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ASX RELEASE

Telix Signs Agreement to Acquire QSAM Biosciences and Its Bone Cancer Targeting Platform

Melbourne (Australia) – 8 February 2024. Telix Pharmaceuticals Limited (ASX: TLX, Telix, the Company) today announces it has entered into an agreement to acquire QSAM Biosciences, Inc. (U.S. OTC: QSAM) and its lead investigational drug Samarium-153-DOTMP (¹⁵³Sm-DOTMP). QSAM is a United States (U.S.) based company developing therapeutic radiopharmaceuticals for primary and metastatic bone cancer.

¹⁵³Sm-DOTMP is a novel kit-based bone-seeking targeted radiopharmaceutical candidate that uses a “next generation” chelating agent to deliver a proprietary formulation of Samarium-153 radioisotope. With two major potential applications – pain management of bone metastases and osteosarcoma therapy, including in paediatric patients – ¹⁵³Sm-DOTMP is highly aligned with Telix’s existing therapeutic focus areas in urologic oncology (prostate cancer), neuro-oncology (glioma), and musculoskeletal oncology (sarcoma).

¹⁵³Sm-DOTMP has shown in pre-clinical and early clinical trials evidence of safety, efficacy and future commercial utility, and has the potential to deliver significant improvements on prior bone-seeking agents in the treatment and management of late-stage metastatic disease. This includes a much-improved safety profile (myelotoxicity and renal toxicity), more targeted delivery (reduced off-target irradiation) and a streamlined production system (flexible supply chain and lower COGS).¹ The potential commercialisation of this asset would build on a well-established reimbursement pathway for this class of drugs, offering a potential cost-effective and quality of life-enhancing alternative to standard-of-care (bisphosphonates, steroids, opioids).

Recent pre-clinical and clinical data have yielded encouraging evidence for ¹⁵³Sm-DOTMP to enable the pain management of prostate cancer bone metastases,² where there remains a significant unmet patient need particularly after progression from other forms of radionuclide and radiation therapy. Telix believes that ¹⁵³Sm-DOTMP may benefit patients with metastatic lung and breast cancer, where many patients develop brain and bone metastases, and disease management often focusses on quality-of-life palliative care.

¹⁵³Sm-DOTMP has also been granted Orphan Drug³ and Rare Pediatric Disease⁴ Designations (ODD/RPDD) by the U.S. Food and Drug Administration (FDA) for the treatment of osteosarcoma. This designation broadens Telix’s portfolio to include potential treatment for a disease that mostly affects children and young adults, building upon Telix’s established focus in musculoskeletal oncology (the targeted alpha program – TLX300 / olaratumab). The RPDD designation may enable ¹⁵³Sm-DOTMP to be brought to market more rapidly through regulatory incentives, including eligibility for a paediatric rare disease Priority Review Voucher (PRV) that may be applied to this or other Telix programs.

Dr Christian Behrenbruch, Managing Director and Group CEO of Telix said, “The acquisition of QSAM provides Telix with an additional near-term therapeutic pipeline asset, further differentiating our innovation position in radiopharmaceuticals and building depth in Telix’s key disease focus areas of urological and musculoskeletal oncology. Samarium is a highly optimal radionuclide for treating

¹ QSAM corporate presentation Q2 2023.

² QSAM media release 16 August 2023.

³ QSAM media release 18 August 2021.

⁴ QSAM media release 2 February 2022.

bone metastases, and the combination of ODD and PRDD status with Telix's demonstrated experience in pharmacy-based cold-kit distribution has strong potential for a rapid pathway to commercialisation of this asset."

Deal terms and conditions

The purchase price comprises:

- US\$33.1 million (AU\$50.8 million⁵) upfront, which is payable in the form of 4,369,914 Telix ordinary shares to be issued at closing, subject to certain cash adjustments (at or after closing) which would be deducted off the upfront value, and
- Contingent Value Rights, or performance rights, that represent the right of the holders to receive contingent payments up to US\$90 million (AU\$138 million⁵) in the aggregate, which are payable in cash and/or in ordinary shares, upon achievement of certain clinical and commercial milestones.

Telix will issue ordinary shares to the stockholders of QSAM at closing within its Listing Rule 7.1 placement capacity as consideration for the acquisition. The ordinary shares issued upfront will be subject to escrow conditions.⁶ The number of ordinary shares to be issued at closing will be determined based on a price per share, which represents the volume weighted average price at which the ordinary shares traded on the ASX over the 10 trading day period prior to signing.

Execution of the acquisition agreement concludes an option period of exclusivity and to complete diligence following the signing of a Term Sheet for the proposed acquisition in November 2023.⁷ Completion of the transaction is subject to customary conditions, including approval of QSAM's stockholders and regulatory approvals.

