ASX ANNOUNCEMENT

Progress Points To Partnering Readiness

- PLEXOVAL II safety study, first-in-human, off-the-shelf Plexaris™ follow-ups complete
- EVPS™ patent granted in US; further patent filings anticipated in 2021
- International business development activities accelerating, with a focus on partnering readiness

21 January 2021, Melbourne, Australia: Exopharm Limited (ASX:EX1) is a clinical stage company at the forefront of developing transformative medicines based upon exosomes (EVs).

PLEXOVAL II Clinical Trial Activities Complete

Dosing of the 11 participants in PLEXOVAL II has completed and final follow-up medical appointments with all test subjects are also completed. No adverse events related to the treatment using Plexaris or the placebo were reported. The data will now be analysed by an independent third party with final results expected by around March 2021.

"As the first company to dose a human with an EV medicine almost a year ago, the completion of our second study (PLEXOVAL II) continues to demonstrate Exopharm's LEAP™ process is safe and that we can deliver on the promise of EV medicines. This also shows potential partners clear evidence of our technical and manufacturing capabilities," said Dr Chris Baldwin, Chief Commercial Officer.

EVPS Patent Granted in the US

Engineered EV (EEVs) are a way to deliver important new drugs and overcome limitations of other delivery technologies. EEVs can be designed and made to deliver drugs (such as mRNA or proteins) to specific cell types (e.g. neurons) – a trait referred to as 'tropism'. Exopharm's EVPS technology patent for tropism has been granted by the US Patent and Trademark Office.

"EVPS, which we have exclusive worldwide rights to, is such a powerful technology for EV medicines because it can be used for hundreds of EEV variants and adapted to target almost any cell or tissue type. This is the functionality that partners seek. With EVPS the Exopharm Innovation team is creating unique EEVs with special cell targeting powers on a daily basis," said Dr Andy Coley, Head of Innovation at Exopharm.

International Focus on Partnering

EVs are of interest to biopharmaceutical and big pharma companies as solutions to the delivery problems they experience with many drug candidates. Using EVs as an improved delivery vehicle could 'unlock' previous investments in unsuccessfully delivered drugs.

Exopharm's recent partnering discussions cover the use of our EEV technologies and use of our LEAP manufacturing technology.

To support potential partners with operations in Europe, Exopharm is establishing a wholly-owned Swiss entity, Exopharm GmbH, in Basel, Switzerland and locating two of our people in Europe.

Since Exopharm's in-depth presentation of the LEAP™ technology at the Exosome Based Therapeutic Development Summit in November 2020, discussions with collaborators and business partners have accelerated. In January and February Exopharm will be presenting its business and science to audiences in Japan, the UK, the US and Australia.

"I founded Exopharm as a global company with a 'Big Idea': that EV medicines would transform healthcare. Our partnering discussions go around the clock – Europe, North America, Japan and Asia Pacific. Our office in Basel will be ready to provide support to partners and customers in Europe. Exopharm's commercial team has greatly improved our visibility and established our credibility in the industry over the past 12 months. I see 2021 as 'The Year We LEAP'," said Dr Ian Dixon, Founder and Managing Director.

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

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ABOUT EXOPHARM

Exopharm (ASX:EX1) is a clinical stage biopharmaceutical company using exosomes (extracellular vesicles (EVs)) from cells to generate a new class of transformative medicines.

Various Exopharm EV products harness the powerful natural ability of EVs to efficiently target cells and transfer selected materials into cells and across barriers.

Exopharm has two exclusive proprietary technologies that extend the utility of EVs into engineered EV medicines (EEVs): the LOAD technology improves loading of nucleic medicines into EVs, and the EVPS technology allows EVs to be directed towards selected cell types. Exopharm uses combinations of LOAD and EVPS to develop a pipeline of EEV products aimed at treating a wide scope of medical problems including neurological diseases, infectious diseases, cancer, and fibrosis.

Exopharm's LEAP technology solves the challenge of purifying EVs at large scale. With LEAP, Exopharm is also developing naïve (or natural) EVs (NEVs) from adult stem cells and platelets as regenerative medicine products. NEVs have the potential to deliver the regenerative benefits of cells without the challenges of administering cells to patients. NEV products target a broad range of medical problems including osteoarthritis, autoimmune conditions, acute injury and chronic injury.

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.