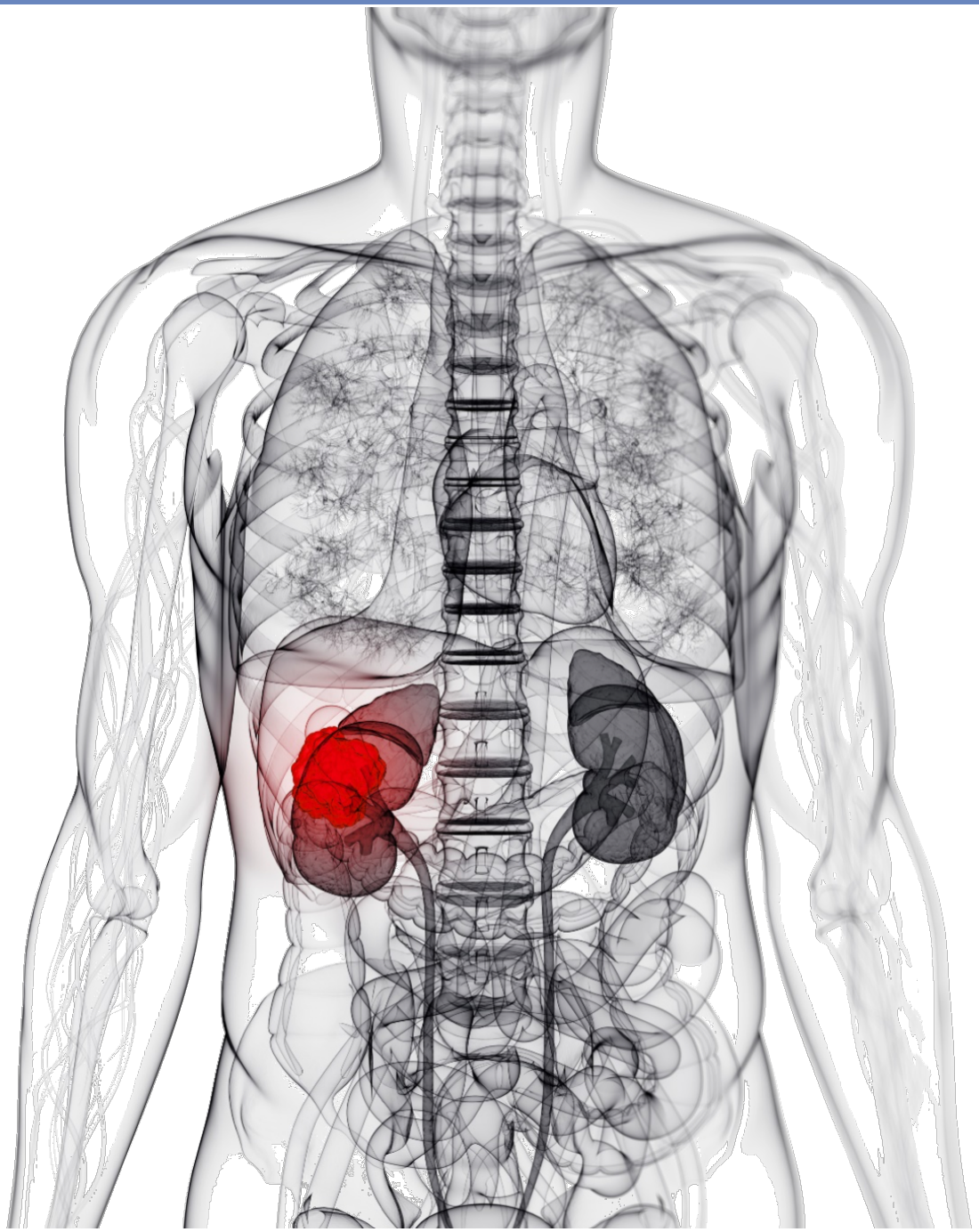

Telix Pharmaceuticals Limited

Interim Financial Report

For the half-year ended 30 June 2019

Company Directory

Directors

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

Company Secretary

Melanie Farris

Registered Office

Telix Pharmaceuticals Limited
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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
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Sydney South NSW 1235
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Contents

DIRECTORS' REPORT

Your Directors present their interim report on the Telix Pharmaceuticals Group for the half-year ended 30 June 2019.

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

H Kevin McCann AM	Chairman
Christian Behrenbruch PhD	Managing Director and Chief Executive Officer
Andreas Kluge MD PhD	Executive Director and Chief Medical Advisor
Oliver Buck	Non-Executive Director
Mark Nelson PhD	Non-Executive Director
Jann Skinner	Non-Executive Director

REVIEW OF RESULTS

Telix Pharmaceuticals Limited is an Australian oncology company that is developing a pipeline of "molecularly targeted radiation", or "MTR", products for unmet needs in cancer care. The Telix Pharmaceuticals Group ("Group") consists of Telix Pharmaceuticals Limited ("Telix Pharmaceuticals" or the "Company") and its wholly owned subsidiaries.

The total comprehensive loss for the half-year ended 30 June 2019 was $10,360,431 (2018: $5,190,974 loss). No dividend was proposed or paid during the period.

