FACTOR
THERAPEUTICS

Advancing Wound Care

Investor presentation: Rights Issue

March 2018

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Company overview

Focus	Advanced wound care and dermatology
Technology	Platform technology that targets delivery of a biological scaffold and linked growth factors
Lead Product	VF001 for the treatment of venous leg ulcers (VLU) Pivotal development phase in the EU, approaching Phase 3 in the US
Commercial Opportunity	VLU is a large and growing market with significant unmet need; biologics such as VF001 are the fastest-growing segment of chronic wound treatments
Differentiation	VF001 is a novel, first-in-class topical wound healing product with safety, efficacy and cost benefits that are ideally suited to the community setting, where the vast majority of patients are treated
Path to Market De-Risked	Clinical development strategy devised with significant regulatory input through previous interactions in the EU and with FDA
Pipeline	VF001 indication expansion, other opportunities in wound care/dermatology and applications of our vitronectin-based platform technology
IP	Patents granted in Australia, Canada, China, Europe, Hong Kong, Japan, New Zealand, Peoples Republic of Korea, Republic of South Africa and the United States

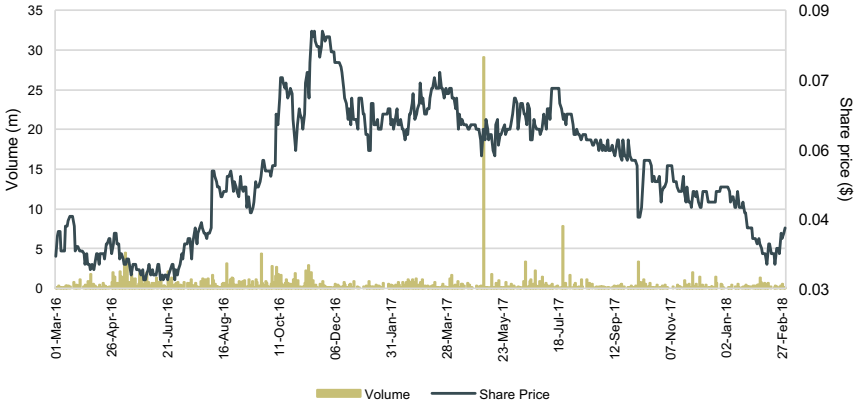
Market overview

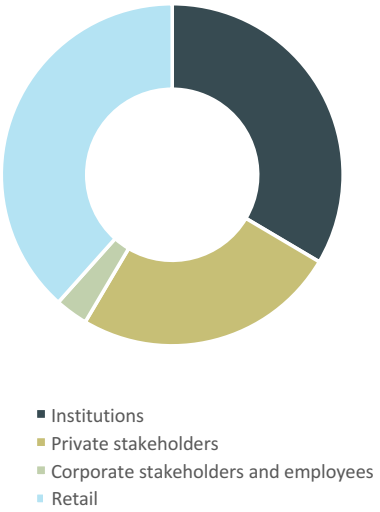
$0.047
(As of March 9, 2018)

Mkt. Cap. A$34.3m
(As of March 9, 2018)

Focus	Advanced wound care
Clinical Stage	Pivotal EU Phase 2 US
Issued Shares	730,042,783
Options	36,209,320
Cash As of Dec 31, 2017	AUD $6.6m
Anticipated R&D cash rebate	AUD $1.1m
Symbol	FTT
Exchange	ASX
Research coverage	Morgans and Taylor Collison

FACTOR THERAPEUTICS



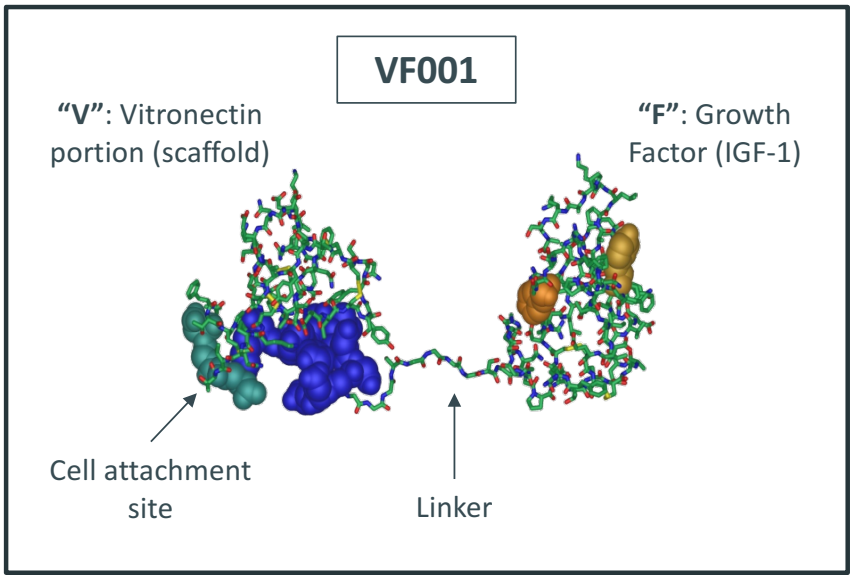


Substantial shareholders	% Issued Capital
Allan Gray Investment Management	13.32%
Fidelity Investment Management	9.86%
Acorn Capital	8.60%

