

Fellow shareholders, dear friends of the Company,

Following the release of the latest quarterly results, I felt it was an opportune moment to provide some perspective on behalf of the Board on the health and trajectory of our Company.

Building upon our values

CLINUVEL has been established with a core set of values, expressed broadly as: people and environment; technology and approach; respect and appreciation; and knowledge building and sharing. Beyond aspirational statements, Board and management seek to ensure that our conduct and operations genuinely reflect these values as we continue to strive for a global pharmaceutical group.

It is simple for one to cynically dismiss such statements as corporate pandering in various guises. Many entities indeed seek to gloss over their espoused values in pursuit of sheer near-term goals (such as naked profit or unsustainable growth), with little consideration for the longer-term impact of their actions. Yet, when your objective is to develop treatments for neglected patient populations – a pathway that takes years, not just during a few reporting seasons – you need to ensure there is a positive and effective alignment of values across the teams who are responsible for delivering the corporate objectives. Part of this is ensuring the team takes ownership of the objectives and is given the freedom to develop a culture and entity based on efforts and results. This doesn't mean a lack of accountability or oversight – quite the opposite is true – but recognising the ability to identify end goals and supporting the team to deliver on these. The Board is pleased with how the culture is evolving, and the expanded team has embraced our values on the path to achieve a difficult mission.

Every day we are self-aware that pharmaceutical innovation is peppered with uncertainty. The Board of Directors tries to lower the risk by following a clear pathway and by establishing stability among the management team to continue to work closely together for an extended period and deliver – the successful commercialisation of our first product, an extensive and promising pipeline, and new R&D that will need to add long-term value. In my view it is this approach that we must stick to, to ensure longevity and growth of the business. A key challenge for this team now is that new staff, senior managers and early- to mid-career professionals, continue to be added across the global Group. I see it as my role – along with the rest of the Board – to oversee CLINUVEL's positive and tenacious culture and alignment to the corporate values on behalf of shareholders, the basis for further success.

Stakeholder engagement

As a shareholder, but also a representative of shareholders, part of my task is ensuring accountability of the Company and its management team. Our shareholder engagement in recent years has been marked by more frequent and diverse communications on the performance and progress of the Company. These communications, as well as direct discussions and meetings with many shareholders, has improved the understanding of the objectives of the Company and the

Board's approach to governance of the Group. I see the Annual General Meeting of Shareholders and investor webinars as the key forums for shareholder questions and answers, and encourage shareholders to exercise their right to ask appropriate questions during the forthcoming reporting and AGM season.

External feedback on performance plays an increasingly important role, with multiple voices evident in the marketplace, although some views are more appropriate than others. For example, in the lead-up to and during the annual reporting season, we see approaches from third party entities who assess the Company's overall performance and make recommendations on the resolutions which are put to the Annual General Meeting of its members, based on their own governance and performance metrics. This phenomenon – new to capital markets – interestingly sees some entities both issuing “independent” reports to the market with recommendations on voting, while simultaneously offering paid services to target listed companies. Since our shareholders are the ultimate users of their reports, we actively engage these third parties in our independent capacity to explain the Company's approach across a wide range of issues, including environment, social and governance criteria. We have observed that the quality of the reports issued varies and therefore, as always, encourage investors to conduct their own research on the Company, recognising that one can only learn so much from the outside.

In addition to the rights of a shareholder, I also see it as essential that shareholders consider their responsibilities. These extend beyond just following relevant laws and guidelines to considering whether one's actions may impact the business, either short- or long-term, and other shareholders.

CLINUVEL enjoys positive communications with a sizable part of our share register. The majority of existing shareholders are both supportive and critical, while interested in our next steps. Most of you choose to remain invested because you tell us that you are aware of both risks and possible future developments coming from this management team. Our Board regards your longer-term support as a privilege and unusual loyalty.

On the other hand, I have expressed in the past my view that CLINUVEL has clearly outlined its strategy, risks to the business, reasons, and values, and shareholders not aligned with the Board and management should choose other investment opportunities. Curiously some individuals choose not to do so, and their practice is foreign to me and against the well-being of the Company. In the current environment we are mindful of the impact this may have on other holders and the business, and it is our duty to take all steps necessary to protect both value created as well as the interests of all shareholders.

Quarterly cashflows

The CLINUVEL management team made a commitment some time ago to continue releasing quarterly cash flow statements (“Appendix 4C”) to shareholders, despite no longer requiring these under the listing rules of the Australia Securities Exchange. This decision was not to encourage our team to only think in quarters – our business is one with long-term objectives – but to maintain frequent transparency on the financial health of the business. It allows all of us, as shareholders, to regularly assess some of the financial metrics of the business outside the mandated half-yearly and annual reports. The Board encourages this openness as part of our governance approach, while the feedback we receive on this initiative is great.

Before delving into any detail, I must first state my appreciation to Mr Keamy and his finance team, and the broader CLINUVEL staff, for the last quarterly report – reporting the three months to 30 June 2022 and the end of the financial year – which was above all our expectations.

