will be fully disclosed in the 2026 and 2027 Remuneration reports, as applicable.</td></tr>
<tr><td>Other details</td><td colspan="2">Unvested and vested but unexercised PSIRs have no dividend or voting rights.

PSIRs are held subject to Telix's Securities Dealing Policy.

Treatment of PSIRs is subject to Board discretion in the case of other events (e.g. change of control) within ASX Listing Rules.</td></tr>
<tr><td>Treatment on cessation of employment</td><td colspan="2">Where participants depart Telix prior to vesting, they are generally treated as follows, although the Board retains the discretion to determine a different treatment:

• Termination for cause or resignation: all unvested PSIRs are forfeited, and
• Other reasons (death, disability and redundancy): unvested PSIRs will be treated pro-rata based on the portion of the Performance Period served, and will remain on-foot.</td></tr>
</table>

1. The maximum PSIRs the CFO and CCO may achieve is equal to target (there is no additional over-earn potential).

5.5. Executive KMP employment arrangements

All Executive KMP are employed on ongoing, permanent contracts and have notice period and cascading non-compete and non-solicit clauses in their employment agreements as summarised below:

Role	Notice period	Non-compete and non-solicit
Christian Behrenbruch PhD (MD & CEO)	3 months	Non-compete and non-solicit: 6, 3 months Restricted area: Australia/United Kingdom/ European Union or United States; Victoria; Melbourne
Darren Smith (CFO)	4 months	Non-compete and non-solicit: 6, 3, 1 months Restricted area: Australia; Victoria; Melbourne
Colin Hayward PhD (CMO)[1]	3 months	Non-compete and non-solicit: 6 months Restricted area: Australia/United Kingdom/ European Union/ United States
Richard Valeix (CCO)	3 months	Non-compete and non-solicit: 12 months Restricted area: Switzerland/the European Union/ the United Kingdom/Australia/the United States/Canada/Japan and China

1. These details are for Dr Hayward as the CMO in 2023. Dr Cade's notice period in the CMO role in 2024 will be 4 months, and his non-compete and non-solicit: 6, 3, 1 months; Restricted area: Melbourne; Victoria; Australia.

Employment may be terminated by either the Executive or Telix on the provision of notice in the minimum period stated above. In the event of termination for cause, Telix may terminate an Executive's employment immediately without notice.

6. Telix performance and shareholder wealth

In line with Telix's remuneration principles and philosophy, performance measures are chosen to align Executive KMP and shareholder interests and to ensure variable remuneration is contingent on outcomes that grow and protect shareholder value.

The following table outlines Telix's financial performance for 2019 to 2023.

Type	Measure	2023	2022	2021	2020	2019
Short-term measures	Revenue from contracts with customers ($'000)	502,547	160,096	7,596	5,213	3,485
	Net cash from/(used in) operating activities ($'000)	23,884	(63,970)	(59,328)	1,960	(23,333)
Long-term measures (non-IFRS measures)	Adjusted EBITRD ($'000)[1]	174,177	2,849	(35,622)	(14,804)	(12,300)
	Adjusted EBITDAR ($'000)[2]	180,920	8,228	(30,448)	(9,922)	(8,064)
Other measures	Profit/(loss) before income tax ($'000)	3,087	(98,622)	(80,465)	(47,935)	(31,122)
	Basic earnings/(loss) per share (cents)	1.6	(33.5)	(28.5)	(17.5)	(11.9)
	Net tangible assets per share ($)	0.04	0.03	(0.20)	6.44	11.83
	Dividend per share ($)	-	-	-	-	-
	Closing share price ($)	10.08	7.27	7.75	3.78	1.55
	Increase/(decrease) in share price (%)	39	(6)	105	144	138
	Market capitalisation ($'000)	3,263,165	2,299,812	2,209,315	1,059,932	392,584

1. Adjusted EBITRD (Earnings Before Interest, Taxes and R&D expense) on a 3-year cumulative basis is the 2022 LTVR financial metric
2. Adjusted EBITDAR (Earnings Before Interest, Taxes, Depreciation and Amortisation and R&D expenses is the 2023 LTVR financial metric

7. 2023 Executive KMP remuneration outcomes

The outcomes of variable remuneration for 2023 and 2022 year are summarised below:

		MD & CEO		Other Executive KMP[1]	
		2023	2022	2023	2022
STVR	% of Target	79%	60%	79%	60%
	% of Maximum[2]	79%	60%	79%	60%
LTVR	% of opportunity vested	n/a during 2023 (first testing will be reported in the 2025 Remuneration report)			

1. Average % for eligible Other Executive KMP. For 2023, Dr Hayward is excluded as he was not eligible to receive an STVR due to his departure.
2. The maximum STVR opportunity is 100% of target. There is no additional over-earn potential.

7.1. Short Term Variable Remuneration (STVR)

7.1.1. Performance against STVR scorecard

At the commencement of each financial year the Board reviews and approves the objectives, weightings and targets for the STVR scorecard, aligned to Telix's strategic objectives. For 2023 the scorecard aligned to three key themes:

- Financial measures
- Core objectives, and
- Extended objectives.

The following table outlines performance against the 2023 STVR scorecard measures:

Measure category	Measure details	Weight	Outcome
Financial	**Revenue from global commercial sales and contracts with customers:** in the second year since launching Illuccix®, Telix's commercial-stage diagnostics business has gone from strength to strength, underpinning total revenue growth of 214% from $160.1 million in 2022, to $502.5 million in 2023. We have achieved a meaningful market share in the U.S., estimated at over 30% of the PSMA-PET/CT imaging market for prostate cancer driven by our reputation for availability and flexible scheduling, our demonstrated excellence in customer support and increasingly the clear clinical differentiation of Illuccix®. This exceeded the financial objective for 2023.	25%	
Core	Core objectives are critical to achieving Telix's ambitious growth strategy and transition to a commercial revenue-generating company. These include product development milestones that deliver value in the medium term. In 2023 core objectives included four project specific milestones for: • TLX250-CDx • ProstACT GLOBAL • TLX101-CDx, and • TLX101.	55%	
Extended	Achievement of extended objectives that are aligned to Telix's long-term strategic objectives. In 2023 all of the extended objectives were achieved.	20%	
Total		**100%**	**79%**

Key: Not achieved Partially achieved Achieved

7.1.2. 2023 Executive KMP STVR outcomes

In addition to the STVR scorecard, the Board considers a range of quantitative and qualitative factors when determining STVR outcomes and may apply its informed judgement and discretion to adjust STVR outcomes to ensure they are fair, appropriate, and aligned to Telix's overall performance and shareholder outcomes.

The Board considers how performance outcomes are achieved in line with Telix's Code of Conduct and corporate values (refer section 4.2).

For 2023 the Board assessed the STVR scorecard alongside these factors and approved STVR outcomes of 79% of target/maximum for all Executive KMP, as follows:

Name	Target / Maximum[1] STVR	Actual STVR awarded	STI actual as % of maximum STVR	% of maximum STVR forfeited
Christian Behrenbruch PhD (MD & CEO)	AUD 152,208	AUD 120,244	79%	21%
Darren Smith (CFO)	AUD 113,400	AUD 89,586	79%	21%
Colin Hayward PhD (CMO)[2]	USD 116,897	-	-	100%
Richard Valeix (CCO)	CHF 76,700	CHF 60,593	79%	21%

1. As detailed in section 5.2, the maximum STVR Executive KMP may achieve is equal to target: there is no additional over-earn potential.
2. Due to Dr Hayward's notice of resignation prior to the payment date, his 2023 STVR was forfeited in full.

7.1.3. 2023 Executive KMP LTVR vesting outcomes

No LTVR awards were performance tested or vested in 2023. The first LTVR award will be performance tested at the end of 2024 and will be disclosed in the 2024 Remuneration report.

7.1.4. Other equity held by Executive KMP during 2023

Other equity awards for individual Executive KMP that vested during 2023 are detailed in section 2.3.

The following plans vested during 2023 or remain in the performance period for current Executive KMP:

Equity type	Grant date	Restricted period	Vesting date	Performance conditions	Exercise price	Status
Unlisted share options plan	13-Jan-20	13 Jan 2020 to 13 Jan 2023 (3 years)	13-Jan-23	Meeting the exercise price	$2.23	Vested
Employee share option plan	1-Jul-20	1 Jul 2020 to 1 Jul 2023 (3 years)	1-Jul-23	Meeting the exercise price	$1.83	Vested
PSARs (2022 LTVR)[1]	5-Apr-22	1 Jan 2022 to 31 Dec 2024 (3 years)	31-Dec-24	50% EBITRD $100m; Marketing approval by the FDA or EMA for TLX101-CDx (25%) and TLX250-CDx (25%)	$4.95	In Restricted period
Sign-on PSARs	24-Oct-22	1 Jan 2022 to 31 Dec 2024 (3 years)	31-Dec-24	As above	$6.15	In Restricted period
PSARs (2023 LTVR)[2]	2-May-23 and 24-May-23	1 Jan 2023 to 31 Dec 2025 (3 years)	31-Dec-25	50% EBITDAR $332m; ProstACT Global Phase III interim read-out; Pre-pivotal trial meeting completed with a major regulator for one of Telix's rare disease therapy programs	$6.90	In Restricted period
PSRs[3]	6-Jul-23	1 Jan 2023 to 31 Dec 2025 (3 years)	31-Dec-25	As above	$0.00	In Restricted period

1. Refer to 2022 Remuneration report for full details
2. Refer to sections 5.3.1 and 5.3.2 for full details
3. Refer to section 5.4 for full details

8. Key events impacting remuneration

8.1. Executive KMP resignation and appointment

Dr Colin Hayward resigned as Chief Medical Officer (and Executive KMP) effective 31 December 2023. Section 10 and relevant footnotes provide further detail regarding the remuneration he received for the year ended 31 December 2023.

Effective 1 January 2024, Dr David Cade was appointed to the role of Chief Medical Officer (and Executive KMP) and will be included in the 2024 Remuneration report.

8.2. Appointment of Remuneration Consultant

During 2023, the PCNRC through the Chairman engaged Mercer Consulting (Australia) Pty Ltd (Mercer) to conduct a market analysis and review of Telix's Executive Remuneration structure and quantum compared to selected peers based on market capitalisation and industry.

Mercer provided a remuneration recommendation as defined in section 9B of the Corporations Act in 2023 as part of their review of Telix's MD & CEO, and Other Executive KMP remuneration. The Board is satisfied that the remuneration recommendation and other advice provided by Mercer during 2023 was provided free from undue influence from the Executive KMP to whom the recommendation relates.

Mercer also provided benchmarking data, but no remuneration recommendation, relating to Telix's NED fees and aggregate fee limit. Further details are provided regarding the NED review and the Board's proposed response in section 9.2.2.

Total fees payable to Mercer during 2023, excluding GST and disbursements were $110,605, comprising $27,500 in relation to the Executive KMP remuneration recommendation and $83,105 in relation to other remuneration related benchmarking services provided by Mercer (excluding Executive KMP) during 2023.

8.3. Remuneration framework for 2024

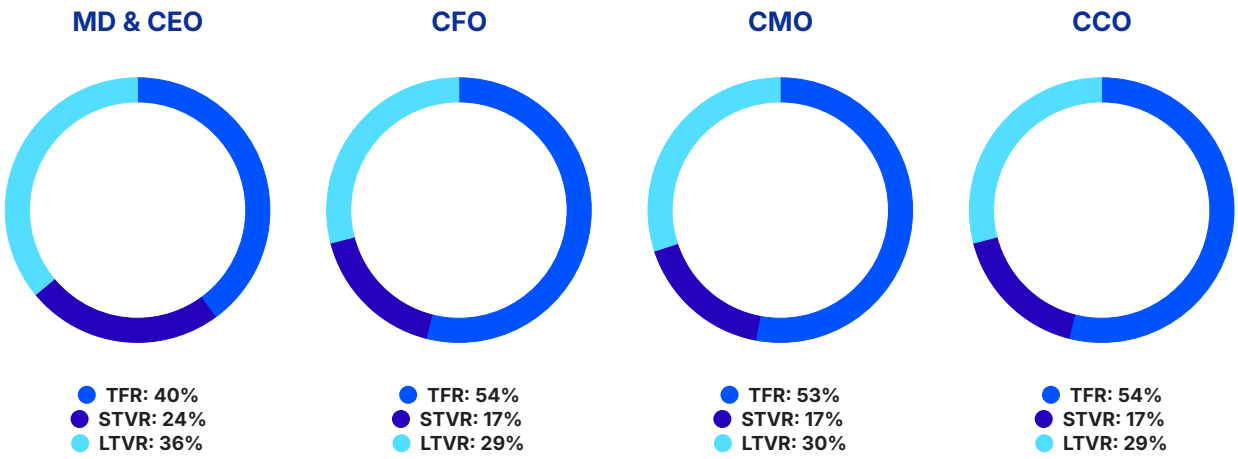
8.3.1. Remuneration mix and delivery to implement Remuneration Consultant recommendations

In line with the commitment to increase fixed remuneration over time to align to the median (50th percentile) of the market, in 2024 the Board will implement year one of the recommended changes to Executive KMP remuneration made by Mercer, including TFR increases.

In addition, as shown in section 3.5, Mercer found that Telix's Executive KMP remuneration is heavily weighted to TFR compared to the market benchmark. The implementation of the first year of recommended changes will address the first step of progressive change and alter Telix's remuneration mix to increase the weighting of variable pay components (STVR and LTVR). This change will also better align with shareholder interests by increasing the proportion of variable performance-based remuneration and level of shareholding held by Executive KMP.

