See it.
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TELIX
PHARMACEUTICALS

Interim Financial Report
For the half-year ended
30 June 2020

Company Directory

Directors

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

Company Secretary

Melanie Farris

Registered Office

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Australian Business Number

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Securities Exchange Listing

Australian Securities Exchange
ASX Code: TLX

Auditor

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Contents

DIRECTORS' REPORT

Your Directors present their interim report on Telix Pharmaceuticals Limited ('the Company') and its subsidiaries (collectively, 'the Group') for the half-year ended 30 June 2020.

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 AO	Chairman
Christian P Behrenbruch PhD MBA	Managing Director and Chief Executive Officer
Oliver Buck	Non-Executive Director
Andreas Kluge MD PhD	Non-Executive Director
Mark Nelson PhD	Non-Executive Director
Jann Skinner	Non-Executive Director

REVIEW OF RESULTS

Telix Pharmaceuticals Limited is a Melbourne-headquartered oncology company that is developing a pipeline of 'molecularly targeted radiation' (MTR) products for unmet needs in prostate, kidney and brain cancers. The Company was established as an unlisted public company on 3 January 2017 and listed on the on the Australian Securities Exchange on 15 November 2017.

The total comprehensive loss for the half-year ended 30 June 2020 was $17,622,000 (2019: $10,360,000 loss). No dividend was proposed or paid during the period.

Telix's corporate objectives are reflective of the Group's commercial launch goals and comprise three key areas of focus:

1. Product development and commercial activity
2. Infrastructure development, manufacturing supply chain and logistics
3. Organisational and corporate development.

Telix's activities during the half-year were directed to furthering the development of the Group's three lead programs and strategic commercial global partnerships.

1. Prostate cancer

Telix's prostate cancer program comprises the prostate cancer imaging product TLX591-CDx (^{68}Ga-PSMA-11) and the prostate cancer therapeutic product TLX591 (^{177}Lu-DOTA-rosopatamab). Each of these products targets prostate specific membrane antigen (PSMA), an important and well-validated drug target in prostate cancer.

The TLX591-CDx program is the Group's most advanced program, with the product currently used under investigational (IND), clinical trial and special access use in the United States and Europe.

TLX591-CDx – prostate cancer imaging

In February 2020, Telix received positive guidance from the US Food and Drug Administration (FDA) regarding its submission of a New Drug Application (NDA) for TLX591-CDx. In accordance with earlier guidance received from the FDA, the Group had submitted a clinical briefing package on the clinical data it proposed using for the NDA submission. The FDA provided detailed feedback on the efficacy data, which the Group expects to be able to satisfy and also indicated that the safety dataset was adequate, subject to the formal NDA review process.

Telix provided a further update in June on the progress of its NDA submission for TLX591-CDx to the FDA. The Group indicated that new data reporting the superiority of ^{68}Ga-PSMA-11 prostate cancer imaging compared to conventional imaging in men with newly diagnosed high-risk prostate cancer had recently been published and that as a consequence, the Group was considering the merits of a broader label indication for its NDA submission. The Group is currently preparing to file its NDA for TLX591-CDx and expects to file prior to the end of the third quarter of 2020.

During April 2020, Telix submitted a marketing authorisation application (MAA) in Europe for TLX591-CDx. The submission was made to the Danish Medicines Agency (DKMA) in its capacity as a reference Competent Authority of a European member state. The DKMA will coordinate and lead the evaluation of Telix's MAA for TLX591-CDx on behalf of Denmark as well as a cohort of European countries that have been nominated by Telix, representing the key commercial jurisdictions.

TLX591 – prostate cancer therapy

In May 2020, Telix announced it had been granted a Type B pre-IND meeting with the US FDA in relation to the Group's planned Phase III ProstACT international, multicentre, randomised controlled trial of TLX591 for the treatment of metastatic castrate-resistant prostate cancer. The ProstACT trial is planned as a second-line study in men with metastatic castrate-resistant prostate cancer whose disease has progressed following initial treatment. The trial will examine the effectiveness of TLX591 in combination with best standard care, compared with best standard care alone, and will recruit patients primarily in Australia and the United States, subject to the requisite regulatory approvals.

2. Renal cancer

Telix's renal (kidney) cancer program comprises the kidney cancer imaging product TLX250-CDx (^{89}Zr-girentuximab) and the kidney cancer therapeutic product TLX250 (^{177}Lu-girentuximab). These products target carbonic anhydrase IX (CA9), which is highly expressed by clear cell renal cell carcinoma (ccRCC), the most common and aggressive form of kidney cancer.

Telix expects TLX250-CDx to be the first diagnostic imaging agent to enable the non-invasive assessment of patients with suspected ccRCC. This represents a significant presently unmet medical need, given that the identification of a theretofore asymptomatic 'renal mass' is a common incidental finding on abdominal imaging performed for another health condition. Presently, these incidental renal masses may be followed up via invasive kidney biopsy or surgery.

Telix's ZIRCON trial is an international, multi-centre Phase III trial that compares pre-surgical imaging using TLX250-CDx in detecting ccRCC, with tissue histology in patients undergoing surgical resection. The ZIRCON trial is being conducted at over thirty sites globally and will enrol approximately 250 patients.

In January 2020, Telix received approval from the US FDA to allow the ZIRCON study to commence recruitment of American patients. While ZIRCON trial activity was paused during the period March to June 2020 due to the impact of COVID-19, the Group indicated in June 2020 that the ZIRCON trial had recommenced patient recruitment in Europe. Further sites in Australia, Canada, Turkey and USA are in the process of restarting clinical trial operations and are expected to resume patient recruitment during the third quarter of 2020.

