



Appendix 4C and Activities Report – June 2021 Quarter

Brisbane (Australia) 20 July 2021: Factor Therapeutics Limited (ASX:FTT) (“Company”) has released its Appendix 4C for the June 2021 Quarter.

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of \$3.077 million. Quarterly operating expenditure during the quarter was \$0.037 million. Payments noted under section 6.1 of the accompanying Appendix 4C are to directors and relate to non-executive director fees.

Activities during the Quarter

The Company is pleased to provide this report on its activities during the quarter, as well as an update on the Company’s proposed acquisition of PowerLime, Inc. and re-listing on the ASX.

On 20 April 2021 the Company announced it had entered into a non-binding term sheet for the acquisition of PowerLime, Inc. and its assets (“PowerLime”) which include an option to acquire land located in Early County, South Georgia (USA), considered prospective for the development of an advanced high calcium limestone project.

The term sheet is subject to completion of satisfactory due diligence by both parties, necessary regulatory approvals and receipt by Factor of in-principle advice from ASX.

Factor is pleased to report that it has received in-principle advice from ASX. The advice notes that, on the basis of Factor’s application, ASX is not aware of any reasons that would cause Factor not to have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1, or that would cause ASX to exercise its discretion to refuse re-admission to the official list under Listing Rule 1.19.

ASX has advised that the receipt of the in-principle advice is not a guarantee that Factor will be re-admitted to the official list. Factor must still meet all of the requirements for re-admission and re-quotations set out in Chapters 1 and 2 of the Listing Rules to ASX’s satisfaction. As is customary, ASX has retained its absolute discretion under Listing Rule 1.19 not to admit Factor to the official list.

On the basis of the in-principle advice received, Factor and PowerLime have been focussed on meeting the terms of the non-binding term sheet - which include completing relevant due diligence activities and negotiating final transaction documents.

Activities, negotiations and planning is well-progressed, and the Company anticipates being in a position to provide Shareholders a further and detailed update in the near term.

This announcement has been authorised for release by the Board of Factor Therapeutics Limited.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

FACTOR THERAPEUTICS LIMITED

ABN

45 101 955 088

Quarter ended ("current quarter")

30-June-2021

Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(35)	(55)
(f) administration and corporate costs	(3)	(68)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from/(used in) operating activities	(37)	(121)

2. Cash flows from investing activities

2.1 Payments to acquire or for:

- (a) entities
- (b) businesses
- (c) property, plant and equipment
- (d) investments
- (e) intellectual property
- (f) other non-current assets

(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(6 months)
			\$A'000
2.2	Proceeds from disposal of:		-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from/(used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from/(used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,108	3,199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(37)	(121)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	6	(1)
4.6	Cash and cash equivalents at end of quarter	3,077	3,077

Consolidated statement of cash flows	Current quarter	Year to date (6 months)
	\$A'000	\$A'000

	Current quarter \$A'000	Previous quarter \$A'000
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	3,056	3,087
5.2 Call deposits	21	21
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,077	3,108

	Current quarter \$A'000
6. Payments to related parties of the entity and their associates	
6.1 Aggregate amount of payments to related parties and their associates included in item 1	(35)
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties of the entity and their associates as recorded in 6.1 are non-executive directors fees.

	Total facility amount at quarter end \$A'000	Total drawn at quarter end \$A'000
7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity Add notes as necessary for an understanding of the sources of finance available to the entity</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end	-
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities

	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(37)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,077
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,077
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	83

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered

Compliance statement

¹ This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

² This statement gives a true and fair view of the matters disclosed.

Date: 20 July 2021

Authorised by: By the Board

(Name of body or officer authorising release - see Note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.