As shown in the below table and diagrams, the remuneration mix has changed from 2023 (see section 3.5) such that the fixed pay component of total remuneration at target for the MD & CEO will reduce from 57% to 40%, and Other Executive KMP will reduce from 58-63% to 53-54%:

Executive KMP	% of base salary			% of total remuneration mix		
	Base salary	STVR	LTVR	TFR	STVR	LTVR
Christian Behrenbruch PhD (MD & CEO)	100%	65%	100%	40%	24%	36%
Darren Smith (CFO)	100%	35%	60%	54%	17%	29%
David Cade MD, MBA (CMO)	100%	35%	60%	53%	17%	30%
Richard Valeix (CCO)	100%	35%	60%	54%	17%	29%



In addition to these changes to Executive KMP remuneration, as detailed in section 9.2.2, if the aggregate NED fee limit resolution is passed by shareholders at the 2024 Annual General Meeting, Board and Committee fees will also be increased to align to the market median over time.

8.3.2. 2024 STVR changes

The Board has determined that from 1 January 2024, a proportion of Executive KMP STVR outcomes will be subject to deferral into equity. The Board has adopted Deferred Share Rights to align overall reward outcomes with value creation for shareholders, act as a retention tool and increase the shareholdings of Executive KMP.

The Deferred Share Rights will be restricted from dealing for 12 months from grant. The non-deferred portion of the STVR award will be made in cash following the release of the applicable end of year results (generally in February the following year).

The introduction of equity deferral for STVR will occur over two years as follows:

- for the first year (2024) 25% of the STVR outcome will be granted as deferred share rights restricted for 12 months to approximately February 2026, with the remaining 75% of the STVR outcome paid in cash in February 2025, and
- in the second year (2025) 50% of the STVR outcome will be granted as deferred share rights restricted for 12 months to approximately February 2027, with the remaining 50% of the STVR outcome paid in cash in February 2026.

All information regarding the Deferred Share Rights and 2024 outcomes will be fully detailed in the 2024 Remuneration report. Any Deferred Share Rights proposed to be granted to the MD & CEO will be subject to shareholder approval and will be included as a shareholder resolution at the 2025 Annual General Meeting as required.

9. Non-Executive Director (NED) remuneration

9.1. NED remuneration framework

To ensure Telix attracts and retains suitably qualified individuals, NED fees are set to reflect the obligations, responsibilities and demands of Directors. They are reviewed periodically by the Board, considering market benchmark data and the financial position of the Group. NEDs receive fees as a Director of Telix, and for their membership and chairing of applicable Board Committees. NEDs do not receive any performance-based remuneration. No equity grants were made to NEDs in 2023.

As an Australian headquartered business, overseas-based NEDs may be required to undertake additional travel to attend meetings or other Board-related matters in Australia. Effective 1 January 2023, a travel allowance of $10,000 was put 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.

There is currently no minimum shareholding requirement for NEDs or retirement benefit scheme (other than statutory superannuation contributions for Australia-based NEDs, which are paid in addition to fees).

9.2. NED remuneration approach

The NED aggregate fee limit of $700,000 per annum was approved by shareholders at the 2021 Annual General Meeting. Total NED remuneration paid during 2023 was $584,541, within the fee limit (83.5% of the fee pool).

With the growth of Telix in the last three years, this limit was reviewed during 2023. The Board will seek to increase the aggregate fee level for NEDs from $700,000 to $1,350,000 via shareholder resolution at the 2024 Annual General Meeting. If the fee pool increase is approved by shareholders, the Board will increase NED fees to align with the benchmarking data provided by Mercer in 2023 with the remuneration changes effective from 1 January 2024. Further details are provided in section 9.2.2.

9.2.1. 2023 Board and Committee fees

NEDs receive a base fee for being a Director of the Board, and additional annual fees for membership or chairing of applicable Committees as outlined below. These amounts exclude superannuation or other relevant statutory requirements, as applicable. The Chairman of the Board is not compensated for Committee Membership but is compensated for his role as Chair of the PCNRC.

Committee and Board fees were set effective 1 January 2022, and applied in 2023 as follows:

Board and Committee Fees[1]	Chair	Member
Board	$170,000	$86,000
Audit and Risk Committee	$15,000	$7,500
People, Culture, Remuneration and Nomination Committee	$15,000	$7,500

1. In 2023, NED fees were paid exclusive of superannuation, with any required superannuation paid in addition to the stated fees.

No NED equity vested in 2023.

9.2.2. 2024 Board and Committee fees

Alongside the review of the aggregate fee limit detailed in section 9.2, the Board also reviewed NED remuneration (Board and Committee fees) during 2023 utilising market analysis prepared by Mercer, as mentioned in section 8.2.

The Mercer review found that Telix's 2023 Board and Committee fees (and aggregate fee pool) are well below remuneration market benchmarks based on market capitalisation and industry. The findings of Mercer's benchmarking review confirmed that Telix's NED remuneration is placed below or at the 25th percentile (P25) and significantly below the market median (P50) of the market benchmark. In order to attract and retain suitably qualified NEDs and deliver on Telix's strategy, the Board plans to adopt the approach (not a recommendation) provided by Mercer to achieve NED remuneration aligned to P50 over time, aligned to the approach for Executive KMP.

To address the increase in NED remuneration, shareholder approval is first required to increase the aggregate fee pool. If the aggregate fee limit resolution is passed at the 2024 AGM, the Board will increase Director and Committee fees effective 1 January 2024 as follows:

Board and Committee Fees[1]	Chair	Member
Board	$230,000	$115,000
Audit and Risk Committee	$30,000	$10,000
People, Culture, Remuneration and Nomination Committee	$20,000	$10,000

1. The proposed NED fees will be inclusive of any required superannuation from 1 January 2024.

Where the proposed NED fees are increased, the travel allowance detailed in section 9.1 will no longer apply.

9.3. 2023 Statutory remuneration - NEDs

The table below sets out NED remuneration for 2023 and 2022, prepared in accordance with relevant IFRS and Australian Accounting Standards.

		Directors' Fees	Superannuation[1]	Share-based payment[2]	Total	Options	
Name	Year	$	$	$	$	$	%
NEDs							
H K McCann[3]	**2023**	**170,000**	**18,275**	**-**	**188,275**	**-**	**-**
	2022	169,998	17,425	-	187,423	-	-
A Kluge[4]	**2023**	**43,000**	**-**	**-**	**43,000**	**-**	**-**
	2022	86,000	-	-	86,000	-	-
M Nelson	**2023**	**93,273**	**10,027**	**-**	**103,300**	**-**	**-**
	2022	93,273	9,560	-	102,833	-	-
T Olson[5]	**2023**	**104,300**	**-**	**34,111**	**138,411**	**34,111**	**24.64**
	2022	70,725	-	22,679	93,404	22,679	24.28
J Skinner	**2023**	**100,727**	**10,828**	**-**	**111,555**	**-**	**-**
	2022	100,727	10,325	2,536	113,588	2,536	2.23
Former NEDs							
O Buck[6]	**2023**	**-**	**-**	**-**	**-**	**-**	**-**
	2022	42,750	-	-	42,750	-	-
Total	**2023**	**511,300**	**39,130**	**34,111**	**584,541**	**34,111**	**n/a**
	2022	563,473	37,310	25,215	625,998	25,215	n/a

1. No superannuation is applicable for Mr Kluge and Ms Olson as they did not provide services in Australia.
2. Following Shareholder approval, premium-priced unlisted share options were issued to Ms Skinner in 2019 and Ms Olson in 2022. The amounts recorded for share-based payments (options) for NEDs reflect the fair value of these options expensed each year over the life of the option.
3. During 2022 and 2023 Mr McCann waived his entitlement to fees as Chair of the PCNRC.
4. As advised to the market on 29 March 2023, Mr Kluge's remuneration for 2023 excludes his leave of absence the period 29 March 2023 to 29 September 2023 that was unpaid.
5. Ms Olson's 2022 fees represent period from 31 March to 31 December 2022 due to her commencement date part way through the year.
6. Mr Buck ceased as KMP in May 2022, and was not a KMP in 2023.

10. 2023 Statutory remuneration – Executive KMP

The below table shows details of the remuneration expenses recognised for Executive KMP for 2023 and 2022 prepared in accordance with IFRS and Australian Accounting Standards.

		Fixed remuneration			Variable remuneration		Termination benefit	Total	Variable remuneration	
		Salary	Superannuation/ Pension	Leave accruals[1]	STVR	Share-based payment				
Name	Year	$	$	$	$	$	$	$	$	%
Executive KMP										
C Behrenbruch	**2023**	**499,282**	**36,632**	**13,081**	**120,244**	**349,222**	**-**	**1,018,461**	**469,466**	**46.10**
	2022	422,345	27,500	62,405	86,976	265,311	-	864,537	352,287	40.75
D Smith[2]	**2023**	**437,650**	**33,745**	**10,194**	**89,586**	**142,727**	**-**	**713,902**	**232,313**	**32.54**
	2022	172,708	11,458	21,361	24,616	8,923	-	239,066	33,539	14.03
R Valeix[3]	**2023**	**496,571**	**37,793**	**(1,694)**	**105,821**	**264,413**	**-**	**902,904**	**370,234**	**41.00**
	2022	39,295	2,432	9,068	4,987	3,685	-	59,467	8,672	14.58
C Hayward[4]	**2023**	**680,739**	**11,717**	**(25,145)**	**-**	**377,177**	**155,252**	**1,199,740**	**377,177**	**31.44**
	2022	224,560	6,138	39,526	37,088	269,415	-	576,727	306,503	53.15
Former Executive KMP[5]										
D Cubbin	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2022	219,961	16,042	-	-	(17,152)	-	218,851	(17,152)	(7.84)
G Liberatore	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2022	218,585	16,042	-	-	(12,941)	38,714	260,400	(12,941)	(4.97)
Total	**2023**	**2,114,242**	**119,887**	**(3,564)**	**315,651**	**1,133,539**	**155,252**	**3,835,007**	**1,449,190**	**n/a**
	2022	1,297,454	79,612	132,360	153,667	517,241	38,714	2,219,048	670,908	n/a

1. Remuneration includes movement in annual leave and long service leave provisions during the year.
2. 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.
3. R Valeix was appointed as Chief Commercial Officer on 5 December 2022.
4. As noted in section 8.1, Dr Hayward resigned as Chief Medical Officer and ceased as Executive KMP effective 31 December 2023. His remuneration is reported to include all amounts associated with his role as KMP for 2023. This includes total fixed remuneration for 2023 (salary and pension) and pay in lieu of notice for the non-compete and non-solicit for three months upon departure. The 2022 and 2023 LTVR PSARs granted in April 2022 and May 2023 respectively are fully expensed and accounted for in 2023 as $377,177 and will remain on-foot, subject to testing at the usual vesting dates.
5. Mr Cubbin and Mr Liberatore ceased as KMP in July 2022, and are not KMP in 2023.

11. Additional statutory disclosures

11.1. Ordinary shareholdings

The relevant interests of KMP in the shares issued by Telix, held directly, indirectly or beneficially either personally or by their related parties are included in this section.

11.1.1. NED ordinary shareholdings

Name	Balance 1 January 2023	Shares issued from Options exercised	Net acquired/(disposed)	Other changes	Balance 31 December 2023
H K McCann	1,150,000	-	-	-	1,150,000
A Kluge	22,675,000	-	-	-	22,675,000
M Nelson	3,628,750	-	-	-	3,628,750
T Olson	43,930	-	51,305[1]	-	95,235
J Skinner	595,000	-	-	-	595,000
	28,092,680	**-**	**51,305**	**-**	**28,143,985**

1. Ms Olson acquired 51,305 shares on market between 13-16 March 2023, as disclosed to the market on 17 March 2023.

11.1.2. Executive KMP ordinary shareholdings

	Balance 1 January 2023	Shares issued from Options exercised	Net acquired/(disposed)	Other changes	Balance 31 December 2023	% of base salary held in shares[1]
C Behrenbruch	23,075,000	-	-	-	23,075,000	48901%
D Smith	6,500	-	-	-	6,500	16%
R Valeix	125,000	-	-	-	125,000	245%
C Hayward[2]	-	244,621	-	-	244,621	367%
	23,206,500	**244,621**	**-**	**-**	**23,451,121**	

1. As at 31 December 2023, the Executive KMP's shareholding as percentage of base salary is calculated using the closing share price of $10.08
2. Dr Hayward resigned as Chief Medical Officer and ceased as Executive KMP effective 31 December 2023.