3. Glioblastoma

Glioblastoma multiforme (GBM) is the most common form of brain cancer and carries a poor prognosis, primarily due to there being few effective treatment options. Telix's GBM therapeutic product TLX101 (131I-IPA) targets LAT-1, a promising target in numerous cancer settings, including glioblastoma. TLX101 is a novel approach that is readily able to pass through the blood-brain barrier, a normal physiological barrier that protects the brain and excludes many other potential drug candidates.

Telix's IPAX-1 trial is an international, multi-centre Phase I/II trial that combines TLX101 with external beam radiation therapy (XBRT) in patients with recurrent GBM. The trial is being conducted at six sites in Europe and Australia and is currently completing the dose-escalation component of the study (22 out of 48 patients). Like the ZIRCON trial, trial activity was paused during the period March to June 2020 due to COVID-19, however patient recruitment has now resumed in Europe, with initial study results expected in the fourth quarter of 2020.

REVIEW OF OPERATIONS

Commercialisation activities

In April 2020, Telix entered into a definitive commercial distribution agreement with Columbus, Ohio (USA) based Cardinal Health to provide radio-pharmacy and logistics services to support Telix's prostate cancer imaging product TLX591-CDx. Under the terms of this agreement, Cardinal Health will prepare and deliver patient-specific unit-doses of TLX591-CDx for the US market, pending regulatory approval from the FDA.

Telix entered into a further commercial distribution agreement in May 2020 with Boca Raton, Florida (USA)-based Pharmalogic Holdings Corp. to provide nuclear pharmacy and logistics services to support Telix's prostate cancer imaging product TLX591-CDx. Under the terms of this agreement, Pharmalogic will prepare and deliver patient-specific unit-doses of TLX591-CDx, for the US market through its network of 27 nuclear medicine pharmacies. Pharmalogic's nuclear medicine pharmacy network services predominantly regional and rural areas in the Midwest and Northeast regions of the United States.

During April 2020, Telix completed the acquisition of a licenced radiopharmaceutical production facility in Seneffe, Belgium from German company Eckert & Ziegler Strahlen und Medizintechnik AG (EZAG). In October 2019, the Group entered into a conditional agreement with EZAG to acquire the Seneffe site. The acquisition of the site was completed for a nominal sum (EUR €1) in addition to Telix assuming the future decommissioning liability which was estimated at $8,497,000 (€5,183,000) based on a decommissioning plan prepared by the Company in close consultation with expert nuclear decommissioning advisory prior to completion of the acquisition.

Completion of this acquisition required several Belgian government approvals, most notably from the Federal Agency for Nuclear Control (FANC) for the transfer of the site's active radiation licence to Telix, as well as an amendment of the radiation licence to enable production and R&D activities to commence using the isotopes represented in Telix's product portfolio.

The Seneffe facility has one of the most extensive private sector medical isotope licences in Europe, which delivers significant operational flexibility to Telix and the expected ability to meet the Group's commercial production needs for its product portfolio in Europe.

The acquisition of the Seneffe facility delivers a range of commercial benefits to Telix including:

- A Class IIA radiation licence, enabling the Company to manufacture a broad range of diagnostic and therapeutic radiopharmaceuticals in commercially useful quantities
- Expansion of Telix's existing R&D and product development footprint in Belgium
- Ownership of a fully licensed production site strategically located in the heart of western Europe with valuable logistics and ready access to key commercial territories
- Leverage and access to key isotope supply in Belgium (IRE, SCK-CEN) and the region
- Future ability to produce a range of radioisotopes (^{177}Lu, ^{89}Zr) to protect and augment Telix's core supply chain if required.

Telix's vision for the Seneffe facility is that it will serve as the primary manufacturing site for Telix's product portfolio for Europe and that it will become an integral part of the Company's European R&D capability, building on Telix's existing R&D capabilities based in Herstal, Belgium.

Research partnerships

In March 2020, the Company was a co-recipient of a $500,000 research grant from the Australian Government funded Innovative Manufacturing Cooperative Research Centre (IMCRC) to fund R&D aimed at advancing Australian manufacturing capabilities for molecularly targeted radiation drugs for prostate, kidney and neuroendocrine cancers. This research grant was awarded to a group of Melbourne-based organisations brought together by the IMCRC, comprising Telix, Cyclotek, GenesisCare, iPHASE Technologies and the School of Chemistry, Bio21 Institute, University of Melbourne.

This research will focus on the development of sophisticated new manufacturing processes for a series of MTR drug candidates intended for the imaging and treatment of prostate, kidney and neuroendocrine cancers, using the radioisotopes zirconium-89 (^{89}Zr) and lutetium-177 (^{177}Lu).

People

Telix's mission is to help patients with cancer to live longer, better quality lives. To be able to optimally serve patients and the clinicians providing their care, Telix recognises it needs the best people, who possess the necessary qualifications and experience for late-stage drug development, and a commitment to delivering to market potentially life-changing new diagnostic and therapeutic options. In addition, management has been working closely with the Board to build-out the skill set of the Company's leadership team and reduce key-person risk.

In June 2020, Dr Colin Hayward joined Telix as Chief Medical Officer, based in Raleigh, North Carolina (USA). Dr Hayward, who holds a Bachelor of Medicine degree from the University of London and is a Fellow of the Faculty of Pharmaceutical Medicine (UK), brings over twenty years' of global pharmaceutical, biotechnology and drug development experience to Telix. Dr Hayward will lead the Group's medical affairs, regulatory, clinical operations and pharmacovigilance activities on a global basis. Upon the appointment of Dr Hayward, Telix co-founder Dr Andreas Kluge transitioned from an Executive Director to a Non-Executive Director role.

