

ASX ANNOUNCEMENT

Exopharm Raises \$10m in Well Supported Placement

HIGHLIGHTS

- Exopharm to place 41,666,667 shares at \$0.24 per share to institutional and high net worth investors to raise \$10m before costs
- Shares to be issued in two tranches with tranche 1 being 23,868,000 shares under the company's existing placement capacity and tranche 2 is subject to shareholder approval
- Funds will be used to accelerate the commercialisation of the company's technology platforms using exosomes as a new form of medicine, to progress clinical trials on several fronts and further develop IP
- Canary Capital acted as sole lead manager and Alto Capital was a broker to the issue

27 August 2020

Melbourne, Australia: Exopharm Limited (ASX:EX1) is pleased to announce it has received firm commitments from institutional and high net worth investors for a placement of 41,666,667 shares to raise a total of \$10 million in a well-supported placement (Placement).

The Placement will be completed in two tranches. Tranche 1 will comprise 23,868,000 shares at \$0.24 and will be issued under the Company's existing placement capacity, with 14,320,800 shares being issued under ASX LR7.1 and 9,547,200 shares being issued under ASX LR7.1A. Tranche 2 will comprise 17,798,667 shares at \$0.24 and will be subject to shareholder approval at a general meeting that is anticipated to be held in October 2020. A fee of 6% will be payable to Canary Capital for managing the placement as well as the issue of 1,500,000 options with an exercise price of \$0.40 with a five-year expiry.

Canary and its directors have elected to take the majority of these fees in shares instead of cash. This shows the conviction Canary has in the future of the Company.

"In Exopharm, Canary has identified an Australian company with proprietary technology that can compete on the world stage. We are delighted that there was such strong support for the capital raising and we look forward to working with Exopharm as the business develops over coming months and years," said Paul Hart, Executive Director of Canary Capital.

"We are encouraged by such strong demand for the Placement from both existing and new institutional and sophisticated investors. The capital raise together with the R&D rebate will put the Company in a strong financial position to execute its strategy of becoming a world

leader in exosome medicines through the commercialisation of its technology platforms and the development of new medicines,” said Ian Dixon, CEO of Exopharm.

Indicative Timeline*

Announcement of Placement	Thursday 27 August
Tranche 1 Settlement Date	Friday 4 September
Issue of Tranche 1 shares	Tuesday 8 September
Meeting of Shareholders	Mid October
Issue of Tranche 2 shares	Mid October

*Please note these dates are subject to change

This announcement has been approved by the Board for release to the ASX.

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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.