ASX ANNOUNCEMENT

Acceleration of Development Activities

22 May 2019

The Board of Exopharm Ltd ('Exopharm' or the 'Company') is pleased an update to shareholders about the acceleration of development activities.

Summary:

- The Exopharm team has made significant progress in exosome product manufacturing and product analytics over the past 3 months. Other aspects such as product stability testing and sterility testing have also been covered.
- Exopharm and its experienced Melbourne based Contract Research Organisation (CRO) have prepared and lodged a detailed submission to seek approval to conduct the PLEXOVAL study at a public Hospital in Melbourne
- The PLEXOVAL study will be a first in human study using exosome product made using the LEAP Technology, and can be described as a combined Phase I/IIa study
- Typically, a study of this type will progress through approvals, recruitment, first dosing, last dosing, last patient follow-up and then reporting. Exopharm anticipates the study commencing in the early H2 of CY '19 - in line with previous plans. More details will be provided when available
- Plans are underway for testing in dry age-related macular degeneration (AMD) and osteoarthritis (OA)
- Exopharm is also pursuing other testing and development activities, including the acceleration of development activities in the fields of exosome diagnostics and engineered exosomes. There is also further patenting activity underway
- Exopharm is actively pursuing outlicensing transactions to enable partners to use the LEAP Technology in areas that do not compete with Exopharm directly

The PLEXOVAL study - outline:

Using a proprietary exosome product to treat humans places Exopharm at the forefront in this emerging area of regenerative medicine.

Subject to approvals, the PLEXOVAL study covers the treatment of 20 paid volunteers with autologous (from the person) Plexaris (exosome product from blood platelets) in a wound healing setting using local injection.

Further details of the PLEXOVAL study were described in our 1st April 2019 release.

The main readouts of the combined Phase I/IIa PLEXOVAL study will be safety, wound closure and scarring.

Pending a successful completion of the first in human (FIH) PLEXOVAL study, Exopharm would anticipate a further larger study with allogeneic (unmatched) Plexaris product and potentially progression into a Phase IIb study for wound healing.

EXOPHARM LIMITED ACN: 163 765 991 ASX:EX1
Address: Level 17, 31 Queen Street Melbourne 3000
Telephone: 03 9111 0026 Email: info@exopharm.com Web: www.exopharm.com

The PLEXOVAL study is a part of Exopharm's strategy to demonstrate its capabilities in manufacturing, clinical testing and scientific review.

Other core activities:

Exopharm's core strategy is to partner its products and technologies through licenses and associated financial transactions.

To support that strategy, Exopharm is progressing a wider testing program of its Plexaris and Exomere products – including non-clinical, pre-clinical and clinical testing of its exosome products for other medical conditions e.g. dry age-related macular degeneration (AMD) and osteoarthritis (OA).

Exopharm is undertaking this Development Program with the ultimate aim to establish both Plexaris and Exomeres as leading regenerative medicines to treat a broad range of health span related medical conditions.

Other non-core activities:

The field of engineered exosomes has also attracted recent commercial interest and delivered some significant financial transactions. Exopharm has some experimental programs underway in the engineered exosome/extracellular vesicle (EV) field.

The field of exosomes as diagnostics has also attracted recent commercial interest and some notable financial transactions. Exopharm has some experimental programs underway in the exosome diagnostic field.

Exopharm is accelerating development activities in areas where its LEAP Technology has likely particular potential, with the aim to add value and then seek partners for these non-core applications of the LEAP Technology.

Selective outlicensing of LEAP Technology:

Exopharm sees its LEAP Technology as the key to solving the bottleneck problem that is delaying the production and purification of proprietary clinical grade exosomes/EVs.

The LEAP Technology is subject to a number of patent applications (the first of which is progressing into national phase) and provides a proprietary technique to purify exosomes from a number of sources and for a number of uses.

Exopharm is pursuing commercial arrangements under which it could license partners to use the LEAP Technology in areas that do not compete with Exopharm directly. These discussions are at an early stage and outcomes are as yet uncertain with no guarantee that the Company will reach any suitable agreements.

ENDS.

EXOPHARM LIMITED ACN: 163 765 991 ASX:EX1
Address: Level 17, 31 Queen Street Melbourne 3000
Telephone: 03 9111 0026 Email: info@exopharm.com Web: www.exopharm.com

ABOUT EXOPHARM

Exopharm Limited ("Exopharm" or the "Company") (ASX:EX1) is an Australian regenerative medicine biopharmaceutical company seeking to develop and commercialise exosomes as therapeutic agents – initially a product called Plexaris™ and later a product called Exomeres™.

These products are exosomes that are derived from human platelets in relation to Plexaris, and adult stem cells in relation to Exomeres, and purified using the LEAP Technology and referred to as biologic products.

As its primary focus, Exopharm aims to be a leader in the field of human therapeutics using exosomes as regenerative medicine products for heath span related conditions.

The Development Program: The Company's main objectives for the next 12 months are to complete the following stages of its Development Program using the funds raised from the Prospectus Offer:

1. manufacturing - make and supply clinical grade autologous Plexaris product and development of the Exomere manufacturing process;
2. clinical use - initial small-scale human clinical studies of autologous Plexaris in wound healing;
3. supporting research and development activities - conducting research activities to support the ongoing Development Program and the development of related intellectual property; and
4. to also investigate other LEAP Technology Opportunities.

INHERENT RISKS OF INVESTMENT IN BIOTECHNOLOGY COMPANIES

There are a number of inherent risks associated with the development of biopharmaceutical products to a marketable stage. The lengthy clinical trial process is designed to assess the safety and efficacy of drug products prior to commercialisation and a significant proportion of drug products fail during this process. Other risks relating to patent protection and enforcements rights, obtaining necessary clinical trial and registration approvals. An Investment in companies specialising in drug development should be regarded as highly speculative. Exopharm strongly recommends that professional investment advice be sought prior to such investments.

CORPORATE SNAPSHOT

Exopharm Limited is listed on the Australian Securities Exchange (ASX:EX1).

EXOPHARM: EXTENDING HEALTH SPAN THROUGH CELL FREE REGENERATIVE MEDICINE

BOARD: Non-Executive Chairman: MR JASON WATSON; Founder, Managing Director DR IAN DIXON; Non-Executive Director and Company Secretary MR DAVID PARKER

ISSUED CAPITAL: 80,500,000 Fully Paid Ordinary shares on issue.

CONTACT DETAILS: For more information please visit: exopharm.com or contact Dr Ian Dixon on (03) 9111 0026 or via email, info@exopharm.com.

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets', 'aims', 'plans' or 'expects'. These statements are based on an evaluation of current corporate estimates, economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this announcement, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside of Exopharm's control or subject to the success of the Development Program. Furthermore, the Company is subject to several risks as disclosed in the Prospectus dated 6 November 2018.

EXOPHARM LIMITED ACN: 163 765 991 ASX:EX1
Address: Level 17, 31 Queen Street Melbourne 3000
Telephone: 03 9111 0026 Email: info@exopharm.com Web: www.exopharm.com