In Europe, Telix's commercial team was strengthened significantly with the appointment of Mr Christian Davis as Vice President of Sales and Marketing, EMEA, based in the Frankfurt area (Germany). Mr Davis, who brings to Telix over 20 years' medical sales experience gained in the areas of oncology, radiology and nuclear medicine will lead Telix's European, Middle East and African (EMEA) commercial activities, including via both direct and distributor sales channels.

REVIEW OF RESULTS AND OPERATIONS – IMPACT OF COVID-19

The Group continues to evaluate exposure to current and emerging business risks including, but not limited to COVID-19. Although COVID-19 has affected market conditions and the operations of Telix partners, the Group has been proactive in dealing with a wide range of novel operational challenges. With a strong cash position, effective cost control measures in place, focus on the achievement of critical corporate objectives, and ongoing, albeit slightly reduced, sale of investigational kits, the Group expects to be able to weather the current challenging business environment, even on a prolonged basis.

Telix has sufficient cash reserves and contingency plans to mitigate delays in clinical, regulatory and commercial activity. The Group currently has cash runway beyond the third quarter 2021 and it is expected this can be extended to end-2021 with limited impact on the commercialisation of the Group's lead product TLX591-CDx (prostate cancer imaging agent) or completion of the ZIRCON Phase III study for TLX250-CDx (kidney cancer imaging agent).

However, as a result of the COVID-19 pandemic, the Group is actively planning for disruptions that could potentially lead to further delays in accomplishing key business objectives. Key risks may include interruptions to drug product manufacturing, logistics interruptions due to cancelled or re-routed logistics, and delays in regulatory reviews due to government-mandated isolation and border control policies.

The Group is managing a reduced level of clinical and regulatory activity through to at least the end of September 2020, which may impact timing of completion of ongoing clinical trials. Although clinical activity has been reduced because of the impact of COVID-19, the workforce remains highly focused on achieving several major corporate objectives for the year primarily marketing authorisations in Europe and the US and preparations for the Phase III prostate cancer therapy clinical trial.

CHANGES TO ISSUED CAPITAL

Issue of unlisted share options

On 16 January 2020, the Company issued 3,555,000 unlisted share options with an exercise price of $2.23 each and an expiry date of 12 June 2024 (TLX006). The options were issued to staff and key advisors to the Company.

On 12 May 2020, 200,000 options were issued to Managing Director and CEO Dr Christian Behrenbruch following shareholder approval at the Company's AGM.

Exercise of unlisted share options

A total of 464,635 fully paid ordinary shares were issued upon exercise of unlisted share options during the half-year ended 30 June 2020.

- On 13 February 2020, 164,835 options with an exercise price of $0.85 each and an expiry date of 14 October 2021 were exercised.
- On 15 May 2020, 199,800 options with an exercise price of $0.85 each and an expiry date of 11 June 2022 were exercised.
- On 1 June 2020, 100,000 options with an exercise price of $1.09 each and an expiry date of 24 January 2023 were exercised.

Lapse of unlisted share options

On 30 June 2020, a total of 408,400 share options lapsed unexercised. These options lapsed following the cessation of employment of the option holder and the subsequent cancellation of options in accordance with the terms of their grant.

- 133,400 options with an exercise price of $0.85 and an expiry date of 11 June 2022 (TLX002)
- 150,000 options with an exercise price of $1.09 and an expiry date of 24 Jan 2023 (TLX004)
- 125,000 options with an exercise price of $2.23 and an expiry date of 12 Jan 2024 (TLX006)

Subsequent to the end of the half-year

On 2 July 2020 the Company issued 1,350,000 unlisted share options to new employees. Options have an exercise price of $1.83 each (being a 43% premium to the VWAP of shares for the 5 days to 30 June 2020), and an expiry date of 30 June 2024. All options vest and become exercisable on 30 June 2023 (TLX007).

On 15 July 2020, 199,800 options with an exercise price of $0.85 each and an expiry date of 11 June 2022 were exercised resulting in the issue of 199,800 fully paid ordinary shares in Telix.

TOTAL NUMBER OF SHARES AND OPTIONS ON ISSUE

	At 30 June 2019	At 30 June 2020	At the date of this Report
Shares on issue	218,365,836	253,744,634	253,944,434
Options/warrants on issue	17,699,923	21,477,053	22,627,253

EVENTS AFTER THE REPORTING PERIOD

In July 2020, Telix had two significant interactions with the FDA in relation to the Group's renal and prostate programs.

Firstly, the FDA conferred Breakthrough Therapy (BT) designation for Telix's renal cancer imaging product TLX250-CDx. BT designation provides several significant benefits to Telix, including eligibility for Fast Track designation, more frequent and intensive interactions with the FDA, and the opportunity to submit a 'rolling' Biological Licence Application (BLA) for TLX250-CDx, whereby the application can be submitted in separate modules to streamline the FDA review process for approval. Importantly, the criteria for BT designation includes clinical evidence that demonstrates that the product may have substantial improvement over available care.

Secondly, the FDA provided valuable feedback that would enable Telix to finalise the design of its Phase III ProstACT trial for the development of the Group's prostate cancer therapy product TLX591 in patients with metastatic castration-resistant prostate cancer (mCRPC) that express Prostate-Specific Membrane Antigen (PSMA). The FDA was broadly supportive of Telix's intention to utilise TLX591-CDx imaging as the basis for selecting patients for the ProstACT trial. Telix also received detailed feedback from the FDA relating to fundamental aspects of the proposed ProstACT trial structure including study design elements, statistical considerations and dosing strategy for TLX591, as well as safety monitoring of study participants.

Also in July 2020, Telix entered into a strategic collaboration agreement with Hayward, California (USA) based RefleXion Medical, a therapeutic oncology company pioneering biology-guided radiotherapy (BgRT) as a new modality for treating all stages of cancer. The objective of this collaboration is to investigate the clinical utility of combining the companies' respective technologies to improve treatment for high-risk or recurrent prostate and aggressive kidney cancers. Under the agreement, Telix and RefleXion will evaluate the utility of TLX591-CDx for prostate cancer and TLX250-CDx for kidney cancer in BgRT to treat disease.

