

PuriflOH Limited

ABN: 11 124 426 339

Reporting Period: For the year ended 30 June 2020

Previous Period: For the year ended 30 June 2019

Principal Activities and Review of Operations

Results for Announcement to Market	\$ Change	% Change	12 months to 30 June 2020 \$	12 months to 30 June 2019 \$
Revenue from ordinary activities	Nil	0%	Nil	Nil
Profit/(loss) after tax from ordinary activities attributable to members	(1,159,839)	34.4%	(4,528,035)	(3,368,196)
Profit/(loss) attributable to members	(1,159,839)	34.4%	(4,528,035)	(3,368,196)

Earnings Per Share	30 June 2020 Cents	30 June 2019 Cents
Basic loss per share - weighted average	(14.389)	(11.251)
Diluted loss per share - weighted average	(14.389)	(11.251)

Dividend Information	Amount per share	Franked Amount per share
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

Net Tangible Asset Backing per Ordinary Share	Cents
Net tangible asset backing per ordinary share – current reporting period	4.42
Net tangible asset backing per ordinary share – previous reporting period	17.31

Commentary on the Results for the Period

The loss results from normal operating expenses of the company associated with its ongoing research and development program for the Free Radical Generator.

Attachments

The following documents are attached:

- Explanation of Principal Activities and Review of Operations
- The Preliminary Final Report of PuriflOH Limited for the year ended 30 June 2020

Audit Status

This Preliminary Final Report is based on the Annual Financial Report which is in the process of being audited.

Control gained over entities

None

Loss of control over entities

None

Current period

There were no dividends paid, recommended or declared during the current year.

Previous period

There were no dividends paid, recommended or declared during the previous period

Dividend reinvestment plans

None

Details of associates and joint venture entities

None

Foreign entities

None

Any other significant information

None



Simon Lill
Executive Director

Dated at Perth this 31st day of August 2020

PuriflOH Limited (“PuriflOH”, “PO3” or “Company”), in conjunction with its research and development partner, Somnio Global of Detroit, Michigan USA, is developing its Free Radical Generator (“FRG”) technology for a range of applications across three opportunities:

- Indoor air purification;
- Water sanitation; and
- Medical sterilisation.

The FRG technology produces a range of Reactive Oxygen Species (“ROS”) that include the hydroxyl radical ($OH\cdot$), superoxide radical ($O_2^{\cdot-}$), oxygen radical ($O\cdot$) and the ozone molecule – all of which are amongst the most highly oxidative species known as indicated by the table below.

Oxidizing Agent	Oxidation Potential (V)
Fluorine	3.06
Hydroxyl radical	2.80
Oxygen (atomic)	2.42
Ozone	2.08
Hypochlorite	1.49
Chlorine	1.36
Hydrogen peroxide	1.78
Chlorine dioxide	1.27
Oxygen (molecular)	1.23

The effectiveness of oxidising radicals in purification, sanitation and sterilisation has long been known. The challenge for widespread adoption has been reliable and cost-effective production of the radicals themselves. The radicals have a short half-life and as a result they cannot be stored nor transported. To deploy and maximise the power of these radicals requires a robust, reliable and cost effective in-situ production system.

The Company’s development program aims to provide systems with these characteristics. Using one flexible core technology, the objective of these applications is the purification of air, the purification of water and then ability to sterilize medical equipment and facilities.

During the year the Company focussed on the development opportunities within the air sector.

PURIFLOH LIMITED

Preliminary Final Report

30 June 2020

General Information

The financial statements cover PurifLOH Limited. They are presented in Australian dollars, which is PurifLOH Limited's functional and presentation currency.

The preliminary financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2020. The directors have the power to amend and reissue the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 12 months ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
Revenue			
Revenue from continuing operations		-	-
Other Income			
Interest income		56,541	70,994
Realised FX Gain		108,160	-
Unrealised FX Gain		77,334	110,047
Total Other Income		242,035	181,041
Research and Development – Somnio		(3,625,645)	(2,302,989)
General and Admin – Somnio		(358,950)	(344,955)
Accounting and audit		(167,301)	(156,700)
Other Expenses		(617,791)	(728,923)
Finance costs		(383)	(2,460)
Realised FX Loss		-	(13,210)
Total expense		(4,770,070)	(3,549,237)
Profit/(Loss) before income tax		(4,528,035)	(3,368,196)
Income tax expense		-	-
Net profit/(Loss) for the period		(4,528,035)	(3,368,196)
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		31,182	(24,589)
Total Comprehensive Income/(Loss) for the period		(4,496,853)	(3,392,785)
Attributable to owners of the parent entity		(4,496,853)	(3,392,785)
Basic earnings Profit/(loss) per share (cents)		(14.389)	(11.251)
Diluted earnings Profit/(loss) per share (cents)		(14.389)	(11.251)

The Statement of Comprehensive Income above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	30 June 2020 \$	30 June 2019 \$
Assets		
Current Assets		
Cash and cash equivalents	2,355,557	6,303,695
Trade and other receivables	8,250	10,636
Prepayments	14,297	8,086
Total Current Assets	2,378,104	6,322,417
Non-Current Assets		
Intangible assets - trade marks	62,528	64,698
Total Non-Current Assets	62,528	64,698
Total Assets	2,440,632	6,387,115
Liabilities		
Current Liabilities		
Trade and other payables	1,048,296	889,324
Total Current Liabilities	1,048,296	889,324
Total Liabilities	1,048,296	889,324
Net Assets/(Liabilities)	1,392,336	5,497,791
Equity/ (Shareholders' Deficit)		
Contributed equity	84,352,846	83,961,448
Foreign exchange translation reserve	6,593	(24,589)
Accumulated losses	(82,967,103)	(78,439,068)
Total Equity/ (Shareholders' Deficit)	1,392,336	5,497,791