11.2. KMP option holdings for the year ended 31 December 2023

11.2.1. NED option holdings

Name	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 2023	Unvested at 31 December 2023	Maximum value yet to vest $
H K McCann	-	-	-	-	-	-	-	-	-	-	-	-	-
A Kluge	-	-	-	-	-	-	-	-	-	-	-	-	-
M Nelson	-	-	-	-	-	-	-	-	-	-	-	-	-
T Olson	18-05-22	52,070	4.95	18-05-27	2.1865	31-12-24	52,070	-	-	-	-	52,070	57,060
J Skinner	22-05-19	495,000	1.09	24-01-23	0.23	24-01-22	495,000	-	-	495,000	-	-	-
Total		**547,070**					**547,070**	**-**	**-**	**495,000**	**-**	**52,070**	**57,060**

11.2.2. Executive KMP option holdings

Name	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 2023	Unvested at 31 December 2023	Maximum value yet to vest $
C Behrenbruch	23-05-19	400,000	1.09	24-01-23	0.23	24-01-22	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	-	-
	26-01-21	100,708	4.38	26-01-26	2.12	28-10-22	100,708	-	-	-	100,708	-	-
	5-04-22	139,672	4.95	4-04-27	2.43	31-12-24	139,672	-	-	-	-	139,672	170,278
	24-05-23	120,268	6.90	24-05-28	7.65	31-12-25	120,268	-	-	-	-	120,268	680,473
D Smith	24-10-22	45,449	6.15	24-10-27	3.08	31-12-24	45,449	-	-	-	-	45,449	71,154
	24-10-22	32,463	6.15	24-10-27	3.08	31-12-24	32,463	-	-	-	-	32,463	50,823
	2-05-23	70,798	6.90	27-03-28	3.79	31-12-25	70,798	-	-	-	-	70,798	198,276
R Valeix	21-07-21	75,000	5.37	20-07-26	2.62	28-10-22	75,000	-	-	-	75,000	-	-
	21-07-21	125,000	-	20-07-26	5.35	28-10-22	125,000	-	-	125,000	-	-	-
	5-04-22	89,300	4.95	4-04-27	2.43	31-12-24	89,300	-	-	-	-	89,300	108,868
	2-05-23	81,214	6.90	27-03-28	3.79	31-12-25	81,214	-	-	-	-	81,214	227,447
	6-07-23	35,000	-	15-06-28	10.79	31-12-25	35,000	-	-	-	-	35,000	258,369
C Hayward	1-07-20	400,000	1.83	1-07-24	0.42	1-07-23	400,000	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	51,959
	2-05-23	79,336	6.90	27-03-28	3.79	31-12-25	79,336	-	-	-	-	79,336	65,090
		2,220,054					**2,220,054**	**740,661**	**-**	**1,065,661**	**375,708**	**778,685**	**1,882,737**

11.3. Related party transactions with KMP

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

Loans: There were no loans between the Group and any KMP in the years ended 31 December 2023 and 2022.

Other transactions: Refer to note 33.2 of the Financial report for further details.

Other than those noted above, there were no related party transactions with any KMP in the year ended 31 December 2023.

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

H Kevin McCann AO
Chairman
22 February 2024

Christian Behrenbruch
Managing Director and Group CEO
22 February 2024

Auditor's independence declaration

As lead auditor for the audit of Telix Pharmaceuticals Limited for the year ended 31 December 2023, 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
22 February 2024

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Financial report

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Consolidated statement of comprehensive income or loss

for the year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Continuing operations			
Revenue from contracts with customers	4	502,547	160,096
Cost of sales		(188,157)	(65,170)
Gross profit		**314,390**	**94,926**
Research and development costs		(128,844)	(81,008)
Selling and marketing expenses		(54,867)	(37,970)
General and administration costs		(78,985)	(49,128)
Other losses (net)	5	(35,854)	(18,750)
Operating profit/(loss)		**15,840**	**(91,930)**
Finance income		1,019	1
Finance costs	6	(13,772)	(6,693)
Profit/(loss) before income tax		**3,087**	**(98,622)**
Income tax benefit/(expense)	7	2,124	(5,457)
Profit/(loss) for the year		**5,211**	**(104,079)**
Profit/(loss) for the year attributable to:			
Owners of Telix Pharmaceuticals Limited		5,211	(104,079)
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss in subsequent periods:			
Changes in the fair value of equity investments at fair value through other comprehensive income	14	(895)	-
Items to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(4,852)	591
Total comprehensive loss for the year		**(536)**	**(103,488)**
Total comprehensive loss for the year attributable to:			
Owners of Telix Pharmaceuticals Limited		(536)	(103,488)

	Note	2023 Cents	2022 Cents
Basic earnings/(loss) per share from continuing operations after income tax attributable to the ordinary equity holders of the Company	8.1	1.63	(33.50)
Diluted earnings/(loss) per share from continuing operations after income tax attributable to the ordinary equity holders of the Company	8.2	1.61	(33.50)

The above consolidated statement of comprehensive income or loss should be read in conjunction with the accompanying notes.

Consolidated statement of financial position
as at 31 December 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents		123,237	116,329
Trade and other receivables	11	64,777	39,354
Inventories	12	17,310	8,477
Other current assets	13	19,524	9,073
Total current assets		**224,848**	**173,233**
Non-current assets			
Trade and other receivables	11	586	327
Financial assets	14	12,260	-
Deferred tax assets	15.1	20,452	3,971
Property, plant and equipment	16	23,170	12,032
Right-of-use assets	17	7,323	6,806
Intangible assets	18	109,663	58,984
Total non-current assets		**173,454**	**82,120**
Total assets		**398,302**	**255,353**
Current liabilities			
Trade and other payables	20	81,704	49,519
Borrowings	21	964	-
Current tax payable		11,508	7,320
Contract liabilities	22	10,995	4,940
Lease liabilities	23	595	641
Provisions	24	577	402
Contingent consideration	25	37,153	15,183
Employee benefit obligations	26	13,912	7,551
Total current liabilities		**157,408**	**85,556**
Non-current liabilities			
Borrowings	21	8,209	3,312
Contract liabilities	22	12,162	22,522
Lease liabilities	23	7,677	6,493
Provisions	24	8,004	7,482
Contingent consideration	25	55,601	49,766
Employee benefit obligations	26	330	215
Total non-current liabilities		**91,983**	**89,790**
Total liabilities		**249,391**	**175,346**
Net assets		**148,911**	**80,007**
Equity			
Share capital	27.1	446,268	370,972
Share capital reserve	27.2	(62,829)	(26,909)
Foreign currency translation reserve		(5,414)	(562)
Share-based payments reserve	27.3	35,446	9,321
Financial assets at FVOCI reserve	27.4	(895)	-
Accumulated losses		(263,665)	(272,815)
Total equity		**148,911**	**80,007**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the year ended 31 December 2023

	Note	Share capital $'000	Share capital reserve $'000	Foreign currency translation reserve $'000	Share-based payments reserve $'000	Financial assets at FVOCI reserve $'000	Accumulated losses $'000	Total equity $'000
Balance as at 1 January 2023		**370,972**	**(26,909)**	**(562)**	**9,321**	**-**	**(272,815)**	**80,007**
Profit for the year		-	-	-	-	-	5,211	5,211
Other comprehensive loss		-	-	(4,852)	-	(895)	-	(5,747)
Total comprehensive income/(loss)		**-**	**-**	**(4,852)**	**-**	**(895)**	**5,211**	**(536)**
Issue of shares on acquisitions	27.1	32,724	-	-	-	-	-	32,724
Issue of shares on exercise of options	27.1, 27.2	42,572	(35,920)	-	-	-	-	6,652
Share based payments	27.3	-	-	-	8,786	-	-	8,786
Share based payments associated with acquisitions	27.3	-	-	-	21,278	-	-	21,278
Transfer on exercise of options	27.3	-	-	-	(3,939)	-	3,939	-
		75,296	**(35,920)**	**-**	**26,125**	**-**	**3,939**	**69,440**
Balance as at 31 December 2023		**446,268**	**(62,829)**	**(5,414)**	**35,446**	**(895)**	**(263,665)**	**148,911**

	Note							
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	27.1	175,000	-	-	-		-	175,000
Transaction costs arising on new share issues		(7,816)	-	-	-		-	(7,816)
Issue of shares on exercise of options	27.1, 27.2	32,948	(26,909)	-	-		-	6,039
Share based payments	27.3	-	-	-	8,114		-	8,114
Transfer on exercise of options	27.3	-	-	-	(4,735)		4,735	-
		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**

The above consolidated statement of changes of equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		463,654	124,095
Receipts in relation to R&D tax incentive		-	18,909
Payments to suppliers and employees		(414,079)	(204,289)
Payments for contingent consideration		(16,282)	-
Income taxes paid		(10,253)	(2,278)
Interest received		1,629	1
Interest paid		(785)	(408)
Net cash generated from/(used in) operating activities	29.1	**23,884**	**(63,970)**
Cash flows from investing activities			
Payments for investments in financial assets		(13,155)	-
Payments for acquisition of subsidiary, net of cash acquired		-	(973)
Purchases of intangible assets		(1,115)	(6,823)
Payments for contingent consideration		(1,484)	-
Purchases of property, plant and equipment		(9,679)	(7,038)
Payments for decommissioning liability		(56)	(2,163)
Net cash used in investing activities		**(25,489)**	**(16,997)**
Cash flows from financing activities			
Proceeds from borrowings		5,756	3,014
Repayment of borrowings		-	(13)
Principal element of lease payments		(2,222)	(1,264)
Proceeds from issue of shares and other equity		6,652	181,039
Transaction costs of capital raising		-	(7,816)
Net cash provided by financing activities		**10,186**	**174,960**
Net increase in cash held		**8,581**	**93,993**
Net foreign exchange differences		(1,673)	299
Cash and cash equivalents at the beginning of the financial year		116,329	22,037
Cash and cash equivalents at the end of the financial year		**123,237**	**116,329**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. Corporate information

Telix Pharmaceuticals Limited (Telix or the Company) is a for profit company incorporated and domiciled in Australia. It is limited by shares that are publicly traded on the Australian Securities Exchange (ASX: TLX). These consolidated financial statements comprise the results of Telix and its subsidiaries (together referred to as the Group). The consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 22 February 2024.

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 2023, the Group generated a profit of $5,211,000 (2022: loss of $104,079,000) and cash generated from operating activities of $23,884,000 (2022: cash used in operating activities of $63,970,000). As at 31 December 2023 the net assets of the Group were $148,911,000 (2022: $80,007,000), with cash on hand of $123,237,000 (2022: $116,329,000).

Cash on hand 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 these financial statements.

On this basis, the Directors are satisfied that the Group continues to be a going concern as at the date of these financial statements. 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 2023.

As such, no adjustment has been made to the financial statements 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

Telix Pharmaceuticals Limited is a for-profit entity for the purpose of preparing the financial statements.

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The financial statements also comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.*

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, which have been measured at fair value.

a. 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.

b. New and amended standards adopted by the Group

The Group has adopted all relevant new and amended standards and interpretations issued by the International Accounting Standards Board which are effective for annual reporting periods beginning on 1 January 2023. The new standards and amendments did not have any impact on the amounts recognised in the current and prior periods.

c. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 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.

2.3. Significant changes in the current reporting period

The Group updated the classification of expenses to make the consolidated statement of comprehensive income more relevant to users of the financial statements, particularly as the Group has moved to commercial operations. This has resulted in the reclassification of some expenses for the year ended 31 December 2022, however has not impacted the reported loss for the year or earnings per share.

From 2023, the Group has determined that a functional presentation of its consolidated statement of comprehensive income or loss is most appropriate. In accordance with IAS 1/AASB 101 *Presentation of Financial Statements*, within a functional consolidated statement of comprehensive income or loss, costs directly associated with generating revenues are included in cost of sales. Cost of sales includes direct material and labour costs, distribution fees incurred to ensure delivery of the product to the end customer and indirect costs that are directly attributed to generating revenue,

such as amortisation of intangible assets associated with commercialised products.

2.4. 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.

2.5. 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.

2.6. 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.

2.7. 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. For instances where a liability is based on sales volumes, the payment expected to be realised within 12 months is current based on the underlying estimate of the timing of sales.

Deferred tax assets and liabilities are always classified as non-current.

2.8. 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.

2.9. 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.

2.10. 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.

2.11. 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.

2.12. 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.

2.13. 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.

2.14. Non-current financial assets

Non-current financial assets held for long-term strategic purposes are classified within non-current assets on the consolidated statement of financial position. The financial impacts related to these financial assets are recorded in other comprehensive income.

Non-current financial assets are initially recorded at fair value on their trade date, which is different from the settlement date when the transaction is ultimately effected. Quoted securities are remeasured at each reporting date to fair value based on current market prices. If the market for a financial asset is not active or no market is available, fair values are established using valuation techniques.

Equity securities held as strategic investments are generally designated at the date of acquisition as financial assets valued at fair value through other comprehensive income with no subsequent recycling through profit or loss. Unrealised gains and losses, including exchange gains and losses, are recorded as a fair value adjustment in the consolidated statement of comprehensive income. They are reclassified to retained earnings when the equity security is sold.

2.15. Intangible assets

a. Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but 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 5 to 20 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 a period of 5 to 20 years. Amortisation and impairment charges related to currently marketed products are recognised in cost of goods sold.

Assets not available for use are tested annually for impairment. Assets are carried at cost less accumulated impairment losses and/or accumulated amortisation. An impairment trigger assessment is performed annually for assets available for use.

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.

2.16. 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.

2.17. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the reporting date 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 fair value and subsequently measured at amortised cost using the effective interest method.

2.18. Provisions

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. 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 24.2.

2.19. 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, which is then discounted to a present value using appropriate discount rates with reference to the Group's weighted average cost of capital. Subsequent changes in estimates for contingent consideration liabilities are recognised in Other losses (net). The effect of unwinding the discount over time is recognised in Finance costs.

Contingent consideration in connection with the purchase of individual assets outside of business combinations

is recognised as a liability only when a non-contingent obligation arises (i.e. when milestone is met). Where the contingent consideration is payable in shares, or the group has an election to pay in shares, it is accounted for as an equity settled share-based payment. Equity settled share-based payments are recognised at their fair value at the date control of the asset is obtained. 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 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. The fair value of equity-settled share-based payments is not re-assessed once the asset has been recognised.

2.20. 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 liabilities 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 awards are 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 IAS 37/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.

2.21. 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.

Borrowing costs that are directly attributable to the construction of qualifying assets are capitalised as part of the cost of the relevant asset.

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.

