

Press Release/ASX Announcement

Melbourne, Australia, 13 February 2023.

Added Funding for 2023

- EX1 has signed a Mandate with Brokers Alto Capital and Canary Capital on 12 February 2023 seeking to raise around \$2.1m via a combination of a \$600,000 Convertible Note (CN), an Entitlement Issue to eligible shareholders and a placement of any shortfall by the Brokers.
- The Company is also undertaking a strategic review of the business with the view to further reduce costs and realise value from portfolio of Intellectual Property.

Genetic medicine and exosome-based drug-delivery company Exopharm Limited (ASX: EX1) announces further progress and support from investors.

Around \$2.1m expected to be raised under a Mandate signed with Alto Capital and Canary Capital

Under a Mandate signed on Sunday 12th February, Alto Capital (ACNS Capital Markets Pty Ltd, Alto) and Canary Capital Pty Ltd (Canary) will together seek to raise around \$2.1m via a combination of a \$600,000 Convertible Note, an Entitlement Issue to eligible shareholders and a placement of any shortfall by the Brokers.

1. Convertible Note: Canary and Alto will raise \$600,000 via a Convertible Note. The Convertible note terms are:
 - a. Secured to Company intellectual property (IP), subject to Shareholder and ASX approvals (if required);
 - b. Convertible component subject to Shareholder and ASX approvals and continued listing;
 - c. Funds and documentation due to be finalised in one week's time;
 - d. Convertible Note converts at a 20% discount to the Entitlement Issue price, subject to the full Entitlement Issue being completed (i.e. any shortfall completed in full); and
 - e. Period of up to 12 months with nil interest.
2. Entitlement Issue: The Company anticipates to announce a one for one Entitlement Issue to all eligible shareholders. It is presently expected that the Entitlement Issue Terms will be:
 - a. Price: One cent (\$0.01) to raise circa \$1,500,000;

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- b. Canary and Alto will be Joint Lead Managers (JLM), being unrelated parties to the Company;
 - c. Shortfall, if any, would be placed by the JLM in conjunction with the EX1 Board within 3 months of closure of the Entitlement Issue;
 - d. Entitlement Issue would be via a Shortform Offer Document and this is expected to be finalised this week. ASX approval is required for the Entitlement Issue and Offer document; and
 - e. Proposed Fees: 5% on funds from the Entitlement Offer and 5% on placement of shortfall. Subject to raising the full target amounts, 3,000,000 free options exercisable at \$0.01 per share with expiry 36 months from the date of issue.

The abovementioned funding process is subject to Board and regulatory approvals (where required), including approval by the ASX of the Rights Issue timeline under Chapter 7A of the ASX Listing Rules and completion of required documentation. This announcement does not represent the announcement of a rights issue under Chapter 3.10.3 of the ASX Listing Rules, nor the commencement of any timelines Chapter 7A of the ASX Listing Rules. Further information relating to finalisation of the Funding under the executed Mandates will be released to the ASX in due course. It is further noted that the funding is on a 'best endeavours' basis and is not underwritten, and therefore is not guaranteed.

The Company is aiming to have documentation completed by middle to end of next week.

Further cost reductions and focus

The Company is also undertaking a strategic review of the business with the view to further improve cashflow and realise value from portfolio of Intellectual Property.

Exopharm recently announced a significant reduction in its monthly spend, and the present spend rate is now further reduced to around \$400,000 per month – whilst continuing core operations.

The main operational focus is:

- Generating more data to support partnering and due diligence; and
- Commercial discussions with potential partners.

Commercial discussions and due diligence are ongoing, seeking to realise financial value on our present IP assets and know-how.

By the Chairman – this release has been authorised by the Chairman.

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ABOUT EXOPHARM

Exopharm (ASX:EX1) is a leader in advancing Genetic Medicines and other exosome-based medicines using exosomes or extracellular vesicles (EVs) as a chassis for improved and non-viral drug-delivery.

Exopharm (ASX:EX1) is pursuing a product pipeline-driven platform strategy. Exosomes can be loaded with a variety of active pharmaceutical ingredients (APIs) and can be targeted to selected cell-types and tissue types, improving the safety-profile of the APIs and providing better treatments. Exosomes can be used to deliver small molecule drugs, mRNA, DNA and other types of APIs.

Exosomes are an alternative means of drug-delivery inside the body, alongside technologies such as lipid nanoparticles (LNP), cell-penetrating peptides, viral vectors and liposomes.

Exopharm's exosome technologies solve important needs for the success of exosome medicines – **LEAP** manufacturing technology, **LOAD** API loading technologies and **EVPS** tropism technologies.

Exosome-based medicines could improve the treatment of many chronic or inherited medical conditions.

Exopharm is making its proprietary technologies available to pharmaceutical and biotechnology companies that want to harness exosome-delivery for their own products.

In addition, Exopharm is using its technology platform to enable its own product development programs - each aimed at delivering a transformative medicine for an unmet medical need.

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.