On 21 July 2020, the Company received an $11,386,000 R&D tax refund in relation to eligible Australian and international R&D activities undertaken in the year ended 31 December 2019.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected the Group's operations, results or state of affairs.

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 AO
Chairman
20 August 2020

Christian P Behrenbruch PhD MBA
Managing Director and Chief Executive Officer
20 August 2020

	Note	30 June 2020 $'000	30 June 2019 $'000
Continuing operations			
Trade revenue	5.1	1,607	1,817
Cost of sales of goods		(917)	(729)
Gross profit		690	1,088
Research and development costs	5.2	(8,605)	(7,840)
Administration and corporate costs	5.2	(2,690)	(1,977)
Depreciation and amortisation	5.2	(2,335)	(2,323)
Employment costs	5.2	(7,169)	(5,133)
Fair value remeasurement of contingent consideration	12.1	(5,652)	(1,022)
Finance costs	5.2	(235)	(42)
Other income and expenses	5.3	6,750	5,654
Loss before income tax		**(19,246)**	**(11,595)**
Income tax benefit	5.4	945	1,226
Loss from continuing operations after income tax		**(18,301)**	**(10,369)**
Loss is attributable to: Owners of Telix Pharmaceuticals Limited			
Other comprehensive income *Items to be reclassified to profit or loss in subsequent periods:*			
Exchange differences on translation of foreign operations		679	9
Total comprehensive loss for the period		**(17,622)**	**(10,360)**
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		(7.22)	(4.75)
Diluted loss per share from continuing operations attributable to the ordinary equity holders of the company		(7.22)	(4.75)

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 2020 $'000	31 December 2019 $'000
Current assets			
Cash and cash equivalents	6	24,378	44,598
Trade and other receivables	6	17,421	12,071
Inventory	7	446	542
Other current assets	6	1,759	1,468
Total current assets		**44,004**	**58,679**
Non-current assets			
Property, plant and equipment	8	5,077	1,899
Intangible assets	9	44,608	41,948
Non-current trade and other receivables	6	175	82
Total non-current assets		**49,860**	**43,929**
Total assets		**93,864**	**102,608**
Current liabilities			
Trade and other payables	6	5,163	9,218
Borrowings	11	925	469
Lease liabilities	8.2	1,484	21
Provisions		975	917
Decommissioning liability	12.2	1,637	-
Total current liabilities		**10,184**	**10,625**
Non-current liabilities			
Borrowings	11	127	292
Lease liabilities	8.2	539	1,349
Deferred tax liabilities	10	2,118	3,170
Government grant liability		690	650
Contingent consideration liability	12.1	21,488	16,441
Decommissioning liability	12.2	4,997	-
Total non-current liabilities		**29,959**	**21,902**
Total liabilities		**40,143**	**32,527**
Net assets		**53,721**	**70,081**
Equity			
Share capital	13	116,362	115,943
Foreign currency translation reserve		617	(62)
Share-based payments reserve	13	3,117	2,274
Accumulated losses		(66,375)	(48,074)
Total equity		**53,721**	**70,081**

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

	Share capital $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Share-based payments reserve $'000	Total equity $'000
Balance at 1 January 2019	72,052	(20,207)	54	1,005	**52,904**
Loss for the period	-	(10,369)	-	-	**(10,369)**
Other comprehensive income	-	-	9	-	**9**
Total comprehensive loss	**-**	**(10,369)**	**9**	**-**	**(10,360)**
Movements in share-based payments reserve	-	-	-	654	**654**
At 30 June 2019	**72,052**	**(30,576)**	**63**	**1,659**	**43,198**

	Share capital $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 January 2020	115,943	(48,074)	(62)	2,274	**70,081**
Loss for the period	-	(18,301)	-	-	**(18,301)**
Other comprehensive income	-	-	679	-	**679**
Total comprehensive loss	**-**	**(18,301)**	**679**	**-**	**(17,622)**
Issue of shares on exercise of options	419	-	-	-	**419**
Movements in share-based payments reserve	-	-	-	843	**843**
At 30 June 2020	**116,362**	**(66,375)**	**617**	**3,117**	**53,721**

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 2020 $'000	30 June 2019 $'000
Cash flows from operating activities		
Receipts from customers	2,079	1,624
Payments to suppliers and employees	(20,571)	(16,779)
Interest received	48	56
Interest paid	(28)	(15)
Net cash used in operating activities	**(18,472)**	**(15,114)**
Cash flows from investing activities		
Purchase of plant and equipment	(200)	(60)
Purchase of intangible assets	-	(51)
Payments reducing decommissioning liability	(444)	-
Net cash used in investing activities	**(644)**	**(111)**
Cash flows from financing activities		
Proceeds from issues of shares and other equity	419	-
Proceeds from borrowings	573	-
Repayment of borrowings	(288)	(310)
Principal element of lease payments	(218)	(122)
Net cash used in financing activities	**486**	**(432)**
Net decrease in cash held	(18,630)	(15,657)
Cash and equivalents at beginning of the financial period	44,598	25,771
Net foreign exchange differences	(1,590)	31
Cash and equivalents at end of the financial period	**24,378**	**10,145**

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

This consolidated financial report of Telix Pharmaceuticals Limited for the half-year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 20 August 2020.

2. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

Although global market conditions have affected market confidence, the Group remains well placed to deliver on its corporate objectives. The Group has reviewed its exposure to climate-related and other business risks. At the date of this report the Group has not identified any risks, other than those described in the report, that could impact the financial performance or position of the Group.