2.22. 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 IFRS 15/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. Further, in determining whether control has transferred, Telix considers if there is a present right to payment and legal title, along with risks and rewards of ownership having transferred to the customer. Revenue from sales is recognised based on the price specified in the contract, net of the estimated volume discounts and government rebates.

Accumulated experience is used to estimate and provide for discounts, using the expected value method, and revenue is 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 credit terms ranging from 30 to 45 days, which is consistent with market practice.

Where distributors are used to facilitate the supply of a product a distribution fee is charged. This fee represents a cost of satisfying the performance obligation to the customer and expensed within Cost of sales in the Consolidated statement of comprehensive income or loss.

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 IFRS 15/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 IFRS 15/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).

2.23. Government grants

Income from government grants 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 Group recognises as an expense the related costs for which the grants are intended to compensate.

2.24. 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 substantively 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.

Included in income tax expense for the period is the effect of Australian R&D tax credits which may only be offset against Australian taxable income. As such, they are recognised as a component of income tax expense.

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. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

2.25. Sales Taxes and Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated sales taxes and 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.

2.26. 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.

2.27. 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.

2.28. Key judgements and estimates

In the process of applying the Group's accounting policies, a number of judgements and estimates of future events are required.

Accrued R&D expenditure

The Group is required to estimate its accrued expenses at each reporting date, which involves reviewing open contracts and purchase orders, communicating with program directors and managers to identify services that have already been performed, 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 Group monthly in arrears for services performed or when contractual milestones are met. The Group estimates accrued expenses at each reporting date 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, all of which are in connection with products for use in clinical trials.

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 18.

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 24 and note 25.

2.29. Climate change

In preparing the consolidated financial statements management assessed the impact of climate change, particularly in the context of the disclosures included in the Sustainability report 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.

While the assessment did not have a material impact for the year ended 31 December 2023, this may change in future periods as the Group regularly updates its assessment of the impact of the lower carbon economy.

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 United States (U.S.) and the subsequent receipt of first commercial revenues from sales of Illuccix® in April 2022.

Reportable segments

The Group operated two reportable segments during the year ended 31 December 2023. 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.

Segment performance is evaluated based on Adjusted earnings before interest, tax depreciation and amortisation (Adjusted EBITDA). Adjusted EBITDA excludes the effects of the remeasurement of contingent consideration and government grant liabilities and other income and expenses which may have an impact on the quality of earnings such as impairments where the impairment is the result of an isolated, non-recurring event. Interest income and finance costs are not allocated to segments as this activity is managed centrally by a central treasury function, which manages the cash position of the Group.

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 license agreements prior to commercialisation and research and development services.

Group and unallocated includes Manufacturing Services and Medical Technologies segments, head office and centrally managed costs (which includes any remeasurements of contingent consideration liabilities).

2023	Commercial $'000	Product development $'000	Group and unallocated $'000	Group $'000
Revenue from contracts with customers	497,051	5,496	-	502,547
Cost of sales	(188,157)	-	-	(188,157)
Gross profit	**308,894**	**5,496**	**-**	**314,390**
Research and development costs	(284)	(128,517)	(43)	(128,844)
Selling and marketing expenses	(54,437)	-	(430)	(54,867)
General and administration costs	(36,092)	-	(42,893)	(78,985)
Other losses (net)	(863)	-	(34,991)	(35,854)
Operating profit/(loss)	**217,218**	**(123,021)**	**(78,357)**	**15,840**
Finance income	-	-	1,019	1,019
Finance costs	-	-	(13,772)	(13,772)
Profit/(loss) before income tax	**217,218**	**(123,021)**	**(91,110)**	**3,087**
Income tax benefit	-	-	2,124	2,124
Profit/(loss) for the year	**217,218**	**(123,021)**	**(88,986)**	**5,211**
Other losses (net)	863	-	34,991	35,854
Finance income	-	-	(1,019)	(1,019)
Finance costs	-	-	13,772	13,772
Depreciation and amortisation	5,665	538	540	6,743
Income tax	-	-	(2,124)	(2,124)
Adjusted earnings before interest, tax, depreciation and amortisation	**223,746**	**(122,483)**	**(42,826)**	**58,437**

Operating segment assets and liabilities

2023	Commercial $'000	Product development $'000	Group and unallocated $'000	Group $'000
Total assets	288,447	46,744	63,111	398,302
Total liabilities	86,337	40,252	122,802	249,391
Additions to non-current assets	12,025	5,116	54,296	71,437

2022	Commercial $'000	Product development $'000	Group and unallocated $'000	Group $'000
Revenue from contracts with customers	156,369	3,727	-	160,096
Cost of sales	(65,170)	-	-	(65,170)
Gross profit	**91,199**	**3,727**	**-**	**94,926**
Research and development costs	(704)	(80,304)	-	(81,008)
Selling and marketing expenses	(37,756)	-	(214)	(37,970)
General and administration costs	(17,730)	-	(31,398)	(49,128)
Other losses (net)	(820)	10	(17,940)	(18,750)
Operating profit/(loss)	**34,189**	**(76,567)**	**(49,552)**	**(91,930)**
Finance income	-	-	1	1
Finance costs	-	-	(6,693)	(6,693)
Profit/(loss) before income tax	**34,189**	**(76,567)**	**(56,244)**	**(98,622)**
Income tax expense	-	-	(5,457)	(5,457)
Profit/(loss) for the year	**34,189**	**(76,567)**	**(61,701)**	**(104,079)**
Other losses (net)	820	(10)	17,940	18,750
Finance income	-	-	(1)	(1)
Finance costs	-	-	6,693	6,693
Depreciation and amortisation	4,694	493	192	5,379
Income tax expense	-	-	5,457	5,457
Adjusted earnings before interest, tax, depreciation and amortisation	**39,703**	**(76,084)**	**(31,420)**	**(67,801)**

Operating segment assets and liabilities

	Commercial $'000	Product development $'000	Group and unallocated $'000	Group $'000
Total assets as at 31 December 2022	111,619	44,275	99,459	255,353
Total liabilities as at 31 December 2022	60,887	19,272	95,187	175,346
Additions to non-current assets	15,789	6,823	-	22,612

	2023 Revenue by location of customer	2023 Non-current assets by location of asset	2022 Revenue by location of customer	2022 Non-current assets by location of asset
	$'000	$'000	$'000	$'000
Australia	1,166	21,057	149	31,815
Belgium	458	77,469	564	41,174
China	5,291	-	3,353	-
Other countries	4,669	-	3,979	-
United Kingdom	1,306	50,346	2,045	-
United States	489,657	4,130	150,006	5,160
Total	**502,547**	**153,002**	**160,096**	**78,149**

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

4. 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:

			2023	2022
	Recognition	Operating segment	$'000	$'000
Sale of goods	At a point in time	Commercial	496,241	155,984
Royalty income	At a point in time	Commercial	392	385
Provision of services	Over time	Commercial	418	-
Licenses of intellectual property	At a point in time	Product development	100	374
Research and development services	Over time	Product development	5,396	3,353
Total revenue from continuing operations			**502,547**	**160,096**

5. Other losses (net)

	2023	2022
	$'000	$'000
Remeasurement of contingent consideration	34,275	16,707
Remeasurement of provisions	(173)	1,017
Realised currency (loss)/gain	(2,460)	668
Impairment of intangible assets	804	-
Other income	(20)	(91)
Unrealised currency loss	3,428	449
	35,854	**18,750**

6. Finance costs

	2023	2022
	$'000	$'000
Unwind of discount	12,782	6,287
Interest expense on lease liabilities	636	277
Interest expense	148	46
Bank fees	206	83
Finance costs	**13,772**	**6,693**

The Group recognised an unwind of discount on contingent consideration liabilities of $11,394,000 (2022: $4,957,000), provisions of $419,000 (2022: $252,000) and contract liabilities of $969,000 (2022: $1,078,000).

7. Income tax (benefit)/expense

7.1. Income tax (benefit)/expense

	2023	2022
	$'000	$'000
Current tax expense[1]	14,357	9,428
Deferred tax benefit	(16,481)	(3,971)
	(2,124)	**5,457**

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.

7.2. Numerical reconciliation of prima facie tax payable to income tax benefit/(expense)

	2023	2022
	$'000	$'000
Profit/(loss) before income tax	3,087	(98,622)
Prima-facie tax at a rate of 30.0% (2022: 30.0%)	926	(29,587)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Net R&D tax incentive credit	(7,408)	(6,688)
Remeasurement of provisions	13,915	7,423
Share-based payments expense	2,636	2,434
Employee Share Trust payments	(10,776)	(8,073)
Sundry items	569	2
Foreign exchange translation loss	1,028	(464)
	890	**(34,953)**
Current year tax losses not recognised	35,152	46,325
Prior year tax losses recognised	-	(854)
Adjustment for current tax of prior periods	-	561
Difference in overseas tax rates	(38,166)	(5,622)
Income tax (benefit)/expense	**(2,124)**	**5,457**

8. Earnings per share

8.1. Basic earnings per share

	2023	2022
	Cents	Cents
Basic earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company	1.63	(33.50)
Total basic earnings/(loss) per share attributable to the ordinary equity holders of the Company	1.63	(33.50)

8.2. Diluted earnings per share

	2023	2022
	Cents	Cents
Diluted earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company	1.61	(33.50)
Total diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company	1.61	(33.50)

8.3. Weighted average number of shares used as the denominator

	2023	2022
	Number	Number
	'000	'000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/loss per share[1]	319,181	310,644
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings/loss per share	323,710	310,644

1. There were 4,436,046 options that were not included in the calculation of diluted earnings for the year ended 31 December 2022 as they were antidilutive.

9. Employment costs

	2023	2022
	$'000	$'000
Salaries and wages	82,108	47,302
Short term incentives	9,413	4,025
Sales commissions	7,167	3,113
Share based payment charge	8,786	8,114
Superannuation	1,798	1,270
Non-Executive Directors' fees	577	661
	109,849	**64,485**

Salaries and wages of $1,483,000 (2022: $903,000) are included within the cost of sales in the Consolidated statement of comprehensive income or loss.

10. Depreciation and amortisation

	2023	2022
	$'000	$'000
Amortisation of intangible assets	4,344	4,098
Depreciation	2,399	1,281
	6,743	**5,379**

11. Trade and other receivables

	2023	2022
	$'000	$'000
Trade receivables	65,310	39,354
Allowance for impairment losses	(533)	-
Deposits	586	327
	65,363	**39,681**
Current	64,777	39,354
Non-current	586	327
Total trade and other receivables	**65,363**	**39,681**

12. Inventories

	2023	2022
	$'000	$'000
Raw materials and stores	7,700	2,422
Work in progress	5,961	3,773
Finished goods	3,649	2,282
Total inventories	**17,310**	**8,477**

The amount of inventory recognised as an expense during the year was $22,621,000 (2022: $9,100,000).

13. Other current assets

	2023	2022
	$'000	$'000
Other receivables	2,363	3,675
GST receivables	4,739	2,890
Prepayments	12,422	2,508
Total other current assets	**19,524**	**9,073**

14. Financial assets

	2023	2022
	$'000	$'000
Investment in Mauna Kea	9,497	-
Investment QSAM Biosciences	2,763	-
Total financial assets	**12,260**	**-**

Additions

Mauna Kea

On 13 November 2023 Telix announced a strategic investment in Mauna Kea of $10,130,000 (€6,000,000), to develop new hybrid pharmaceutical-device products through the combination of Telix's cancer-targeting agents with Mauna Kea's surgical endomicroscopy platform. Telix's investment in Mauna Kea will further support the development of advanced imaging techniques for minimally invasive surgery, with a specific focus on urologic oncology.

Under the deal terms, Telix purchased 11,911,852 new ordinary shares of Mauna Kea at €0.5037 per share. Telix owns 19.33% of the share capital and 19.01% of the voting rights of Mauna Kea. The investment was designated at the date of acquisition as a financial asset valued at fair value through other comprehensive income.

QSAM Biosciences

On 14 November 2023 Telix announced the proposed acquisition of QSAM Biosciences Inc (QSAM). QSAM is a U.S. based clinical stage company developing therapeutic radiopharmaceuticals for primary and metastatic bone cancer.

Telix paid QSAM an upfront Collaboration and Option Fee of $3,025,000 (US$2,000,000) in cash to advance development efforts based on mutually agreed goals and to provide sixty days of exclusivity pending completion of diligence and execution of a definitive acquisition agreement. If the acquisition of QSAM proceeds, upon closing, Telix will pay an upfront purchase price of US$33,100,000 in equity through the issue of fully paid ordinary Telix shares. If the proposed acquisition of QSAM does not close, the Collaboration and Option Fee will be converted to QSAM common stock at US$6.70 per share. The upfront Collaboration and Option Fee has been designated at the date of acquisition as a financial asset valued at fair value through other comprehensive income.

Amounts recognised in other comprehensive income or loss

Fair values have been determined based on the quoted share prices (level 1 inputs) at 31 December 2023, resulting in a loss of $895,000 (2022: $Nil) recognised in other comprehensive income or loss.