The activities during the period were directed to furthering strategic commercial global partnerships and the continued development of the Group's three lead assets:

1. TLX250 / TLX250-CDx : diagnosis and treatment of renal (kidney) cancer

TLX250 uses an antibody against a cancer target (carbonic anhydrase 9 or CA-IX) highly expressed in clear cell renal cell cancer (ccRCC). The imaging application of TLX250 (TLX250-CDx) has previously completed a US Phase III trial. The therapeutic application of TLX250 has completed an academic Phase II study in Europe and the Company is preparing to conduct further clinical studies to evaluate efficacy in combination with immuno-oncology drugs.

2. TLX591 / TLX591-CDx : treatment of metastatic castrate-resistant prostate cancer

TLX591 targets prostate specific membrane antigen (PSMA), an important and well-validated target in prostate cancer. TLX591 is derived from an antibody called huJ591, which has been extensively clinically studied in numerous diagnostic and therapeutic radiopharmaceutical studies with a range of isotopes, including an academic Phase II study with 177Lu (published March 2019). Telix and ANMI SA (acquired in December 2018) have developed a companion imaging agent based on a small molecule targeting PSMA (TLX591-CDx) suitable for imaging with Positron Emission Tomography (PET).

3. TLX101: treatment of glioblastoma (brain cancer)

TLX101 targets LAT-1, a promising target in numerous cancer settings, including glioblastoma (a type of aggressive brain cancer). TLX101 is a small molecule that rapidly crosses the blood-brain barrier and is radiolabled with ^{131}I to deliver therapeutic effect. TLX101 has been evaluated as an imaging agent in over 100 cancer patients in the academic setting (with ^{124}I / ^{123}I) to study biodistribution and pharmacology. Evaluation under compassionate use in Germany has indicated significant therapeutic potential and this is the current development focus of the Company.

REVIEW OF OPERATIONS

Activities during the half-year ended 30 June 2019 saw significant achievement against a number of research, clinical, regulatory and commercial milestones.

Clinical development

During the half-year the Company significantly expanded its clinical activity around the globe, including furthering the ZIRCON Phase III trial for renal cancer imaging and the IPAX-1 glioblastoma therapy study. The ZIR-DOSE dosimetry bridging study (renal cancer imaging with TLX250-CDx) completed, with data demonstrating that the Company's change of isotope resulted in a meaningfully lower patient radiation dose with improved image quality.

The Company also initiated an independent review of clinical data and acceleration of TLX591 prostate cancer therapy program. The analysis of Phase II clinical data has informed the basis of a Phase III trial design in a well-defined patient

population positioning Telix to significantly accelerate its prostate cancer therapy program. Telix is now engaging with regulators to commence a Phase III study in metastatic prostate cancer.

Chemistry, Manufacturing and Controls (CMC)

Scale-up of manufacturing of the 68Ga-PSMA cold kit (branded as *illumet*^{TM} in United States) in preparation for US and European product launch was completed on time and within budget forecast.

The Company also completed manufacturing of TLX250 (renal cancer therapy) and TLX591 (prostate cancer therapy) clinical material. The manufacturing and release of these clinical materials is a major operational step to enable the commencement of further clinical trials.

Commercial partnerships

In the half-year, the Company concluded a number of commercially important distribution agreements, including with Cardinal Health, United Pharmacy Partners and PharmaLogic for the pharmacy preparation and distribution of the *illumet*^{TM} cold kit. Closer to home, the Company also entered into a strategic collaboration with GenesisCare in relation to delivering clinical studies as part of Telix's global multi-centre trials in neuro-oncology and urologic oncology.

The Company also extended its manufacturing agreement with Cyclotek for the production of the VisAct® ImmunoPET tracer (CellSight Technologies, Palo Alto) to a standard suitable for clinical use. VisAct® is a PET imaging tracer used to image the trafficking of immune cells in the body. Telix has invested in the clinical availability of VisAct® in order to optimally combine MTR therapeutics with immuno-oncology drugs, particularly for TLX250 (renal cancer) therapy. Telix intends to use VisAct® to image immune responses to determine how to best cycle combination therapies to maximum patient benefit.

The Company also entered into a development collaboration with Nihon Medi-Physics Co, a leading manufacturer and supplier of radiopharmaceuticals in Japan, for the feasibility of 225Ac-labeled (actinium) antibodies for the treatment of ccRCC.

Regulatory

During the half-year, the Company completed consultations with the Japanese Pharmaceuticals and Medical Devices Agency (PMDA) for a Phase I/II study of 89Zr-girentuximab (TLX250-CDx) in Japan. The Company also had a pre-Phase III meeting with the US Food and Drug Administration (FDA) in relation to Telix's international Phase III ZIRCON study for TLX250-CDx, with positive feedback and a clear pathway to including American patients into the study.

Commercial progress

Following the December 2018 launch of the *illumet*^{TM} prostate imaging kit (as an investigational product), global sales totalled $1,817,502 for the half-year ended 30 June 2019. Although this is early revenue, sales are growing well and the Company views this commercial activity as establishing a well-defined user base in advance of a potential product approval.

The US sales pipeline grew from direct sales to clinical sites using the product under an investigational new drug (IND) application (in the US), "magisterial" use (Europe) and support of third-party clinical trials around the globe. US-based scale-up production of *illumet*^{TM} has been completed in order to fulfil an initial order backlog.

