

ASX ANNOUNCEMENT
24 November 2022

Chairman's Address to Clarity's Annual General Meeting 2022

Clarity Pharmaceuticals (ASX: CU6) ("Clarity"), a clinical-stage radiopharmaceutical company developing next-generation products to address the growing needs in oncology, is pleased to provide the Chairman's Address to the Annual General Meeting of Shareholders being held at 10:00am, 24th of November 2022.

Good morning, everyone,

Welcome to our second Annual General Meeting as a listed company on the Australian Securities Exchange.

Before we begin with formalities, I would like to acknowledge the Gadigal people of the Eora Nation as the Traditional Custodians of the Country we are meeting on today. Clarity, which was "born and bred" in the Redfern precinct, is a proud member of our community which has a long history and strong cultural ties for our indigenous people and is a flourishing urban centre for our indigenous community.

I would like to start by extending a very warm welcome to two very important groups within Clarity – our Shareholders and our Team, with a number of people now within both of these groups. In fact, on a fully diluted basis, Clarity's team, of only 34 employees and 5 Non-Executive Directors, being 39 in total, control 31% of the Company's total shares and options on issue today. At the core of Clarity's success over the last decade has been both our strong shareholder base, with the top 10, 20 and 50 shareholders holding approximately 45%, 60% and over 70% of the Company's shares on issue respectively, and the growth of an incredible team, which has led to the formidable position we find ourselves in today of having an enviable cash balance to implement our strategy of translating great Australian science from the benchtop to the clinic.

But what the last year has taught us is that we can never take anything for granted. Following the successful completion of the largest biotechnology listing in the history of the ASX, raising \$92 million from strategic, institutional, professional and retail investors, we soon found ourselves in the midst of one of the worst global markets for biotechnology in history. Reports back from the US earlier this year were that hundreds of biotechnology companies listed on NASDAQ had negative enterprise values, meaning that their market capitalisation was less than the money they had in the bank. As a now listed company, Clarity was unable to escape this global contagion, with fund managers suddenly changing their investment theses with expectations of rising interest rates and the threat of war leading to the indiscriminate dumping of biotechnology shares onto the market.

Although this was a concern, it was business as usual at Clarity focusing on the matters that we can control. Well financed and able to overcome the immediate irrational behaviour of the markets, our capital markets strategy ensured we have sufficient funds to continue advancing the clinical development of our products, underpinned by our ultimate goal of developing next-generation radiopharmaceuticals to improve treatment outcomes for children and adults with cancer.

But the backdrop of our own industry cannot be ignored, and our field of radiopharmaceuticals has never been more exciting. Although there are a number of new start-up companies in our space given the excitement in the area, there are very few that are in later stage clinical development like Clarity. Furthermore, there have been a small number of recently commercialised radiopharmaceutical products, with even new diagnostics now poised to reach blockbuster levels of revenues. This is at a time when the market of companies and products continues to tighten with recent merger and acquisition activity in the space. As radiopharmaceuticals continue to barely scratch the surface of a massive and growing oncology market, and the appetite of large strategic companies to have assets in the space is ever increasing, the fundamentals in radiopharmaceuticals have never looked better.

Clarity is the only radiopharmaceutical development company focused on Targeted Copper Theranostics (TCTs). As a pure play in TCTs, we are leading this space globally and have reported significant clinical, preclinical and regulatory advances during the financial year.

Clarity's activity during the financial year has been underpinned by our focused clinical development strategy. Our plan is to aim for the large US market for our first product approvals and then expand out to further territories. We are strategically leading with the development of our diagnostic products and will follow closely with the therapeutic versions. Following this week's successful approval of our fifth Investigational New Drug application with the US FDA, all of our lead therapeutic and diagnostic products are now in clinical development in the world's largest pharmaceutical market.

Our strategy involves developing products through trials at high quality clinical sites and with experienced

investigators for both rare and large indications where patients have significant unmet needs and demand for new treatments is high. We believe our TCTs have the potential to provide a meaningful solution in the radiopharmaceuticals market, which is projected to reach US \$35 billion by 2031.

