

ASX ANNOUNCEMENT

SHARE PLACEMENT AND SHARE PURCHASE PLAN ANNOUNCED

24th July 2019

- Exopharm has received commitments for a A\$4.44 million Placement
- Exopharm also announces a Share Purchase Plan (SPP) which will be available to existing eligible shareholders on the same terms
- The funds raised under the Placement and SPP will be used to accelerate development activities - each aimed at validating Exopharm's products and technologies

Melbourne, Australia: Regenerative medicine company Exopharm Limited ("Exopharm" or the "Company"; ASX:EX1) has received commitments for a share placement to raise \$4,440,000 pre-costs at \$0.37 (37 cents) per share (Placement).

The Placement was supported by professional and sophisticated investors who are clients of Alto Capital and CPS Capital and who are not related parties of the Company, except for 100,000 shares which Exopharm chairman Jason Watson has applied for on the same terms and conditions as the Placement which will be subject to shareholder approval. In addition, a number of existing shareholders, employees (non-related), as well as clients of other AFSL holders, as managed by the Lead Manager, are also participating in the Placement.

A Share Purchase Plan Offer is being made to all existing eligible Australian and New Zealand Exopharm shareholders to participate in a Share Purchase Plan (SPP). The SPP is targeting a raise of \$2,775,000 via the issue of 7,500,000 shares and capped as per the ASX Listing Rules. Shareholders will be able to apply for up to \$14,800 per shareholder. Details of the SPP are provided herein. The SPP is not underwritten and there is no guarantee any funds will be raised via the SPP. However, the Company and Lead Manager have received enquiries from existing shareholders in relation to an SPP in conjunction to the Placement.

The funds raised under the Placement and SPP will be used to accelerate Exopharm's development activities across manufacturing, testing and development of additional intellectual property – each aimed at validating Exopharm's products and technologies and attracting partnership deals.

Recent Human Research Ethic Committee approval has been granted for Exopharm to commence the first-in-human clinical trial for Plexaris in wound healing as announced on 22 July 2019. As a clinical stage company, Exopharm has an opportunity to accelerate other development program initiatives.

Dr Dixon, Founder CEO and Managing Director of Exopharm said "The support of new and existing shareholders is welcome. We have made significant progress quickly since the December '18 IPO. As a clinical stage company we now need to accelerate all aspects of our activities to capitalise upon our leadership position in this growth area of regenerative medicine."

The additional funding will support a range of activities including manufacturing for Exomere product, further animal studies in selected indications, preparation for further clinical trials and acceleration of research and development activities leveraging Exopharm's LEAP Technology.

The funds raised under the Placement and proposed SPP are proposed to be used for:

- Acceleration of clinical trials (pre-clinical and clinical) relating to the core Development Plan initiatives, i.e. the development program for Plexaris and Exomere products.
- Other R&D activities, for example:
 - engineered exosomes; and
 - exosome diagnostics
- Working capital; and
- Expenses of the Offer.

Following completion of the Placement of 12,000,000 shares, Exopharm will have approximately 92,500,000 shares on issue and at the Placement price of \$0.37 would have a market capitalisation of around \$34,225,000.

Placement

Alto Capital acted as the Lead Manager and CPS Capital acted as Co-Lead Manager to the Placement. The key details of the Placement are:

- Placement under the existing 15% Capacity for the Company to issue shares without requiring Shareholder approval.
- 12,000,000 new fully paid ordinary shares, representing approximately 13% of Exopharm's issued capital (post investment) at an issue price of A\$0.37 per share to raise A\$4,440,000 (pre-costs). The offer price represents a discount of approximately 17% to the last close and a 18% discount to the 5-day volume weight average price ("VWAP") of A\$0.449. The shares issued under the Placement will ranking equally with the Company's existing ordinary shares;
- Placement is being made to sophisticated, professional and other exempt investors under section 708 of the Corporations Act in Australia and certain overseas jurisdictions;
- Investors in the Placement other than Exopharm chairman Jason Watson are not related parties of the Company. Jason Watson's application for 100,000 shares is subject to shareholder approval being obtained (see further below);
- The Placement was not underwritten;
- The Company will pay the Lead Manager and Co-Lead Manager the following fees:
 - 6% (in total) of the amount raised comprised of a 1% management fee and a 5% stamping fee; and
 - other settlement expenses related to the Placement at cost;
- The issue is not being made to a class of security holders; and
- Settlement and issue of the Placement shares other than to Mr Watson is expected to occur on about Wednesday 31st July. The Company will make a further announcement including releasing an Appendix 3B when settlement has occurred.
- As a result of the ethics approval (announced 22 July 2019) the board has resolved to issue a cash bonus to non-related company employees of circa \$150,000, (Director remuneration remains unchanged). Cash at bank as a result of the Placement, less Lead Manager costs and less the employee bonus is expected to increase by circa \$4,013,000.