The Group continues to evaluate exposure to current and emerging business risks including but not limited to COVID-19. Although COVID-19 has affected market conditions and the operations of Telix partners, the Group has been proactive in dealing with a wide range of novel operational challenges. With a strong cash position, effective cost control measures in place, focus on the achievement of critical corporate objectives, and ongoing, albeit slightly reduced, sale of investigational kits, the Group expects to be able to weather the current challenging business environment, even on a prolonged basis.

Telix has sufficient cash reserves and contingency plans to mitigate delays in clinical, regulatory and commercial activity. The Group currently has cash runway beyond the third quarter 2021 and it is expected this can be extended to end-2021 with limited impact on the commercialisation of the Group's lead product TLX591-CDx (prostate cancer imaging agent) or completion of the ZIRCON Phase III study for TLX250-CDx (kidney cancer imaging agent).

However, as a result of the COVID-19 pandemic, the Group is actively planning for disruptions that could potentially lead to further delays in accomplishing key business objectives. Key risks may include interruptions to drug product manufacturing, logistics interruptions due to cancelled or re-routed logistics, and delays in regulatory reviews due to government-mandated isolation and border control policies.

The Group is managing a reduced level of clinical and regulatory activity through to at least the end of September 2020, which may impact timing of completion of ongoing clinical trials. Although clinical activity has been reduced because of the impact of COVID-19, the workforce remains highly focused on achieving several major corporate objectives for the year primarily marketing authorisations in Europe and the US and preparations for the Phase III prostate cancer therapy clinical trial.

During April 2020, Telix completed the acquisition of a licenced radiopharmaceutical production facility in Seneffe, Belgium from a German company Eckert & Ziegler Strahlen und Medizintechnik AG (EZAG). In October 2019, the Group entered into a conditional agreement with EZAG to acquire the Seneffe site. The acquisition of the site was completed for a nominal sum (EUR €1) in addition to Telix assuming the future decommissioning liability as set out in notes 8.1 and 12.2 below.

On 5 December 2019, the Treasury Laws Amendment (R&D Tax Incentive Bill 2019) was introduced into Parliament. The draft bill contains proposed amendments to the R&D tax incentive regulations. Under the proposed amendments, the refundable tax offset rate for companies with an aggregated turnover of less than $20 million would become 41% and the maximum refund would be capped at $4 million (exclusive of expenditure incurred relating to clinical trial activities). As at 30 June 2020, the bill remains under review by the Senate Committee.

In accordance with applicable accounting standards, tax assets should be measured at the amount expected to be recovered from the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. Substantively enacted occurs when any future steps in the enactment process will not change the outcome. Management does not consider the rate reduction or the refund cap to be substantively enacted as at 30 June 2020 due to the continued legislative debate in Parliament. The Group has therefore calculated the R&D tax incentive by applying the currently legislated R&D rate to eligible expenditure.

In the period ended 30 June 2020, the Group received government assistance of $50,000 associated with measures in response to the COVID-19 pandemic. No other government assistance has been received by the Group in the period.

3. 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.

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

This consolidated interim financial report for the half-year reporting period ended 30 June 2020 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 2019 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 the adoption of new and amended standards as set out in note 4.2.

4.1. Going concern

Telix has sufficient cash reserves and contingency plans to weather delays in clinical, regulatory and commercial activity. The Group currently has cash runway beyond the third quarter 2021 and it is expected this can be extended to end-2021 without major impact on the commercialisation of the Group's lead product TLX591-CDx (prostate cancer imaging agent) or completion of the ZIRCON Phase III study for TLX250-CDx (kidney cancer imaging agent).

4.2. New standards, interpretations and amendments thereof, adopted by the Group

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

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Impact of standards issued but not yet applied by the Group

The Group has identified that there is no impact of new standards issued but not yet applied.

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.

	30 June 2020 $'000	30 June 2019 $'000
5.1. Trade revenue		
Revenue from contracts with customer recognised at a point in time	1,607	1,817
Total revenue from continuing operations	**1,607**	**1,817**
5.2. Expenses		
Research and development costs		
Preclinical	128	370
Clinical	3,123	2,445
Manufacturing	3,470	3,883
Research and development related costs	1,884	1,142
	8,605	**7,840**

	30 June 2020 $'000	30 June 2019 $'000
Administration and corporate costs		
Rent and insurance	285	250
Marketing and sponsorship	295	185
Professional fees	1,380	921
Travel, training and conference	461	368
Other administration expenses	269	253
	2,690	**1,977**
Depreciation and amortisation		
Depreciation	334	163
Amortisation of intangible assets	2,001	2,160
	2,335	**2,323**
Employment costs		
Directors' fees	190	197
Salaries and wages	5,266	4,179
Superannuation	154	103
Equity settled share-based payment expenses	1,559	654
	7,169	**5,133**
Finance costs		
Bank fees	13	10
Interest expense [(i)]	222	32
	235	**42**

[(i)] For the half-year ended 30 June 2020, the Group identified an opportunity to enhance the presentation of the fair value remeasurement of contingent consideration and associated unwinding of the discount rate recorded within finance costs in the interim consolidated statement of total comprehensive income. The Group considered that the change in contingent consideration is primarily due to changes in assumptions about the settlement of the contingent consideration and these line items in the interim consolidated statement of total comprehensive income should therefore be reported in aggregate, to provide more relevant information to the users of the financial statements. This change in presentation of $1,022,000, included as interest expense in the unwinding of discount on contingent consideration liability, has been retrospectively applied to the half-year ended 30 June 2019.

	30 June 2020 $'000	30 June 2019 $'000
5.3. Other income and expense items		
Research and development tax incentive income	5,850	5,530
Net unrealised currency gain	593	61
Interest income	48	56
Other income	259	7
	6,750	**5,654**

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 $5,149,000 has been recognised for tax losses to 30 June 2020 (2019: $1,226,000). 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 $945,000 (2019: $1,226,000).

