



**20 April 2021**

**Philip James Carey <Cornerstone Media S/F A/C>  
22 Lytton Street  
Cammeray NSW 2062  
Account Number: C512**

**By Email: phil@cornerstonemedia.com.au**

Dear Phil,

**Exopharm Limited ("EX1" or the "Company") - Letter of Offer**

EX1 is undertaking a placement to raise A\$6,000,000 comprising the issue of up to 8,333,333 new fully paid shares. The placement price will be A\$0.72 per new share through a one-tranche placement. The Board of Directors of Exopharm reserves the right to accept over-subscriptions.

The issue price represents a discount of 21.7% to the last traded price of shares on the ASX on 15<sup>th</sup> April 2021 and a discount of 15.7 % to the 5 day volume weighted average price (VWAP).

The New Shares will be listed on the ASX and will rank pari passu with the existing fully paid ordinary shares.

Canary Capital has been mandated as lead broker to the placement and are pleased to offer you shares under the Placement. The purpose of this letter is to confirm the terms on which you agree to accept your allocation under the Placement.

**1. ALLOCATION CONFIRMATION**

On behalf of the Company, Canary Capital Pty Ltd is pleased to confirm the following irrevocable and Firm Allocation of Placement Shares to you on the terms and conditions contained in this letter and the schedules attached to this letter of offer which forms part of the agreement between Canary Capital Pty Ltd and you (**Letter Agreement**):

	No. of Shares	Firm Allocation Amount
Shares at A\$0.72 per Share	18,000	\$12,960.00

**2. OFFER DETAILS**

**Exopharm Limited ASX Code: EX1**

We are pleased to offer you the opportunity to participate in a placement to acquire shares being undertaken by EX1.



**This will settle by Direct Bank Deposit.**

**IMPORTANT: You will need to ensure funds are transferred into the nominated bank account by 10.00am, April 23<sup>rd</sup> 2021. The early transfer of funds is encouraged to mitigate bank delays. Late payment may result in reallocation of shares.**

**Please forward a copy of the bank receipt to [sgott@canarycapital .com.au](mailto:sgott@canarycapital.com.au).**

**3. COMPANY'S PURPOSE FOR PLACEMENT**

The funds raised (placement) before costs will be used for:

<b>Item</b>	<b>Use of Funds</b>
Upstream process development and upscaling	\$1.00 million
Onsite Clean room manufacturing facility and associated equipment	\$0.74 million
Exosome Medicines - design, making and testing	\$2.10 million
Cell line development and banking	\$1.00 million
Commercial Expenses	\$0.80 million
Raising expenses	\$0.36 million
<b>Total</b>	<b>\$6.00 million</b>

**4. COMPANY OVERVIEW**

Exopharm (ASX: EX1) is a clinical-stage company at the forefront of developing transformative medicines using exosomes (EVs). EVs (short for extracellular vesicles, also known as exosomes) can be used in two main ways as new medicines – as precision medicine delivery vehicles ('engineered EVs') and as regenerative medicines ('naïve EVs') to mimic the power of stem cells without the problems associated with cell-based therapies.

Exopharm has two exclusive proprietary technologies that allow advanced customisation of exosomes. Exopharm's LEAP manufacturing technology is the only known technology for commercial-scale EV purification, providing access to large quantities of high-purity exosomes for research and clinical uses. The LOAD technology improves loading of nucleic medicines into exosomes and the EVPS technology allows exosomes to be directed towards selected cell types.



## **5. GENERAL ADVICE WARNING**

Please note that any advice given by Canary Capital Pty Ltd (Canary Capital) as a corporate authorised representative (CAR number 1254859) of BR Securities Australia Pty Ltd (ABN 92 168 734 530) which holds AFSL 456663 is GENERAL advice, as the information or advice given does not take into account your particular objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument. Canary Capital Pty Ltd | ABN 18 618 657 640 | [www.canarycapital.com.au](http://www.canarycapital.com.au). Our Financial Services Guide (FSG) is available on the Canary Capital website <https://canarycapital.com.au/financial-services-guide/>

If you take action based on incomplete information you risk a circumstance where the transactions you undertake may not be entirely compatible or suitable for your circumstances and you risk making a financial commitment to a financial product or investment that may not be appropriate to your needs, objectives or financial circumstance.

For further information about Exopharm Limited please visit the company website: <https://exopharm.com/>

## **6. ALLOCATION PERSONAL - PLACEMENT SHARES**

The allocation of Placement Shares to you and the agreement arising from confirmation of the Firm Commitment is personal to you and does not constitute an offer to any other person or to the public generally in Australia or anywhere else. Unless you are an AFSL holder, you may not assign, transfer, or in any other manner, deal with your Placement Shares, or your rights or obligations under the agreement arising from the confirmation of the Firm Commitment without the prior written agreement of the Company in accordance with all relevant legal requirements.

## **7. RISKS**

Other risks involved in investing in speculative companies are low trade volumes which may result in the stock being illiquid.

