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ASX ANNOUNCEMENT**

26 March 2024

Clarity launches \$121 million fully underwritten equity raising

Highlights

- Launch of fully underwritten equity raising of \$121 million (before costs)
- The offer will comprise an institutional placement to raise approximately \$101 million, and a 1 for 33 pro-rata accelerated non-renounceable entitlement offer to eligible Clarity shareholders to raise approximately \$20 million
- Post completion of the Offer Clarity will have a pro-forma cash balance of \$153.2 million (net of costs of the offer) and expects to be funded for its current clinical program through to early 2026
- Clarity now has the funding in place to continue to develop its best-in-class portfolio of radiopharmaceuticals and progress towards a number of significant milestones in its therapeutic and diagnostic product pipeline
- The capital raising provides Clarity with a strengthened balance sheet at a time when there has been significant M&A activity and strong strategic interest in radiopharmaceutical assets

Clarity Pharmaceuticals (ASX:CU6) ("Clarity" or "Company") a clinical stage radiopharmaceutical company with a mission to develop next-generation products that improve treatment outcomes for children and adults with cancer, is pleased to announce a fully underwritten \$121 million equity raising comprising a pro rata accelerated non-renounceable entitlement offer and a placement to institutional investors.

Clarity's Executive Chairperson, Dr Alan Taylor, commented: "Clarity is very well positioned for what is quickly becoming a radiopharmaceuticals revolution. We are very proud of our achievements to date, and of being the only true Australian radiopharmaceutical company that has developed our products at the benchtop of Australian science. More importantly, these novel products are now in a position to change the treatment paradigm for cancer patients around the world, as we are well progressed in our clinical trials in Australia as well as in the largest market in the world, the US. This has been a phenomenal achievement so far for an Australian biotechnology company and the result of the hard work and dedication of our incredible team and collaborators in Australia and the US with the continued support of our shareholders.

"With a strong balance sheet, we are now incredibly excited about continuing our important work as we get closer to our ultimate goal of improving the lives of children and adults with cancer. Importantly, this funding will support the ongoing development of our bisPSMA product. In therapy, through our SECuRE trial, we are seeing responses in patients that have failed up to six lines of therapy prior to being treated with ⁶⁷Cu-SAR-bisPSMA and we look forward to progressing SECuRE and generating further data on this product. In diagnostics, we are actively recruiting in our registrational Phase III CLARIFY trial in high-risk prostate cancer prior to radical prostatectomy and look forward to commencing our second pivotal Phase III trial in participants with biochemically recurrent (BCR) prostate cancer following positive initial data from our Phase I/II COBRA trial in this patient population. The funding from the capital raise will also enable us to continue progressing clinical trials across our SAR-Bombesin and SARTATE products.

"The remarkable progress with all three of our products in clinical development as well as the exceptional data we are

generating in our trials put us in a unique position of having a strong proprietary platform of products in radiopharmaceuticals for first commercial launch in the US. As the sector is undergoing rapid consolidation and the pace of M&A activity accelerates, our team is very excited about Clarity's future and we look forward to the path ahead."

DETAILS OF THE OFFER

The fully underwritten \$121 million equity raising consists of a \$101 million placement to institutional investors ("Placement") and a \$20 million pro rata accelerated non-renounceable entitlement offer to existing eligible Clarity shareholders in Australia and New Zealand ("Entitlement Offer"). The offer price per new fully paid ordinary shares in Clarity ("New Shares") to be issued under the Placement and Entitlement Offer is \$2.55 per New Share ("Offer Price"), which represents a:

- 10.5% discount to the last closing price of \$2.85;
- 12.5% discount to the 5-day volume weighted average price of \$2.915; and
- 9.1% discount to the Theoretical Ex-Rights Price (TERP) of \$2.804.

Bell Potter is the sole underwriter and is acting as joint lead manager with Wilsons Corporate Finance, with Lander & Rogers the Australian legal adviser.

Sources and Uses of Funds

Proceeds from the equity raising will be used to advance Clarity's clinical portfolio and strengthen the balance sheet.

Post completion of the Offer, Clarity will have a pro-forma cash balance of **A\$153.2 million** (net of costs of the offer) and Clarity expects to be funded for its current clinical program through to early 2026.

This will fund the development of Clarity's clinical portfolio of products, SAR-bisPSMA, SAR-Bombesin and SARTATE, as the Company progresses towards a number of clinical trial milestones. Please refer to Clarity's investor presentation for further details.

Sources of Funds		A\$m
Est. Cash Reserves at Offer Date		28.1
Offer		121.0
R&D Tax Incentive		10.1
Total Sources		159.2
Uses of Funds		A\$m
Pre-Clinical		8.5
Clinical		111.0
Regulatory		7.1
Patents		1.8
Commercial		10.2
Working Capital and Costs of the Offer		20.6
Total Uses		159.2

Placement

The Company is undertaking the Placement to raise approximately \$101 million (before costs) through the issue of approximately 39.5 million New Shares.

The New Shares issued under the Placement will be issued within Clarity's existing placement capacity under ASX Listing Rule 7.1.

The Company will seek quotation of the New Shares issued under the Placement on ASX upon their issue. Participants in the Placement will not participate in the Entitlement Offer in respect of the New Shares issued under the Placement.

Entitlement Offer

The Entitlement Offer will raise approximately \$20 million (before costs) through the issue of approximately 8 million New Shares.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one (1) New Share for every thirty-three (33) ordinary shares held in Clarity (the "Entitlement") as at 7.00pm (Sydney time) on 28 March 2024 (the "Record Date").