6. FINANCIAL ASSETS AND LIABILITIES

	Note	30 June 2020 $'000	31 December 2019 $'000
Financial assets			
Cash and cash equivalents		24,378	44,598
Trade and other receivables	6.1	17,421	12,071
Other current assets		1,759	1,468
Non-current trade and other receivables		175	82
		43,733	**58,219**
Financial liabilities			
Trade and other payables	6.2	5,163	9,218
Borrowings	11	1,052	761
Lease liabilities	8.2	2,023	1,370
Government grant liability		690	650
Contingent consideration liability	12.1	21,488	16,441
Decommissioning liability	12.2	6,634	-
		37,050	**28,440**

6.1 Trade and other receivables

Current receivable			
Trade receivables		264	745
R&D tax incentive receivable		17,157	11,326
		17,421	**12,071**

6.2 Trade and other payables

Trade payables		2,128	6,964
Payroll liabilities		257	1,801
Other creditors and accruals		2,778	453
		5,163	**9,218**

7. INVENTORY

	30 June 2020 $'000	31 December 2019 $'000
Raw materials and stores	167	84
Work in progress	253	412
Finished goods	26	46
	446	**542**

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings $'000	Plant and equipment $'000	Furniture, fittings and equipment $'000	Leasehold improvements $'000	Right-of-use assets $'000	Total $'000
Year ended 31 December 2019						
Balance at 1 January 2019	–	170	21	35	–	226
Adoption of AASB 16	–	–	–	–	490	490
Additions	–	42	172	189	1,103	1,506
Depreciation	–	(35)	(29)	(13)	(246)	(323)
Net book amount	–	**177**	**164**	**211**	**1,347**	**1,899**
At 31 December 2019						
Cost or fair value	–	212	193	224	1,593	2,222
Accumulated depreciation	–	(35)	(29)	(13)	(246)	(323)
Net book amount	–	**177**	**164**	**211**	**1,347**	**1,899**
Half-year ended 30 June 2020						
Balance at 1 January 2020	–	177	164	211	1,347	1,899
Additions	2,463	110	56	2	832	3,463
Depreciation charge	(15)	(19)	(35)	(15)	(250)	(334)
Exchange differences	–	1	3	4	41	49
Net book amount	**2,448**	**269**	**188**	**202**	**1,970**	**5,077**
At 30 June 2020						
Cost or fair value	2,463	323	252	230	2,466	5,734
Accumulated depreciation	(15)	(54)	(64)	(28)	(496)	(657)
Net book amount	**2,448**	**269**	**188**	**202**	**1,970**	**5,077**

8.1. Acquisition of facility at Seneffe

Telix purchased the facility at Seneffe in Belgium in April 2020. This facility was acquired from a German company Eckert & Ziegler Strahlen und Medizintechnik AG (EZAG) for the nominal amount of €1. In addition, Telix agreed to take on responsibility for the decommissioning liability for this site which was estimated at $8,497,000 (€5,183,000) based on a decommissioning plan prepared by the Company in close consultation with expert nuclear decommissioning advisory prior to completion of the acquisition.

Based on timing of activities and costs included in the signed contract and the calculated net present value at a discount rate of 8%, the liability has been estimated at $7,003,000 (€4,272,000). The Company has allocated the acquisition value across the site's land and buildings ($2,463,000) and the isotype licence ($4,540,000) disclosed in note 9. The allocation of value has been based on valuation reports from third party advisors and market rates. The building ($1,652,000) is depreciated on a straight-line basis over the asset's remaining useful life of 18 years. The land ($812,000) is not depreciated in accordance with the Group's accounting policies. The licence ($4,540,000) is amortised on a straight-line basis over the asset's remaining useful life of 15 years. Telix's estimate of the useful life is based on the useful life of similar assets.

8.2. The interim consolidated statement of financial position shows the following amounts relating to leases:

Right-of-use assets	30 June 2020 $'000	31 December 2019 $'000
Properties	1,672	1,039
Motor vehicles	298	308
Total right-of-use-assets	**1,970**	**1,347**
Lease liabilities		
Current	1,484	21
Non-current	539	1,349
Total lease liabilities	**2,023**	**1,370**

Additions to the right-of-use assets during the half-year are $832,000 (2019: $1,103,000).

The interim consolidated statement of total comprehensive income shows the following amounts relating to leases:

Depreciation charge on right-of-use assets	30 June 2020 $'000	30 June 2019 $'000
Properties	199	61
Motor vehicles	51	41
	250	**102**
Interest expense relating to leases		
Properties	56	8
Motor vehicles	12	10
	68	**18**

The total cash outflow for leases is $267,000 (2019: $271,000). This is made up of $199,000 (2019: $224,000) principal and $68,000 (2019: $47,000) interest payments.

9. INTANGIBLE ASSETS

	Goodwill $'000	Intellectual property $'000	Patents $'000	Licence $'000	Total $'000
Year ended 31 December 2019					
Balance at 1 January 2019	3,140	36,095	216	–	39,451
Additions	–	–	65	–	65
Adjustments on acquisition of subsidiaries	1,084	5,262	–	–	6,346
Amortisation charge	–	(3,830)	(84)	–	(3,914)
Net book amount	**4,224**	**37,527**	**197**	–	**41,948**
At 31 December 2019					
Cost	4,224	41,357	291	–	45,872
Accumulated amortisation	–	(3,830)	(94)	–	(3,924)
Net book amount	**4,224**	**37,527**	**197**	–	**41,948**
Half-year ended 30 June 2020					
Balance at 1 January 2020	**4,224**	**37,527**	**197**	–	**41,948**
Additions	–	–	–	4,540	4,540
Amortisation charge	–	(1,941)	(9)	(51)	(2,001)
Exchange differences	–	119	2	–	121
Net book amount	**4,224**	**35,705**	**190**	**4,489**	**44,608**
At 30 June 2020					
Cost	4,224	41,476	293	4,540	50,533
Accumulated amortisation	–	(5,771)	(103)	(51)	(5,925)
Net book amount	**4,224**	**35,705**	**190**	**4,489**	**44,608**