About bone cancer

In the U.S., there are over 400,000 new patients diagnosed each year with metastatic bone cancer and 350,000 patient deaths.⁸ The incidence of advanced malignant tumours with bone metastasis can be up to 70%, especially common in patients with advanced prostate and breast cancer.⁹ Osteosarcoma and Ewing's sarcoma are the most common malignancies of the bones in children.

About QSAM Biosciences, Inc.

QSAM Biosciences, Inc. is developing next-generation nuclear medicines for the treatment of cancer and other diseases. QSAM's initial technology, ¹⁵³Sm-DOTMP, is a clinical-stage bone-targeting radiopharmaceutical originally developed by IsoTherapeutics Group LLC and now owned by IGL Pharma Inc.

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-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).

⁵ AUD/USD exchange rate of 0.6522

⁶ Refer to Appendix to this release and to Appendix 3B lodged with the ASX today for further details.

⁷ Telix ASX disclosure 14 November 2023.

⁸ Huang, J., et al., (2020). Incidence Of Patients with Bone Metastases At Diagnosis Of Solid Tumors In Adults: A Large Population-Based Study. Doi: 10.21037/atm.2020.03.55.

⁹ Colsia, et al., (2022). The Burden of Metastatic Cancer-Induced Bone Pain: A Narrative Review. Doi:10.2147/JPR.S371337.

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 Illuccix[®]), has been approved by the FDA,¹⁰ by the Australian Therapeutic Goods Administration (TGA),¹¹ and by Health Canada.¹²

Telix Investor Relations

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This announcement has been authorised for release by the Telix Pharmaceuticals Limited Board.

Legal Notices

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Except as required by applicable laws or regulations, Telix does not undertake to publicly update or review any forward-looking statements. Past performance cannot be relied on as a guide to future performance. Readers should read this announcement together with our material risks, as disclosed in our most recently filed reports with the ASX and on our website.

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¹⁰ Telix ASX disclosure 20 December 2021.

¹¹ Telix ASX disclosure 2 November 2021.

¹² Telix ASX disclosure 14 October 2022.

Appendix – key terms of earn-out

- (a) The earn-out will be in the form of performance rights, which will comprise 'Contingent Value Rights' or 'CVRs' granted by Telix to QSAM shareholders at closing.
- (b) The CVRs will have a total contingent value of US\$90,000,000.
- (c) The CVRs will be issued with four separate 'Milestones' relating to the ongoing development and commercialisation of 153Sm-DOTMP. Each Milestone has an agreed dollar value attributable to it.
- (d) The CVRs will convert to Telix shares on the achievement of the applicable Milestone if the Milestone is satisfied within 5 years of closing or will otherwise be satisfied by the payment of the relevant cash amount attributable to the Milestone (if the Milestone is satisfied more than 5 years after closing).
- (e) The number of Telix shares to be issued on satisfaction of a Milestone is calculated by:
 - (i) First, by determining the volume weighted average price of Telix shares for the twenty trading days ending on the trading day immediately prior to Telix issuing the relevant Milestone notice.
 - (ii) Second, by converting that Australian dollar VWAP to United States dollars using the exchange rate in the Wall Street Journal on the day before the date of the Milestone notice.
 - (iii) Third, by dividing the United States dollar value attributable to the Milestone by the United States dollar VWAP calculated above.
- (f) Each holder will receive a rateable share of the Milestone shares issued or cash payment made on satisfaction of a Milestone.
- (g) Telix will apply for quotation of any shares issued on satisfaction of the CVRs. Any such shares will be fully paid ordinary shares and will not be subject to any escrow restrictions.
- (h) No Telix shares may be issued to satisfy any CVRs after the five-year anniversary of the issue date of the CVRs.
- (i) The CVRs are not transferrable except in certain limited circumstances and at all times subject to the ASX Listing Rules.
- (j) The CVRs will not be quoted on ASX or any other securities exchange.
- (k) CVRs shall not have any voting or dividend rights (whether fixed or at the discretion of Telix) and interest shall not accrue on any amounts payable in respect of CVRs.
- (l) CVRs shall not represent any equity or ownership interest in Telix, any constituent company to the QSAM merger transaction or any of their affiliates.
- (m) CVRs shall not confer any right:
 - (i) to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
 - (ii) to participate in the surplus profit or assets of Telix upon a winding up; or
 - (iii) to participate in new issues of securities such as bonus issues or entitlement issues.
- (n) The agreement pursuant to which CVRs will be issued will be governed by the Laws of the State of Delaware, without giving effect to principles or rules of conflict of laws to the extent such principles or rules would require or permit the applications of laws of another jurisdiction.