The Statement of Financial Position above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 12 months ended 30 June 2020

	Contributed Equity	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	83,961,448	(24,589)	(78,439,068)	5,497,791
Profit/(Loss) for the period	-	-	(4,528,035)	(4,528,035)
Other comprehensive income	-	31,182	-	31,182
Total comprehensive income (loss) for the period	-	31,182	(4,528,035)	(4,496,853)
Equity Transactions				
Issue of shares during the year	391,398	-	-	391,398
Transaction costs net of tax	-	-	-	-
Share conversion	-	-	-	-
Balance at 30 June 2020	84,352,846	6,593	(82,967,103)	1,392,336

For the 12 months ended 30 June 2019

	Contributed Equity	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2018	74,609,117	-	(75,070,870)	(461,753)
Profit/(Loss) for the period	-	-	(3,368,196)	(3,368,196)
Other comprehensive income	-	(24,589)	-	(24,589)
Total comprehensive income (loss) for the period	74,609,117	(24,589)	(3,368,196)	(3,392,785)
Equity Transactions				
Issue of shares during the year	9,600,000	-	-	9,600,000
Transaction costs net of tax	(289,712)	-	-	(289,714)
Share conversion	42,043	-	-	42,043
Balance at 30 June 2019	83,961,448	(24,589)	(78,439,068)	5,497,791

The Statement of Changes in Equity above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For 12 months ended 30 June 2020

	30 June 2020 \$	30 June 2019 \$
<u>Cash flows related to operating activities</u>		
Interest Received	56,541	70,994
Payments for research and development and other working capital	(4,033,673)	(3,186,799)
Net operating cash flows	(3,977,132)	(3,115,805)
<u>Cash flows related to investing activities</u>		
Purchase of intangibles	(2,188)	-
Net investing cash flows	(2,188)	-
<u>Cash flows related to financing activities</u>		
Net proceeds from issue of shares	-	9,310,287
Repayment of borrowings	-	-
Proceeds from borrowings	-	-
Net financing cash flows	-	9,310,287
Net increase / (decrease) in cash held	(3,979,320)	6,194,481
Net foreign exchange differences	31,182	(24,589)
Cash and cash equivalents at beginning of the period	6,303,695	133,803
Cash and Cash Equivalents at the end of the period	2,355,557	6,303,695

The Statement of Cash Flows above should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

PurifLOH Limited ("PurifLOH", "the Company" or "PO3") is a public company, incorporated and domiciled in Australia. The Company listed on the Australian Securities Exchange (ASX) on 30 December 2010.

Basis of Preparation – Accounting policies, estimation methods and measurement bases

These preliminary statements have been prepared in accordance with the ASX listing rules and do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the financial statements for the year ended 30 June 2019 and any public announcements made by the company during the reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half-year report except as described below.

Changes in Accounting Policies Applied by the Group

The Group has determined that AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019) currently has no material impact to the consolidated financial statements for the year ended 30 June 2020.

Going Concern

The directors of PurifLOH Limited have prepared the Preliminary Financial Report of PurifLOH Limited on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the Company can continue to operate as a going concern.

2. Revenue

	12 months to 30 June 2020 \$	12 months to 30 June 2019 \$
Interest received	56,541	70,994
Realised FX Gain	108,160	-
Unrealised FX Gain	77,334	110,047
Total	242,035	181,041

3. Expenses

Loss before income tax includes the following specific items:

	12 months to 30 June 2020 \$	12 months to 30 June 2019 \$
Research and Development – Somnio	(3,625,645)	(2,302,989)
General and Admin – Somnio	(358,950)	(344,955)
Accounting and audit	(167,301)	(156,700)
Other Expenses	(617,791)	(728,923)
Finance costs	(383)	(2,460)
Realised FX Loss	-	(13,210)
Total expense	(4,770,070)	(3,549,237)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Current Liabilities

<u>Current</u>	12 months to 30 June 2020 \$	12 months to 30 June 2019 \$
Trade and Other Payables	1,048,296	889,324
Balance	1,048,296	889,324

5. Contributed Equity

	Contributed Equity \$	Foreign Currency Translation Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	83,961,448	(24,589)	(78,439,068)	5,497,791
Profit/(Loss) for the period	-	-	(4,528,035)	(4,528,035)
Other comprehensive income	-	31,182	-	31,182
Total comprehensive income (loss) for the period	-	31,182	(4,528,035)	(4,496,853)
Equity Transactions				
Issue of shares during the year	391,398	-	-	391,398
Transaction costs net of tax	-	-	-	-
Share conversion	-	-	-	-
Balance at 30 June 2020	84,352,846	6,593	(82,967,103)	1,392,336

6. Significant Events after Balance Sheet Date

There have been no significant events since the balance date.

7. Interests in Subsidiaries

The consolidated financial statements include the financial statements of PuriflOH and its subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest	
		2020	2019
PuriflOH USA Incorporated	United States	100%	100%

The Company has a US subsidiary called PuriflOH USA Incorporated. This subsidiary was incorporated in Delaware, USA in late 2018. The subsidiary carries a subscription of shares of common stock with par value of US\$0.001 of which PuriflOH Limited owns 100%. As a result of this establishment, the financial statements reflect the consolidation position of the parent and the subsidiary collectively as the Group.

The purpose of this entity is to manage operations in the US as the Company moves forward with its commercialization plans for the Free Radical Generator.