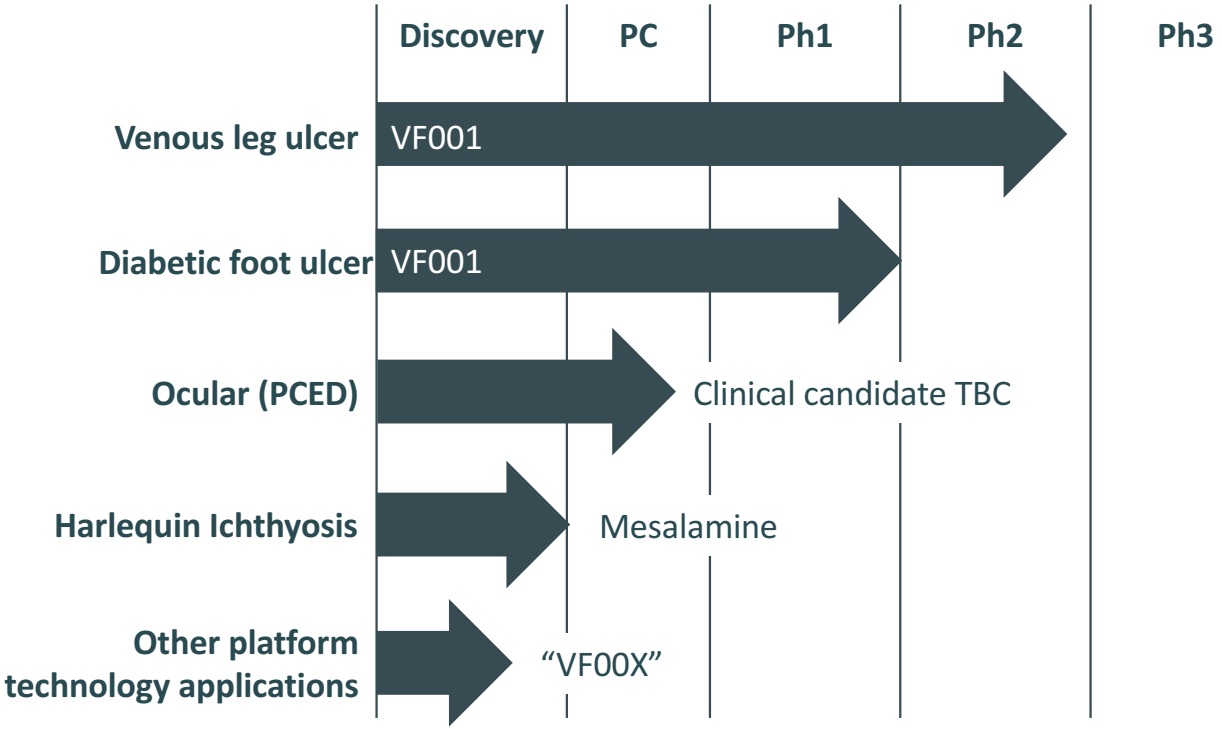
Game-changing technology and strong pipeline

Technology

- Our technology platform targets delivery of a biological scaffold and linked growth factors
- VF001 contains the growth factor IGF-1



Pipeline



Securing Phase 2b readout

- VF00102 execution has ensured a high-quality dataset but required extra time due to
  - Prolonged start-up and recruitment
  - Variable site performance
  - External factors (weather)
- Increased activity to optimise trial execution
  - Site mix reconfiguration
  - Marketing/advertising/social media

We have collaborated with PAREXEL to manage the cost impact, agreeing:

- Significant discount and revised payment schedule
- A clear recruitment deadline – beyond this, the cost impact of any further delays will be limited

Use of funds

Drive lead programme – VLU

Complete Phase 2b recruitment and readout
End of Phase 2 regulatory readiness

- Dossier preparation EU and US
- Supporting safety data (mandated)
- Engage pre-submission

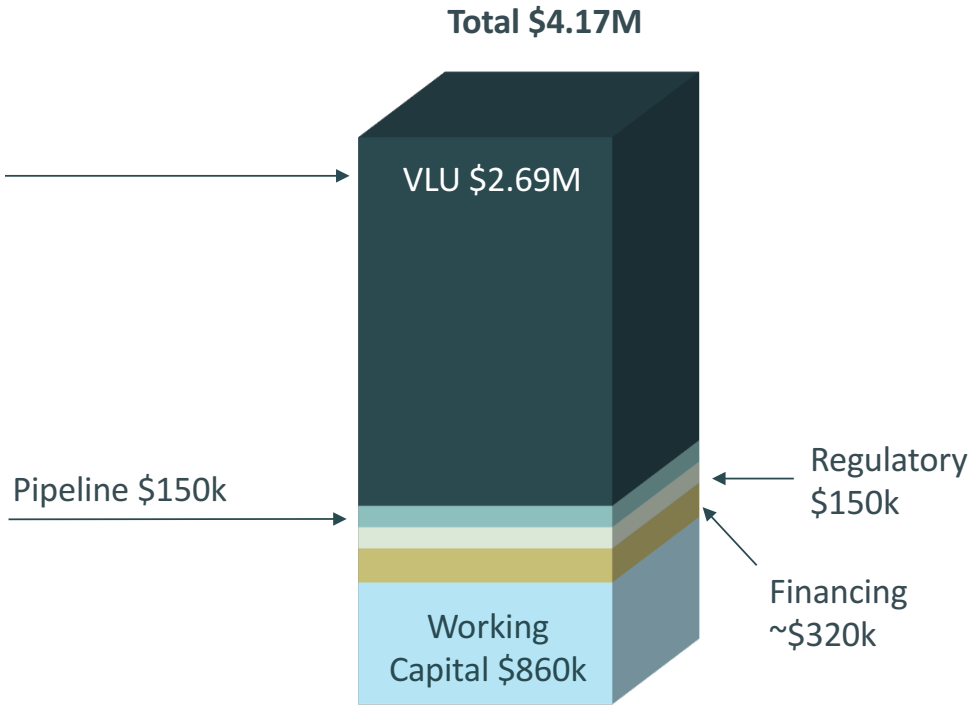
Progress selected pipeline assets to next milestones