In addition to the commercialisation of the *illumet*^{TM} PET prostate imaging kit in US and European markets, Telix concluded the in-licensing of 99mTc-PSMA technology from the Mexican National Institute for Nuclear Research (ININ). This very promising technology, with excellent clinical data, will enable Telix to offer a similar prostate imaging solution for use with single-photon imaging (SPECT) imaging. PET imaging is commonly used in the US/EU but SPECT is an imaging approach and radiopharmaceutical supply chain that is far more accessible in MENA, Latin America and Asia enabling Telix to address the prostate cancer imaging needs of an estimated 12 million men that do not have access to PET.

Human capital

During the half-year, the Company appointed Gabriel Liberatore as Group COO. Gabriel has twenty years' experience in senior BD and R&D roles including with CSL Limited (ASX:CSL), Deloitte (Australia), Swisse Wellness (HK:112) and the PACT Group (ASX:PGH).

CHANGES TO ISSUED CAPITAL

Issue of unlisted share options: On 19 January 2019, the Company issued 6,845,000 unlisted share options with an exercise price of $1.09 and an expiry date of 11 June 2022. The options were issued to staff and consultants to the Company. Of those options, 895,000 were issued to directors C Behrenbruch and J Skinner subject to shareholder approval, which was received at the Company's AGM held 22 May 2019.

Lapse of unlisted share options: On 19 January 2019, 300,000 share options lapsed, unvested.

Subsequent to the end of the half-year: On 1 July 2019, 366,800 options lapsed, unvested. On 24 July 2019, 30,770,000 fully paid ordinary shares were issued further to a private placement announced on 17 July 2019. Shares were issued at $1.30 per share to raise $40,001,000 before costs. On 22 August 2019, 3,846,128 fully paid ordinary shares were issued further to the Share Purchase Plan (SPP) announced on 17 July 2019 to raise a total amount of $4,999,966 before costs. The SPP enabled existing eligible shareholders to purchase up to $15,000 of shares at $1.30 per share, without brokerage fees.

TOTAL NUMBER OF SHARES AND OPTIONS ON ISSUE

	At 30 June 2019	At the date of this Report
Shares on issue	218,365,836	252,981,964
Options/warrants on issue	17,699,923	17,333,123

EVENTS AFTER THE REPORTING PERIOD

On 2 July 2019, the Company announced the appointment of Netherlands-based PI Medical Diagnostic Equipment B.V. as a distribution partner for the TLX591-CDx (68Ga-PSMA-11) cold kit.

On 3 July 2019, the Company announced the appointment of Grupo RPH as contract manufacturer and product distribution partner for Brazil. The partnership will initially focus on TLX591-CDx (68Ga-PSMA-11) for the imaging of prostate cancer but the agreement is structured to be able to include other Telix products in the future. Telix and Grupo RPH have signed a master product distribution agreement that covers the manufacturing and distribution of Telix's products, starting with TLX591-CDx (68Ga-PSMA-11 kit) for the imaging of prostate cancer with Positron Emission Tomography (PET). The agreement with Grupo RPH significantly extends Telix's international reach and will support product portfolio commercialization in Latin America.

On 15 July 2019 the Company reported the outcome of the pre-Phase III meeting with the FDA noting that Telix had received clear guidance and support from the FDA regarding the Company's intention to include American patients into the TLX250-CDx 'ZIRCON' Phase III study in the United States. The FDA also positively commented on the suitability of the Company's product development strategy to attain eventual marketing authorisation in the US, subject to review of the final clinical data from the ZIRCON study and approval of an acceptable biologics license application (BLA) submission.

On 22 July 2019, the Company reported the outcomes of a scientific advisory meeting held with the Danish Medicines Agency (DKMA), noting support from the DKMA on the suitability of the Company's data package for TLX591-CDx (68Ga-PSMA-11) to support a European marketing authorisation application.

On 1 July 2019, 366,800 options lapsed, unvested. On 24 July 2019, 30,770,000 fully paid ordinary shares were issued further to a private placement announced on 17 July 2019. Shares were issued at $1.30 per share to raise $40,001,000 before costs. On 22 August 2019, 3,846,128 fully paid ordinary shares were issued further to the Share Purchase Plan (SPP) announced on 17 July 2019 to raise a total amount of $4,999,966 before costs. The SPP enabled existing eligible shareholders to purchase up to $15,000 of shares at $1.30 per share, without brokerage fees.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

ROUNDING OF AMOUNTS

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

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

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

This report is made in accordance with a resolution of directors.

H Kevin McCann
Chairman
22 August 2019

Dr Christian Behrenbruch
Managing Director and Chief Executive Officer
22 August 2019

xx

	Note	30 June 2019 $	30 June 2018 $
Continuing operations			
Trade revenue	5.1	1,817,502	-
Cost of sales of goods		(729,146)	-
Gross profit		1,088,356	-
Research and development costs	5.2	(7,839,708)	(6,453,843)
Administration and corporate costs	5.2	(1,977,342)	(2,050,932)
Depreciation and amortisation		(2,323,342)	(1,930)
Employment costs	5.2	(5,132,855)	(1,952,232)
Finance costs		(1,064,919)	(15,319)
Other income and expenses	5.3	5,654,397	5,284,249
Loss before income tax		**(11,595,413)**	**(5,190,007)**
Income tax benefit	5.4	1,225,903	-
Loss from continuing operations after income tax		**(10,369,510)**	**(5,190,007)**
Loss is attributable to:			
Owners of Telix Pharmaceuticals Limited			
Items to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		9,079	(967)
Total comprehensive loss for the period		**(10,360,431)**	**(5,190,974)**
Total comprehensive loss for the period is attributable to:			
Owners of Telix Pharmaceuticals Limited			
		Cents	**Cents**
Basic loss per share from continuing operations attributable to the ordinary equity holders of the company		(4.75)	(2.62)
Diluted loss per share from continuing operations attributable to the ordinary equity holders of the company		(4.75)	(2.62)

The Interim Consolidated Statement of Total Comprehensive Income is to be read in conjunction with the Notes to the Interim Consolidated Financial Statements.

