

Radiopharm Theranostics Ltd

Recently listed with a diverse pipeline

Radiopharm Theranostics Ltd (ASX:RAD) is a biotechnology company focussed on developing a range of radiopharmaceutical products, an aspect of nuclear medicine, for diagnostic and therapeutic uses in treating oncological diseases (cancer). RAD was listed in Australia on 25 November 2021 after raising \$20m in seed capital prior to listing and \$50m at \$0.60/share in its initial public offering (IPO). RAD has licensed four platform technologies which are the basis for a pipeline with 15 indications in the pre-clinical and clinical stages, including eight clinical-stage trials across different cancers. Radiopharmaceuticals are the result of attaching a radioisotope to a targeting agent such as a small molecule or antibody. The agent then specifically binds to and delivers a radioactive payload to tumour cells, either with low-dose radiation for diagnostic purposes (through imaging), or for therapeutic purposes with high-energy radioisotopes which attack targeted cancers and tumours. For the therapeutic applications it allows the mechanism to be extremely selective to precisely deliver a radioactive payload to the tumour. The global radiopharmaceuticals market was estimated to be valued at US\$6.7b in 2020, growing to US\$11.5b by 2027 (ASX release 25-Jan-2022). RAD had \$32.6m in cash and equivalents as at 31-Dec-2021 and has announced a new supply agreement for Actinium-225 with TerraPower, which will enable the Phase I trial with RAD402 in prostate cancer patients, among other drug trials (1-Feb-2022). Significant news-flow is expected from its diverse and active pipeline.

Business model

RAD has four distinct platform technologies using peptides, small molecules and antibodies in its development basket that address ~75% of the causes of death from cancer. The technologies form the basis of five Phase II trials, and two Phase I trials with a total of 156 patients dosed as at 10-Dec-2021. All four platforms have patent protection and RAD's R&D engine is secured with Sponsored Research Agreements. RAD is working to a 'first-to-market' or 'best-in-class' criteria. RAD has a development focus on radiopharmaceutical products for an unmet medical need in the fields of diagnostic and therapeutic applications, with a diverse pipeline. A diverse pipeline could lead to partnerships, licensing and sales opportunities with pharmaceutical companies as the technologies are progressed toward commercialisation.

Recent progress in its 31-Dec quarterly and current quarter

RAD had \$32.6m in cash as at 31-Dec-2021, up from \$7.2m at 30-Sep-2021. In November 2021 RAD raised A\$50m from investors through the issue of 83.3m new shares at A\$0.60 per share. The IPO fees have been allocated toward licensing fees, clinical trials and manufacturing costs, milestone fees and employment costs. Following the IPO, RAD has completed the Phase I study with its RAD201 asset, an imaging study in breast cancer, yielding uniformly excellent, easy-to-interpret images with no concerning safety signal observed (ASX announcement 25-Jan-2022). The study was conducted with collaborators at Shanghai General Hospital in China and NanoMab in London and Hong Kong. RAD has also been making management and Scientific Advisory Board appointments since listing including an SVP of Clinical Operations, a Global Medical Director and a Global Director of Translational Science, all with significant prior experience in their areas of expertise. RAD has announced a new supply agreement for Actinium-225 with TerraPower, which will enable the Phase I trial with RAD402 in prostate cancer patients, among other drug trials.

A small radiopharma clique on the ASX

Listed on the ASX are Clarity Pharmaceuticals (ASX:CU6) with a market cap of ~A\$175m, and Telix Pharmaceuticals (ASX:TLX) with a market cap of ~A\$1.4b, which are both radiopharmaceutical companies with multiple clinical-stage trials in progress. Telix also has products commercialised in the diagnosis and treatment of diverse cancers. CU6 is a clinical-stage company developing next-gen therapy and imaging products based on its platform technology with a focus on addressing cancers. Australia's radiopharma industry is largely focussed in research centres and in scientific collaborations, with Cyclomedica a private global company based in NSW. With three listed companies now in the space there are opportunities for growing interest by investors as the Australian market becomes more educated in radiopharma and the equivalent US listed market.

Pharmaceuticals, Biotechnology & Life Sciences

11th March 2022

Share Details

| | |
|-------------------------|---------|
| ASX code | RAD |
| Share price | \$0.27 |
| Market capitalisation | \$68.4M |
| Shares on issue | 253.33M |
| Net cash at 31-Dec-2021 | \$32.6M |
| Free float | 50.6% |

Share Performance (since listing)



Upside Case

- Positive progress in clinical trials
- Pre-clinical assets advancing to clinical stage
- Licensing and partnership deals

Downside Case

- Failure to progress to further clinical stages
- Lack of funding for continuing its programmes
- Failure to receive approvals to move to clinical stage

Catalysts

- Quarterly report expected April 22
- Interim report expected May 22

Comparable Companies (Aust/NZ)

Pharmaust (ASX:PAA), Clarity Pharmaceuticals (ASX:CU6), Telix Pharmaceuticals (ASX:TLX)

Board and Management

| | |
|-------------------|------------------------|
| Paul Hopper | Executive Chair |
| Riccardo Canevari | Managing Director/CEO |
| Ian Turner | Non-Executive Director |
| Dr Michael Baker | Non-Executive Director |
| Hester Larkin | Non-Executive Director |

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FINANCIAL SERVICES GUIDE

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AFSL 456663

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