Clarity's three best-in-class product areas, which translate into six products, are all in clinical development offering high accuracy and precision for both diagnostic and therapeutic modalities and we continue to expand their potential applications.

We are currently actively progressing seven clinical trials with these products which are being conducted in three theranostic (therapeutic and diagnostic) and four diagnostic indications. In addition to these seven trials sponsored by Clarity, there are also two investigator-initiated trials focused on Clarity's products. Our first product area, SARTATE™, is in clinical trials for neuroblastoma and neuroendocrine tumours, while our SAR-bisPSMA product is an optimised PSMA agent in clinical development for prostate cancer. Lastly, SAR-Bombesin is a pan-cancer agent which is being developed for breast and prostate cancer initially with other indications under consideration.

But it is our focus on sustainable manufacturing processes and supply chains that are both at the core of Clarity's strategy, and clearly differentiates us as a leader to expand radiopharmaceuticals into the large oncology market. TCTs are produced in the US through electron accelerators and cyclotrons, rather than traditional nuclear reactors, a number of which are currently shutdown, and generators, both of which are plagued with issues that directly limit the growth of the field in the future. Clarity's technology bypasses the logistical issues facing the radiopharmaceutical market, including nuclear reactor shutdowns and the use of short-lived isotopes, and instead ensures a sustainable future for radiopharmaceuticals. We continued to strengthen our manufacturing efforts this year, with the expansion of our existing agreement with Evergreen Theragnostics and a supply agreement with 3D Imaging. Throughout the year we also continued to reinforce our intellectual property position over our entire asset portfolio.

I want to again take this opportunity to thank our team who work endlessly to implement our strategy. It has grown from no employees nine years ago to some 34 people today, with very little turnover of staff and we are currently growing strongly and attracting the world's best talent. Our team is highly diverse and has deep experience spanning corporate, clinical operations, research and development, commercialisation, manufacturing and supply chain management. Most importantly, we share a passion for improving treatment outcomes for people with cancer.

In August 2021 we welcomed Mr Robert Thomas to our Board who is now our Lead Independent Non-Executive Director. His expertise in financial services, capital markets and M&A has served us well. Although we have a strong Board, we continue to review the skills, experience and contribution of Board members. We are also cognisant of the gender imbalance at the Board level, an area we are addressing, particularly given the enormous contribution made by our almost 70% female team, which is not represented on our Board. This year we also bolstered our Advisory Board with the addition of Dr Andrei Iagaru, Dr Neal Shore and Professor Louise Emmet.

As a newly listed company, Clarity has continued and deepened its commitment to ESG practices over the year and we have just provided our first ESG Report to shareholders. Our ESG Report outlines how we are integrating ESG policies and practices into our overall strategic objectives. It also sets clear goals to ensure Clarity remains at the forefront of the radiopharmaceutical industry within an ESG framework.

When it comes to the environment, radiopharmaceuticals provide superior options for diagnosis and treatment of disease and Clarity's technology has a number of advantages that clearly differentiate it when considering a sustainable future for our sector. These include our proposition of non-reactor sourced isotopes, the absence of any long-lived radioactive waste products from the manufacturing process, and the avoidance of the inefficiencies of diagnostic products that utilise shorter half-life isotopes.

Our social mission of improving cancer treatment outcomes or positively affecting the lives of children extends beyond our own products. We are working with the Australian charity Neuroblastoma Australia as their platinum sponsor for their marquee event, Run2Cure, and we also support local community organisation Story Factory, who endeavours to give a voice to local kids from under-resourced backgrounds through developing the skills of writing. These initiatives have recently been detailed and provided to the market in our ESG report.

We remain highly confident about our technology, products, team and strategy as we enter FY23. We look forward to reporting our progress to you as we continue along this exciting phase of our journey.

I will now hand over to our CEO Colin Biggin to provide a more detailed update on Clarity's clinical and operational progress throughout the year.

Yours sincerely,

Dr Alan Taylor
Executive Chairperson, Clarity Pharmaceuticals

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