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

CGU	Entity Name	30 June 2020 $'000	31 December 2019 $'000
illumet™	ANMI	25,048	26,870
TLX591-t	Atlab	13,440	13,440
TLX101	Therapeia	1,441	1,441
Seneffe manufacturing facility	Telix Belgium	4,489	–
Patents	Corporate	190	197
		44,608	**41,948**

Impairment test for goodwill and indefinite life intangible assets

Since its inception Telix has completed three business combinations Therapeia (2017), Atlab (2018), and ANMI (2018).

The Group assessed the impact of COVID-19 to goodwill and all indefinite life intangible asset balances to determine if an impairment trigger has been identified. The directors have concluded that no impairment trigger has been identified as a result of COVID-19.

TLX101: 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 2019, 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 2020, the Directors have not noted any changes in key assumptions and no impairment triggers has been identified, accordingly no impairment has been recognised.

TLX591-t: 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 2019, 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 2019 to 30 June 2020.

***Ilumet*™:** 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 2019 the Directors used a fair value less costs to sell approach to assess the carrying value of the associated goodwill and intangible assets. The Directors have identified no impairment indicators since 31 December 2019 to 30 June 2020.

Seneffe manufacturing facility: The Group acquired an isotope licence as part of the Seneffe manufacturing facility acquired in April 2020 (as disclosed in Note 8.1). The licence represents a definite lived intangible asset which is required to be tested for impairment where triggers have been identified. The licence does not generate cash inflows that can be separately identified from other assets therefore the CGU for the licence is the Seneffe manufacturing facility as a whole. At 30 June 2020, there were no impairment triggers noted.

10. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets	**30 June 2020 $'000**	**31 December 2019 $'000**
The balance comprises temporary differences attributable to:		
Tax losses	4,529	4,064
Lease liability	620	411
Total deferred tax assets	**5,149**	**4,475**
Set-off of deferred tax liabilities pursuant to set-off provisions	(5,149)	(4,475)
Net deferred tax assets	**–**	**–**
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Intangible assets	6,676	7,241
Right-of-use assets	591	404
Total deferred tax liabilities	**7,267**	**7,645**
Set-off of deferred tax assets pursuant to set-off provisions	(5,149)	(4,475)
Net deferred tax liabilities	**2,118**	**3,170**

11. BORROWINGS

	30 June 2020 $'000	31 December 2019 $'000
Borrowings (Current – unsecured)	925	469
Borrowings (Non-current - unsecured)	127	292
Total borrowings	**1,052**	**761**

All borrowings outstanding at 30 June 2020 are in relation to ANMI and Atlab entities and have arisen as a result of the acquisition of these entities by the Group. All ANMI borrowings are commercial in nature. Atlab borrowings are with a French government authority in the form of development loans. Details of the borrowings are as follows:

	Loan balance $'000	Due < 1 year $'000	Due > 1 year $'000	Maturity date
Lenders				
Commercial loan	575	575	–	31/12/2020
Commercial loan	32	32	–	30/04/2021
Development loan (i)	8	8	–	28/02/2021
Development loan (i)	123	123	–	30/06/2021
Development loan (i)	220	138	82	30/06/2021
Development loan (i)	94	49	45	31/05/2022
	1,052	**925**	**127**	

(i) Development loans are provided by local and national government bodies to support the industry in which they operate in their jurisdictions. All loans are denominated in Euros and have been translated to Australian dollars at the exchange rate current at 30 June 2020.

12. OTHER NON-CURRENT LIABILITIES

12.1. Contingent consideration liability

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 market authorisation of the product. The percentage of net sales varies depending on the net sales achieved in Europe and the United States. The Group also holds an option to buy-out the remaining future variable payments in the third year following the achievement of market authorisation, if specified sales thresholds are met.

	30 June 2020 $'000	31 December 2019 $'000
Finalised fair value at acquisition date - 24 December 2018		14,170
Opening balance - 1 January 2020	16,441	-
Fair value remeasurement of contingent consideration	5,652	2,271
Exchange differences	(605)	-
Closing balance	**21,488**	**16,441**

At 31 December 2019, the Group adopted a process to value the contingent consideration liability with the assistance of an independent valuation expert. The Group had determined that the estimates associated with the valuation of the contingent consideration liability as at 31 December 2019 were significant estimates.

The fair value remeasurement of contingent consideration is recognised as a net result of changes to the key assumptions of the contingent consideration valuation such as probability of success, market penetration, development timelines, product pricing, and the increase in valuation as the time period shortens between valuation date and potential settlement dates of the contingent consideration. At 30 June 2020, the net result of the changes in assumptions in market authorisation date, offset by expected sales volume over the forecast period, net sales price per unit and approval for marketing authorisation probability success factor, the contingent consideration liability has been remeasured by discounted cash flow analysis utilising an adjusted post-tax discount rate (15.7%).

Fair value remeasurement of contingent consideration is recorded as an expense of $5,652,000 for the half-year ended 30 June 2020 compared to an expense of $1,022,000 for half-year ended 30 June 2019. The closing contingent consideration balance at 30 June 2020 includes $605,000 foreign exchange impact which decreased the value of contingent consideration balances reported previously.

12.2. Decommissioning liability

The Group has recognised a provision for its obligation to decommission its nuclear product manufacturing plant facility over its operating life.

