
Telix Pharmaceuticals and China Grand Pharma Announce Strategic Licence and Commercial Partnership for Greater China Market

Melbourne (Australia) and Hong Kong SAR (China) – 2nd November 2020. Telix Pharmaceuticals Limited (ASX: TLX, 'Telix', the 'Company') announces it has entered into a strategic commercial partnership with China Grand Pharmaceutical and Healthcare Holdings Limited ('CGP') for Telix's portfolio of Molecularly-Targeted Radiation ('MTR') products.

Telix has appointed CGP as its exclusive partner for the Greater China market ('Territory')¹ and grants CGP exclusive development and commercialisation rights to Telix's portfolio of prostate, renal and brain (glioblastoma) cancer imaging and therapeutic MTR products in the Territory. The material terms of the partnership include:

Therapeutic Products

- US\$25M (~AU\$35M) up-front non-refundable prepayment to Telix, to be credited against future regulatory and commercial milestone payments.
- Up to US\$225M (~AU\$320M) in regulatory and commercial milestone payments to Telix, across Telix's existing therapeutic products portfolio, consisting of:
 - Up to US\$69m (~AU\$100m) in relation to regulatory milestones related to applying for and attaining marketing authorisation for an indication from the National Medical Product Administration in China during the term of the partnership; and
 - Up to US\$156M (~AU\$220M) in commercial milestone payments to Telix, primarily relating to net sales performance across all indications in the Territory during the term of the partnership.
- Program-related investment of up to US\$65M (~AU\$90M) for clinical costs associated with the development of TLX591 (prostate cancer) and TLX250 (renal cancer) in the Territory to align with Telix's global clinical development programs.
- Royalties on therapeutic product sales in the Territory, in addition to milestone payments.
- The partnership is for an initial term commencing on the date of the agreement and ending 10 years after the date that marketing authorisation is granted in respect of each product.

Imaging Products

- Exclusive commercial partnership (sales, marketing, distribution) for Telix's core imaging product portfolio:
 - TLX250-CDx for renal cancer, and;
 - TLX591-CDx (⁶⁸Ga-PSMA), TLX599-CDx (⁹⁹Tc-PSMA) for prostate cancer.
- Includes minimum annual purchase obligations to maintain Territory exclusivity.

¹ Territory includes Mainland China, Hong Kong SAR, Macau SAR, Taiwan.

Strategic Equity Investment

Additionally, CGP will make a simultaneous one-time strategic equity investment of US\$25M (~AU\$35M) in Telix. The investment is in the form of a private placement to CGP of 20,947,181 fully paid ordinary Telix shares representing a post-issue holding by CGP of 7.62%. Shares will be issued at a price of AU\$1.69, based on the 10-day volume-weighted average price ('VWAP') for Telix shares up to and including 28th October 2020. Shares will be issued no later than the 6th November 2020, following receipt of the placement proceeds. Shares issued to CGP are subject to a holding lock and will not be able to be traded for a period of 12 months from the date of issue. In addition, CGP is subject to a standstill provision and is unable to trade in Telix shares for a period of 12 months.

Telix Pharmaceuticals CEO, Dr. Chris Behrenbruch stated, "Telix's mission is to be a leading global oncology company and China is an important future market for our products. We are pleased to be working with CGP to deliver our diagnostic imaging and therapeutic products to cancer patients in China. Considering the successful acquisition of Sirtex Medical Limited with joint venture private equity partner CDH Genetech Limited² and subsequent approval of a New Drug Application filing for SIR-Spheres[®] by the National Medical Products Administration (NMPA) of the People's Republic of China³, we believe that CGP possesses the technical experience and execution infrastructure to be an ideal clinical and commercial partner for Telix in China."