Ocular

- Clinical candidate selection and orphan drug designation application

Next pipeline molecule “VF00X”

- Discovery and IP filing



Achievements since 2016

Manufacturing

- Transferred manufacturing to US
- Delivered product for Phase 2b trial
- Ongoing quality monitoring

Business development

- Engaged with potential partners to prime for readout
- Presentations at SAWC (US) and EWMA (EU) 2018

Pipeline

- Established pipeline of follow-up indications and other assets

Clinical development

- Revised clinical development strategy and expanded to US
- IND approval with lifting of “Full Clinical Hold”
- Initiated gold-standard multicentre Phase 2b VF00102
- Recruited global opinion leader – Bill Marston – as Lead PI

Corporate

- Completed turnaround and key appointments
  - Board – Robert Ryan (US), John Michailidis (AUS)
  - Management – Dr Ros Wilson, CEO
  - Medical Advisory Board – global opinion leaders

VF001 is a potential game-changer…

First-in-class, validated "bioactive"

- Targeted delivery of biological scaffold and linked growth factor
- Gold-standard evidence base and high quality manufacturing

…delivering better outcomes…

Meeting the needs of patient, clinicians and payers

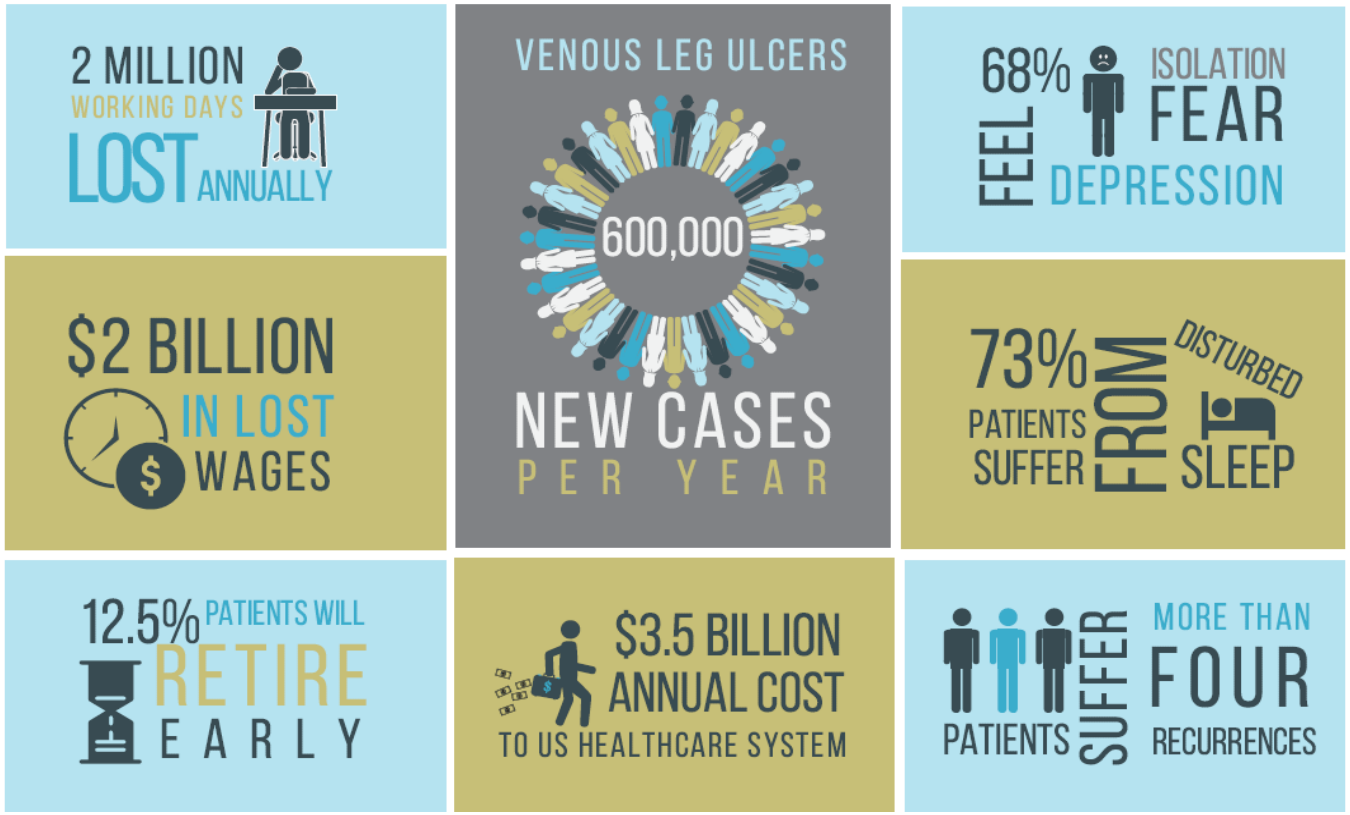
- Topical growth-inducer that fits readily into the clinical workflow
- Improved healing
- Reduced pain and improved quality of life
- Well-tolerated, benign safety profile
- Reduced treatment complexity, time and cost