15. Deferred tax assets and liabilities

15.1. Deferred tax assets

	2023	2022
	$'000	$'000
The balance comprises temporary differences attributable to:		
Tax losses	-	4,400
Intangible assets	8,294	2,434
Employee benefit obligations	2,791	1,052
Lease liabilities	1,780	803
Inventories	10,976	363
Other	531	157
Total deferred tax assets	**24,372**	**9,209**
Set-off of deferred tax liabilities pursuant to set-off provisions	(3,920)	(5,238)
Net deferred tax assets	**20,452**	**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 2023	**4,400**	**2,434**	**1,052**	**803**	**363**	**157**	**9,209**
(Charged)/credited:							
to profit and loss	(4,400)	5,860	1,739	977	10,613	374	**15,163**
Balance at 31 December 2023	**-**	**8,294**	**2,791**	**1,780**	**10,976**	**531**	**24,372**
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**

15.2. Deferred tax liabilities

	2023	2022
	$'000	$'000
The balance comprises temporary differences attributable to:		
Intangible assets	2,376	3,634
Right-of-use assets	1,544	1,604
Total deferred tax liabilities	**3,920**	**5,238**
Set-off of deferred tax assets pursuant to set-off provisions	(3,920)	(5,238)
Net deferred tax liabilities	**-**	**-**

Deferred tax liabilities movements	Intangible assets $'000	Right-of-use assets $'000	Total $'000
The balance comprises temporary differences attributable to:			
Balance at 1 January 2023	**3,634**	**1,604**	**5,238**
Charged/(credited):			
to profit and loss	(1,258)	(60)	(1,318)
Balance at 31 December 2023	**2,376**	**1,544**	**3,920**
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**

15.3. Unrecognised deferred tax assets

The composition of the Group's unrecognised deferred tax assets is as follows:

	2023	2022
Unrecognised deferred tax assets	**$'000**	**$'000**
Tax losses and tax credits	84,412	62,833
Temporary differences in relation to provisions	212	1,600
Temporary differences in relation to employee benefit obligations	97	898
Temporary differences in relation to intangible assets	-	2,127
Temporary differences in relation to lease liabilities	211	838
Temporary differences in relation to share based payments	8,940	10,508
Total unrecognised deferred tax assets	**93,872**	**78,804**

15.4. Unrecognised tax losses

	2023	2022
	$'000	$'000
Unused tax losses and carried forward tax credits for which no deferred tax asset has been recognised:		
Australia	82,908	61,330
Other countries	1,504	1,503
Unrecognised income tax benefit	**84,412**	**62,833**

16. 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 2023	**9,611**	**576**	**441**	**1,404**	**12,032**
Additions	8,912	96	168	503	9,679
Acquisition of business	-	37	-	-	37
Reclassifications	2,021	(12)	490	(142)	2,357
Depreciation charge	(91)	(207)	(422)	(222)	(942)
Exchange differences	(11)	9	3	6	7
Balance at 31 December 2023	**20,442**	**499**	**680**	**1,549**	**23,170**
Cost	20,752	895	1,600	1,908	25,155
Accumulated depreciation	(310)	(396)	(920)	(359)	(1,985)
Net book amount	**20,442**	**499**	**680**	**1,549**	**23,170**
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**

17. Right-of-use assets

	Properties	Motor vehicles	Total
	$'000	$'000	$'000
Balance at 1 January 2023	**6,327**	**479**	**6,806**
Additions	1,188	1,158	2,346
Reclassifications	(336)	-	(336)
Depreciation charge	(1,006)	(451)	(1,457)
Exchange differences	(39)	3	(36)
Balance at 31 December 2023	**6,134**	**1,189**	**7,323**
Cost	8,959	2,195	11,154
Accumulated depreciation	(2,825)	(1,006)	(3,831)
Net book amount	**6,134**	**1,189**	**7,323**
Balance at 1 January 2022	**2,067**	**311**	**2,378**
Additions	5,054	384	5,438
Acquisition of business	423	-	423
Depreciation charge	(640)	(221)	(861)
Disposals	(580)	-	(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**

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	2023	2022
	$'000	$'000
Properties	1,006	640
Motor vehicles	451	221
	1,457	**861**

18. Intangible assets

	Goodwill	Intellectual property	Software	Patents	Licences	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2023	**5,519**	**41,060**	**-**	**300**	**12,105**	**58,984**
Additions	-	57,410	1,659	266	77	59,412
Reclassifications	-	-	-	-	(2,021)	(2,021)
Amortisation charge	-	(4,005)	-	(37)	(302)	(4,344)
Impairments	-	(804)	-	-	-	(804)
Changes in provisions	(672)	489	-	-	282	99
Exchange differences	-	(1,933)	(37)	-	307	(1,663)
Balance at 31 December 2023	**4,847**	**92,217**	**1,622**	**529**	**10,448**	**109,663**
Cost	4,847	114,048	1,622	949	11,604	133,070
Accumulated amortisation	-	(21,831)	-	(420)	(1,156)	(23,407)
Net book amount	**4,847**	**92,217**	**1,622**	**529**	**10,448**	**109,663**
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	77,904
Accumulated amortisation	-	(17,815)	-	(375)	(730)	(18,920)
Net book amount	**5,519**	**41,060**	**-**	**300**	**12,105**	**58,984**

Cash generating units

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

			2023	2022
CGU	**Useful life**	**Status**	**$'000**	**$'000**
TLX591-CDx (Illuccix®)	Definite	Commercial	10,876	14,709
TLX591	Indefinite	Product development	17,912	12,796
TLX101	Definite	Product development	1,613	1,676
TLX66	Indefinite	Product development	15,569	15,080
TLX66-CDx	Definite	Commercial	-	898
TLX300	Indefinite	Product development	6,823	6,823
Manufacturing services	Definite	Product development	4,298	6,702
Medical technologies	Indefinite	Product development	52,043	-
Patents	Definite	Product development	529	300
			109,663	**58,984**

Impairment test for goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are tested annually for impairment. At 31 December 2023, the Directors used a fair value less costs to sell approach to assess the carrying value of goodwill and indefinite life intangible assets. No impairment was recognised by the Group.

Key assumptions used for the fair value less costs to sell approach

The Group has identified the estimate of the recoverable amount as a significant judgement for the year ended 31 December 2023. In determining the recoverable amount of goodwill and indefinite life intangible assets, the Group has used discounted cash flow forecasts and the following key assumptions (classified as level 3 inputs in the fair value hierarchy):

- discounted expected future cash flows of each program which span 10 years from marketing authorisation, reflecting the anticipated product life cycle, and include cash inflows and outflows determined using further assumptions below
- risk adjusted post-tax discount rate – 15.0% (2022: 15.0%)
- regulatory/marketing authorisation approval dates, these are re-assessed in conjunction with Senior Management and Commercial teams
- expected sales volumes, these are determined by applying a target market share to cancer incidence rates across countries within Americas, European and APAC regions, sourced from data provided by the World Health Organization's International Agency for Research on Cancer
- net sales price per unit, for commercialised products forecast average selling price is used and for products in development a target sales price is used
- approval for marketing authorisation probability success factor, this varies depending on the clinical trial stage of each program
- in relation to cash outflows consideration has been given to cost of sales, selling and marketing expenses, general and administration costs and the anticipated research and development costs to reach commercialisation. Associated expenses such as royalties, milestone payments and licence fees are included, and
- costs of disposal were assumed to be immaterial at 31 December 2023.

Impact of possible changes in key assumptions

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 2023 to exceed their recoverable amounts.

Whilst there is no impairment, the key sensitivities in the valuation remain the continued successful development and commercialisation of core programs. If the Group is unable to successfully develop each product, this may result in an impairment of the carrying amount of our intangible assets.

Impairment triggers for definite life intangible assets

TLX66CDx (Scintimun) manufacturing uses Triton X-100, which can no longer be used in Europe without authorisation from the Regulation on the registration, evaluation, authorisation and restriction of chemicals (REACH). In December 2023, REACH declined an application from the Group for exemption for the use of Triton X-100 in the manufacturing of TLX66CDx. These adverse events indicated that the carrying amount of TLX66-CDx of $898,000 may not be recoverable at 31 December 2023 and the intangible asset was impaired.

Management is currently exploring whether Scintimun could be used for dosimetry to support the TLX66 program, subject to clinical testing. Improvements to the manufacturing process in response to these events could also result in a significant increase in productivity and a reduction in manufacturing costs, which could benefit both Scintimun and TLX66 in the future.

Other than the impairment trigger on TLX66-CDx, there were no other internal or external factors identified that could result in an impairment of definite life intangible assets at 31 December 2023.

19. Acquisitions

Dedicaid GmbH

The Group completed the acquisition of Vienna-based Dedicaid GmbH on 27 April 2023. The acquisition does not meet the definition of a business in IFRS 3/AASB 3 *Business Combinations* and the transaction has been recognised as an asset acquisition. The fair values of identifiable assets on acquisition are outlined below:

	2023
Consideration	**$'000**
Equity issued	1,829
Total consideration	**1,829**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Trade and other receivables	111
Software	1,659
Cash and cash equivalents	123
Trade and other payables	(64)
Total identifiable assets	**1,829**

Lightpoint Medical

The Group completed the acquisition of Lightpoint Medical's RGS business, assets and operations, through the purchase of Lightpoint Medical Limited's wholly owned subsidiary, Lightpoint Surgical Limited on 1 November 2023. Lightpoint Medical – a technology leader in precision-guided robotic cancer surgery – develops and markets miniaturised imaging and sensing tools for advanced intra-operative cancer detection. The acquisition will support and expand Telix's late-stage urologic pipeline and, together with its complementary AI technologies, will strengthen Telix's capabilities in deploying molecular imaging in the surgical setting.

The upfront consideration was $31,522,000 (US$20,000,000) of which $30,895,000 (US$19,600,000) has been paid to Lightpoint Medical in equity through the issue of 3,298,073 fully paid ordinary Telix shares at $9.3659 per share, with the balance paid in cash. A further $23,624,000 (US$15,000,000) is payable via an earn-out in the form of rights (Performance Rights). Performance Rights will be settled in cash or equity (at Telix's election) upon achievement of certain milestones (Milestone Events) relating to the ongoing development and commercialisation of the SENSEI® probe and amounts have been recognised based on the probability of achieving the milestones.

The Group has determined that substantially all of the fair value of the gross assets acquired is concentrated in a single asset or a group of similar assets. The Group has applied the optional concentration of fair value test in IFRS 3/AASB 3 *Business Combinations* and concluded that the components acquired will be treated as an asset acquisition.

The Performance Rights have been recognised as an equity settled share based payment at a fair value of $21,278,000, which has been included in the fair value of intellectual property. Each milestone has a fixed dollar amount which can be settled either in cash of shares. The fair value of the Performance Rights was determined based on management's assessment of the likelihood of each milestone being reached against the fixed dollar amount for that milestone. The likelihood of the milestones being attained are considered non-vesting conditions as there are no further services or obligations of the counterparty, thus being reflected in the fair value.

The fair values of identifiable assets on acquisition are outlined below:

	2023
Consideration	**$'000**
Cash paid	627
Equity issued	30,895
Performance Rights issued	21,278
Total consideration	**52,800**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Intellectual property	52,294
Inventory	406
Patents	266
Property, plant and equipment	37
Other current assets	32
Trade payables	(235)
Total identifiable assets	**52,800**

20. Trade and other payables

	2023	2022
	$'000	**$'000**
Trade creditors	32,837	16,806
Accruals	37,895	22,325
Other creditors	6,738	3,148
Accrued royalties	3,205	1,919
Payroll liabilities	899	972
Government rebates payable	130	4,349
Total trade and other payables	**81,704**	**49,519**

21. Borrowings

	2023	2022
	$'000	**$'000**
Current	964	-
Non-current	8,209	3,312
Total borrowings	**9,173**	**3,312**

All borrowings outstanding at 31 December 2023 are in relation to the build-out of the Brussels South radiopharmaceutical production facility. Telix Pharmaceuticals (Belgium) SPRL (a wholly owned subsidiary of Telix) entered into two loan agreements, one with BNP Paribas and IMBC Group totalling €10,100,000 on a 10-year term, and a second 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.

The loan agreements entitle BNP Paribas and IMBC Group to suspend or terminate all or part of the undrawn portion of the loan facilities with immediate effect and without prior notice. At 31 December 2023, the undrawn portion under the agreements was €6,455,000 ($10,488,000). As at the reporting date Telix has not received any notice to this effect.

The loan agreements require Telix Pharmaceuticals (Belgium) SPRL to comply with various covenants relating to the conduct of the business, including non-payment of required repayments, specified cross-defaults (in the event of the use of trade bills) and ensuring cumulative losses of Telix Pharmaceuticals (Belgium) SPRL do not exceed 25% of its capital and reserves. Upon the occurrence of an event of default and in the event of a change of control, BNP Paribas and IMBC Group may accelerate payments due under the loan agreements or terminate the loan agreements. There were no events of default or changes of control during the year.

2023

Lenders	Loan balance	Due < 1 year	Due > 1 year	Maturity date
	$'000	$'000	$'000	
BNP Paribas	9,173	964	8,209	29-Feb-32
Total	**9,173**	**964**	**8,209**	

2022

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**	

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 2023 the Group's on-balance sheet gearing and leverage ratio was less than 1% (2022: 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 2023				
Borrowings	3,312	5,756	105	9,173
Lease liabilities	7,134	(2,858)	3,996	8,272
	10,446	**2,898**	**4,101**	**17,445**
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**

Other non-cash movements include new leases entered into during the year, leases acquired via acquisitions of a business, disposal of leases and exchange differences.

22. Contract liabilities

The Group has recognised the following liabilities related to contracts with customers in licencing arrangements and non-reimbursable government grants received:

	2023	2022
	$'000	$'000
Balance at 1 January	**27,462**	**29,199**
Consideration received	-	537
Revenue recognised	(5,291)	(3,352)
Exchange differences	17	-
Unwind of discount	969	1,078
Balance at 31 December	**23,157**	**27,462**
Current	10,995	4,940
Non-current	12,162	22,522
Total contract liabilities	**23,157**	**27,462**

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 targeted radiation 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 is accounted for as a revenue contract comprising the grant of a sublicence of the Group's existing intellectual property and the provision of research and development services. The Group has measured its contractual liability to undertake the identified future performance obligations relating to research and development services using a cost plus margin approach. As the performance obligation relating to research and development services is expected to be completed over several years from execution, a financing component has been recognised within Finance costs in profit or loss on an effective interest basis.