At the time of allotment, the New Shares issued under the Entitlement Offer rank equally with all existing ordinary shares in Clarity.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer (the "Institutional Entitlement Offer") which will commence on 26 March 2024 and is expected to close at 4pm on 26 March 2024.

Eligible institutional shareholders can choose to take up all, part, or none of their Entitlement ("Institutional Entitlements"). Institutional Entitlements cannot be traded on the ASX or transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible new and existing institutional shareholders concurrently with the Institutional Entitlement Offer through a bookbuild process (or subscribed for by the Underwriter).

Clarity shares will remain in a trading halt pending completion of the Institutional Entitlement Offer and Placement (the "Institutional Offer").

Retail Entitlement Offer

Eligible Retail Shareholders (defined below) will be invited to participate in the retail component of the Entitlement Offer at the same Offer Price and Entitlement as the Institutional Entitlement Offer (the "Retail Entitlement Offer"). The Retail Entitlement Offer is expected to open on 4 April 2024 and close at 5.00pm (Sydney time) on 19 April 2024 (the "Retail Entitlement Offer Period").

Eligible Retail Shareholders are shareholders on the Record Date who are already registered as holders of Clarity shares at the Record Date and:

- have a registered address on the Clarity register of members which is in Australia or New Zealand;
- are not in the United States nor acting for the account or benefit of a person in the United States (to the extent such person holds existing shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer (the "Eligible Retail Shareholders").

Eligible Retail Shareholders can choose to take up all, part or none of their Entitlement ("Retail Entitlement").

If an Eligible Retail Shareholder takes no action, they will not be allocated New Shares and their Retail Entitlement will lapse. Eligible Retail Shareholders who do not take up their Retail Entitlement in full under the Retail Entitlement Offer will not receive any value or payment for those Retail Entitlements they do not take up. A Retail Entitlement is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised Entitlement and Acceptance Form which contains their Entitlement and the terms and conditions of the Retail Entitlement Offer.

The Retail Offer Booklet and accompanying personalised Entitlement and Acceptance Form are expected to be available to Eligible Retail Shareholders on or around 4 April 2024. A copy of the Retail Offer Booklet will be available on the ASX website (www.asx.com.au) from 4 April 2024.

Retail Entitlements that Eligible Retail Shareholders do not take up by the close of the Retail Entitlement Offer (being shortfall shares), will be subscribed for by the Underwriter.

Shortfall

If there is any shortfall under the Retail Entitlement Offer which is not acquired by the Underwriter (i.e. if the Underwriting Agreement were to be terminated), Clarity's directors reserve the right to place any or all of the shortfall to one or more investors within three months of the closing date of the Retail Entitlement Offer, at Clarity' directors' discretion and at

a price not less than the Offer Price.

Indicative Timetable

Event	Date
Placement and Institutional Entitlement Offer open	26 March
Placement and Institutional Entitlement Offer closes	26 March
Results of Placement and Institutional Entitlement Offer announced; Trading Halt ceases	28 March
Record Date for the Retail Entitlement Offer	7.00pm, 28 March
Retail Offer Booklet dispatched to Eligible Retail Shareholders	4 April
Retail Entitlement Offer opens	4 April
Placement and Institutional Entitlement Offer settlement date	5 April
Issue and quotation of New Shares under Placement and Institutional Entitlement Offer	8 April
Retail Entitlement Offer closes (Retail Closing Date)	5:00pm, 19 April
Announcement of results of the Retail Entitlement Offer	24 April
Settlement of New Shares issued under the Retail Entitlement Offer	26 April
Issue of New Shares under the Retail Entitlement Offer	29 April
Quotation and trading commence on a normal settlement basis	30 April

The above timetable is indicative only (except where historical) and subject to change. All times and dates refer to Sydney time. Subject to the Listing Rules, Clarity in conjunction with the Joint Lead Managers reserves the right to vary any or all of these dates, including the Retail Closing Date, without prior notice or consultation with you. Any extension of the Retail Closing Date will have a consequential effect on the anticipated date for issue of the New Shares under the Retail Entitlement Offer. The Directors also reserve the right not to proceed with the whole or part of any of the Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest.

Shareholder Enquiries

Eligible Retail Shareholders will be sent further details about the Entitlement Offer via a shareholder letter to be dispatched on or around 4 April 2024 and a Retail Offer Booklet to be lodged with ASX on 4 April 2024. The Retail Entitlement Offer can only be accepted by Eligible Retail Shareholders.

Eligible Retail Shareholders who have questions relating to the Retail Entitlement Offer should call Clarity's share registry, Link Market Services Limited, on 1300 494 861 (within Australia) or + 61 1300 494 861 (from outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

Further information in relation to the Placement and the Entitlement Offer is set out in an investor presentation which Clarity has also filed with the ASX today. The investor presentation contains important information including key risks and assumptions and foreign selling restrictions with respect to the Placement.

ADDITIONAL INFORMATION

This announcement has been authorised and approved by the Board of Directors of Clarity for lodgement with ASX.

All the amounts are in Australian dollars unless otherwise indicated.

Signed for and on behalf of Clarity

Robert Vickery
Company Secretary

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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

IMPORTANT NOTICES

Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Clarity, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction where it would be illegal. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. Persons who come into possession of this announcement should observe any such restrictions as any non-compliance could contravene applicable securities laws.

The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Clarity's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au

General

This announcement is subject to the same "Disclaimers" that appear on slides 2-5 (inclusive) of the investor presentation released to the ASX today with any necessary contextual changes.

Own enquiries

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Clarity securities.