…for a major unmet need

The silent epidemic of VLU

- Common: 1-3% of the population, increasing with age
- Difficult to treat: can take many months to heal and frequently recur
- Costly: to the individual patient, healthcare system and society

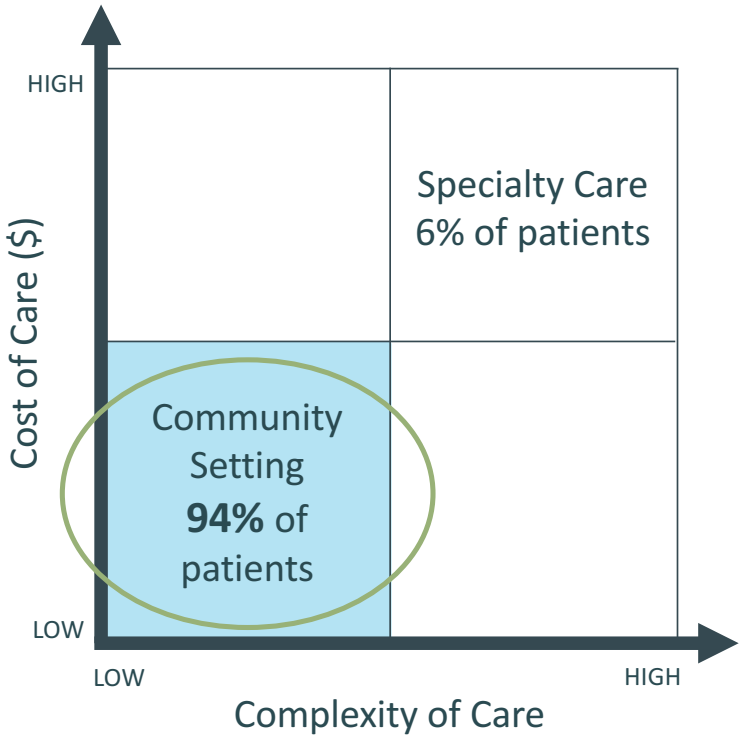
VLU: A silent epidemic and major unmet need



US data. Sen et al *Wound Repair Regen* 2009; doi:10.1111/j.1524-475X.2009.00543.x

VLU is a primary care disease

- The vast majority – 94% – of patients are treated in the community
  - GP surgeries
  - Wound care clinics
  - Nursing homes/home nursing services
- Primary care setting offers greater breadth of opportunity



Phase 2b trial designed to define the benefit of VF001

Clearly defined population excludes “placebo responders”

Gold-standard comparison of VF001 vs placebo

Meaningful endpoints for clinicians, regulators and partners

Target population

Moderate severity ulcers (Margolis 1)

