

ASX ANNOUNCEMENT

Clarification on Exopharm AIRM MSA Announcement

1 February 2022, Melbourne, Australia

Exopharm Limited (ASX:EX1) provides the following clarifications in respect of the ASX Release announced on 31 January 2022 titled "Exopharm and Astellas Institute for Regenerative Medicine (AIRM) Sign Master Collaborative Services Agreement " ("Original Release").

For ease of reference, EX1 has reproduced the Original Release, with tracked changes outlining the matters clarified.

This announcement has been authorised for release by the Managing Director.

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ABOUT EXOPHARM

Exopharm Limited (ASX:EX1) is a clinical-stage biopharmaceutical company at the forefront of transformative medicines using exosomes, or extracellular vesicles (EVs), and is pursuing a pipeline-driven platform strategy.

Exosomes can be loaded with a variety of active pharmaceutical ingredients (APIs) and can be targeted to selected cell and tissue types (tropism) – improving the safety profile of the APIs and providing better treatments.

Exosome delivery of DNA and other gene therapies into the nucleus of the patient's cells can improve treatment of inherited medical conditions.

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. The drug delivery industry is growing at a compound annual growth rate (CAGR) of 5% and is currently valued at about US\$175 billion (\$233 billion)¹.

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

Exopharm's suite of exosome technologies enables its own pipeline of exosome medicines – each aimed at delivering a transformative medicine for an unmet medical need.

Exopharm's intellectual property is also available under licences or partnerships to empower others to build their pipelines around the benefits of exosome medicines.

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.

ASX ANNOUNCEMENT

Exopharm and Astellas Institute for Regenerative Medicine (AIRM) Sign Master Collaborative Services Agreement

1 ~~February~~ ~~31 January~~ 2022, Melbourne, Australia

- Astellas Institute ~~foref~~ Regenerative Medicine (AIRM) is a subsidiary of Astellas Pharma Inc., a top 20 global pharmaceutical company
- Initial services ~~are designed to~~~~will~~ seek to validate Exopharm's LEAP, LOAD and EVPS technology platforms to manufacture exosomes for Astellas, firstly at Exopharm's facilities in Melbourne followed by the Astellas facilities in Massachusetts USA
- Future potential collaboration is anticipated following validation
- This is Exopharm's first collaboration services agreement with a major pharmaceutical company

Exopharm Limited (ASX:EX1) has signed a Master Collaborative Services Agreement (MSA) with the Astellas Institute for Regenerative Medicine (AIRM).

AIRM is a subsidiary of Astellas Pharma Inc., a top 20 global pharmaceutical company, with global sales of around US\$12 billion p.a. and strong investment in R&D to support the development of new treatments to address unmet medical needs.

"Astellas is keen to evaluate whether exosomes could become part of their future pipeline of innovative products. This collaboration services agreement defines how Astellas and Exopharm will work together in some important initial laboratory work" said Dr Ian Dixon, Managing Director and founder of Exopharm.

"At AIRM, we are always looking to advance our science and pipeline with cutting edge technologies and development techniques", said Dr. Jaime Chaufty, Director, Research at AIRM. "We believe Exopharm's proprietary technology platforms may help us address some of the challenges involved in the development and use of extracellular vesicles for regenerative medicine."

Under the terms of the MSA, AIRM will pay Exopharm fees of up to US\$481,000 for both projects over a period of around 15 months, ~~potentially~~ starting in March 2022.

"This is a major milestone for us in its own right, but it is also the crucial first step for any drug development partnership in the future," said Dr ~~Dixon~~~~Chris Baldwin, Chief Commercial Officer and Deputy CEO of Exopharm.~~

The MSA ~~anticipates~~~~enables~~ laboratory work to demonstrate the effectiveness of Exopharm's LEAP, LOAD and EVPS technologies utilising AIRM's cell-based therapeutic technologies.

The LEAP project will commence in early 2022 at Exopharm's laboratories in Melbourne and will seek to validate the use of Exopharm's LEAP technology platform to purify exosomes derived from two proprietary AIRM cell lines. A second phase of this project will involve transferring the LEAP technology to AIRM research headquarters located in Massachusetts USA for their further evaluation and use.

In the exosome medicine services conducted by Exopharm, two AIRM proprietary cell lines will be engineered to produce exosomes with:

- (i) loading of functional RNA (using Exopharm's LOAD technology platform in Massachusetts USA); and
- (ii) adding external specified molecules of interest onto their surfaces (using Exopharm's EVPS technology platform).

"Regenerative medicine holds the promise of repairing or replacing the patient's cells to restore normal function. More recently, the advantages of exosomes derived from human cells but delivered as an acellular therapy have been investigated. But purification of exosomes as a biomanufacturing process has blocked progress. Exopharm's patented LEAP purification technology changes all that – opening up the very real prospect of exosomes as next-generation medicines to treat unmet medical needs" said Dr Dixon.

"Exopharm has built a set of unique technologies to enable exosome medicines to be developed and commercialised, including the LEAP technology, which recently received a patent from the USPTO. Our strategy is to make our proprietary technologies available under license to leading pharmaceutical companies such as Astellas. Exopharm has the potential to build ongoing revenue streams from such licenses through multiple alliances. Technical collaboration, demonstration and sharing data – as provided by this agreement – is the critical first step." Dr Dixon said.

Exopharm is pursuing agreements with other large pharmaceutical companies and the company will keep the market up to date as discussions progress.

Further information on LEAP, LOAD and EVPS is available on the Exopharm web site www.exopharm.com

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