	Note	30 June 2019 $	31 December 2018 $
Current Assets			
Cash and cash equivalents	6	10,145,304	25,771,055
Trade and other receivables	6	15,296,059	8,435,847
Inventory	7	983,241	642,525
Other current assets		1,024,465	1,006,967
Total current assets		**27,449,069**	**35,856,394**
Non-current assets			
Non-current trade and other receivables	10	63,226	1,174,731
Property, plant and equipment	8	255,475	226,171
Right-of-use-assets	4.2	387,916	-
Intangible assets	9	37,341,168	39,450,761
Total non-current assets		**38,047,785**	**40,851,663**
Total assets		**65,496,854**	**76,708,057**
Current Liabilities			
Trade and other payables	6	5,224,923	6,893,041
Borrowings	13	1,027,911	1,132,938
Provisions		507,300	215,722
Lease liabilities	4.2	99,754	-
Total current liabilities		**6,859,888**	**8,241,701**
Non-current liabilities			
Borrowings	13	390,902	596,295
Deferred tax liabilities	12	3,147,863	4,373,766
Contingent consideration liability	14	11,614,758	10,591,885
Lease liabilities	4.2	285,878	-
Total non-current liabilities		**15,439,401**	**15,561,946**
Total liabilities		**22,299,289**	**23,803,647**
Net assets		**43,197,565**	**52,904,410**
Equity			
Issued capital	15	72,052,656	72,052,656
Foreign currency translation reserves		62,937	53,858
Share-based payments reserve	15	1,658,422	1,004,836
Accumulated losses		(30,576,450)	(20,206,940)
Total equity		**43,197,565**	**52,904,410**

The Interim Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Interim Consolidated Financial Statements.

	Share capital $	Accumulated losses $	Foreign currency translation reserve $	Share-based payments reserve $	Total equity $
Balance at 1 January 2018	55,560,912	(6,377,115)	(22)	109,020	**49,292,795**
Loss for the period	-	(5,190,007)	-	-	**(5,190,007)**
Other comprehensive loss	-	-	(967)	-	**(967)**
Total comprehensive loss	**-**	**(5,190,007)**	**(967)**	**-**	**(5,190,974)**
Movements in share based payments	**-**	**-**	**-**	289,077	**289,077**
At 30 June 2018	**55,560,912**	**(11,567,122)**	**(989)**	**398,097**	**44,390,898**

	Share capital $	Accumulated losses $	Foreign currency translation reserve $	Share-based payments reserve $	Total $
Balance at 1 January 2019	72,052,656	(20,206,940)	53,858	1,004,836	**52,904,410**
Loss for the period	-	(10,369,510)	-	-	**(10,369,510)**
Other comprehensive income	-	-	9,079	-	**9,079**
Total comprehensive loss	**-**	**(10,369,510)**	**9,079**	**-**	**(10,360,431)**
Movements in share based payments	-	-	-	653,586	**653,586**
At 30 June 2019	**72,052,656**	**(30,576,450)**	**62,937**	**1,658,422**	**43,197,565**

The Interim Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Interim Consolidated Financial Statements.

	30 June 2019 $	30 June 2018 $
Cash flows from operating activities		
Receipts from customers	1,624,366	-
Payments to suppliers and employees	(16,779,977)	(7,382,423)
Interest received	56,420	166,424
Interest paid	(14,991)	16
Net cash used in operating activities	**(15,114,182)**	**(7,215,983)**
Cash flows from investing activities		
Purchase of plant and equipment	(60,029)	(70,516)
Purchase of intangible assets	(50,861)	-
Loan from related parties	-	(5,380)
Investment in term deposits	-	(15,666,400)
Net cash used in investing activities	**(110,890)**	**(15,742,296)**
Cash flows from financing activities		
Repayment of borrowings	(310,421)	-
Principal element of lease payments	(122,006)	-
Net cash used in financing activities	**(432,427)**	**-**
Net decrease in cash held	**(15,657,499)**	**(22,958,279)**
Cash and equivalents at beginning of the financial period	25,771,055	48,758,958
Net foreign exchange differences	31,748	574,156
Cash and equivalents at end of the financial period	**10,145,304**	**26,374,835**

The Interim Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Interim Consolidated Financial Statements.

1. CORPORATE INFORMATION

Telix Pharmaceuticals Limited ("Telix Pharmaceuticals" or "Company") is a for profit company limited by shares incorporated in Australia whose shares have been publicly traded on the Australian Securities Exchange since its listing on 15 November 2017 (ASX:TLX). Telix is an oncology company that is developing a pipeline of "molecularly targeted radiation", or "MTR", products for unmet needs in cancer care. Telix is the Parent company of the Telix Pharmaceuticals Group ("Group").