Share Purchase Plan – to be offered to all eligible Exopharm shareholders

The SPP offer will be made to all eligible shareholders.

Eligible Exopharm shareholders at 7.00 pm (AEST) on Tuesday 23rd July 2019 (“the Record Date”) will be able to subscribe for a minimum of 3,000 shares (A\$1,110) and up to 40,000 shares (A\$14,800), being new Exopharm shares at \$0.37 (the same price as the Placement).

SPP Application parcel size (@\$0.37)

Number of Shares	Value (A\$)
3,000	\$1,110
10,000	\$3,700
20,000	\$7,400
40,000	\$14,800

The Company has a target raise of 7,500,000 shares under the SPP or otherwise up to the maximum allowed under the ASX Listing Rules.

The Company will pay the Lead Manager and Co Lead Manager a total off:

- 1% management fee on the total amount raised under the SPP; and
- 3% stamping fee on all SPP applications that are successful allocated and stamped by an AFSL holder.

Investor purchases of shares under the SPP will not incur brokerage or transaction costs to the applicants.

Eligible Exopharm shareholders will be holders of full-paid ordinary shares in Exopharm as at the Record Date whose address on the share register is in Australia or New Zealand.

An SPP Offer Booklet with further details on the SPP will be dispatched to Eligible Shareholders shortly. The Company will make a further announcement to ASX, including a copy of the SPP Offer Booklet at the time of dispatch. The indicative timetable for the SPP is listed below.

New Exopharm shares issued under the SPP will rank equally with the existing Exopharm shares.

An indicative Capital Structure is shown below:

Indicative Capital Structure (Placement and SPP)

Description	Shares (FPO)
Existing Shares	80,500,000
Placement	12,000,000
Total shares after the Placement	92,500,000
SPP (at Target SPP subscription amount*)	7,500,000
Total shares post Placement and SPP*	100,000,000

*If no funds are raised under the SPP then the total fully paid shares on issue will remain at 92,500,000. The maximum amount that may be issued under the SPP is the maximum amount as permitted by ASX Listing Rules, which may exceed the target amount.

The Company may at its discretion accept valid applications from eligible Shareholders under this Share Purchase Plan for a greater amount than the target amount, subject to limitations under the ASX Listing Rules and Corporations Act. The Company reserves the right to scale back applications if valid acceptances for more than 7,500,000 shares (\$2,775,000) are received.

There are no other securities on issue other than fully paid ordinary shares.

Indicative SPP Timetable

Event	Dates*
Record date for SPP	23 rd July 2019
Announce the SPP	24 th July 2019
Release cleansing statement per ASIC CO 09/425	25 th July 2019
Dispatch of offer documents to shareholders	25 th July 2019
Open offer under SPP	26 th July 2019
Closing date	15 th August 2019
Anticipated issue of new shares and dispatch of holding statements	20 TH August 2019
Anticipated commencement of trading of new shares	20 TH August 2019

*Dates are subject to change at the Boards discretion in consultation with the Lead Manager.

Director Participation and Shareholder Approval

Exopharm chairman, Jason Watson, has applied for 100,000 Placement shares on the same terms and conditions as the Placement which will be subject to shareholder approval. The Company expects to call a General Meeting to seek approval for this issue shortly and will release a copy of the Notice to ASX as an announcement when dispatched to shareholders.

Trading Halt

As a result of this announcement, Exopharm will request resumption of trading on the ASX from the commencement of trading today, Wednesday 24th July 2019.

Further queries can be made to the Company Secretary:
03 9111 0026 or info@exopharm.com

ENDS.

ABOUT EXOPHARM

Exopharm Limited (“Exopharm” or the “Company”) (ASX:EX1) is a clinical stage 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 health 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:

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.

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.