

CLINUVEL

14 DECEMBER 2023

Letter to Shareholders from the Chair (elect) Professor Jeffrey Rosenfeld

Dear Shareholders,

Introduction

On 1 January 2024, it is with pride that I will assume the chairmanship of CLINUVEL. During the recent Annual General Meeting (AGM), I presented briefly how I act with integrity, fairness, and respect for all in and outside the Company. I very much look forward to leading discussions on competitive strategies, and the direction of this great Company. My tasks will be to guide Board and Committee functions, be involved in strategic decision making for the benefit of shareholders, and to oversee executive management. As the year nears its end, it is the appropriate time to thank Mr Willem Blijdorp for his term as Chair and his valuable advice and expertise. Fortunately, we will further enjoy his commercial acumen as a Non-Executive member of the Board.

In financial year 2022-2023, CLINUVEL achieved its best financial result. We have enjoyed seven years of consecutive growth in revenues, cash, and profitability. I put our enviable position down to the foresight and abilities of current management. My first task will be to seek consensus on retaining executive management. In my view this is necessary since I am aware how well our leadership has performed in challenging times. Positive trends in pharmaceuticals will not always continue, however, I see few indications why CLINUVEL's growth could not be prolonged. In any event, my recommendation would be to retain current management for those times when the Company could face headwinds. I want to have a reliable and experienced team to solve any future problems. I will come back to you on the issue of retention and succession planning in the next two months.

Now, with an enviable cash position of A\$156.8 million at 30 June 2023, we will seize the moment to expand the business in North America, Europe, and the Middle East.

As we enter a new corporate chapter, a number of key themes and issues are highlighted. These include communication with our stakeholders and the outlook of CLINUVEL encompassing pharmaceutical development, financial performance, risk management, sustainability, staff retention, succession, competition, and Board performance and governance.

Communication strategy

I am quite satisfied with current levels of communication, as I reviewed feedback from analysts, institutional investors and recently, Hong Kong institutions. One area we must improve is the effective use of social media and further outreach to European and US investors.

To start off our campaign for 2024, this week we launched our modern website taking the reader through a new simplified format, putting the Company on level with larger diversified groups. With new copywriting, content creators and technical teams, I am quite content with the product Ms Marga Arrom-Bibiloni, Head of the Communications, Branding and Marketing team, has delivered.

To further show strong commitment to advanced communication, our teams will host multiple roadshows in Germany, Austria, and Switzerland, given the high number of shareholders. We will step up our presence in the US, with detailed communication around our mission and activities. I will continue to liaise with the seven Australian analysts who are covering CLINUVEL.

Fulfilling a long-held wish, shareholders will notice more visibility of all nine executives via a range of communication channels, including social media platforms, video recordings, the Annual Report, and News Communiqués.

In the first half of the year, we will host a Capital Markets Briefing in Sydney, an Investor Briefing in Duesseldorf, an institutional day in New York, and various shareholder meetings throughout Asia, the Middle East, and East and West parts of the United States. Based in Melbourne, I will be a point of contact

for Australian institutions and shareholders, together with our Head of Investor Relations, and CFO. We aim to lift large institutional investment in CLINUVEL.

Board strategy

In line with best practice on Board performance, I intend to oversee a review of governance and our risk register.

Essential to the Board's task is to ensure the Nomination Committee is supported in its work towards succession planning at all levels in the Company.

I wish to see a Board focusing on developing long-term strategies together with management, since I view short-term goal setting as detrimental to value and continuity. Therefore, we plan to further strengthen the executive and senior management teams to ensure depth and retention of essential and core knowledge.

Perhaps the most important role of the Board, and my principal task is to oversee the performance of the CEO, CFO and CSO. Financial management of CLINUVEL has been outstanding, and our finance team requires expansion as the Company evolves.

Long-Term Incentives

The Board is well-aware of queries on executive remuneration in current times. Executive management, senior management, and staff are incentivised through short-term key performance incentives, and long-term equity which the Board believes are fair and reasonable for a global pharmaceutical company having outperformed its peers.

The current exception is the CEO, who currently has no long-term incentive plan in place, since he is the only executive officer whose equity-based incentives requires shareholder approval. The Remuneration Committee and I will need to ensure the current CEO is adequately and competitively incentivised and that his employment agreement be reviewed (prior to its expiry on 30 June 2025). Alternatively, a new CEO will also expect to receive equity incentives benchmarked against international peers. The CLINUVEL Board believes it would be detrimental to stability to change the executive team and CEO, but I will see to it that shareholders understand the options and risks. The Board wants the Company to have attractive and competitive remuneration packages in place to attract new and retain existing talent.

I believe the high percentage of voters against the Remuneration Report at the 2023 AGM have not realised the instability that change of management would cause to the long-term health of CLINUVEL. I see it as my objective to explain to all market participants the value of the current program and strategy, and take away real and perceived risks as soon as possible in the New Year.

Conclusion

CLINUVEL innovates and has grown impressively; market disruption by launching a melanocortin has proven favourable to our cause. As one journalist once wrote, "*CLINUVEL is a company used to doing the unusual*".

It is a pleasure to work with my fellow board members to ensure a strong future for CLINUVEL. I thank the MD, Dr Philippe Wolgen, and his team, for unwavering commitment to CLINUVEL, for managing our complex operations and implementing long-term strategies. I also am grateful for CFO and Company Secretary, Mr Darren Keamy, for his careful oversight of the finances and ensuring that we continue to comply with our global reporting obligations. Lastly, I salute all executives and staff for the outstanding quality of their work and commitment to the continued success of CLINUVEL.

'Compliments of the Season' to all our patients, staff, and shareholders. I wish all of you a safe and happy Christmas, Chanukah, and New Year's break.



Professor Jeffrey Rosenfeld
Chair (elect), CLINUVEL Group

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About CLINUVEL PHARMACEUTICALS LIMITED

CLINUVEL (ASX: CUV; ADR LEVEL 1: CLVLY; Börse Frankfurt: 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 specialised populations. 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, assisted 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>.

Authorised for ASX release by the Board of Directors of CLINUVEL PHARMACEUTICALS LTD.

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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 2023 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.

Contact



+61 3 9660 4900
+61 3 9660 4909



www.clinuvel.com



Level 22, 535 Bourke St
Melbourne, 3000 Vic, Australia