2. SEGMENT REPORTING

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

3. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2019 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth). This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by Telix Pharmaceuticals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for and the adoption of new and amended standards as set out below.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS THEREOF, ADOPTED BY THE COMPANY

4.1. Change in accounting policies following the adoption of accounting standards in the current period

In the current reporting period, the Group had to change its accounting policies and make adjustments as a result of adopting AASB 16 *Leases*. The impact of the adoption of the leasing standard and the new accounting policy is disclosed below.

4.2. Impact of change in accounting policy

This note explains the impact of the adoption of AASB 16 *Leases* on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019. The Group has adopted AASB 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 8%.

	2019 $
Operating lease commitments disclosed as at 31 December 2018	163,661
Add: adjustments as a result of a different treatment of extension and termination options, net of discounting	326,293
Lease liability recognised as at 1 January 2019	489,954
Current	204,076
Non-current	285,878
Lease liability as at 1 January 2019	489,954

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	30 June 2019 $	1 January 2019 $
Properties	160,725	216,893
Motor vehicles (i)	227,191	273,061
Total right-of-use-assets	387,916	489,954

(i) Motor vehicles relate to salary packaging arrangements in our Belgian subsidiary ANMI with most employees opting to include a motor vehicle in their salary package in accordance with taxation incentives. There are currently eight motor vehicles under lease arrangements in ANMI.

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:
- property, plant and equipment – $NIL
- right-of-use assets - increase by $489,954
- deferred tax assets - increase by $NIL
- lease liabilities – increase by $489,954

The net impact on retained earnings on 1 January 2019 was $NIL.

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:
- the use of a single discount rate for a portfolio of leases with reasonably similar characteristics
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

The Group holds various office and motor vehicle leasing contracts. These leasing contracts are typically made for fixed periods of 2 to 4 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property and motor vehicles were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, 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. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and 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 payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the lessee's incremental borrowing rate (8%), being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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.

4.3. Impact of adoption of AASB 16

Statement of Financial Position (extract)	30 June 2019 $	AASB16 $	30 June 2019 As presented $	31 December 2018 as originally presented $
Non-current assets				
Right-of-use assets	-	387,916	387,916	-
Deferred tax asset	-	628	-	-
Liabilities				
Lease liabilities current	-	285,878	285,878	-
Lease liabilities non-current	-	99,754	99,754	-

Statement of Total Comprehensive Income (extract)	30 June 2019 $	AASB16 $	30 June 2019 as presented $	30 June 2018 as originally presented $
Net operations cost	(6,229,810)	-	(6,229,810)	(3,121,826)
Depreciation and amortisation	(2,221,304)	(102,038)	(2,323,342)	(1,930)
Administration and corporate costs	(2,117,032)	139,690	(1,977,342)	(2,050,932)
Net operations loss	**(10,568,146)**	**37,652**	**(10,530,494)**	**(5,174,688)**
Finance cost	(1,047,235)	(17,684)	(1,064,919)	(15,319)
Loss before income tax	**(11,615,381)**	**19,968**	**(11,595,413)**	**(5,190,007)**
Income tax benefit	1,231,394	(5,491)	1,225,903	-
Loss from continuing operations after income tax	**(10,383,987)**	**14,477**	**(10,369,510)**	**(5,190,007)**

Statement of Cash Flows (extract)	30 June 2019 $	AASB16 $	30 June 2019 as presented $	30 June 2018 As originally presented $
Cash used in operating activities	(15,238,881)	139,690	(15,099,191)	(7,215,999)
Interest paid	2,693	(17,684)	(14,991)	16
Net cash used in by operating activities	**(15,236,188)**	**122,006**	**(15,114,182)**	**(7,215,983)**
Net cash used in investing activities	**(110,890)**	**-**	**(110,890)**	**(15,742,296)**
Repayment of borrowings	(310,421)	-	(310,421)	-
Principal element of lease liabilities	-	(122,006)	(122,006)	-
Net cash used in financing activities	**(310,421)**	**(122,006)**	**(432,427)**	**-**
Net decrease in cash held	**(15,657,499)**	**-**	**(15,657,499)**	**(22,958,279)**

5. PROFIT AND LOSS INFORMATION

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

5.1. Revenue

The Group assembles cancer imaging kits to supply hospitals and institutions. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, parties have accepted the products in accordance with the sales contract and the acceptance provisions have lapsed. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The Group's obligation to replace faulty products under the standard warranty terms is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The Group derives the following type of revenue:

	30 June 2019 $	30 June 2018 $
Revenue from the contracts with customer recognised at a point in time	1,817,502	-
Total revenue from continuing operations	**1,817,502**	-

5.2. Expenses

	30 June 2019 $	30 June 2018 $
Research and development costs		
Preclinical	370,465	837,889
Clinical	2,444,666	501,098
Manufacturing	3,882,470	5,031,188
Research and development related costs	1,142,107	83,688
	7,839,708	**6,453,843**
Administration and corporate costs		
Insurance	250,264	147,262
Marketing and sponsorship	184,768	55,428
Professional fees	920,564	1,076,612
Travel, training and conference	368,468	390,190
Other administration expenses	253,278	381,440
	1,977,342	**2,050,932**
Employment costs		
Directors' fees	197,377	129,810
Salaries and wages	4,178,580	1,452,921
Superannuation	103,312	80,424
Equity settled share based payment expenses	653,586	289,077
	5,132,855	**1,952,232**

5.3. Other income and expense items

Research and development tax incentive income	5,530,028	4,572,682
Realised currency (loss)/gain	(42,516)	2,917
Unrealised currency gain	103,322	542,208
Interest income	56,420	166,442
Other income	7,143	-
	5,654,397	**5,284,249**

5.4. Income tax benefit

The Group recognises unused tax losses as an income tax benefit that can be set off against probable future taxable profits. A deferred tax asset of $1,225,903 (2018: $NIL) has been recognised for tax losses in the half-year ended 30 June 2019. Income tax expense is recognised based on management's estimate of tax payable by subsidiaries. The net income tax benefit recognised for current period is $1,225,903 (2018: $NIL).

