

Telix Expands U.S. Development and Manufacturing Infrastructure with Acquisition of IsoTherapeutics

Melbourne (Australia) – 27 February 2024. Telix Pharmaceuticals Limited (ASX: TLX, Telix, the Company) today announces it has entered into an agreement to acquire IsoTherapeutics Group, LLC (IsoTherapeutics), a specialty radiopharmaceutical development and bioconjugation firm, based in Angleton, Texas. Founded in 2005, IsoTherapeutics is a privately held, commercial-stage company, which provides radiochemistry and bioconjugation development and contract manufacturing services to many companies in the radiopharmaceutical industry, including Telix.

In line with Telix's continued investment in the vertical integration of supply chain, manufacturing and development capabilities, the acquisition is expected to further enhance Telix's in-house drug development capabilities. A key driver for the acquisition is to enable Telix to bring select aspects of its development programs in-house, with the goal of reducing cost and time to achieve technical milestones.

The acquisition will also expand Telix's U.S. manufacturing footprint with a site that includes a GMP¹ clean room and production infrastructure suitable for clinical use. The site also has extensive capacity to process a wide variety of therapeutic isotopes used in Telix's development portfolio.

Strategic rationale

The acquisition is highly synergistic with Telix's vertical integration strategy and is expected to:

- strengthen Telix's ability to innovate and scale-up manufacturing, supporting the delivery of clinical trials initially, and
- provide manufacturing and isotope production facilities and capabilities, allowing for greater control over the isotope supply chain and establishing infrastructure which will support the commercialisation of Telix's investigational therapeutic assets, and
- establish a centre of excellence in GMP bioconjugation and isotope processing.

The addition of IsoTherapeutics will be complementary to – and increase the overall capabilities of – the Company alongside the Optimal Tracers laboratory, radiochemistry development and clinical dose production facility in Sacramento, California and its large-scale production facility in Brussels South, Telix Manufacturing Solutions.

Following closing of the acquisition, IsoTherapeutics will continue to provide development and manufacturing services to its existing customer base and may continue to provide services to Telix's strategic partners and collaborators. Telix expects to realise potential cost savings from bringing radiochemistry-related research and development (R&D) activities in-house and as such the transaction is expected to have a non-material positive impact on the Group's earnings.

Dr. Christian Behrenbruch, Managing Director and Group CEO of Telix said, "With the agreement to acquire IsoTherapeutics I am pleased to welcome a team of highly recognised industry leaders in bioconjugation and radiochemistry to Telix, as well as further expand our manufacturing footprint in the U.S.. This acquisition enhances our business with highly-sought-after skills, capabilities and facilities that are very much central to our development activities."

¹ Good manufacturing practice.

Dr. R. Keith Frank, President and CEO of IsoTherapeutics, said, “Telix is a valued business partner and we have established a close working relationship and in-depth technical knowledge of their development and manufacturing requirements and goals. The opportunity to now become part of the Telix Group of companies, a global leader in the field, provides an excellent platform for our employees, partners and customers to continue to expand the expertise and facilities at IsoTherapeutics.”

Deal terms and conditions

The purchase price comprises:

- US\$8 million (AU\$12.2 million) upfront, which is payable at closing in the form of US\$2 million (AU\$3.0 million in cash) and US\$6 million (AU\$9.2 million) in ordinary shares, equating to approximately 823,481 shares²
- US\$5 million (AU\$7.6 million) performance-related milestone payments, payable in cash, that are subject to meeting milestone conditions within twelve months of closing, and
- A two-year revenue share based on actual revenue earned from existing customers of IsoTherapeutics (total estimated cash payments ~US\$0.6 million (AU\$0.9 million)).

The cash upfront consideration is subject to customary working capital, debt and transaction expense adjustments. Telix will issue ordinary shares to the stockholders of IsoTherapeutics at closing within its Listing Rule 7.1 placement capacity, in part-consideration for the acquisition. The number of shares to be issued at closing will be determined by converting US\$6 million to Australian dollars using the Reserve Bank of Australia exchange rate at closing and dividing that amount by the volume weighted average price at which Telix’s ordinary shares trade on the ASX over the 10 trading day period prior to closing. The shares will be subject to escrow restrictions.

Closing of the transaction is subject to customary conditions, including regulatory approvals.

About IsoTherapeutics

IsoTherapeutics Group LLC is a radiopharmaceutical company that offers technologies for developing novel therapeutic and diagnostic agents for severe diseases. IsoTherapeutics scientists have received over 100 patents for developing chemistry and radiopharmaceutical formulations. For more information, please visit <http://isotherapeutics.com/>

About Telix Pharmaceuticals Limited

Telix is a biopharmaceutical company focused on the development and commercialisation of diagnostic and therapeutic radiopharmaceuticals and associated medical devices. Telix is headquartered in Melbourne, Australia, with international operations in the United States, Europe (Belgium and Switzerland), and Japan. Telix is developing a portfolio of clinical and commercial stage products that aims to address significant unmet medical needs in oncology and rare diseases. Telix is listed on the Australian Securities Exchange (ASX: TLX).

Visit www.telixpharma.com for further information about Telix, including details of the latest share price, announcements made to the ASX, investor and analyst presentations, news releases, event details and other publications that may be of interest. You can also follow Telix on [X](#) and [LinkedIn](#).

² Assumes an AUD/USD exchange rate of 0.6557 (used throughout this announcement). Refer to the Appendix 3B lodged with the ASX today for further details.

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This announcement has been authorised for release by the Telix Pharmaceuticals Limited Disclosure Committee on behalf of the Board.

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