

## TARGET MARKET DETERMINATION

**MADE BY:** Exopharm Limited (ACN 163 765 991) of Level 17, 31 Queen Street, Melbourne VIC 3000 (**EX1** or **the Company**)

**PRODUCTS:** This Target Market Determination relates to the offer of options (**New Options**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**) that are to be offered to ACNS Capital Markets Pty Ltd T/A Alto Capital (**Alto Capital**) and Canary Capital Pty Ltd (**Canary Capital**) (and/or their respective nominee(s)) (**Lead Managers**) under a prospectus dated 23 March 2023 (**Prospectus**), as part consideration for the services provided by the Lead Managers to the Company (**Broker Offer**).

**EFFECTIVE DATE:** 23 March 2023

This target market determination (**TMD**) has been prepared by the Company in relation to the offer of New Options under the Broker Offer made by the Company under the Prospectus.

The Prospectus was lodged with Australian Securities and Investments Commission (**ASIC**) on 23 March 2023 and was released to ASX on that date. An electronic version of the Prospectus is available in the ASX announcements of the Company at [www2.asx.com.au/markets/trade-our-cash-market/announcements.ex1](http://www2.asx.com.au/markets/trade-our-cash-market/announcements.ex1).

The Broker Offer will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions. Any recipient of this TMD who wishes to acquire New Options under the Broker Offer will need to complete an application form that will be in, or will accompany, the Prospectus. The Broker Offer is only made to and capable of acceptance by the Lead Managers (and/or their nominee(s)). The Company will provide each Lead Manager with a personalised application form to participate in the Broker Offer.

This TMD is not a disclosure document for the purposes of the Corporations Act and therefore has not been lodged, and does not require lodgement, with ASIC.

This TMD is not to be treated as a full summary of the product terms and conditions and is not intended to provide financial advice. Investors should refer to the Prospectus for the terms and conditions of the product and when making a decision in respect of the product.

### Target market

The Broker Offer is only made to the Lead Managers. The Lead Managers are a holder of or an authorised representatives of a holder of Australian financial services licensees authorised to deal in securities and/or to arrange for others to do so. The Lead Managers may tell the Company in writing if they wish any of the New Options to be issued to their nominee(s). The Joint Lead Managers are responsible for confirming that their nominees are suitable recipients of the New Options.

The information below summarises the overall class of investors that fall within the target market for the New Options, based on the key attributes of the product and the objectives, financial situation and needs that they have been designed to meet. The New Options have been designed for investors whose likely objectives, financial situation and needs are aligned with the product.

The Company expects an investment by acquiring the New Options will be suitable for service providers who wish to receive part of the consideration for their services in options to acquire shares of the company to which the services are provided, or the service provider's nominee(s) who will receive the options under an arrangement with the applicable service provider, that take a short to medium term outlook on their investment, and are accustomed to making speculative investments.

Investors with a short to medium term outlook will potentially benefit from the ability to exercise the New Options prior to the expiry date and receive Shares and exposure to potential upside on the Shares of the Company into the future.

An exercise price is required to be paid to acquire shares on exercise of New Options. As such the capacity to realise the underlying value of the New Options could require that they be exercised on or before the expiry date. Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the New Options prior to the expiry date. Prior to the expiry date, investors' ability to sell New Options or shares issued upon exercise of the options may be limited by a lack of a market for selling the options (if permitted to be sold) and/or liquidity in the trading of options and/or shares and the price of the shares.

It is also expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment. New Options and shares issued upon exercise of the options offer no income guarantee or capital protection for investors.

The Company considers that an investment in the New Options or shares issued upon exercise of the options is highly speculative, such that an investment in the Company may not be appropriate for an investor who would not be able to bear the loss of some or all of their investment. Investors should also have sufficient financial literacy and resources (including appropriate advisers) to understand and appreciate the potential risk of investing in the Company (including the New Options and shares issued upon exercise of the options), including as contained in the Prospectus.

#### Distribution conditions

The Broker Offer is only made to and capable of acceptance by the Lead Managers (and/or their nominee(s)). The Company will provide the Lead Managers with a personalised application form to participate in the Broker Offer. The Prospectus includes jurisdictional conditions on eligibility to participate in the Broker Offer. The Company will include a copy of this TMD on its website and require retail clients to confirm they meet the eligibility criteria of the target market outlined in this TMD before they apply for New Options.

#### Review triggers

The New Options are being offered under the Prospectus for a limited offer period set out in the Prospectus. The New Options will no longer be available for investment by way of issue under the Prospectus following close of the offer period. Accordingly, this TMD applies between open of the Broker Offer period and the earlier of the issue of the Options under the Prospectus or close of the Broker Offer (**Offer Period**).

To allow the Company to determine whether circumstances exist indicating this TMD is no longer appropriate to the New Options, the following review triggers apply for the Offer Period:

- a new offer of New Options that requires preparation of a further disclosure document is made after completion of the Offer Period;

- any event or circumstance occurs that materially changes a factor that was taken into account in making this TMD;
- the existence of a significant dealing of the New Options that is not consistent with this TMD (noting exercise of the options or on-sale of shares issued upon exercise of the options is not considered to be a significant dealing);
- ASIC raises concerns with the Company regarding the adequacy of the Prospectus, the design or distribution of the Options or this TMD; and
- Material changes to the regulatory environment that applies to an investment in the Options.

#### Review period

If a review trigger occurs during the Offer Period, the Company will review this TMD in light of the review trigger. The Company will otherwise complete a review of the TMD immediately prior to the issue of the New Options under the Broker Offer.

#### Information reporting

The requirements of all distributors to report to the Company are set out below:

##### *Whether the distributor received complaints about the New Options*

- During the Offer Period, distributors are to give the Company reports in writing within 10 business days after the end of each quarter. A report is also to be given the Company 10 business days after the end of the Offer Period (see below).
- Each report is to include the number of complaints received and a summary of the nature of each complaint or a copy of each complaint.

##### *A significant dealing of the New Options that is not consistent with this TMD*

- Give the Company a report as soon as reasonably practicable (and in any event no more than 10 business days) after the significant dealing occurs.
- Each report is to include details of the significant dealing and reasons the distributor considers the significant dealing is not consistent with this TMD.

##### *Summary of steps to be taken by the distributor to ensure its conduct was consistent with this TMD*

- Within 10 business days after close of the Broker Offer distributors are to give the Company a report which includes a summary of steps taken by the distributor to ensure its conduct was consistent with this TMD.

#### Contact

For further information please contact the Company by email to the Company Secretary, David Franks, at [david.franks@automicgroup.com.au](mailto:david.franks@automicgroup.com.au).

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