Randomise 1:1:1 to

Placebo
or VF001 (low dose)
or VF001 (high dose)
+ standard care

Efficacy analysis

1°: reduction in ulcer size
2°: wound closure, time to healing

Follow-up analysis

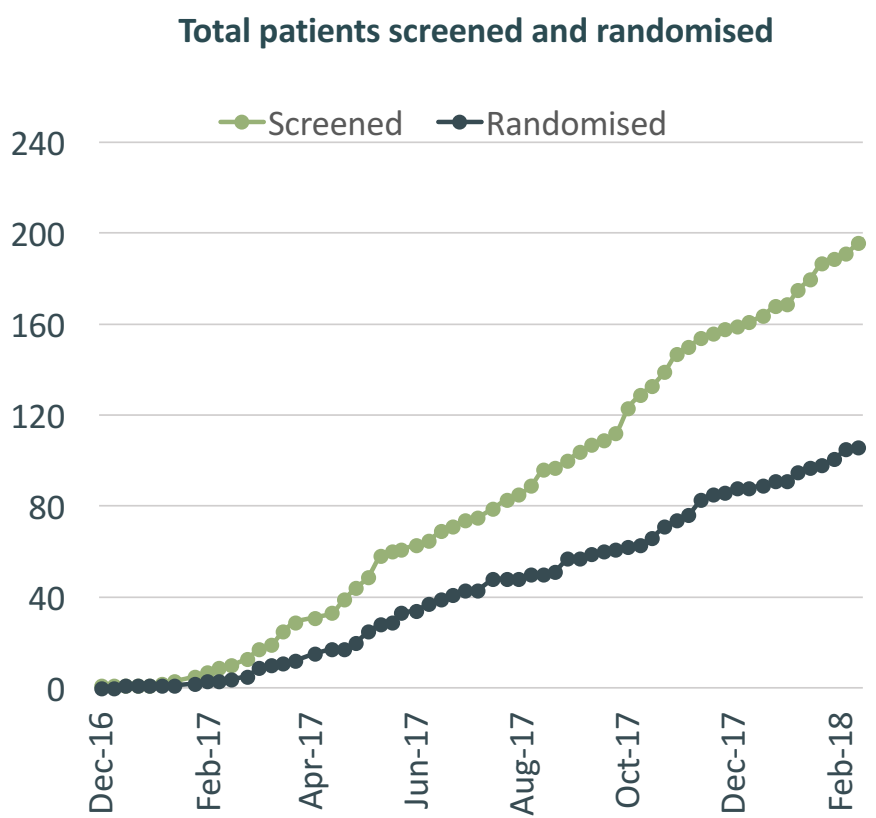
Pain, quality of life and safety

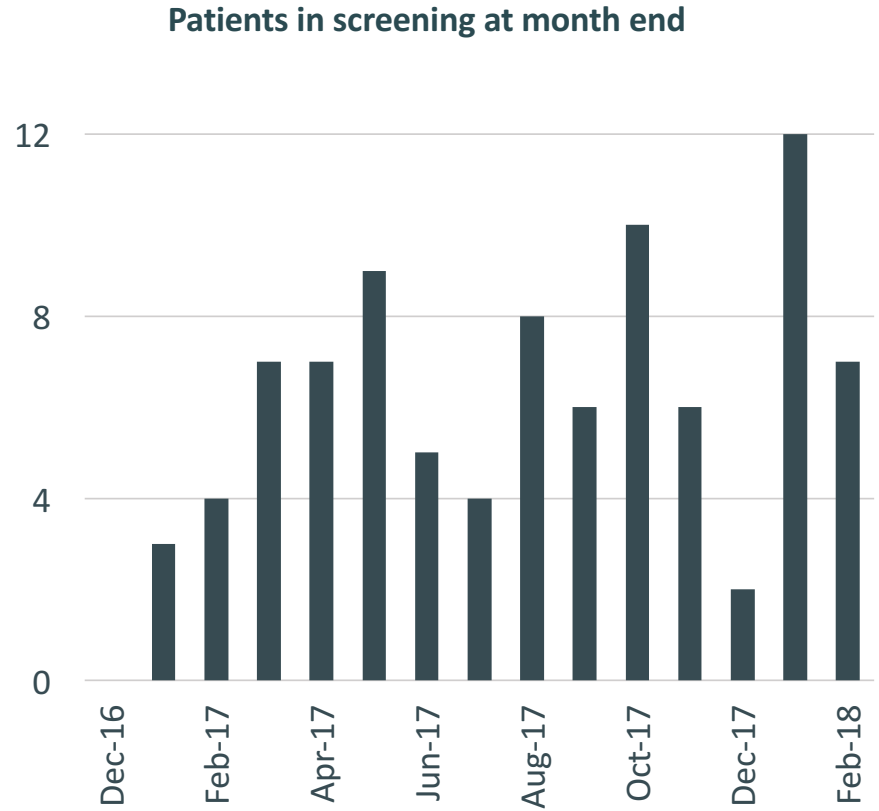
Phase 2b targets are clear and within reach

Phase 1 VitroCARD	Development goal	Phase 2b (VF00102) targets
Efficacy signal observed	CONFIRM	• Primary endpoint – change in ulcer size – greater for VF001 than placebo • Will be achieved with ~10% difference e.g. 70% reduction for VF001, 60% for placebo • Consistent trend for other healing endpoints – wound closure and time to wound closure
Benign safety profile	REINFORCE	• VF00102 will treble the number of patients treated with VF001, including at high dose
Reduced pain Faster healing[1] Most benefit for moderate severity ulcers[2]	EXPAND	• Other measures to support market access – key for patients, clinicians and payers • Pain, quality of life and safety

1. Shannon & Nelson *Int Wound J* 2016; doi: 10.1111/iwj.12687
2. Data on file

Recruitment status





Data quality remains on track

Change in ulcer size

VF00102 “snapshot” (lower curve)

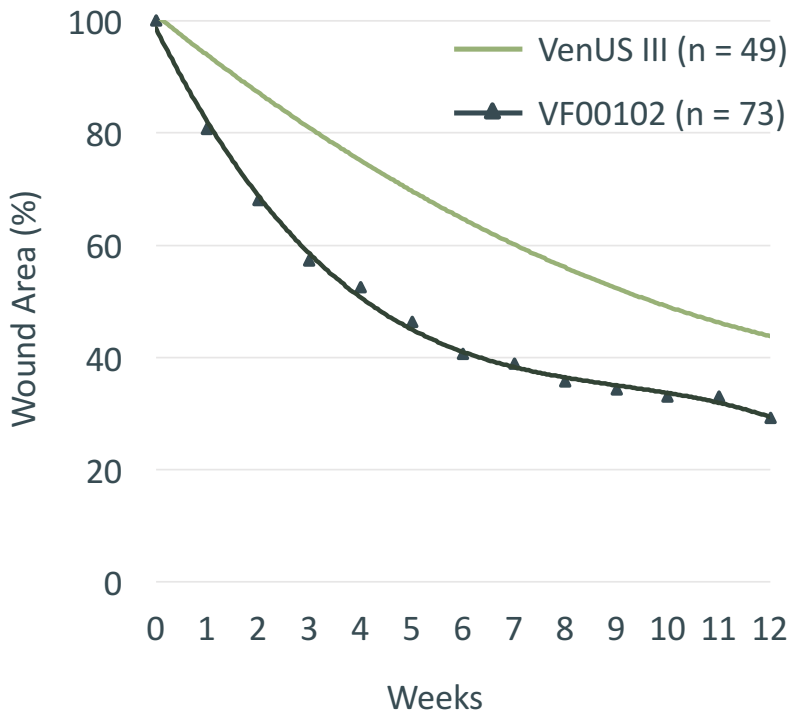
- Data from 73 patients who have completed treatment (out of 107 randomised)