6. FINANCIAL ASSETS AND LIABILITIES

	Note	30 June 2019 $	31 December 2018 $
Financial assets			
Cash and cash equivalents		10,145,304	25,771,055
Trade and other receivables	6.1	15,296,059	8,435,847
Other current assets		1,024,465	1,006,967
		26,465,828	**35,213,869**
Financial liabilities			
Trade and other payables	6.2	5,224,923	6,893,041
Borrowings	13	1,418,813	1,729,233
Lease liabilities	4.2	385,632	-
Contingent consideration liability	14	11,614,758	10,591,885
		18,644,126	**19,214,159**

6.1. Trade and other receivables

Current receivable		
Trade receivables	860,445	677,983
R&D tax incentive receivable	14,435,614	7,757,864
	15,296,059	**8,435,847**

6.2. Trade and other payables

Current liabilities		
Trade payables	2,423,615	3,248,629
Payroll liabilities	261,402	484,746
Other creditors and accruals	2,539,906	3,159,666
	5,224,923	**6,893,041**

7. INVENTORY

	30 June 2019 $	31 December 2018 $
Inventory		
Raw materials and stores	666,014	79,610
Work in progress	254,977	509,534
Finished goods	62,250	53,381
	983,241	**642,525**

8. PROPERTY, PLANT AND EQUIPMENT

There was no adjustment to property, plant and equipment on 1 January 2019 following the adoption of the leasing standard. See note 4.2 for details.

	Plant and equipment $	Furniture, fittings and equipment $	Leasehold improvements $	Total $
Year ended 31 December 2018				
Balance at 1 January 2018	5,389	-	-	5,389
Additions	611	-	-	611
Disposals	(5,389)	-	-	(5,389)
Acquisition of subsidiary	169,831	20,763	34,966	225,560
Net book amount	**170,442**	**20,763**	**34,966**	**226,171**
As at 31 December 2018				
Cost or fair value	170,442	20,763	34,966	226,171
Accumulated depreciation	-	-	-	-
Net book amount	**170,442**	**20,763**	**34,966**	**226,171**
Half-year ended 30 June 2019				
Balance at 1 January 2019	170,442	20,763	34,966	226,171
Additions	1,619	35,796	23,279	60,694
Disposals	(510)	-	-	(510)
Depreciation charge	(17,268)	(10,033)	(3,579)	(30,880)
Net book amount	**154,283**	**46,526**	**54,666**	**255,475**
As at 30 June 2019				
Cost or fair value	171,551	56,559	58,245	286,355
Accumulated depreciation	(17,268)	(10,033)	(3,579)	(30,880)
Net book amount	**154,283**	**46,526**	**54,666**	**255,475**

9. INTANGIBLE ASSETS

	Goodwill $	Intellectual property $	Patents $	Total $
Year ended 31 December 2018				
Balance at 1 January 2018	332,489	1,108,296	67,253	1,508,038
Additions	-	13,439,849	155,366	13,595,215
Amortisation charge	-	-	(6,768)	(6,768)
Acquisition of business	2,807,571	21,546,705	-	24,354,276
Net book amount	**3,140,060**	**36,094,850**	**215,851**	**39,450,761**
As at 31 December 2018				
Cost	3,140,060	36,094,850	226,159	39,461,069
Amortisation charge	-	-	(10,308)	(10,308)
Net book amount	**3,140,060**	**36,094,850**	**215,851**	**39,450,761**
Half-year ended 30 June 2019				
Balance at 1 January 2019	3,140,060	36,094,850	215,851	39,450,761
Additions	-	-	50,861	50,861
Amortisation charge	-	(2,154,671)	(5,783)	(2,160,454)
Net book amount	**3,140,060**	**33,940,179**	**260,929**	**37,341,168**
As at 30 June 2019				
Cost	3,140,060	36,094,850	277,020	39,511,930
Accumulated amortisation	-	(2,154,671)	(16,091)	(2,170,762)
Net book amount	**3,140,060**	**33,940,179**	**260,929**	**37,341,168**

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

	30 June 2019 $	31 December 2018 $
CGU		
ANMI - *illumet*™	22,199,606	24,354,276
Atlab – TLX591	13,439,849	13,439,849
Therapeia - TLX101	1,440,785	1,440,785
Corporate - Patents	260,928	215,851
	37,341,168	**39,450,761**

Impairment test for goodwill and indefinite life intangible assets

Since its inception Telix has completed three acquisitions: Therapeia (2017), Atlab SAS (2018), and Advanced Nuclear Medicine Ingredients SA (ANMI) (2018).