Walloon Region non-reimbursable grant

On 29 August 2022, Telix Innovations SA received a non-reimbursable government grant to support research efforts associated with ^{211}At-TLX591/TLX592. The first instalment received was for €365,000, this amount will be released to the Consolidated statement of comprehensive income or loss as the associated expenditure is incurred.

23. Lease liabilities

The consolidated statement of financial position shows the following amounts relating to leases:

Lease liabilities	2023	2022
	$'000	$'000
Current	595	641
Non-current	7,677	6,493
Total lease liabilities	**8,272**	**7,134**

	2023	2022
	$'000	$'000
Balance at 1 January	7,134	2,520
Additions	3,436	6,164
Acquisition of business	-	423
Interest expense	636	277
Lease payments (principal and interest)	(2,858)	(1,541)
Disposals	-	(633)
Exchange differences	(76)	(76)
Balance at 31 December	**8,272**	**7,134**

The consolidated statement of comprehensive income shows the following amounts relating to leases:

Interest expense relating to leases	2023	2022
	$'000	$'000
Properties	604	244
Motor vehicles	32	33
Total lease interest	**636**	**277**

The total cash outflow for leases in 2023 comprises $2,222,000 (2022: $1,264,000) principal and $636,000 (2022: $277,000) interest payments.

24. Provisions

	Government grant liability	Decommissioning liability	Total
	$'000	$'000	$'000
Balance at 1 January 2023	**2,551**	**5,333**	**7,884**
Remeasurement of provisions	(173)	-	(173)
Unwind of discount	238	181	419
Charged to profit or loss	**65**	**181**	**246**
Exchange differences	48	173	221
Amounts adjusted to intangible assets	-	286	286
Provision utilised	-	(56)	(56)
Balance at 31 December 2023	**2,664**	**5,917**	**8,581**
Current	577	-	577
Non-current	2,087	5,917	8,004
Total provisions	**2,664**	**5,917**	**8,581**
Balance at 1 January 2022	**1,539**	**8,532**	**10,071**
Remeasurement of provisions	1,017	-	1,017
Unwind of discount	115	137	252
Charged to profit or loss	**1,132**	**137**	**1,269**
Exchange differences	(59)	(73)	(132)
Acquisition of business	-	-	-
Amounts adjusted to intangible assets	-	(1,100)	(1,100)
Provision utilised	(61)	(2,163)	(2,224)
Balance at 31 December 2022	**2,551**	**5,333**	**7,884**
Current	402	-	402
Non-current	2,149	5,333	7,482
Total provisions	**2,551**	**5,333**	**7,884**

24.1. 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 IFRS 9/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 3.3% (2022: 3.2%), 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.

24.2. 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 €6,021,000 (2022: €6,021,000) have been discounted using the Belgium risk-free rate of 3.3% (2022: 3.2%) and translated to Australian dollars at the exchange rate at 31 December 2023.

The provision represents the best estimate of the expenditures required to settle the present obligation at 31 December 2023. 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.

25. Contingent consideration

	ANMI	TheraPharm	Optimal Tracers	Contingent consideration
	$'000	$'000	$'000	$'000
Balance at 1 January 2023	**62,541**	**1,690**	**718**	**64,949**
Remeasurement of contingent consideration	34,275	-	-	34,275
Unwind of discount	11,033	278	83	11,394
Charged to profit or loss	**45,308**	**278**	**83**	**45,669**
Exchange differences	410	(279)	(46)	85
Amounts adjusted to intangible assets	-	489	(672)	(183)
Payments for contingent consideration	(17,766)	-	-	(17,766)
Balance at 31 December 2023	**90,493**	**2,178**	**83**	**92,754**
Current	37,070	-	83	37,153
Non-current	53,423	2,178	-	55,601
Total contingent consideration	**90,493**	**2,178**	**83**	**92,754**
Balance at 1 January 2022	**40,635**	**1,275**	**-**	**41,910**
Remeasurement of contingent consideration	16,707	-	-	16,707
Unwind of discount	4,798	159	-	4,957
Charged to profit or loss	**21,505**	**159**	**-**	**21,664**
Exchange differences	401	-	-	401
Acquisition of business	-	-	718	718
Amounts adjusted to intangible assets	-	256	-	256
Balance at 31 December 2022	**62,541**	**1,690**	**718**	**64,949**
Current	14,811	-	372	15,183
Non-current	47,730	1,690	346	49,766
Total contingent consideration	**62,541**	**1,690**	**718**	**64,949**

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% (2022: 15.0%), 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 2023
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 0.4% and a 0.5% decrease in the post-tax discount rate would increase the contingent consideration by 0.4%.
Expected sales volumes	This is determined using actual sales volumes for 2023 and forecasting sales volumes for 2024 and beyond for each region.	A 10% increase in sales volumes across all regions would increase the contingent consideration by 5.5% and a 10% decrease in sales volumes would decrease the contingent consideration by 5.5%
Net sales price per unit	This is determined using actual sales prices for 2023 and forecasting sales prices for 2024 and beyond for each region.	A 10% increase in net sales price per unit across all regions would increase the contingent consideration by 5.6% and a 10% decrease in sales prices would decrease the contingent consideration by 5.6%.

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 U.S., whichever approval comes first, and
- 5% of net sales for the first three years following marketing authorisation in the Europe or the U.S., 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% (2022: 15.0%), 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 2023
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 2.0% and a decrease in the post-tax discount rate by 0.5% would increase the contingent consideration by 2.0%.
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 0.7% and a 10% decrease in sales volumes would decrease the contingent consideration by 0.7%.
Net sales price per unit	The net 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 1.6% and a 10% decrease in net sales price per unit would decrease the contingent consideration by 1.6%.
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 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 next year.

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 2023
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 2023 and forecasting revenue for 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. Employee benefit obligations

	2023	2022
	$'000	$'000
Bonus	10,630	5,101
Annual leave	3,282	2,450
Long service leave	330	215
Balance at 31 December	**14,242**	**7,766**
Current	13,912	7,551
Non-current	330	215
Total employee benefit obligations	**14,242**	**7,766**

27. Equity

27.1. Share capital

	2023	2023	2022	2022
	Number '000	$'000	Number '000	$'000
Balance at 1 January	**316,343**	**370,972**	**285,073**	**170,840**
Shares issued through the exercise of share options and warrants[1]	3,879	42,572	8,543	32,948
Contributions of equity[2]	-	-	22,727	175,000
Shares issued for Dedicaid GmbH[3]	207	1,829	-	-
Shares issued for Lightpoint transaction[4]	3,298	30,895	-	-
Transaction costs arising on new share issues	-	-	-	(7,816)
Balance at 31 December	**323,727**	**446,268**	**316,343**	**370,972**

1. Options exercised during the year through the employee Equity Incentive Plan resulted in 3,879,000 (2022: 8,543,000) shares being issued of total value of $42,572,000 (2022: $32,948,000).
2. On 27 January 2022, the Group completed a $175,000,000 institutional placement of 22,727,000 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.
3. On 27 April 2023, the Group completed the acquisition of Dedicaid GmbH. The consideration for the acquisition comprised 207,000 in Telix shares at a 10-day volume weighted average price of shares on the execution date of $8.73 per share.
4. On 1 November 2023, the Group completed the acquisition of Lightpoint through the issue of 3,298,000 fully paid ordinary Telix shares at $9.3659 per share.

The weighted average ordinary shares for the period 1 January 2023 to 31 December 2023 is 319,180,783 (2022: 310,644,169). The Company does not have a limited amount of authorised capital under Australian law.

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 rights:* Holders of Options and rights 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 28.

27.2. Share capital reserve

	2023 Number '000	2023 $'000	2022 Number '000	2022 $'000
Balance at 1 January	-	(26,909)	-	-
Treasury shares acquired	3,877	(35,920)	4,054	(26,909)
Shares allocated to employees	(3,877)	-	(4,054)	-
Balance at 31 December	**-**	**(62,829)**	**-**	**(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, these shares are allocated to employees and are not held within the Employee Share Trust (see note 28 for further information).

27.3. Share-based payments reserve

	2023 Number '000	2023 $'000	2022 Number '000	2022 $'000
Balance at 1 January	**11,736**	**9,321**	**17,148**	**5,942**
EIP options issued	6,689	8,786	4,436	8,114
Performance Rights issued[1]	2,524	21,278	-	-
Options exercised	(4,524)	(3,939)	(8,843)	(4,735)
Options lapsed	(1,824)	-	(1,005)	-
Balance at 31 December	**14,601**	**35,446**	**11,736**	**9,321**

1. Relates to the acquisition of Lightpoint.

27.4. Financial assets at FVOCI reserve

The group has elected to recognise changes in the fair value of certain investments in equity securities in Other comprehensive income (OCI), as explained in note 14. These changes are accumulated within the FVOCI reserve within equity.

The table below shows how the FVOCI reserve relates to equity securities:

	2023 $'000	2022 $'000
Balance at 1 January	-	-
Revaluation - gross	(895)	-
Deferred tax	-	-
Balance at 31 December	**(895)**	**-**

28. 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 (including Performance Share Appreciation 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. Incentive Securities are normally granted under the EIP for no consideration and carry no dividend or voting rights. When exercised, each Incentive Security 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 Incentive Securities on issue to individual Directors can be found in the Remuneration report for the year ended 31 December 2023. For the purposes of this table and to illustrate the total number of Incentive Securities on issue under the rules of the EIP, all Incentive Securities issued to Non-Executive Directors, Executive Directors, employees and contractors are included.

Incentive Securities contain a cashless exercise clause that allows employees to exercise the securities for an exercise price of $0.00 in exchange for forfeiting a portion of their vested securities.

	2023	2023	2022	2022
	Number		Number	
	'000	WAEP[1]	'000	WAEP[1]
Balance at 1 January	**11,736**	**3.62**	**17,148**	**2.03**
Granted during the year	6,689	6.64	4,436	5.10
Exercised during the year	(4,524)	2.68	(8,843)	1.25
Lapsed/forfeited during the year	(1,824)	4.00	(1,005)	3.80
Balance at 31 December	**12,077**	**5.59**	**11,736**	**3.62**
Vested and exercisable at 31 December	**2,221**	**3.73**	**3,199**	**3.93**

1. WAEP - weighted average exercise price

Expense arising from share based payments transactions:

	2023	2022
	$'000	$'000
Options issued under EIP	8,786	8,114
Total	**8,786**	**8,114**

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 2023	Issued during the year	Vested during the year	Exercised during the year	Lapsed during the year	Options on issue at 31 December 2023
				'000	'000	'000	'000	'000	'000
11-Jun-18	11-Jun-20	11-Jun-22	0.85	-	-	-	-	-	-
11-Jun-18	11-Jun-21	11-Jun-22	0.85	-	-	-	-	-	-
24-Jan-19	24-Jan-22	24-Jan-23	1.09	450	-	-	(200)	(250)	-
4-Nov-19	4-Nov-22	3-Nov-23	2.30	430	-	-	(330)	-	100
13-Jan-20	13-Jan-23	12-Jan-24	2.23	3,080	-	3,080	(2,210)	(135)	735
1-Jul-20	1-Jul-23	30-Jun-24	1.83	1,300	-	1,300	(762)	(450)	88
27-Jan-21	28-Oct-22	26-Jan-26	4.38	1,386	-	-	(674)	-	712
27-Jul-21	28-Oct-22	27-Jul-26	5.37	933	-	-	(348)	-	585
27-Jul-21	27-Jul-25	27-Jul-26	0.00	100	-	-	-	-	100
5-Apr-22	31-Dec-24	4-Apr-27	4.95	2,452	-	-	-	(374)	2,078
5-Apr-22	31-Dec-24	4-Apr-27	0.00	205	-	-	-	(55)	150
24-Oct-22	31-Dec-24	24-Oct-27	6.15	1,400	-	-	-	(141)	1,259
2-May-23	31-Dec-25	27-Mar-28	6.90	-	3,362	-	-	(286)	3,076
6-Jul-23	31-Dec-25	16-May-28	10.04	-	817	-	-	(38)	779
6-Jul-23	31-Mar-25 or 31-Dec-25	15-Jun-25, 15-Jun-28	0.00	-	260	-	-	(15)	245
18-Oct-23	30-Jun-26	20-Sep-28	11.37	-	508	-	-	(42)	466
31-Oct-23	31-Dec-26	1-Nov-28	0.00	-	466	-	-	-	466
31-Oct-23	31-Dec-27	1-Nov-29	0.00	-	466	-	-	-	466
30-Nov-23	30-Jun-26	14-Nov-28	8.91	-	810	-	-	(38)	772
				11,736	**6,689**	**4,380**	**(4,524)**	**(1,824)**	**12,077**

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 2023 and 31 December 2022 are included below.