NOTE: Data are blinded and comprise 2/3 of patients treated with VF001 and 1/3 with placebo (plus standard care)

- Rapid wound area reduction in first 4 weeks
- Ulcer area halved by ~week 4
- At week 12, ulcer area reduced by ~70%

VenUS III informal benchmark subset (upper curve)

- 49 “Margolis 1” patients i.e. same wound type as VF00102 from a large UK study where all patients receive standard care
- Ulcer area halved by ~week 10
- At week 12, ulcer area reduced by ~55%



Note: VF00102 is a blinded study and data shown are a composite of 1/3 patients treated with placebo and 2/3 with VF001. The benefit of adding VF001 to standard care will be determined when the study is unblended.

Data quality remains on track

Pain levels – VF00102 snapshot

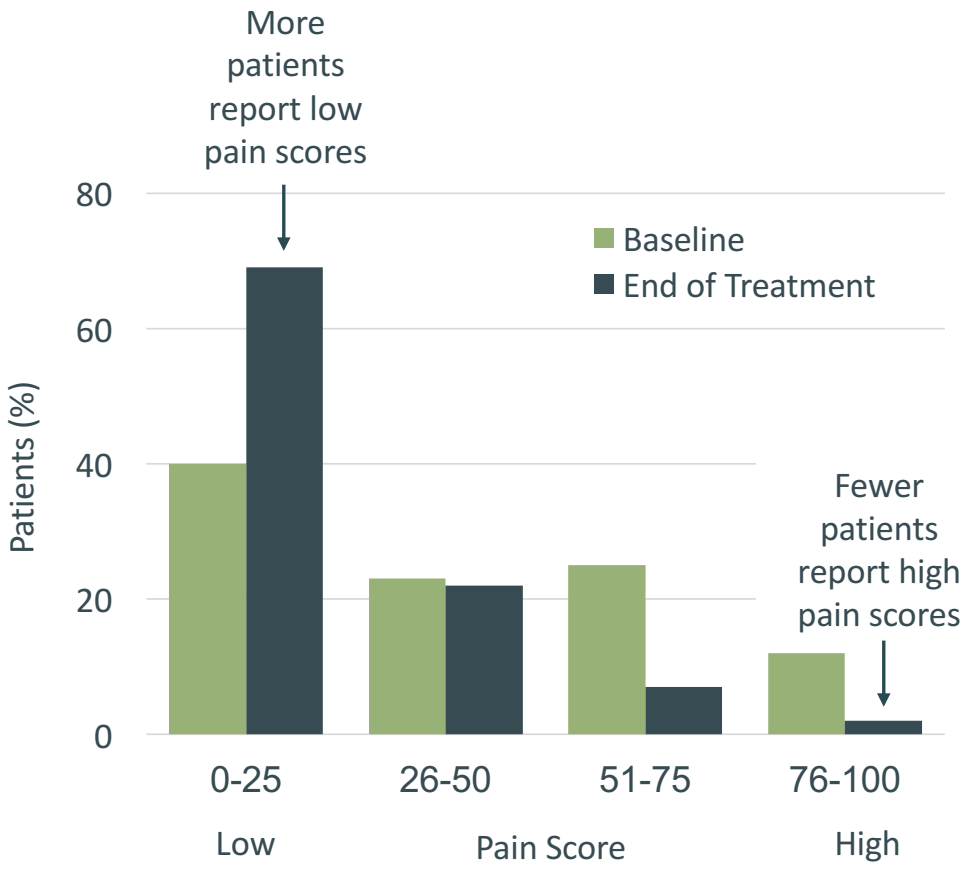
- Data from 73 patients who have completed treatment (out of 107 randomised)

NOTE: Data are blinded and comprise 2/3 of patients treated with VF001 and 1/3 with placebo (plus standard care)

- At the end of treatment:
  - More patients report low pain scores
  - Fewer patients report high pain scores