Therapeia: Goodwill and indefinite life intangibles assets, being intellectual property, were acquired as part of the asset purchase of Therapeia and are required to be annually tested for impairment. At 31 December 2018, the Directors used a fair value less costs to sell approach to assess the carrying value of the associated goodwill and intangible assets. No impairment was recognised by the Group. As at 30 June 2019, the Directors have not noted any changes in key assumptions and no impairment triggers have been identified, accordingly no impairment has been recognised.

Atlab SAS: Indefinite life intangibles assets, being intellectual property, were acquired as part of the asset purchase with Atlab and are required to be annually tested for impairment. At 31 December 2018, the Directors used a fair value less costs to sell approach to assess the carrying value of the associated intangible assets that considered the market transaction price and any subsequent indicators of impairment. No impairment was recognised by the Group. The Directors have identified no impairment indicators since 31 December 2018.

Advanced Nuclear Medicine Ingredients (ANMI) SA: Goodwill and indefinite life intangible assets, being intellectual property, were acquired as part of the acquisition of ANMI and are required to be annually tested for impairment. At 31 December 2018, the Directors used a fair value less costs to sell approach to assess the carrying value of the associated goodwill and intangible assets. As at 30 June 2019, the Directors have not noted any changes in key assumptions and no impairment triggers have been identified, accordingly no impairment has been recognised

10. NON-CURRENT TRADE AND OTHER RECEIVABLES

	30 June 2019 $	31 December 2018 $
Non-current assets		
Deposits	63,226	39,160
R&D tax incentive receivable (non-current)	-	1,135,571
	63,226	**1,174,731**

11. DEFERRED TAX ASSETS

	30 June 2019 $	31 December 2018 $
The balance comprises temporary differences attributed to:		
Tax losses	2,517,437	1,884,068
Total deferred tax assets	2,517,437	1,884,068
Set-off of deferred tax liabilities pursuant to set-off provisions	(2,517,437)	(1,884,068)
Net deferred tax assets	**-**	-

12. DEFERRED TAX LIABILITIES

	30 June 2019 $	31 December 2018 $
The balance comprises temporary differences attributable to:		
Intangible assets	(5,665,300)	(6,257,834)
Total deferred tax liabilities	(5,665,300)	(6,257,834)
Set-off of deferred tax assets pursuant to set-off provisions	2,517,437	(1,884,068)
Net deferred tax liabilities	(3,147,863)	(4,373,766)

13. BORROWINGS

	30 June 2019 $	31 December 2018 $
Borrowings (Current – Unsecured)	1,027,911	1,132,938
Borrowings (Non-current - Unsecured)	390,902	596,295
Total borrowings	**1,418,813**	**1,729,233**

All borrowings outstanding at 30 June 2019 are in relation to ANMI and Atlab entities and have arisen as a result of the acquisition of these entities by the Group in the previous year. All ANMI borrowings are commercial in nature. Atlab borrowings are with a French government authority in the form of development loans. Details of the borrowings are as follows:

	Loan balance $	Due < 1 year $	Due > 1 year $	Maturity date
Lender				
Commercial loan	51,807	51,807	-	1/10/2019
Commercial loan	567,187	567,187	-	31/12/2019
Commercial loan	19,446	11,402	8,044	1/12/2020
Commercial loan	64,821	32,809	32,012	30/4/2021
Development loan	243,080	121,540	121,540	30/6/2021
Development loan	330,675	194,550	136,125	30/6/2021
Development loan	141,797	48,616	93,181	31/05/2022
	1,418,813	**1,027,911**	**390,902**	

Development loans are provided by local and national government bodies to support the industry in which they operate in their jurisdictions. All loans are denominated in Euros and have been translated to Australian dollars at the exchange rate current at 30 June 2019.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio: Debt as divided by Equity. At 30 June 2019 the Group's on-balance sheet gearing and leverage ratio was 3.4% (2018: 3.3%).

14. OTHER NON-CURRENT LIABILITIES

	30 June 2019 $	31 December 2018 $
Contingent consideration liability	**11,614,758**	**10,591,885**

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

The Group calculated a preliminary fair value assessment of the contingent consideration liability for the purposes of the business combination disclosed in the 31 December 2018 Annual Report. A preliminary fair value of

$10,591,885 was recognised as at acquisition date (24 December 2018). The movement in the fair value at 30 June 2019 was an increase in the liability of $1,022,873 as a result of the unwind of the discount. This adjustment increased finance costs by $1,022,873 (2018: $NIL).

15. ISSUED CAPITAL

	30 June 2019 Number	30 June 2019 $	31 December 2018 Number	31 December 2018 $
Movements in shares on issue				
Opening balance	218,365,836	72,052,656	197,437,500	55,560,912
Shares issued 19 September 2018 - Atlab acquisition	-	-	14,837,531	12,611,901
Shares issued 24 December 2018 - ANMI acquisition	-	-	6,090,805	3.879,843
Closing balance	**218,365,836**	**72,052,656**	**218,365,836**	**72,052,656**

The weighted average ordinary shares for the period 1 January 2019 to 30 June 2019 is 218,365,836. (2018: 197,437,500). The Company does not have a limited amount of authorised capital.

On 24 July 2019, 30,770,000 fully paid ordinary shares were issued further to a private placement announced on 17 July 2019. Shares were issued at $1.30 per share to raise $40,001,000 before costs. On 22 August 2019, 3,846,128 fully paid ordinary shares were issued further to the Share Purchase Plan (SPP) announced on 17 July 2019 to raise a total amount of $4,999,966 before costs. The SPP enabled existing eligible shareholders to purchase up to $15,000 of shares at $1.30 per share, without brokerage fees.

