HEXIMA LIMITED

ASX ANNOUNCEMENT

26 November 2021

$1 MILLION RAISED VIA SHARE PURCHASE PLAN

SPP oversubscribed with applications received in excess of $3.2 million

MELBOURNE, AUSTRALIA (26 November 2021): Hexima Limited (**ASX:HXL**) is pleased to announce the successful completion of its Share Purchase Plan (**SPP**) to raise $1.0 million. The SPP closed on Monday, 22 November 2021 and was oversubscribed with $3.2 million in demand.

The SPP was undertaken in conjunction with Hexima's $10 million placement (**Placement**). The SPP was offered to eligible shareholders to raise up to $1 million with each eligible shareholder allowed to subscribe for $30,000 of new shares in Hexima at $0.32, equivalent to the issue price paid by investors in the Placement.

The strong support for the SPP from eligible shareholders has required a significant scale back to applications. In accordance with the terms and conditions of the SPP, applications were scaled back on the following basis:

- in the case of shareholders with minimal holdings, where a pro rata allocation would result in a nominal amount of shares, Hexima has used its discretion and rejected these applications; and
- remaining applications were scaled back based on shareholders' pro-rata holdings, with a minimum allocation of $1,000 (i.e. 3,125 shares at an issue price of $0.32).

In total 3,125,317 new fully paid shares will be issued under the SPP. The SPP Shares are expected to be issued on Friday, 26 November 2021 and to commence trading on the ASX on Monday, 29 November 2021. Holding statements are expected to be dispatched to successful applicants on Monday, 29 November 2021. Excess application monies will be refunded to applicants shortly, as detailed in the SPP Offer Booklet.

Proceeds from the Placement and the SPP will be used to accelerate Hexima's growth strategy into the US and other international markets as it:

- completes the preparation and submission of an IND Application to FDA and conduct a clinical safety study in the US;
- finalises all development including: clinical, manufacturing, toxicology and CompliancePak packaging unit and mobile app necessary prior to initiating a phase III clinical trial program;
- secures executives and expertise with the necessary experience to conduct late-stage product development in the US market; and
- explores the potential for pezadeftide or one of its related defensin class peptides to be an attractive follow-on product candidate to treat localized fungal infections (in addition to onychomycosis).

Michael Aldridge, Managing Director & CEO of Hexima said, "We would like to thank all shareholders who applied to participate in the SPP and who continue to support Hexima's goal of developing pezadeftide as a novel topical treatment for onychomycosis. Hexima is now well positioned to complete preparations for its phase III trials, which it expects to commence in Q4 2022."

ASX ANNOUNCEMENT

This announcement is authorised for release to ASX by Nicole van der Weerden, Executive Director and COO

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ABOUT HEXIMA

Hexima (ASX:HXL) is a clinical stage, anti-infectives focused biotechnology company engaged in the research and development of defensin peptides for applications as human therapeutics. Our lead product candidate, pezadeftide (HXP124) applied in a topical formulation, is a potential new prescription treatment for toenail fungal infections (or onychomycosis). Hexima is currently conducting an Australian phase IIb clinical trial testing pezadeftide for the treatment of onychomycosis. Hexima holds granted, long-life patents protecting pezadeftide in major markets globally. For additional information please visit www.hexima.com.au. You can also find us on Twitter and LinkedIn or email us at info@hexima.com.au.

ABOUT ONYCHOMYCOSIS

Onychomycosis is a common fungal nail infection in the nail plate and nail bed. Prevalence of onychomycosis has been estimated at between 10% (Japan) and 13.8% (USA).[1] Onychomycosis is an infectious disease and is difficult to treat with a significant healthcare burden. It causes pain in approximately 50% of patients and in the US results in close to four doctor's visits annually for treatment.[2] Onychomycosis impacts a patient's quality of life with 51% unable to wear the shoes they would prefer and 66% distressed by the appearance of their nail.[3] It is important to treat onychomycosis as the fungi in the nail can be a source of secondary infection in other areas of the body or infect family members and spread to the environment.

Onychomycosis is the most common nail disorder accounting for 50% of all nail diseases. It is particularly prevalent in older, diabetic and immune compromised populations.[2] The global market for treatments for onychomycosis was approximately US$3.7 billion in 2018.[4]

TREATMENT OF ONYCHOMYCOSIS

Approved prescription therapies for onychomycosis comprise either oral or topical medications. Oral medications are associated with adverse effects such as nausea, taste disturbance, and flatulence. They can also severely impact liver function and so often require liver function monitoring. The clinical and commercial success of topical medications has been constrained by an inability of anti-fungal agents to effectively penetrate the human nail and the lack of sufficient anti-fungal activity when in contact with the target pathogen.[5]

HEXIMA'S APPROACH

Hexima embraces the significant challenge of new product development for onychomycosis. Hexima has taken a very different approach, building on its many years of ground-breaking research into the evolutionary tools that plants use naturally to fight fungal infections. The result is pezadeftide, a new topical treatment for onychomycosis, with a novel and powerful fungicidal mode of action.

Historically, therapies for onychomycosis have generally focused on new forms of the azole class of antifungal agents or improving the topical delivery of systemic antifungal agents. Hexima's technology is a completely novel approach with fundamental differences that address the well-documented limitations of these traditional technologies.

Pezadeftide penetrates the nail more effectively than existing topical treatments and so can more readily target the fungal cells which proliferate in the nail bed. It is also more effective at rapidly killing fungal cells on contact. Together, these properties mean that pezadeftide has the potential to resolve the fungal infection more quickly, leading to faster and more complete clearing of the infected nail area. Consequently, pezadeftide offers the promise to capture significant value in a large and poorly served market.

FORWARD-LOOKING STATEMENTS

This announcement contains or may contain forward-looking statements that are based on Hexima's management's beliefs, assumptions and expectations and on information currently available to management. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These include, without limitation, commercial market acceptance and sales of our product as well as our expectations with respect to our ability to develop and commercialise new products. Management believes that these forward-looking statements are reasonable when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. Hexima does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Hexima may not actually achieve the plans, projections or expectations disclosed in forward-looking statements. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

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[1] Tatchibana et al., Journal of Fungi, 2017
[2] Joseph et al, Supplement to Podiatry Today, 2013
[3] Milobratovic et al., Mycoses, 2013
[4] Persistence Market Research 2018
[5] Wang et al., Onychomycosis: Diagnosis and Effective Management, 2018