

Telix to Acquire ARTMS, Inc. and its Advanced Isotope Production Platform

Melbourne (Australia) – 5 March 2024. Telix Pharmaceuticals Limited (ASX: TLX, Telix, the Company) today announces it has entered into an agreement to acquire radioisotope production technology firm ARTMS Inc. (ARTMS), its advanced cyclotron-based isotope production platform, manufacturing plant and stockpile of ultra-pure rare metals required for consumable target production.

ARTMS, based in Burnaby, British Columbia (BC), Canada, is a privately held, venture-backed company, which specialises in the physics, chemistry and materials science of cyclotron-produced radionuclides. A spin-out company from the internationally renowned TRIUMF, Canada's particle accelerator centre, ARTMS is a commercial-stage company: its technology is used by the major manufacturing networks to optimise production of a range of medical radioisotopes.

The acquisition of ARTMS is expected to further enhance the vertical integration of Telix's supply chain and manufacturing by providing a greater level of control and security over each of the Company's diagnostic isotopes.

ARTMS' core technology platform is based on the QUANTM Irradiation System™ (QIS™), a complete cyclotron-based isotope production system that is designed to support high efficiency and cost-effective production of commercially important medical isotopes including zirconium-89 (⁸⁹Zr), gallium-68 (⁶⁸Ga), technetium-99m (^{99m}Tc) and copper-64 (⁶⁴Cu).

QIS has demonstrated industry-leading production yields and significantly outperforms conventional cyclotron target systems due to the unique intellectual property and target manufacturing processes that underpin it. Additionally, ARTMS' portfolio of advanced cyclotron technologies will have immediate application and differentiation in the production of future commercially important alpha-emitting, therapeutic isotopes, including actinium-225 (²²⁵Ac) and astatine-211 (²¹¹At).

The strategic rationale for the acquisition stems from four key areas of commercial synergy between ARTMS and Telix:

1. **Support for the roll-out of Zircaix®¹ (TLX250-CDx) kidney cancer imaging.** Telix is currently validating multiple production locations of large-scale ⁸⁹Zr production in the United States (U.S.) using the QIS system and select manufacturing and pharmacy partners. ARTMS' QIS is a significant enabler of production capacity and supply chain reliability that works by irradiating an yttrium-89 (⁸⁹Y) target to produce sterile, filtered, purified and dissolved ⁸⁹Zr that is ready for radiopharmaceutical use. ARTMS possesses a significant stockpile of ultra-pure ⁸⁹Y to fabricate sufficient cyclotron targets to support this commercial application.
2. **Ultra large-scale production of ⁶⁸Ga to support Illuccix® lifecycle management.** Illuccix® already supports limited use of cyclotron-produced ⁶⁸Ga. ARTMS and Telix have been collaborating since 2020² to evaluate the potential of higher curie-scale (Ci)

¹ Brand name subject to regulatory approval.

² Telix media release 6 May 2020.

production of Illuccix®. One of the goals of this acquisition is to enable Telix to deliver further improvement of Illuccix® margins and wider distribution through Telix's unique pharmacy partnership model. ARTMS holds a commercially significant stockpile of zinc-68 (^{68}Zn), which is irradiated to produce ^{68}Ga .

3. **Enhanced supply chain reliability of commercially useful cyclotron-produced diagnostic radionuclides such as ^{64}Cu and $^{99\text{m}}\text{Tc}$.** Telix will be working with select pharmacy networks and strategic partners to enhance the reliability and routine production of these isotopes following closing of the acquisition. In particular for ^{64}Cu , for which no commercially viable production network currently exists in the U.S., ARTMS has a substantial commercial stockpile of Nickel-64 (^{64}Ni), the essential raw material for ^{64}Cu production, which is in severely limited global supply.
4. **Development of 'next generation' cyclotron targets to support the safe and high-yield production of therapeutic radionuclides.** These include alpha emitters, such as ^{225}Ac and ^{211}At . This research and development (R&D) activity is highly aligned with Telix's state-of-the-art research cyclotron footprint at Telix Manufacturing Solutions (TMS) in Belgium. Telix plans to produce clinical trial quantities of ^{225}Ac in-house by end-2024 and will align the ARTMS R&D footprint with its high-energy cyclotron expansion plans for TMS.