	Apr-22	Oct-22	May-23	Jul-23	Oct-23	Nov-23
Fair value	$2.43	$3.08	$3.79	$6.44	$6.33	$5.21
Consideration	$NIL	$NIL	$NIL	$NIL	$NIL	$NIL
Exercise price	$4.95	$6.15	$6.90	$10.04	$11.37	$8.91
Grant date	5-Apr-22	24-Oct-22	2-May-23	6-Jul-23	18-Oct-23	30-Nov-23
Expiry date	4-Apr-27	24-Oct-27	27-Mar-28	16-May-28	20-Sep-28	14-Nov-28
Term	5 years	5 years	5 years	5 years	6 years	7 years
Share price at grant date	$4.53	$6.97	$7.03	$11.36	$11.50	$9.28
Volatility	60%	60%	60%	60%	60%	60%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free rate	2.62%	3.52%	2.91%	3.15%	3.98%	4.36%

29. Cash flow information

29.1. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

		2023	2022
		$'000	$'000
Profit/(loss) before income tax		3,087	(98,622)
Adjustments for			
Depreciation and amortisation		6,743	5,379
Impairment of intangible assets		804	-
Fair value remeasurement of contingent consideration		34,275	16,707
Fair value remeasurement of provisions		(173)	1,017
Unwind of discount		12,782	6,287
Share based payments		8,786	8,114
Foreign exchange losses		1,339	433
Income taxes paid		(10,253)	(2,278)
Change in assets and liabilities			
(Increase) in trade and other receivables		(27,382)	(19,934)
(Increase) in inventory		(9,636)	(5,023)
(Increase)/decrease in other current assets		(10,451)	(6,441)
(Increase) in other non-current assets		(259)	(115)
Increase in trade creditors		33,704	30,451
Deduct trade and other payables capitalised to intangible assets		(4,385)	-
Contingent consideration payments classified as operating		(16,282)	-
Increase in employee benefit obligations		6,476	2,870
(Decrease) in contract liabilities		(5,291)	(2,815)
Net cash from/(used in) operating activities		**23,884**	**(63,970)**

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 2023 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 $26,488,000 at 31 December 2023 (2022: $24,176,000).

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 2023, the Group held 6.7% (2022: 44.5%) of its cash in Australian dollars, 77.5% (2022: 52.1%) in US dollars, 15.4% (2022: 3.2%) in EUR, 0.1% (2022: 0.1%) in Japanese Yen (JPY) and 0.3% (2022: 0.1%) in Swiss Francs (CHF).

Exposure

The balances held at 31 December 2023 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	95,543	18,953	315	134	-	-	72
Trade receivables	63,634	403	-	-	-	-	-
Financial assets	2,763	9,497	-	-	-	-	-
Trade payables	(37,843)	(11,765)	(192)	(12)	-	3	-
Government grant liability	-	(2,663)	-	-	-	-	-
Decommissioning liability	-	(5,917)	-	-	-	-	-
Contingent consideration liability	(72,314)	(17,100)	-	-	-	-	-
Borrowings	-	(9,173)	-	-	-	-	-

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)	-	-	-	-	-

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/(loss)							
	2023	2023	2023	2023	2022	2022	2022	2022
	+10% Profit/ (loss)	-10% Profit/ (loss)	+10% Equity	-10% Equity	+10% Profit/ (loss)	-10% Profit/ (loss)	+10% Equity	-10% Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
USD	1,699	(2,076)	(7,860)	9,606	(2,036)	2,488	(6,016)	7,352
EUR	1,496	(1,828)	(231)	283	5,837	(7,134)	1,009	(1,233)
CHF	-	-	(29)	35	(11)	13	-	-
JPY	-	-	(12)	14	(11)	14	-	-
SGD	-	-	-	-	-	-	-	-
GBP	-	1	-	-	15	(18)	-	-
CAD	-	-	(7)	8	1	(1)	-	-
Total	**3,195**	**(3,903)**	**(8,139)**	**9,946**	**3,795**	**(4,638)**	**(5,007)**	**6,119**

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 IFRS 9/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 2023, the expected credit losses are $533,000 (2022: $Nil). The following tables sets out the ageing of trade receivables, according to their due date:

Aged trade receivables

	Expected credit losses		Gross carrying amount	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Not past due:	-	-	57,576	37,145
Past due:				
30 days	-	-	4,298	1,599
60 days	(1)	-	381	121
90 days	(4)	-	932	34
120 days	(528)	-	2,123	455
Total	**(533)**	**-**	**65,310**	**39,354**

Credit risk concentration profile

The Group has a significant credit risk exposure to three distributors of 81% (2022: 89% to three distributors). The Group defines major credit risk as exposure to a concentration exceeding 10% of a total class of such asset.

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.

As at 31 December 2023	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	81,704	-	-	-	81,704	81,704
Borrowings	1,105	1,105	8,839	6,859	17,908	9,173
Lease liabilities	1,044	1,057	6,744	1,264	10,109	8,272
Government grant liability	376	577	3,169	593	4,715	2,664
Decommissioning liability	-	-	-	9,782	9,782	5,917
Contingent consideration	-	38,382	65,229	2,352	105,963	92,754
Total financial liabilities	**84,229**	**41,121**	**83,981**	**20,850**	**230,181**	**200,484**

As at 31 December 2022	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	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
Decommissioning liability	-	-	-	9,468	9,468	5,333
Contingent consideration	15,331	-	63,793	2,130	81,254	64,949
Total financial liabilities	**66,053**	**1,410**	**76,782**	**15,628**	**159,873**	**132,798**

30.6. Fair value

30.6.1. Financial assets

Financial assets are categorised as level 1 financial assets and remeasured at each reporting date with movements recognised in other comprehensive income. The inputs used in the fair value calculations are with reference to published price quotations for the associated equity instruments in an active market.

Sensitivity of level 1 financial assets

An increase/(decrease) of 10% in the share price of each financial asset while holding all other variables constant will increase/(decrease) other comprehensive income by $1,178,000 (2022: $nil).

30.6.2. Financial liabilities

Contingent consideration liabilities 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 management'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 $5,061,000 (2022: $4,510,000).

Valuation processes

The finance team of the Group performs the valuation of contingent consideration liabilities 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 contingent consideration liabilities 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, and

- 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

The Group has entered into collaboration arrangements, including in-licensing arrangements with various companies. Such collaboration agreements may require the Group to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales or profit (e.g. royalty and profit share payments). The amount of variable payments under the arrangements are inherently uncertain and difficult to predict, given the direct link to future sales, profit levels and the range of outcomes.

The Group also has certain take or pay arrangements with contract manufacturers or service providers which serve as commercial manufacturers and suppliers for certain products. To the extent a commitment is determined to be onerous, these are provided for within provisions in the consolidated statement of financial position.

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 2023 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 U.S., 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 19 December 2023 the Group submitted its Biologics License Application (BLA) to the U.S. Food and Drug Administration (FDA) for its investigational positron emission tomography (PET) imaging agent TLX250-CDx in clear cell renal cell carcinoma (ccRCC). As at 31 December 2023, there are potential milestone payments of US$1,850,000 to a licensor should the Group be successful in obtaining regulatory approval and commercialisation in the U.S..

32. Commitments

At 31 December 2023 and at the date of these financial statements, 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 2023		
Capital commitments[1]	16,572	40,000
R&D commitments	28,112	20,403
	44,684	**60,403**
31 December 2022		
Capital commitments[2]	6,764	-
R&D commitments	15,583	2,293
	22,347	**2,293**

1. Includes the three year supply of Ytterbium-176 isotope.
2. Restated to exclude Brussels South radiopharmaceutical production facility buildout costs incurred to 31 December 2022.

33. Related party transactions

33.1. Key management personnel compensation

	2023	2022
	$	$
Short-term employee benefits	3,092,881	2,146,954
Superannuation entitlements	159,017	116,922
Share-based payments	1,167,650	542,456
	4,419,548	**2,806,332**

33.2. Transactions with other related parties

	2023	2022
	$	$
Purchases of various goods and services from entities controlled by key management personnel[1]	1,256,490	3,685,543

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 2023, ABX-CRO were engaged to perform close out activities relating to the Phase III Zircon trial for TLX250-CDx, including delivery of dosimetry, PK evaluation, and the imaging report.

   During the year ended 31 December 2023, the total amount paid was $1,256,490 (2022: $3,411,019) and the amount payable to ABX-CRO at 31 December 2023 was $nil (2022: $274,524) respectively. ABX-CRO's fees and charges for activities undertaken in 2023 were on an arm's length basis and competitive with quotes obtained from other CRO's for similar services.

33.3. Interests in other entities

The Group's principal subsidiaries at 31 December 2023 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 Pharmaceuticals (Innovations) Pty Limited (formerly Telix International Pty Ltd)[1]	Australia	100	Manufacturing and development
Telix Pharmaceuticals Holdings Pty Limited[1]	Australia	100	Holding company
Telix Pharmaceuticals International Holdings Pty Limited[1]	Australia	100	Holding company
Telix Pharmaceuticals Australia Holdings Pty Limited[1]	Australia	100	Holding company
Telix Pharmaceuticals (ANZ) Pty Ltd[1]	Australia	100	Commercial operations
Telix Pharmaceuticals (Corporate) Pty Limited[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 (Germany) GmbH (formerly Telix Pharmaceuticals Holdings (Germany) GmbH)	Germany	100	Clinical R&D
Rhine Pharma GmbH (formerly Telix Pharmaceuticals (Germany) GmbH)	Germany	100	Clinical R&D
Therapeia GmbH & Co. KG	Germany	100	Clinical R&D
Dedicaid GmbH	Austria	100	Software
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 Pharmaceuticals (UK) Ltd (formerly Telix Life Sciences (UK) Ltd)	United Kingdom	100	Clinical R&D
Lightpoint Surgical Ltd	United Kingdom	100	Medical devices
Lightpoint Medical Espana SLU	Spain	100	Medical devices
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 37 for further information

TheraPharm Deutschland GmbH was wound up during the financial year.

34. Remuneration of auditor

Auditors of the Group - PricewaterhouseCoopers Australia and related network firms	2023	2022
	$	$
Audit or review of financial statements	1,380,000	367,200
Other assurance services	170,000	-
Other advisory services	291,861	156,857
	1,841,861	**524,057**

Other auditors and their related network firms	2023	2022
	$	$
Audit or review of financial statements	52,538	89,621
Other advisory services	-	9,435
	52,538	**99,056**

35. Events occurring after the reporting period

On 5 January 2024 Telix announced that it is considering an initial public offering (IPO) of American Depositary Shares (ADSs) representing its ordinary shares in the U.S. and listing on the Nasdaq Global Market (Nasdaq). Telix's ordinary shares will remain listed on the Australian Securities Exchange. The number of ADSs that may be offered, the number of underlying ordinary shares that may be issued, the price for such instruments and the timing of the offering have not yet been finalised. No final decision has been made in respect of the offering or Nasdaq listing and there can be no assurance as to the occurrence, timing, pricing and/or completion of such an offering or listing.

On 8 February 2024 Telix entered into an agreement to acquire QSAM Biosciences, Inc. (QSAM), a U.S. based company developing therapeutic radiopharmaceuticals for primary and metastatic bone cancer. The purchase price comprises $50,800,000 (US$33,100,000) upfront, which is payable in the form of 4,369,914 Telix ordinary shares (subject to certain adjustments at completion) and performance rights, that represent the right of the holders to receive contingent payments up to $138,000,000 (US$90,000,000) in aggregate. The contingent payments are payable in cash and/or in ordinary shares, upon achievement of certain clinical and commercial milestones. Completion of the transaction is subject to customary conditions, including approval of QSAM's shareholders and regulatory approvals.

There were no other subsequent events that required adjustment to or disclosure in the Directors' report or the Financial statements of the Company for the year ended 31 December 2023.

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:

	2023	2022
Statement of financial position	**$'000**	**$'000**
Current assets	757,205	72,622
Non-current assets	10,213	60,371
Total assets	**767,418**	**132,993**
Current liabilities	125,765	18,362
Total liabilities	**125,765**	**18,362**
Net assets	**641,653**	**114,631**
Equity		
Share capital	446,268	370,972
Share capital reserve	(62,829)	(26,909)
Other reserves	35,446	9,326
Retained earnings/(accumulated losses)	222,768	(238,758)
Total equity	**641,653**	**114,631**
Profit/(loss) for the year	**420,767**	**(110,944)**
Total comprehensive income/(loss) for the year	**420,767**	**(110,944)**

37. Deed of cross guarantee

During 2022, 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 audited financial statements under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The subsidiaries identified with a '1' in note 33.3 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.

For the year ended 31 December 2023 the parties to the deed of cross guarantee incurred a loss of $202,802,000 (2022: loss of $138,675,000) and as at 31 December 2023 were in a net deficit position of $43,990,000 (2022: net assets $53,448,000), with cash and cash equivalents of $69,239,000 (2022: $62,668,000).

Cash on hand and the repatriation of future cash inflows from commercial activities undertaken by wholly-owned foreign subsidiaries is considered sufficient to meet forecast cash outflows, research and development activities currently underway and other committed business activities for at least 12 months from the date of these financial statements. Further, current liabilities include loans with other subsidiaries in the Group of $101,390,000 which will be settled when sufficient funds are available.

On this basis, the Directors are satisfied that the parties to the deed of cross guarantee continue to be a going concern as at the date of these financial statements.