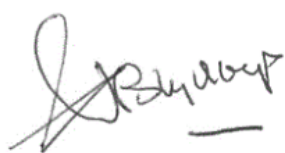
In the report itself, I wish to focus attention on three figures today. Firstly, the cash receipts figure – just over A\$24 million – is the highest reported for any quarter to date. This represents a 64% increase on the same quarter of the 2021 financial year and speaks to the underlying and ongoing demand for the Company's pharmaceutical product. In a period where society and business continue to see the impact of the COVID-19 pandemic, such viability and growth cannot be taken for granted, and now needs to be consolidated by our team for the long-term.

In parallel, we saw a decline in operating expenditures – totalling just over A\$5.62 million – which did not fit the pattern of recent quarters, where the Company's overall expenditures have been increasing modestly. As reported, it is our expectation that expenditures trend back towards previous levels as the Company executes on its plans, particularly for clinical R&D.

This quarter has made a considerable contribution to the cash position of the business, the third figure I wish to highlight, which increased by more than A\$18.47 million to over A\$121 million. As a Board, we have agreed with management on a clear pathway to deploy our cash over five financial years (to the end of financial year 2025), with a total expenditure of A\$175 million. Two years into this plan we can now consolidate and expedite the programs and deliver on several projects across the Company. CLINUVEL's CEO has spoken many times about ensuring the Group can succeed in the face of possible unexpected setbacks, changing environments, and macroeconomic headwinds. It is now clear that, in following the current strategy, we are well positioned to go through the next possible period of economic slow-down. We now look forward to the Company's annual results, to be released later this month.

I appreciate the letters of support received and look forward to sharing my views on the business later in the year.

Yours sincerely,



Willem Blijdorp

Chair

CLINUVEL PHARMACEUTICALS LTD

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Authorised for ASX release by the Chair of CLINUVEL PHARMACEUTICALS LTD

About CLINUVEL PHARMACEUTICALS LIMITED

CLINUVEL (ASX: CUV; ADR LEVEL 1: CLVLY; XETRA-DAX: UR9) is a global specialty pharmaceutical group focused on developing and commercialising treatments for patients with genetic, metabolic, systemic, and life-threatening, acute disorders, as well as healthcare solutions for the general population. As pioneers in photomedicine and the family of melanocortin peptides, CLINUVEL's research and development has led to innovative treatments for patient populations with a clinical need for systemic photoprotection, DNA repair, repigmentation and acute or life-threatening conditions who lack alternatives.

CLINUVEL's lead therapy, SCENESSE® (afamelanotide 16mg), is approved for commercial distribution in Europe, the USA, Israel, and Australia as the world's first systemic photoprotective drug for the prevention of phototoxicity (anaphylactoid reactions and burns) in adult patients with erythropoietic protoporphyria (EPP). Headquartered in Melbourne, Australia, CLINUVEL has operations in Europe, Singapore, and the USA. For more information, please go to <https://www.clinuvel.com>.

SCENESSE®, PRÉNUMBRA®, and NEURACTHEL® are registered trademarks of CLINUVEL.

Head of Investor Relations

Mr Malcolm Bull, CLINUVEL PHARMACEUTICALS LTD

Investor Enquiries

<https://www.clinuvel.com/investors/contact-us>

Forward-Looking Statements

This release contains forward-looking statements, which reflect the current beliefs and expectations of CLINUVEL's management. Statements may involve a number of known and unknown risks that could cause our future results, performance, or achievements to differ significantly from those expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to: our ability to develop and commercialise pharmaceutical products; the COVID-19 pandemic and/or other world, regional or national events affecting the supply chain for a protracted period of time, including our ability to develop, manufacture, market and sell biopharmaceutical products; competition for our products, especially SCENESSE® (afamelanotide 16mg), PRÉNUMBRA® or NEURACTHEL®; our ability to achieve expected safety and efficacy results in a timely manner through our innovative R&D efforts; the effectiveness of our patents and other protections for innovative products, particularly in view of national and regional variations in patent laws; our potential exposure to product liability claims to the extent not covered by insurance; increased government scrutiny in either Australia, the U.S., Europe, Israel, China and Japan of our agreements with third parties and suppliers; our exposure to currency fluctuations and restrictions as well as credit risks; the effects of reforms in healthcare regulation and pharmaceutical pricing and reimbursement; that the Company may incur unexpected delays in the outsourced manufacturing of SCENESSE®, PRÉNUMBRA® or NEURACTHEL® which may lead to it being unable to supply its commercial markets and/or clinical trial programs; any failures to comply with any government payment system (i.e. Medicare) reporting and payment obligations; uncertainties surrounding the legislative and regulatory pathways for the registration and approval of biotechnology and consumer based products; decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims; our ability to retain or attract key personnel and managerial talent; the impact of broader change within the pharmaceutical industry and related industries; potential changes to tax liabilities or legislation; environmental risks; and other factors that have been discussed in our 2021 Annual Report. Forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation, outside of those required under applicable laws or relevant listing rules of the Australian Securities Exchange, to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. More information on preliminary and uncertain forecasts and estimates is available on request, whereby it is stated that past performance is not an indicator of future performance.

www.clinuvel.com

Level 11, 535 Bourke Street, Melbourne, Victoria, Australia, 3000, T +61 3 9660 4900, F +61 3 9660 4909