



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP19/07

Thursday, 7 February 2019

Factor Therapeutics Limited – Panel Receives Application

The Panel has received an application from Pura Vida Energy NL in relation to the affairs of Factor Therapeutics Limited. The application concerns a placement made by Factor Therapeutics shortly after the applicant and another shareholder gave a s249D notice to the company.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Factor Therapeutics is a clinical-stage biotechnology company developing therapeutics for advanced wound care. On 14 November 2018, Factor Therapeutics announced its Phase 2 trial had failed and further activity would be limited to maintaining its existing intellectual property portfolio.

On 1 February 2019, the applicant and another shareholder gave a s249D notice to Factor Therapeutics requesting a general meeting be held to consider resolutions removing three of the four current directors from the board and appointing two new directors nominated by the requisitioning shareholders.

On 5 February 2019, Factor Therapeutics announced it had completed a placement of 208,500,000 shares, representing 19.99% of the enlarged share capital of the company, at a price of \$0.002 per share to sophisticated existing and new investors to raise \$417,000.¹

The applicant submits (among other things) that:

¹ The placement was made within the company's placement capacity under ASX Listing Rule 7.1 and 7.1A

- Subsequent to receiving the s249D notice, the board caused the issue of new shares representing 19.99% of the expanded share capital of the company to undisclosed places at a 50% discount to the last traded share price in circumstances where the company “*has no disclosed or discernible need to raise funds*”.
- Existing shareholders of Factor Therapeutics who did not participate in the placement have suffered a significant dilution of their voting power without the opportunity to participate in the capital raising, which is likely to have a significant effect on the control of Factor Therapeutics and in particular the composition of its board after the upcoming general meeting.

The applicant seeks final orders unwinding the placement or, in the alternative, prohibiting any of the shares issued under the placement from being voted at the s249D general meeting.

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