	30 June 2019 Number	30 June 2019 $	31 December 2018 Number	31 December 2018 $
Movements in share-based payments reserve				
Opening balance	11,154,923	1,004,836	6,624,000	109,020
Options issued during period	6,845,000	653,586	3,950,000	711,519
Warrants issued during period	-	-	780,923	184,297
Options or warrants lapsed during period	(300,000)	-	(200,000)	-
Closing balance	**17,699,923**	**1,658,422**	**11,154,923**	**1,004,836**

16. COMMITMENTS

Capital Commitments: At 30 June 2019 the company's capital commitments are $NIL (31 December 2018: $NIL).

R&D Commitments: At 30 June 2019 the company has $12,244,408 (31 December 2018: $11,068,229) commitments against existing R&D and clinical development related contracts. These contracts have typical termination provisions to limit the commitment to the time and materials expended at termination, the orderly close out of activities or up to an approved work order amount.

17. RELATED PARTY TRANSACTIONS

Transactions with other related parties

ABX CRO is a clinical research organisation (CRO) that specialises in radio pharmaceutical product development. Telix has entered into a master services agreement with ABX CRO for the provision of clinical and analytical services for its programs. Independent director, Dr Andreas Kluge, is the principal owner and Geschäftsführer (Managing Director) of ABX CRO. Amount outstanding at 30 June 2019 was $133,972. (31 December 2018: $411,432)

Transactions with subsidiaries

Telix Pharmaceuticals Limited is the parent entity in the Telix Group. Details of the Group's subsidiaries 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. During the period the parent transacted with its subsidiaries. All transactions were on an arm's length basis and have been eliminated on consolidation

	% equity interest	
Name of entity	**30 June 2019**	**31 December 2018**
Telix International Pty Ltd	100	100
Telix Pharmaceuticals (EST) Pty Ltd	100	100
Telix Pharmaceuticals (ANZ) Pty Ltd	100	100
Telix Pharmaceuticals (US) Inc.	100	100
Telix Life Sciences (UK) Ltd	100	100
Telix Pharmaceuticals (Singapore) Pte Ltd	100	100
Telix Pharmaceuticals Holdings (Germany) GmbH (TPHG)	100	100
Telix Pharmaceuticals (Germany) GmbH	100	100
Telix Pharma Japan KK	100	100
Telix Pharmaceuticals (Belgium) SPRL	100	100
Atlab Pharma SAS	100	100
Advanced Nuclear Medicine Ingredients (ANMI) SA	100	100

18. EVENTS AFTER THE REPORTING PERIOD

On 2 July 2019, the Company announced the appointment of Netherlands-based PI Medical Diagnostic Equipment B.V. as a distribution partner for the TLX591-CDx (68Ga-PSMA-11) cold kit.

On 3 July 2019, the Company announced the appointment of Grupo RPH as contract manufacturer and product distribution partner for Brazil. The partnership will initially focus on TLX591-CDx (68Ga-PSMA-11) for the imaging of prostate cancer but the agreement is structured to be able to include other Telix products in the future. Telix and Grupo RPH have signed a master product distribution agreement that covers the manufacturing and distribution of Telix's products, starting with TLX591-CDx (68Ga-PSMA-11 kit) for the imaging of prostate cancer with Positron Emission Tomography (PET). The agreement with Grupo RPH significantly extends Telix's international reach and will support product portfolio commercialization in Latin America.

On 15 July 2019 the Company reported on a pre-Phase III meeting with the FDA noting that Telix had received clear guidance and support from the FDA regarding the Company's intention to include American patients into the TLX250-CDx 'ZIRCON' Phase III study in the United States. The FDA also positively commented on the suitability of the Company's product development strategy to attain eventual marketing authorisation in the US, subject to review of the final clinical data from the ZIRCON study and approval of an acceptable biologics license application (BLA) submission.

On 22 July 2019, the Company reported the outcomes of a scientific advisory meeting held with the Danish Medicines Agency (DKMA), noting support from the DKMA on the suitability of the Company's data package for TLX591-CDx (68Ga-PSMA-11) to support a European marketing authorisation application.

On 1 July 2019, 366,800 options lapsed, unvested. On 24 July 2019, 30,770,000 fully paid ordinary shares were issued further to a private placement announced on 17 July 2019. Shares were issued at $1.30 per share to raise $40,001,000 before costs. On 22 August 2019, 3,846,128 fully paid ordinary shares were issued further to the Share Purchase Plan (SPP) announced on 17 July 2019 to raise a total amount of $4,999,966 before costs. The SPP enabled existing eligible shareholders to purchase up to $15,000 of shares at $1.30 per share, without brokerage fees.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Directors' Declaration

In accordance with a resolution of the directors of Telix Pharmaceuticals Limited, we state that:

In the opinion of the Directors:

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

    i. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the period ended on that date; and

    ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

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

This declaration has been made after receiving the declarations by the Chief Executive Officer and Chief Financial Officer recommended to be made under the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations for the half-year ended 30 June 2019.

Signed in Sydney on 22 August 2019

On behalf of the Board

H Kevin McCann
Chairman

Dr Christian Behrenbruch
Managing Director and Chief Executive Officer