As part of the acquisition, Telix will also acquire the benefit of ARTMS's production facility and clean rooms, located in Burnaby, BC (Canada). Telix expects to continue to operate and expand ARTMS' R&D and production capabilities at the Burnaby location to support in-house and customer needs, subject to applicable laws and transaction terms.

The acquisition has potential to be financially accretive, add additional revenue, and have a positive impact on gross margins for Illuccix® and Zircaix® (when commercially available).

Dr. Christian Behrenbruch, Managing Director and Group CEO of Telix said, "ARTMS has been a trailblazer in the field of 'next generation' cyclotron-based isotope production systems and demonstrated production efficiency and yields that eclipse comparable systems. It is our hope that by closely aligning this powerful technology with pharmaceutical development, we will transform the cost, market access and utility of diagnostic and therapeutic radiopharmaceuticals. Cyclotron and accelerator-based isotope production has the potential to significantly increase the capacity and lower the cost of commercially important isotopes, serving as an important adjunct to reactor-based production. We are pleased to be able to expand a fruitful collaboration into a deeper partnership."

Doug Gentilcore, Chief Executive Officer of ARTMS added, "Our aim has always been to ensure key isotopes are available on demand to the populations that need them most, and joining forces with Telix is the ideal way to realise this ambition. With Illuccix®, Telix has the most used ^{68}Ga -based imaging agent on the U.S. market, and an additional follow-on ^{89}Zr based product candidate – Zircaix®. Our long-term goal is therapeutic radionuclides and together with Telix we believe we have the opportunity to deliver these potentially at commercial scale, including through their extensive late-stage product pipeline."

Deal terms and conditions

The purchase price comprises:

- US\$42.5 million (approximately AU\$65.3 million) upfront consideration which is payable in the form of 5,674,636 Telix ordinary shares to be issued at closing³;
- US\$15.0 million (approximately AU\$23.0 million) upfront consideration payable in cash at closing;
- US\$24.5 million (approximately AU\$37.6 million) in contingent future earn out payments, payable in cash following achievement of certain clinical or commercial milestones; and
- cash earn-outs representing low single to low double-digit percentage of net sales of ARTMS products or Telix products prepared using ARTMS products for defined periods depending on the product location where the sale occurs. All earn-outs which have not otherwise expired will terminate on the 10 year anniversary following completion of the ARTMS acquisition.

The cash upfront consideration is subject to customary working capital, debt and transaction expense adjustments. Telix will issue ordinary shares to the stockholders of ARTMS at closing within its Listing Rule 7.1 placement capacity, in part-consideration for the acquisition. The shares will be subject to escrow restrictions.

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

About ARTMS

Based in Burnaby BC, Canada, ARTMS Inc. is a global leader in the development of novel technologies and products which enable the high-quality and high-yield production of the world's most-used diagnostic imaging isotopes. ARTMS' flagship product, the QUANTM Irradiation System™ (QIS™), enables decentralised, cost-effective, large-scale production of important medical isotopes such as ⁶⁸Ga, ⁸⁹Zr, ^{99m}Tc and ⁶⁴Cu using local, hospital-based medical cyclotrons empowering the user to control their supply chain. For more please visit <http://www.artms.ca/>

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](#).

Telix's lead imaging product, gallium-68 (⁶⁸Ga) gozetotide injection (also known as ⁶⁸Ga PSMA-11 and marketed under the brand name Illucix®), has been approved by the U.S. Food and Drug Administration (FDA),⁴ by the Australian Therapeutic Goods Administration (TGA),⁵ and by Health Canada.⁶ Telix's miniaturised surgical gamma probe, SENSEI®, for minimally invasive and robotic-assisted surgery, has attained a marketing authorisation in the U.S., having been registered with the FDA and has attained a Conformité Européenne (CE) Mark for use in the European Economic Area for the intra-operative detection of sentinel lymph nodes (SLNs). With

³ AUD/USD exchange rate of 0.6510 (used throughout this announcement). Refer to the Appendix 3B lodged with the ASX today for further details. Final number of shares to be issued is subject to rounding.

⁴ Telix ASX disclosure 20 December 2021.

⁵ Telix ASX disclosure 2 November 2021.

⁶ Telix ASX disclosure 14 October 2022.

the exception of Illuccix® and SENSEI® as noted above, no Telix product has received a marketing authorisation in any jurisdiction.

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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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