ASX ANNOUNCEMENT & MEDIA RELEASE

FIRST DOSING IN PLEXOVAL EXOSOME WOUND HEALING HUMAN STUDY

HIGHLIGHTS

- First human dosing of Plexaris™ has occurred in Exopharm's PLEXOVAL Study
- PLEXOVAL is a world-first study using a cell free, platelet-derived exosome product manufactured using Exopharm's proprietary LEAP Technology for wound healing
- Other pre-clinical development progress will be reported over coming months

28 January 2020

Melbourne, Australia: Regenerative medicine company Exopharm Limited (ASX:EX1) announces first dosing has occurred in the PLEXOVAL Phase I study using exosomes isolated from human platelets for wound healing, Exopharm's first human clinical trial. Further participants are expected to soon follow in this study that involves up to 20 participants.

The PLEXOVAL study placed Exopharm in a worldwide leadership position in the exosome field, and first dosing is a key milestone for Exopharm as a clinical stage company developing exosome-based medicines. Dr Ian Dixon, Exopharm's founder and CEO said "The first dosing of the PLEXOVAL study positions Exopharm as a clinical stage leader in the cell-free exosome field of regenerative medicine. It is a great achievement for our team to test our exosome product in this Phase 1 study, which is a world first. Our LEAP Technology allows us to manufacture an advanced exosome product. We believe our progress will be closely watched by industry players and potential partners."

Exopharm seeks partnerships to leverage its exosome technology platform to develop additional products from a variety of cell sources into advanced regenerative medicines.

Exosomes show great promise across a range of age-related medical conditions including problems with mobility (e.g. osteoarthritis) and sensory function (e.g. erectile dysfunction, eye disease, hearing loss and age-related macular degeneration), but the number of companies capable of manufacturing sufficient quality and quantities of exosome products at the clinical level is still very limited. This makes Exopharm an ideal potential partner for exosome products in areas such as neurodegeneration, cardiac repair, wound healing and transplant rejection.

Exopharm was granted Human Research Ethics Committee approval to commence the PLEXOVAL wound healing study with its Plexaris™ (exosomes from platelets) autologous product under the Australian Clinical Trials Notification (CTN) scheme in 2019. "Platelets have a well-established safety profile from millions of transfusions annually, so Plexaris™ is an

excellent first step in our regulatory journey toward commercialising the medical use of a variety of exosome products in humans," said Dr. Chris Baldwin, Chief Commercial Officer.

As previously announced, dosing of Cohort 2, with up to five participants, in the PLEXOVAL Study commences first. Recruitment will now be completed on a rolling basis.

Cohort 2 testing includes histology of biopsied post treatment wound tissue for assessment of biological activity within the healed wound.

The main readouts of the PLEXOVAL study will be safety, wound closure and scarring. Subject to successful recruitment and throughput, a study report will be provided to Exopharm, at this stage expected after mid CY '20.

"Wounds and poor wound healing are medical problems affecting thousands of Australians every year. As we age our ability to heal declines and the prevalence of chronic wounds increases. Exosomes from platelets have been shown in animal studies to improve wound closure and reduce scarring. This human study is looking at whether our Plexaris^{TM} product might become a useful improved treatment option for medical professionals and potential partners," said Dr. Dixon.

For additional information on the PLEXOVAL Study, see the ASX announcement dated 26 August 2019 which provides full study details.

By the Board - this announcement has been authorised for release by the board.

Company and Media Enquiries

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ABOUT EXOPHARM

Exopharm Limited (ASX:EX1) is a clinical-stage Australian regenerative medicine company developing therapeutic exosome products as alternatives to stem-cell therapies.

Exosomes are small particles naturally produced by cells, which deliver therapeutic 'cargoes' to other cells to reduce inflammation and promote regeneration. Exosomes are plentiful in our youth but decline with age. Recent research points to exosomes as a way to extend the number of healthy, functional years (extending health span).

Exosomes secreted by stem cells could be used instead of stem-cell therapy with equal or greater benefit – and without the problems of stem-cell therapies. They could be used to deliver targeted 'novel' drugs and have potential as diagnostics.

While trillions of exosomes are produced by stem cells, the real challenge is to 'purify' them as drug products. Exopharm owns a purification technology called Ligand-based Exosome Affinity Purification (LEAP). LEAP technology and associated know-how places Exopharm at the forefront of this emerging field worldwide. Exopharm is at clinical stage with pending and current trials for wound healing, dry aged-related macular degeneration and osteoporosis.

Exopharm was founded in 2013 by Dr Ian Dixon, co-founder of the ASX-listed stem-cell therapy developer Cynata Therapeutics. He was also a director of Cell Therapies, which produced adult stem cells for ASX-listed stem cell company Mesoblast. Exopharm listed on the ASX in December 2018.

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.

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 a drug prior to commercialisation and a significant proportion of drugs fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology. Companies such as Exopharm are dependent on the success of their research and development projects and on the ability to attract funding to support these activities. Investment in research and development projects cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Therefore, investment in companies specialising in drug development must be regarded as highly speculative. Exopharm strongly recommends that professional investment advice be sought prior to such investments.