

Quarterly Activity Report – 30 September 2021

- **First patient treated in Clarity’s diagnostic Cu-64 SAR-bisPSMA prostate cancer trial**
- **First patient treated in Clarity’s theranostic Cu-64/Cu-67 SAR-bisPSMA prostate cancer trial**
- **Execution of product manufacturing agreement with Evergreen Theragnostics, Inc**
- **Successful completion of IPO on 25 August 2021**
- **Execution of option agreement with China Grand Pharmaceutical and Healthcare Holdings Limited (“China Grand”); commencement and ongoing negotiations on the licensing deal**
- **Strong cash position with \$101.7 million held at 30 September 2021**

Clarity Pharmaceuticals (ASX: CU6) (“Clarity” or the “Company”), an Australian-based clinical stage radiopharmaceutical company developing next-generation products to address the growing need for the use of radiopharmaceuticals in oncology, is pleased to release its Quarterly Activity Report for the quarter ending 30 September 2021.

On 25 August 2021 Clarity successfully completed the largest biotechnology Initial Public Offering (IPO) on the Australian Securities Exchange (ASX), raising \$92 million with Jefferies (Australia) Pty Ltd and Bell Potter Securities Limited as Joint Lead Managers and Underwriters. The listing was strongly supported by institutional, sophisticated and retail investors from Australia and overseas.

China Grand has entered into discussions, on an exclusive basis, regarding a proposal for Clarity to grant China Grand a licence of the right to develop, manufacture and commercialise one or more of the Company’s products in the Greater China territory (being Mainland China, Hong Kong (SAR), Macau (SAR) and Taiwan) on terms to be agreed. The negotiations of the license are ongoing. As part of these discussions, Clarity granted China Grand a total of 25,543,912 options at an exercise price of \$1.75 per option on the 1st of July 2021. The options will expire at 5pm (Sydney time) on the date that is the six months anniversary of the date of Clarity’s admission to the Official List, which is 25 February 2022.

Clarity continues to generate strong results in the clinical development of the products in our Targeted Copper Theranostics (TCT) platform. During the quarter we commenced recruitment in two clinical trials of our optimised PSMA agent, SAR-bisPSMA, in prostate cancer: a US-based Phase I/IIa theranostic clinical trial for the treatment of prostate cancer (the SECuRE trial); and an Australian-based Phase I diagnostic clinical trial for the diagnosis of early-stage prostate cancer (the PROPELLER trial). With the earlier completion of the C-BOBCAT trial with ⁶⁴Cu SAR Bombesin, the company is now actively recruiting in four clinical trials, with additional trials scheduled to commence early next year.

To support clinical growth, Clarity has been actively extending its manufacturing and logistical footprint in the US by signing a number of key agreements, including a product manufacturing agreement with Evergreen Theragnostics, Inc. on 30 September to add to other agreements including an exclusive copper-67 supply agreement with NorthStar Medical Isotopes, LLC. for the exclusive supply of copper-67 to Clarity. These agreements, along with Clarity securing a membership and a Board position on the Council on Radionuclides and Radiopharmaceuticals, Inc (CORAR), will support the rollout of the TCT platform and getting “ready-to-use” TCT products to patients.

Financials

Cash balance was \$101.7 million as at 30 September 2021. Net operating cash outflows for the quarter was \$3.6 million, mostly relating to payments for research and development, staff costs, administration, and general operating costs.

Use of Funds (Listing Rule 4.7C.2)

	Prospectus dated 16 July 2021 \$ million	% of Total Funds	Period Ended 30 September 2021 \$ million	% of Total Funds
Pre-Clinical	\$2.7	2.5%	\$0.1	0.6%
Clinical	\$84.0	76.6%	\$1.8	19.4%
Regulatory	\$5.7	5.2%	\$0.1	1.3%
Patents	\$1.4	1.3%	\$0.1	0.6%
Corporate	\$10.4	9.5%	\$1.5	16.4%
Costs associated with the Offer	\$5.4	4.9%	\$5.7	61.8%
Total uses	\$109.6	100.0%	\$9.3	100.0%

The expenditure for the 3 month period ended 30 September 2021 as set out in the table above is in accordance with the Use of Funds outlined in the Company's prospectus dated 16 July 2021 and there are no material variances against the estimated use of funds.

Related Party Transactions (Listing Rule 4.7C.3)

Payments to related parties of the entity and their associates (6.1 of the Appendix 4C) totaled \$456,000 for the quarter. This amount included director fees and salaries, executive director bonuses and consulting fees to a non-executive director for clinical development services.

- ENDS -

This announcement has been authorised for release by the Executive Chairman.

For more information, please contact:

Dr Alan Taylor
Executive Chairman
ataylor@claritypharm.com

Simon Hinsley
Investor/Media Relations
simon@nwrcommunications.com.au
 +61 401 809 653

About Clarity Pharmaceuticals

Clarity is a clinical stage radiopharmaceutical company focused on the treatment of serious disease. The Company is a leader in innovative radiopharmaceuticals, developing targeted copper theranostics based on its SAR Technology Platform for the treatment of cancer in children and adults.

www.claritypharmaceuticals.com/