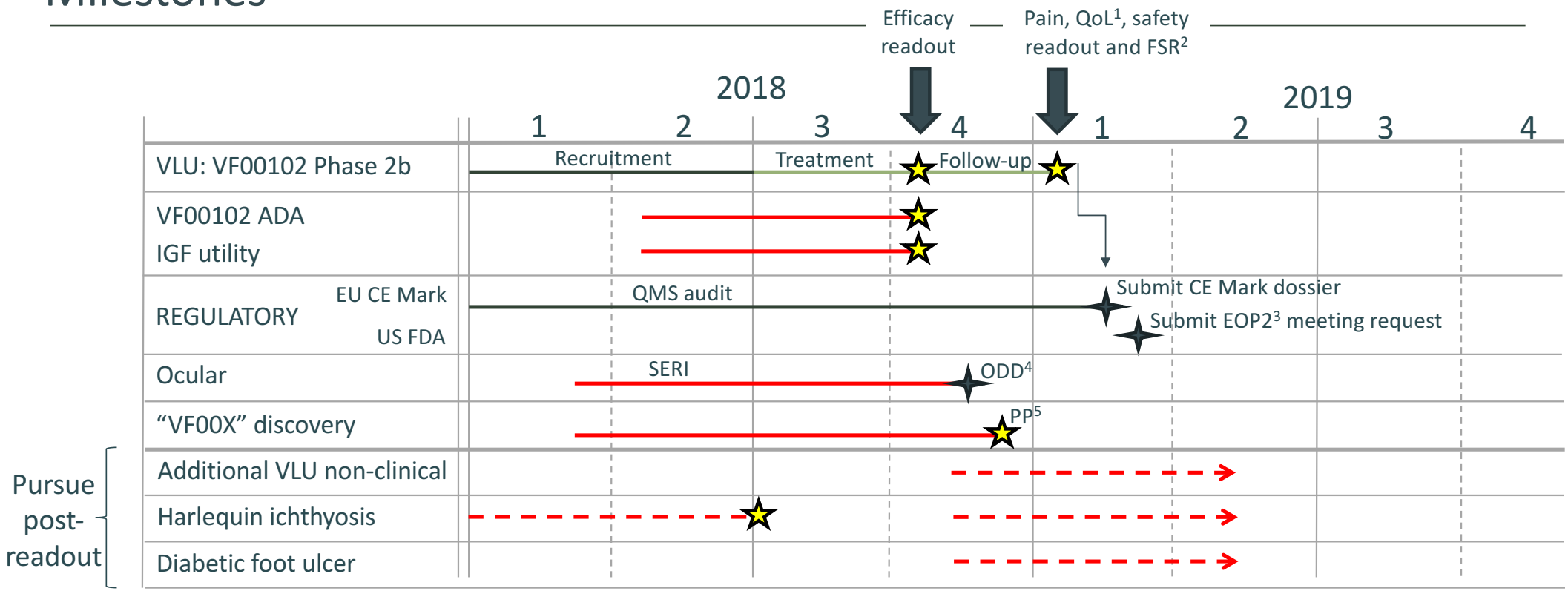
Withdrawals and safety

- Consistently lower dropout rate than expected (8 vs 15%)
  - Patients remain on study despite the added burden of being in a trial
- Treatment is well-tolerated
  - In line with previous experience
  - Potentially another reason patients are remaining on study



Note: VF00102 is a blinded study and data shown are a composite of 1/3 patients treated with placebo and 2/3 with VF001. The benefit of adding VF001 to standard care will be determined when the study is unblended.

Milestones



1. Quality of Life
2. Final Study Report
3. End of Phase 2
4. Orphan Drug Designation application
5. Provisional patent filing

Successful completion of Phase 2b is a major value inflection point

- Advances VF001 significantly towards realising its potential as a first-in-class, game-changing product for VLU
- Validates the Factor Therapeutics platform technology
- Establishes the basis to secure partnering opportunities with global companies having a commercialisation focus on wound care:

Regional, Limited Pharma Experience	Emerging WC & Pharma Experience	Global Wound Care
Hartmann Group	Integra	3M
Medline	Organogenesis	Acelity
Urgo	Osiris	ConvaTec
	MiMedx	Mölnlycke
		Novartis
		Smith & Nephew

Summary of offer

Offer	Non-renounceable Rights Issue entitlement offer
Ratio	1 New Share for every 7 existing Factor ordinary shares
Issue Price	$0.04 per New Share
Size	104,291,826 New Shares
Gross proceeds	$4.17 million
Discount	$0.04 represents a 15% discount to the closing price of Factor shares on Friday, 9 March 2018 (being the last trading day before announcement of the Entitlement Offer)
Use of funds	Proceeds will be applied principally to both driving the lead program through the completion of phase 2b and towards end of phase 2 regulatory readiness; and to progress selected pipeline assets to next milestones.
Director participation	Each Factor Director currently eligible to participate in the Entitlement Offer has committed to take up all of their Entitlements under the offer. Mr John Michailidis, Non-Executive Director, has also agreed to partially sub-underwrite the Entitlement Offer up to an amount of $40,000 through an agreement with Taylor Collison Limited as Underwriter.

