

Press Release/ASX Announcement

Melbourne, Australia, 20 December 2022.

Operations review, Board and other changes

- Collaborations with Sartorius BIA Separations and Astellas Institute for Regenerative Medicine (AIRM) are ongoing into early CY '23 and could potentially lead to technology licensing deals in CY '23
- Partnering activities continue with the 41st Annual J.P. Morgan HEALTH CARE CONFERENCE in January '23
- Exopharm's Board has undertaken a review of operations and has implemented a number of cost-reduction measures to reduce the monthly costs of operations to under around \$400,000 per month to focus on core business, product development and generating further data
- Ms. Elizabeth McGregor, non-executive Director since 5 January 2021 has resigned from the Board effective from 20 December 2022.

Genetic medicine and exosome-based drug-delivery company Exopharm Limited (ASX:EX1) announces some further changes.

Collaborations with Sartorius BIA Separations and Astellas continue

Technology collaborations with Sartorius BIA Separations and Astellas Institute for Regenerative Medicine (AIRM) are ongoing and are presently expected to reach their technical endpoints around the end of Q1 CY '23.

The Company has a program of generating more validating data in CY '23 to support current and future partnering efforts.

Additional partnering efforts continue with a full schedule of meetings for virtual attendance at the 41st Annual J.P. Morgan HEALTH CARE CONFERENCE in January '23.

Review of operations by Exopharm's Board

Considering the present levels of working capital, the present state of the equity capital markets and the relatively high cost-structure of the present operations, the Board has undertaken a detailed review of operations in conjunction with the Executive Team.

The Company has implemented several cost-reduction changes to reduce the monthly recurring costs of operations to under around \$400,000 per month.

The aim is to further focus on core activities of the Company and preserve the potential to harvest financial returns from prior investment while improving cashflow runway in CY '23.

Core activities include product development, generating further data and partnering.

These additional changes include:

- Downsizing of the Board from 4 to 3;
- Reduction in staff numbers by around 24 people (down from around 40), while retaining a core team to deliver on ongoing activities and outcomes;
- Non-executive Directors voluntarily cutting their Director fees by an additional 30% of base remuneration to a total reduction of 50% off the base remuneration as a temporary measure (a 20% reduction was previously announced);
- The Managing Director/CEO Dr Ian Dixon voluntarily cutting his remuneration by an additional 5% of base remuneration to a total reduction of 25% off the base remuneration as a temporary measure (a 20% reduction was previously announced);
- Downsizing of premises costs subject to further negotiations

Founder and CEO Dr Ian Dixon said 'These cost-reductions are painful and difficult for all involved. The Board explored all alternatives and wanted to continue investing into the technologies and products for the future. The downturn in the equity capital markets has hit smaller pre-revenue biotechnology companies hard, including Exopharm. Reducing costs was essential to secure further investment and ongoing operations. We thank those people who are leaving for their contributions.'

Resignation of Director Ms Elizabeth McGregor

Ms. Elizabeth McGregor, non-executive Director since 5 January 2021 has resigned from the Board effective from 20 December 2022. Mr Jason Watson, Chairman, said "Elizabeth was initially Company Secretary when she was employed by Automic. Later, when David Franks became Company Secretary, Elizabeth remained with the Board as a non-executive Director. During this time, she has brought her valuable knowledge of public company compliance and governance to Exopharm. The Board is downsizing to 3 Directors, consistent with the conservation of resources. We thank Elizabeth for her contribution and wish her the best."

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

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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.