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:

	2023	2022
Consolidated statement of comprehensive income or loss	**$'000**	**$'000**
Revenue from contracts with customers	6,662	3,873
Cost of sales	(11,953)	(5,872)
Gross loss	**(5,291)**	**(1,999)**
Research and development costs	(103,121)	(78,696)
Selling and marketing expenses	(2,739)	(2,922)
General and administration costs	(40,436)	(31,639)
Other losses (net)	(38,440)	(17,580)
Operating loss	**(190,027)**	**(132,836)**
Finance income	205	666
Finance costs	(12,980)	(6,505)
Loss before income tax	**(202,802)**	**(138,675)**
Income tax expense	-	-
Loss from continuing operations after income tax	**(202,802)**	**(138,675)**
Changes in the fair value of equity investments at fair value through other comprehensive income	(895)	-
Total comprehensive loss for the year	**(203,697)**	**(138,675)**

Consolidated statement of financial position	2023 $'000	2022 $'000
Current assets		
Cash and cash equivalents	69,239	62,668
Trade and other receivables	17,389	41,079
Inventories	244	184
Other current assets	12,904	4,493
Total current assets	**99,776**	**108,424**
Non-current assets		
Investment in subsidiaries	53,930	4,870
Intangible assets	48,868	47,868
Property, plant and equipment	1,467	915
Right-of-use assets	2,475	2,752
Financial assets	12,260	-
Trade and other receivables	339	268
Total non-current assets	**119,339**	**56,673**
Total assets	**219,115**	**165,097**
Current liabilities		
Trade and other payables	140,957	15,571
Contract liabilities	10,440	4,402
Lease liabilities	701	343
Current tax payable	-	-
Contingent consideration	37,071	14,811
Employee benefit obligations	3,594	1,915
Total current liabilities	**192,763**	**37,042**
Non-current liabilities		
Contract liabilities	12,162	22,522
Lease liabilities	2,254	2,450
Contingent consideration	55,600	49,420
Employee benefit obligations	326	215
Total non-current liabilities	**70,342**	**74,607**
Total liabilities	**263,105**	**111,649**
Net assets	**(43,990)**	**53,448**
Equity		
Share capital	446,268	370,972
Share capital reserve	(62,829)	(26,909)
Share-based payments reserve	35,451	9,326
Retained earnings/(accumulated losses)	(462,880)	(299,941)
Total equity	**(43,990)**	**53,448**

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 applicable 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 2023 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 37 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 2023.

Signed in accordance with a resolution of the Directors.

H Kevin McCann AO
Chairman
22 February 2024

Christian Behrenbruch
Managing Director and Group CEO
22 February 2024

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 2023 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 2023
- 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, including significant accounting policy information 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.

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 performed specific risk focused audit procedures in non-significant components.
- 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.

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*
Impairment assessment for goodwill and intangible assets *(Refer to note 18) $109.6m* The Group has recognised $4.9 million of goodwill, $92.2m of intellectual property and $12.5m of other intangible assets at 31 December 2023. In accordance with Australian Accounting Standards, the Group is required to test goodwill and indefinite	Our audit procedures over the Group's impairment assessments of goodwill and intangible assets included, amongst others: • evaluating management's assessment of impairment indicators for indefinite lived intangible assets by considering both financial performance and product developments during the year

Key audit matter	*How our audit addressed the key audit matter*
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 approval dates, expected sales volumes, net sales price per unit and approval for marketing authorisation probability of success factor (key inputs and assumptions) • the significant judgement exercised by the Group in calculating and applying discount rates to the impairment models.	• evaluating the appropriateness of the discounted cash flow forecasts 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 the significant key inputs and assumptions underpinning the impairment models, where possible, to relevant available external market and industry data and to Board approved budgets and other relevant evidence obtained throughout the course of the audit • 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.
Valuation of contingent consideration *(Refer to note 25) $92.8m* The Group values contingent consideration which arose as part of the acquisition of Telix Innovations SA (formerly ANMI), Telix Switzerland (formerly TheraPharm) and Optimal Tracers at each balance sheet date. The initial measurement of contingent consideration was performed at the respective acquisition dates. The Group has remeasured the liabilities to reflect	Our audit procedures to assess the Group's valuation of contingent consideration as at 31 December 2023 included, amongst others: • evaluating the Group's valuation methodology against the requirements of Australian Accounting Standards • assessing the mathematical accuracy of key formulas in the valuation calculation • comparing the key inputs and assumptions

Key audit matter	*How our audit addressed the key audit matter*

post-acquisition changes. 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 significant judgement required by the Group to determine the valuation of the liability including expected sales volumes and net sales prices per unit (key inputs and assumptions)
- the significant judgement exercised by the Group in calculating and applying discount rates to the cash flow model used to calculate the valuation of the contingent consideration liability.

underpinning the impairment models, where possible, to relevant available external market and industry data and to Board approved budgets and other relevant evidence obtained throughout the course of the audit

- 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.

Accounting for acquisitions and financial asset investments
(Refer to note 19 for acquisitions) $54.6m
(Refer to note 14 for financial asset investments) $12.3m

Asset acquisitions:
During the year, the Group completed the acquisition of Dedicaid GmbH and Lightpoint Medical's RGS business, assets and operations, through the purchase of Lightpoint Medical Limited's wholly owned subsidiary, Lightpoint Surgical Limited. As substantially all of the fair value in each acquisition was concentrated on a single asset, these acquisitions have been treated as asset acquisitions in accordance with Australian Accounting Standards.

We considered the accounting for acquisitions to be a key audit matter due to:

- the financial significance of the assets recognised and consideration in cash paid, performance rights and equity issued
- the judgement exercised by the Group in measuring the performance rights issued

Our audit procedures over the accounting for acquisitions and investments included, amongst others:

- review of the key transaction agreements
- evaluating the Group's accounting against the requirements of Australian Accounting Standards
- agreeing the purchase consideration as recorded by the Group to transaction agreements, cash records, and other supporting documentation
- assessing the fair value of assets acquired to underlying books and records
- 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*

- the judgement exercised by the Group in assessing that substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset, in accordance with the optional concentration test applied under Australian Accounting Standards

Financial asset investments:

The Group entered into a strategic investment in Mauna Kea and paid an upfront collaboration and option fee for the proposed acquisition of QSAM Biosciences Inc (QSAM), both of which have been recognised as financial assets at 31 December 2023.

We considered the accounting for investment in financial assets to be a key audit matter due to:

- the financial significance of the assets recognised and consideration paid
- the significant judgement exercised by the Group in estimating the fair value of assets and liabilities recognised at the date agreements were entered and at 31 December 2023.
- the significant judgement applied in accounting for financial assets under 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 2023, 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 through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 the directors' report for the year ended 31 December 2023.

In our opinion, the remuneration report of Telix Pharmaceuticals Limited for the year ended 31 December 2023 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
22 February 2024

Information

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 22 May 2024. 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 Limited's 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 24 January 2024.

Total securities on issue

	Securities (Listed)	Securities (Unlisted)
Fully paid ordinary shares	323,957,272	-
Options to acquire shares	-	11,752,505

Distribution of equity securities – ordinary shares

Range	Securities	%	No. of holders	%
100,001 and Over	274,317,062	84.68	167	1.35
10,001 to 100,000	30,193,558	9.32	1,059	8.58
5,001 to 10,000	7,206,706	2.22	943	7.64
1,001 to 5,000	9,605,704	2.97	3,805	30.83
1 to 1,000	2,634,242	0.81	6,368	51.60
Total	**323,957,272**	**100.00**	**12,342**	**100.00**
Unmarketable Parcels	-	0.00	-	0.00

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. A copy of the Constitution is available at https://telixpharma.com/investors/#corporate-governance. Shareholders who have a voting right percentage of greater than 5% are outlined below:

Name	Securities	%
HSBC Custody Nominees (Australia) Limited	38,850,342	11.99
J P Morgan Nominees Australia Pty Limited	34,966,849	10.79
Citicorp Nominees Pty Limited	29,118,387	8.99
Gnosis Verwaltungsgesellschaftm B H	22,675,000	7.00
Elk River Holdings Pty Ltd As Trustee For The Behrenbruch Family Trust and C Behrenbruch	22,675,000	7.00

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	24 Jan 2024	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,850,342	11.99
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	34,966,849	10.79
3	CITICORP NOMINEES PTY LIMITED	29,118,387	8.99
4	GNOSIS VERWALTUNGSGESELLSCHAFTM B H	22,675,000	7.00
4	ELK RIVER HOLDINGS PTY LTD AS TRUSTEE FOR THE BEHRENBRUCH FAMILY TRUST AND C BEHRENBRUCH	22,675,000	7.00
5	NATIONAL NOMINEES LIMITED	11,451,177	3.53
6	GRAND DECADE DEVELOPMENTS LIMITED	10,947,181	3.38
7	UV-CAP GMBH & CO KG	7,454,500	2.30
8	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	6,623,660	2.04
9	BNP PARIBAS NOMS PTY LTD	6,279,603	1.94
10	BNP PARIBAS NOMINEES PTY LTD	5,978,960	1.85
11	THE ONCIDIUM FOUNDATION	5,929,331	1.83
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,017,015	1.24
13	LIGHTPOINT MEDICAL LTD	3,298,073	1.02
14	MAN HOLDINGS PTY LTD	3,228,750	1.00
15	BNP PARIBAS NOMINEES PTY LTD	2,922,383	0.90
16	PACIFIC CUSTODIANS PTY LIMITED	1,990,000	0.61
17	YELWAC PTY LTD	1,981,804	0.61
18	NETWEALTH INVESTMENTS LIMITED	1,943,357	0.60
19	UBS NOMINEES PTY LTD	1,838,727	0.57
20	AGLUB HOLDINGS PTY LTD	1,733,342	0.54
	Total	**225,903,441**	**69.73**
	Balance of register	**98,053,831**	**30.27**
	Grand total	**323,957,272**	**100.00**

Company directory

Directors

H Kevin McCann AO (Chairman)
Christian Behrenbruch (MD & CEO)
Andreas Kluge
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

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 and research and development costs (Adjusted EBITRD), Adjusted earnings before interest, tax, depreciation and amortisation and research and development costs (Adjusted EBITDAR), Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) 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.

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

			2023	2022
Metric	**Note**	**Operating segment**	**$'000**	**$'000**
Operating profit			15,840	(91,930)
Adjusting items:				
Revenue from contracts with customers	4	Product development	(5,496)	(3,727)
Research and development costs	3	Product development	127,979	79,756
Other losses (net)			35,854	18,750
Adjusted EBITRD			**174,177**	**2,849**
Depreciation and amortisation			6,743	5,379
Adjusted EBITDAR			**180,920**	**8,228**
Product development revenue and costs			(122,483)	(76,029)
Adjusted EBITDA			**58,437**	**(67,801)**

Glossary of terms and abbreviations

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)	Profit/(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)	Profit/(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)	Profit/(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 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.

Abbreviations used in Annual Report

We have outlined below the meaning of various abbreviations or acronyms used in the Annual Report.

Abbreviation	Term
AASB	Australian Accounting Standards Board
ADS	American Depositary Share
AHPRA	Australian Health Practitioner Regulation Agency
AI	Artificial intelligence
AML	Acute myeloid leukaemia
APPI	Japanese Act on the Protection of Personal Information
ARC	Audit and Risk Committee
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AutoML	Automatic machine-learning
BBB	Blood-brain barrier
BLA	Biologics License Application
BMC	Bone marrow conditioning

Abbreviation	Term
CAIX	Carbonic anhydrase IX
ccRCC	Clear cell renal cell carcinoma
CD66	Cluster of differentiation 66
CDO	Group Chief Development Officer
CDSS	Clinical decision support software
CE	Conformité Européenne Mark
CMO	Group Chief Medical Officer
CNS	Central nervous system
DNA-PK	DNA-dependent protein kinase
EAP	Expanded access program
EBRT	External beam radiation therapy
ERMF	Enterprise Risk Management Framework
ESG	Environment, Social and Governance
FANC	Belgian Federal Agency for Nuclear Control
FDA	United States Food and Drug Administration
GBM	Glioblastoma multiforme
GCP	Good Clinical Practice
GDP	Good Distribution Practice
GDPR	General Data Protection Regulation
GET	Group Executive Team
GHG	Greenhouse gas
GLF	Global Leadership Forum
GLP	Good Laboratories Practice
GMP	Good Manufacturing Practice
GRC	Governance, Risk and Compliance
GSRC	Global Safety Review Committee
HIPAA	US Health Insurance Portability and Accountability Act
HSCT	Hematopoietic stem cell transplant
HSWE	Health, safety, wellbeing and environment
IAEA	International Atomic Energy Agency
ICRP	International Commission of Radiological Protection
IIT	Investigator initiated trial
IND	Investigational new drug
IPO	Initial Public Offering
ISMS	Information Security and Information Management
ISSB	International Sustainability Standards Board
KMP	Key management personnel
LAT1 & 2	L-type amino acid transporters 1 & 2
MBS	Medicare Benefits Schedule
mCRPC	Metastatic castration-resistant prostate cancer
MM	Multiple myeloma
MRI	Magnetic resonance imaging
NDA	New Drug Application
NED	Non-Executive Director
NPP	Named patient program
ODD	Orphan drug designation
PCNRC	People, Culture, Nomination and Remuneration Committee
PDGFRα	Platelet-derived growth factor receptor alpha
PMDA	Pharmaceuticals and Medical Devices Agency (Japan)
PoC	Proof-of-concept
PSA	Prostate-specific antigen
PSMA	Prostate-specific membrane antigen
PSMA-PET	Prostate-specific membrane antigen imaging with positron emission tomography
QMS	Quality Management System

Abbreviation	Term
QSEB	Quality and Safety Evaluation Board
R&D	Research and development
R&I	Research and Innovation
rADC	Radio antibody-drug conjugate
REACH	Registration, Evaluation and Authorisation of Chemicals
RGS	Radio-guided surgery
SALA	Systemic amyloid light chain amyloidosis
SLN	Sentinel lymph node
SoC	Standard of care
SOP	Standard operating procedure
SPECT	Single photon emission computed tomography
STS	Soft tissue sarcoma
TAT	Targeted alpha therapy
TGA	Therapeutic Goods Administration (Australia)
TMS	Telix Manufacturing Solutions
TNBC	Triple-negative breast cancer
UN	The United Nations
VHL	Von Hippel Landau

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/