ASX ANNOUNCEMENT

4 January 2021

Lapse of Performance Rights

Exopharm Limited (ASX:EX1, the Company) advises that 113,333 unlisted performance rights granted under the Company's Performance Rights Plan (the Plan) have lapsed in accordance with the terms of the Plan.

The Company's current capital structure is as follows;

Listed Securities	**Number**
EX1 - Fully Paid Ordinary Shares	139,413,667
Unlisted Securities	
EX1AE – Unlisted Options expiring 9 November 2025 with exercise price $0.40	1,500,000
EX1AF – Unlisted Options expiring 9 November 2025 with exercise price $0.60	1,500,000
EX1AG – Unlisted Options expiring 9 November 2025 with exercise price $0.90	1,500,000
EX1AH – Performance Rights	226,667

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

Company and Media Enquiries:

Dr Ian Dixon, MBA
Founder and Managing Director
P: +61 (0)3 9111 0026 ian.dixon@exopharm.com

Rudi Michelson
Monsoon Communications
P: +61 (0)411 402 737 rudim@monsoon.com.au

Join our mailing list to receive updates:
http://exo.ph/ExoMails
www.exopharm.com
P: +61 (0)3 9111 0026

ABOUT EXOPHARM

Exopharm Limited (ASX:EX1) is a clinical stage Australian company using exosomes (extracellular vesicles (EVs)) from cells to generate a new class of cell-free medicines. Exopharm is a leader in the manufacture and experimental clinical use of EV medicines and seeks to generate revenue from partnership deals.

Exosomes (or EVs) are natural nano-sized particles produced by cells and are a powerful way that cells communicate and co-ordinate in our bodies.

Exopharm is one of only two exosome companies listed on public markets worldwide and one of a handful of companies taking exosome medicines into clinical trials and commercialisation.

More recently, EVs are being harnessed as new forms of medicine – although no EV medicines have yet been approved for sale.

Engineered EVs (EEVs) are an emerging form of precision medicine with huge promise and application in key areas such as neurological, cardiac and cancer. You can think about EEVs as stealth drones that are directed to certain cell types and carrying a powerful cargo. As natural EVs are designed by nature for exactly this role, EEVs avoid the limitations of other delivery vehicles such as liposomes, which the body ultimately detects and rejects, thereby eliminating their ability to deliver the medicine cargo. Exopharm has a number of EEV products under development including Fortrexo.

Exopharm started out with a focus on naïve (or natural) EVs (NEVs) from adult stem cells. NEVs from adult stem cells have the potential to deliver the benefits of stem cell therapies without the problems of the stem cells themselves. Exopharm's two main NEV products are called Plexaris (from platelets) and Cevaris (from adult stem cells).

While trillions of EVs are produced by stem cells, the development of EVs as medicines has been hampered by the challenge of purifying EVs. Exopharm owns a purification technology called Ligand-based Exosome Affinity Purification (LEAP). LEAP technology and associated manufacturing know-how places Exopharm as a global leader in this emerging field.

Exopharm has three interrelated parts of our business:

- The EEV part of our business is working alongside Codiak and EVOX to satisfy the needs of well-funded pharmaceutical and biotechnology companies that want to harness EEVs as precision medicines. Our aim is to get our fair share of future transactions in the EEV field.
- The NEV part of our business is in the regenerative medicine field, so we are working alongside the stem cell companies to treat conditions that affect health span, mobility, sensory acuity and the like. In this area we rely upon the advantages of EVs over stem cells as the medicine.
- The IP part of our business is about building deals-based revenue and financial value out of key EV-related technologies – in-licensing, in-house developments and know-how and out-licensing. Non-exclusive out-licensing of our LEAP manufacturing technology is a part of this.

Exopharm is a clinical stage company with pending and current trials for wound healing, hearing loss and osteoarthritis.

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.