



Company Announcement

CLINUVEL

ASX: CUV  
Nasdaq International Designation: CLVLY  
XETRA-DAX: UR9

## CHAIR'S ADDRESS TO CLINUVEL ANNUAL GENERAL MEETING

Melbourne, Australia, 11 November 2020

I am up for re-election today, thank you for those who supported me. Sorry for my English, since I do business all day in Dutch.

I am speaking as Chairman of the Board today, also as Head of the Remuneration Committee and big investor in CLINUVEL.

The health of this Company and continuity of this Company is my great concern.

We have seen that a small group of online investors are trying to influence other new shareholders with years of nonsense information. And since the Company is just starting to grow the spread of bad words online helps the short sellers and hurts all of us, including me as an investor and those who spread news.

It is value destruction in the most stupid form I have come across. I have a very simple lesson in life: if I don't like a place or investment I leave and go where there is a better opportunity, but these shareholders do not want to sell.

This AGM shows the faults in the Australian system. In broad terms, 70% of CLINUVEL's shareholders are not voting, 30% are voting. The voting preferences of these 30% are deciding whether a remuneration report which incentivises a management team to increase the value of CLINUVEL seven times, to A\$7.5 billion over four years, is supported.

If my management team succeeds, I would have turned my investment from A\$13 million to A\$200 million in five years. I can't say no to that! Even if my team triples it, I get more than from any bank!

Now we have the funny situation that a minority number of owners are influencing the direction of CLINUVEL for the rest.

It would also be funny if the majority support my re-election, given I have supported the performance rights plan and remuneration report to the shareholders. So where is the logical mind?

Of course, as a Chairman of the Board we need to listen to our shareholders, and the great majority applauds CLINUVEL's achievements and successes. Of course, things can always be better, but I see that CLINUVEL is in a unique place, having come through all difficult achievements where others failed. The majority wants this to continue.

As a Board, we will consider all feedback and speak among ourselves and with external legal advisors. But, at the end of the day, I cannot allow the minority trying to destabilise and destroy value. I have to protect the interests of the vast majority.

I don't know everything about pharmaceuticals, but have learned much the last 15 years. I do know many things about commercial enterprises in all corners of the world, having backed many entrepreneurs and having run more than 50 companies in my life.

If a management feels there is no environment to work in, destabilisation will happen slowly. We will always find new management, but in this specific business I am not sure it will be successful, and I am not willing to bet on this. CLINUVEL is not a betting station.

I will send out a letter soon to all investors, institutions and proxy advisors to explain how irrational this outcome is for the long-term for CLINUVEL and explain there will be no winners, no matter how good the Company is now and how good the next people are.

If changes need to be made, it will take one or two years to restructure and find a better direction for CLINUVEL, if there is one. In Dutch there is a saying, never change a winning team, I hope it exists in Australia also.

Willem Blijdorp

- End -

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

#### **About CLINUVEL PHARMACEUTICALS LIMITED**

CLINUVEL PHARMACEUTICALS LTD (ASX: CUV; NASDAQ INTERNATIONAL DESIGNATION ADR: CLVLY; XETRA-DAX: UR9) is a global and diversified biopharmaceutical company focused on developing and commercialising treatments for patients with genetic, metabolic, and life-threatening disorders, as well as healthcare solutions for the general population. As pioneers in photomedicine and understanding the interaction of light and human biology, CLINUVEL's research and development has led to innovative treatments for patient populations with a clinical need for systemic photoprotection, DNA repair and acute or life-threatening conditions. These patient groups range in size from 5,000 to 45 million worldwide. CLINUVEL's lead compound, SCENESSE® (afamelanotide 16mg), was approved by the European Commission in 2014, the US Food and Drug Administration in 2019 and the Australian Therapeutic Goods Administration in 2020 for the prevention of phototoxicity (anaphylactoid reactions and burns) in adult patients with erythropoietic protoporphyria (EPP). More information on EPP can be found at <http://www.epp.care>. Headquartered in Melbourne, Australia, CLINUVEL has operations in Europe, Singapore and the USA. For more information please go to <http://www.clinuvel.com>.

SCENESSE® and PRÉNUMBRA® are two of several registered trademarks of CLINUVEL PHARMACEUTICALS LTD.

#### **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 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); our ability to achieve expected safety and efficacy results 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, 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® 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 based products; decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims; any failure 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 2020 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 the forecasts and estimates is available on request. Past performance is not an indicator of future performance.

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