

**Factor Therapeutics announces a fully underwritten entitlement offer
to raise \$4.17 million**

Brisbane, Australia 14th March 2018: Factor Therapeutics Limited (**Factor**) ACN 101 955 088 today announces a fully underwritten 1 for 7 non-renounceable entitlement offer of fully paid ordinary shares in Factor (**New Shares**) to raise \$4.17 million (**Entitlement Offer**).

The offer price for the Entitlement Offer will be \$0.04 per share (**Offer Price**). The Offer Price represents a 15% discount to the last traded price of Factor shares.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in Factor for every 7 existing shares held at 7.00pm (Sydney time) on Monday, 19 March 2018 (**Record Date**) at the Offer Price (**Entitlements**).

Taylor Collison Limited is the lead manager and underwriter to the capital raising.

Each Factor Director currently eligible to participate in the Entitlement Offer has committed to take up all of their Entitlements under the offer.

The proceeds of the Entitlement Offer will be applied principally to drive the lead programme in venous leg ulcers (VLU). These funds will primarily be used to secure completion and readout of the Phase 2b study (VF00102) of VF001 in VLU; and ensure readiness for end of phase 2 regulatory engagement.

Modest investments will also be made from the proceeds to progress selected pipeline assets to their next milestones. In particular, the ocular program will progress to clinical candidate selection and orphan drug designation application via a collaboration with the Singapore Eye Research Institute, and discovery phase experiments will be conducted for the Company's next pipeline molecule, leading to a patent filing.

Dr Cherrell Hirst AO, Chairman, said "this is an exciting time for Factor, and the Board has been very pleased to see momentum building as we continue to actively manage our Phase 2b clinical trial towards readout. The one-hundredth patient was enrolled in early February, recruitment has continued to grow, and we remain on track to complete recruitment in calendar Q2."

"The readout from this pivotal clinical trial will provide important information about the benefit of using VF001 to improve VLU healing. The primary endpoint – change in ulcer size – is the key measure of success from both a commercial and regulatory perspective."

Dr Ros Wilson, CEO, said "Our core focus as a company is on research and development of our assets for wound care and other dermatology uses; as well as identifying novel applications of our vitronectin-based platform technology. With a successful VF00102 readout our immediate focus will be returning to the CE Mark process in the EU, which paves the way for commercial introduction of VF001; engaging with potential commercial partners; and consulting with FDA on the Phase 2b results and initiating Phase 3 plans."

Dr Wilson further commented, “We greatly appreciate the continued support and confidence of our shareholders and are looking forward to delivering this key milestone. The completion of VF00102 will significantly advance VF001 towards realising its potential as a game-changing product for VLU healing.”

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

Factor will issue 104,291,826 new ordinary shares as part of the Entitlement Offer. Shares issued under the Entitlement Offer will rank equally with existing shares.

The Entitlement Offer will include a top-up facility under which eligible shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders. There is no guarantee that applicants under this top-up facility will receive all or any of the shares they apply for under the facility.

Factor will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Also, under ASX Listing Rules, Appendix 7A, Factor will despatch a letter about the Entitlement Offer to each holder of options to subscribe for Factor shares.

A presentation on the Entitlement Offer has been lodged with ASX today as part of the Entitlement Offer Information Booklet and is available to be downloaded from the ASX website, www.asx.com.au.

Key dates¹

Event	Date
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

¹All dates are indicative only and subject to change. Factor and the Underwriter reserve the right to withdraw or vary the timetable without notice.

Event	Date
Normal ASX trading for New Shares issued under the Entitlement Offer commences	Thursday, 19 April 2018

For further information, telephone 1300 657 159 (within Australia) or +61 1300 657 159 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the offer period.

About Factor Therapeutics

Factor Therapeutics Limited ("Factor") is a biomedical technology company that is developing treatments for acute and chronic wound healing applications. Factor is a clinical stage company with its lead molecule (VF001) in Phase 2 for the treatment of venous leg ulcers (VLUs). The company is also developing solutions for a variety of interventional wound care and serious orphan dermatology conditions. The company's platform technology originates from the Institute of Health and Biomedical Innovation at the Queensland University of Technology (QUT), Australia. Factor's shares are traded on the Australian Securities Exchange (ASX) under the ticker FTT. For more information, please visit www.factor-therapeutics.com.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

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This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Factor does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.