Other Generic risks when investing in any speculative company need to be considered. These are listed below:

- a. Limited History of the Company and its Projects
- b. Target Estimates and Development Success
- c. Operating Risks
- d. If the Company is experiencing a period of rapid growth and it may not be able to manage the growth
- e. Sovereign and Political Risks Associated with operating the country the projects are in
- f. Legal Risks Associated with Operating in the country the projects are in
- g. Title Risks Associated with the projects, tenure and access or Failure to Satisfy Expenditure Commitments



- h. Uncertainties Regarding tax
- i. Government may Impose Restrictions or tariffs on the project.
- j. Co-Existence Rights or Competition risks
- k. Operating risks, Joint Venture Parties, Contractors and Contractual Disputes or Force Majeure
- l. Infrastructure
- m. The Company may not have significant enough Insurance Coverage to cover potential losses.
- n. Environmental and Regulatory or Litigation Risks
- o. Currency fluctuations when dealing with overseas projects.
- p. Reliance on Key Personnel - The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

**Economic Risks - General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company.**

- a. General economic outlook.
- b. Interest rates and inflation rates.
- c. Currency fluctuations.
- d. Changes in investor sentiment toward particular market sectors.
- e. The demand for, and supply of, capital; and
- f. Terrorism or other hostilities.

**8. GENERAL**

- a. If any provision of agreement constituted by this Letter Agreement and your acceptance is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.
- b. An amendment or variation to the terms of this letter is not effective unless it is in writing and signed by Canary Capital Pty Ltd.
- c. The failure by Canary Capital Pty Ltd or delay to exercise a power or right does not operate as a waiver of that power or right. The exercise of a power or right by Canary Capital Pty Ltd does not preclude either its exercise in the future or the exercise of any other power or right. A waiver by Canary Capital Pty Ltd is not effective unless it is in writing. Waiver of a power or right by Canary Capital Pty Ltd is effective only in respect of the specific instance to which it relates and for the



specific purpose for which it is given.

- d. The law of Western Australia governs the offer of placement shares. The parties submit to the non-exclusivity jurisdiction of the courts of Western Australia and the Federal Court of Australia.
- e. You must promptly, at your own cost, do all things (including executing all documents) necessary or desirable to give full effect or better effect to the terms of this Letter Agreement.
- f. The agreement constituted by this Letter Agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

## **9. ACCEPTANCE AND SETTLEMENT**

To confirm your irrevocable acceptance of the Firm Allocation, please click on the offer acceptance link in the offer email (which advises Canary Capital Pty Ltd you are participating in the deal).

### **Settlement is via Direct Deposit**

**Bank: ANZ**

**Account Name: EXOPHARM LIMITED**

**BSB: 013 265**

**Account Number: 4201 05132**

**Reference : C512**

If you have any queries in relation to this offer or the documents you have received, please feel free to contact our office on (+ 61 2 8052 9519)

Yours sincerely,

Srila Gott

**Canary Capital Pty Ltd**  
**AFSL 456663**  
**Level 5, 20 Bond Street**  
**Sydney NSW 2000**  
**Australia**  
**p: +61 2 8052 9519**  
**Visit our website at [www.canarycapital.com.au](http://www.canarycapital.com.au)**



### **Exempt Offering**

This is not a public offer and has been prepared only for issue to, and use by, prospective investors who have been qualified as 'Excluded Investors' as defined in section 708 (8), 708 (10) & 708 (11) of the Corporations Act 2001 (Cth) (Corporations Act) and to any person in respect of whom the Offer does not require disclosure under Chapter 6D.2 of the Corporations Act. If you are not an Excluded Investor or do not meet other suitability requirements described in the Corporations Act, the Company will not accept your subscription.

### **Jurisdictional Disclaimer**

This Term Sheet is not an offer of securities, and does not apply in any jurisdiction where, or to any person to whom, it would not be lawful to issue securities. If you access this Term Sheet or our website from locations outside Australia, you do so at your own initiative and are responsible for compliance with local fundraising laws.

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### **General Advice Warning**

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### **Disclaimers**

Canary Capital does not warrant the accuracy of any information it sources from others. Assessment of risk can be subjective. Historical information may not translate into future performance. Portfolios of investments need to be well diversified and the risk appropriate for the investor. Canary Capital does not stand behind the capital value or performance of any investment. To the fullest extent permitted by the law, Canary Capital disclaims any liability for any loss or damage arising from the use of, or the reliance on, any information within the advice whether or not caused by any negligent act or omission of Canary Capital. Overseas investors acknowledge that Canary Capital has not solicited their business. **Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value of less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.**

### **Disclosures**

Paul Hart, Joe Durak and Arun Sengupta are directors and authorised representatives of Canary Capital. They certify that any advice given by them or any other authorised representative of Canary Capital reflects their honest view of a company. Directors and authorised representatives of Canary Capital may own securities in companies they recommend, which will be declared if they ever give advice. Authorised representatives receive a share of the brokerage and origination fees earned by Canary Capital in relation to companies they recommend, so they rely on their skills at selecting good investment opportunities for clients of Canary Capital. Canary Capital, its directors and associates and employees receive fees and share options from companies to which Canary Capital is mandated to provide corporate advisory services. The companies currently mandated are HTG, NYR, IHL and EX1.

### **Confidentiality Notice**

This email (and any attachments) is intended only for the addressee and may contain information which is confidential and privileged. If you are not the addressee you may not use, disseminate or copy this information. If you have received this information in error, please



notify us immediately and destroy this email and attachments. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person.