China Grand Pharmaceutical and Healthcare Holdings Executive Deputy Officer, Mr. Frank Zhou added, "China Grand Pharma has a strong commitment to oncology, including radioactive products, in China and around the globe. Grand Pharma sees nuclear medicine as the future and has a strategy to build a suite of the world's best products to service the Greater China Region, which includes mainland China, Hong Kong SAR, Macau SAR and Taiwan. We firmly believe in the potential of Telix's product portfolio to have a significant clinical impact in China. It is an honour for us to have the right to bring Telix's unique product range to our doctors and patients with major unmet medical needs. At the same time, our close clinical involvement will help bring strength to Telix's product development and reach. We are very excited about this long-term partnership."

About the China Opportunity

In China, an estimated 100,000, 70,000 and 35,000 new diagnoses of prostate cancer, renal cancer and glioblastoma, respectively were made in 2018.⁴

- **Prostate cancer:** The prevalence of prostate cancer in China is heavily weighted to urban versus rural areas (14/100,000 versus 5/100,000, respectively) and men are first diagnosed with more advanced stage disease compared to their Western counterparts (localised; locally advanced; metastatic: 40%; 30%; 30% versus 84%; 12%; 4% in Chinese versus Western men, respectively).⁵ Consequently, there is a significant unmet need for effective prostate cancer imaging for the improved diagnosis and staging of prostate cancer in China, as well as more effective systemic therapies for the advanced forms of the disease.
- **Renal cancer:** Renal cancer is the third most common urologic cancer, after prostate and bladder cancers in China, and most patients are diagnosed as incidental findings from abdominal imaging.⁶ Similar to Western countries, there are major unmet needs in China for improvement in diagnosis of renal cell carcinoma (typically the most common and aggressive form of kidney cancer) from otherwise indeterminate renal masses using PET imaging, as well as effective treatments for advanced (metastatic) forms of this disease.
- **Glioblastoma:** The diagnosis of glioblastoma, the most common type of primary brain cancer is typically considered incurable in China. While surgical resection plus radiation therapy are the

² Source: <http://chinagrandpharm.com/history/>

³ Source: <http://www.sirtex.com/au/media/news/news-item?id=38760>

⁴ Globocan 2018 <http://gco.iarc.fr/today/data/factsheets/populations>

⁵ Chinese guidelines for diagnosis and treatment of prostate cancer 2018 (English version) National Health Commission of the People's Republic of China.

⁶ Globocan 2018 <http://gco.iarc.fr/today/data/factsheets/populations>

mainstays of treatment, the vast majority of patients experience disease recurrence. Thus, there remains a major need for therapies targeted towards glioblastoma in patients in both the front-line treatment setting, as well as for patients experiencing disease recurrence following surgical intervention.⁷

About Telix Pharmaceuticals Limited

Telix is a clinical-stage biopharmaceutical company focused on the development of diagnostic and therapeutic products using Molecularly Targeted Radiation (MTR). Telix is headquartered in Melbourne, Australia with international operations in Belgium, Japan and the United States. Telix is developing a portfolio of clinical-stage oncology products that address significant unmet medical needs in prostate, kidney and brain cancer. Telix is listed on the Australian Securities Exchange (ASX: TLX). For more information visit www.telixpharma.com.

About China Grand Pharmaceutical and Healthcare Holdings

China Grand Pharmaceutical and Healthcare Holdings Limited (512.HK) is a diversified global pharmaceutical enterprise, principally engaged in research, development, manufacturing and sales of pharmaceutical products, advanced medical devices, specialized pharmaceutical ingredients, biotechnology products and nutritional products. CGP's core product portfolio covers several major therapeutic areas including respiratory and ENT, cardiovascular emergency products and advanced medical devices, bio-technology products and nutritional products. The business is structured into four major segments: innovative medicines and medical devices with high barriers of entry; branded drugs; pharmaceutical ingredients and products; and nutritional products. For more information visit www.chinagrandpharm.com.

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⁷ Chang L, et al. Treating malignant glioma in Chinese patients: update on temozolomide. *OncoTargets and Therapy* 2014;7 235–244.