Timetable

Announcement of the Entitlement Offer	Wednesday, 14 March 2018
Mailing of the Entitlement Offer details in accordance with Appendix 3B	Thursday, 15 March 2018
Ex-date	Friday, 16 March 2018
Record Date for Entitlement Offer (7.00pm (Sydney time))	Monday, 19 March 2018
Information Booklet and Entitlement and Acceptance Form despatched	Thursday, 22 March 2018
Entitlement Offer opens	Thursday, 22 March 2018
Closing date for acceptances under Entitlement Offer (5.00pm (Sydney time))	Wednesday, 11 April 2018
Announcement of results of Entitlement Offer and under-subscriptions	Friday, 13 April 2018
Allotment of New Shares issued under the Entitlement Offer	Wednesday, 18 April 2018
Despatch of holding statements for New Shares issued under the Entitlement Offer	Thursday, 19 April 2018
Normal ASX trading for New Shares issued under the Entitlement Offer commences	Thursday, 19 April 2018

Risks

Clinical trial risk	No assurance products will prove to be safe and efficacious. Unexpected effects may occur in clinical trial patients. Clinical trials may be suspended for safety, efficacy or product stability reasons.
Commercialisation of products	No guarantee products will be commercially successful. Ability to achieve profitability is dependant upon completing clinical trials successfully.
Risk of delay	Any material delays, including but limited to, completion of clinical trials and securing commercial partners may impact adversely upon the Company.
Dependence on commercial partners	Company is dependent on the performance of its commercial partners and the retention of key consultants and personnel for its specialised business.
Requirement to raise additional funds	Company currently has no material revenues. It may need to raise additional funds in the future, which may not be available on favourable terms, and which may have a dilutive effect on existing shareholders.
Intellectual property	Company's value may be impacted if its intellectual property is not able to be adequately protected.
Competition	Company may face competition from better-resourced industry participants.

Experienced Management Team

Dr Rosalind Wilson, CEO

Dr Wilson's career has spanned a variety of senior leadership and advisory roles, from small, innovation-led businesses, to global biopharma, including strategy and portfolio management roles at F.Hoffman-LaRoche (Roche Australia, UK and Switzerland), and Business Manager at NucleusX.

Mr Nigel Johnson, COO

Mr Johnson has broad experience in manufacturing, supply chain management, quality, R&D and regulatory affairs. He has been involved in delivering multiple regulated products from a blank sheet of paper into manufacturing, including leading the clinical translation of five recombinant proteins.

Dr Gary Shooter, Director of R&D

Dr Shooter is an experienced Protein Chemist and has a proven track record in the GMP manufacture and characterisation of protein-based therapeutics and products. Prior to joining the company, Dr Shooter was a Senior Research Fellow and Leader of the Tissue Repair and Regeneration Program at QUT.

Ms Saskia Jo, Director of Finance

Ms Jo has over 10 years' commercial experience in finance and compliance. She has been with the Company since 2011. Ms Jo's prior experience includes international sales with Shisedo Company in Tokyo followed by five years in accounting and finances functions with Burrell Stockbroking.

Mr Anthony Bishop, Project Director

Mr Bishop has broad experience in a wide range of drug development and management roles. He previously worked for Quintiles in Australia and Asia in business development and project management roles, as well as leading drug development projects at CSL, Chakra Biotech and MerLion Pharmaceuticals.

Mr Michael Larcom, Director of Quality

Mr Larcom is an experienced Quality Assurance (QA) professional in the pharmaceutical and medical device industries. He has key skills in pharmaceutical formulation and process development, internal and external audits (FDA, TGA and other third party audits), supplier relationship management, CAPA, validation, quality systems and start up.

Board of Directors

Dr Cherrell Hirst, Chairman

Dr Hirst has had a distinguished clinical career in the detection and diagnosis of breast cancer and extensive and respected achievements as a director of multiple commercial, government and not-for-profit companies including a number of life sciences start-ups. In addition she chairs the Advisory Board of the Institute of Molecular Biosciences at UQ.

Dr Christian Behrenbruch, NED

Dr Behrenbruch has over 15 years of healthcare executive leadership experience, including roles as CEO (and executive director) at Mirada Solutions, CTI Molecular Imaging, and ImaginAb, Inc. Dr Behrenbruch is currently the CEO of Telix Pharmaceuticals Limited.

Mr Timothy Hughes, NED

Mr Timothy Hughes has over 30 years' experience in senior roles in the investment management and investment banking industries, including roles as Chief Investment Officer at Rothschild Australia and Catholic Super. Mr Hughes currently sits on the Investment Committee of HESTA.

Mr John Michailidis, NED

Mr. Michailidis is a seasoned pharmaceutical executive of 30 years in the pharmaceutical and healthcare industry. John has held a number of C-suite positions in global pharmaceutical companies such as Roche as well as CEO of biotech companies and specialty companies such as AviPep and Orphan Australia respectively. More recently John was the first Managing Director of Teva Pharma Pty Ltd where he set up operations in Australian/New Zealand.

Dr Robert Ryan, NED

Dr. Ryan has more than 27 years of research, pharmaceutical and biotech experience, spanning the global development process across wide variety of regulatory and clinical activities. Dr. Ryan is currently the President and CEO of Innova Therapeutics, and prior to this position held senior management roles at Scioderm, Roche, Bristol-Myers Squibb (BMS) and Pfizer.

Ms Melanie Farris, Company Secretary

Ms Farris is an experienced governance professional and currently Chair of Synapse Australia Limited. She also holds governance roles with Telix Pharmaceuticals Limited (ASX:TLX), Invion Limited (ASX:IVX), Amplia Therapeutics Pty Ltd and Menzies Research Centre Limited.