The provision is recognised to represent the best estimate of the expenditures required to settle the present obligation at 30 June 2020. Such cost estimates adjusted for inflation have been discounted at 30 June 2020 to $6,634,000 using a discounted cash flow model, utilising a discount rate of 8.0%.

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 will be recognised directly through the profit and loss.

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 statement of total comprehensive income.

Actual payments for commencement of decommissioning activity are disclosed as payments made in the following table.

	30 June 2020 $'000	31 December 2019 $'000
Finalised fair value at acquisition date - April 2020	7,004	
Interest unwind	85	-
Payments made	(444)	-
Exchange differences	(11)	-
Closing balance	**6,634**	-
Decommissioning liability (Current)	1,637	-
Decommissioning liability (Non-current)	4,997	-
Total decommissioning liability	**6,634**	-

13. ISSUED CAPITAL

	30 June 2020 Number	30 June 2020 $'000	31 December 2019 Number	31 December 2019 $'000
Movements in shares on issue				
At 1 January	253,279,999	115,943	218,365,836	72,053
Shares issued through private placement [(i)]	–	–	30,770,000	40,001
Shares issued through share purchase plan [(ii)]	–	–	3,846,128	5,000
Shares issued through options [(iii)]	419,041	419	298,035	253
Less transaction costs	–	–	–	(1,364)
Closing balance	**253,699,040**	**116,362**	**253,279,999**	**115,943**

(i) On 24 July 2019, 30,770,000 fully paid 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.

(ii) 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 $5,000,000 before costs. The SPP enabled the existing eligible shareholder to purchase up to $15,000 of shares at $1.30 per share, without brokerage fees.

(iii) Options exercised under the employee incentive plan in the financial year ended 31 December 2019 resulted in 298,035 shares being issued for $253,000. Options exercised under the employee incentive plan in the half-year ended 30 June 2020 resulted in 419,041 shares being issued for $419,000.

The weighted average ordinary shares for the period 1 January 2020 to 30 June 2020 is 253,475,067 (2019: 218,365,836). The Company does not have a limited amount of authorised capital.

	30 June 2020 Number	30 June 2020 $'000	31 December 2019 Number	31 December 2019 $'000
Movements in share-based payments reserve				
Opening balance	18,595	2,274	11,155	1,005
Options issued prior year	–	-	–	752
Options issued during the period	3,755	843	8,555	517
Options exercised during the period	–	–	(817)	–
Options or warrants lapsed during the period	(365)	–	(298)	–
Closing balance	**21,985**	**3,117**	**18,595**	**2,274**

14. COMMITMENTS

Capital Commitments: At 30 June 2020 the company's capital commitments are $NIL (31 December 2019: $NIL).

R&D Commitments: At 30 June 2020 the company has $11,578,000 (31 December 2019: $16,962,000) 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.

15. RELATED PARTY TRANSACTIONS

Transactions with other related parties

ABX CRO is a clinical research organisation (CRO) that specialises in radiopharmaceutical product development. Telix has entered into a master services agreement with ABX CRO for the provision of clinical and analytical services for its programs. Non-executive director, Dr Andreas Kluge, is the principal owner and Geschäftsführer (Managing Director) of ABX CRO. Fees for services provided during the half-year to 30 June 2020 totals $658,536 (31 December 2019: $2,048,381). The amount outstanding at 30 June 2020 was $206,202 (31 December 2019: $332,163).

16. EVENTS AFTER THE REPORTING PERIOD

In July 2020, Telix had two significant interactions with the FDA in relation to the Group's renal and prostate programs.

Firstly, the FDA conferred Breakthrough Therapy (BT) designation for Telix's renal cancer imaging product TLX250-CDx. BT designation provides several significant benefits to Telix, including eligibility for Fast Track designation, more frequent and intensive interactions with the FDA, and the opportunity to submit a 'rolling' Biological Licence Application (BLA) for TLX250-CDx, whereby the application can be submitted in separate modules to streamline the FDA review process for approval. Importantly, the criteria for BT designation includes clinical evidence that demonstrates that the product may have substantial improvement over available care.

Secondly, the FDA provided valuable feedback that would enable Telix to finalise the design of its Phase III ProstACT trial for the development of the Group's prostate cancer therapy product TLX591 in patients with metastatic castration-resistant prostate cancer (mCRPC) that express Prostate-Specific Membrane Antigen (PSMA). The FDA was broadly supportive of Telix's intention to utilise TLX591-CDx imaging as the basis for selecting patients for the ProstACT trial. Telix also received detailed feedback from the FDA relating to fundamental aspects of the proposed ProstACT trial structure including study design elements, statistical considerations and dosing strategy for TLX591, as well as safety monitoring of study participants.

Also in July 2020, Telix entered into a strategic collaboration agreement with Hayward, California (USA) based RefleXion Medical, a therapeutic oncology company pioneering biology-guided radiotherapy (BgRT) as a new modality for treating all stages of cancer. The objective of this collaboration is to investigate the clinical utility of combining the companies' respective technologies to improve treatment for high-risk or recurrent prostate and aggressive kidney cancers. Under the agreement, Telix and RefleXion will evaluate the utility of TLX591-CDx for prostate cancer and TLX250-CDx for kidney cancer in BgRT to treat disease.

On 21 July 2020, the Company received an $11,386,000 R&D tax refund in relation to eligible Australian and international R&D activities undertaken in the year ended 31 December 2019.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected the Group's operations, results or state of affairs.

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 2020 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 declarations by the Chief Executive Officer and Chief Financial Officer for the half-year ended 30 June 2020.

Signed in Sydney on 20 August 2020

On behalf of the Board

H Kevin McCann AO
Chairman

Christian P Behrenbruch PhD MBA
Managing Director and Chief Executive Officer


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