



Date: 29 April 2022

Quarterly Report - Update

ASX Announcement

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Operation Report for Quarter Ended 31 March 2022

During the quarter the Company has continued test-work and product development as follows:

ACERT Units

Design work on the ACERT has continued with the product development stages of concept design and preliminary risk analysis now complete. The Company is now seeking market input on design before proceeding to steps such as Design for Manufacturing. The ACERT broad spectrum disinfection device is designed as a portable battery-operated solution that can be deployed to quickly treat a wide range of microbes present in the surfaces of Air Conditioning systems. The target markets for the ACERT include Hotels, Aged care facilities, medical offices, commercial offices and virtually anywhere which utilises air conditioning systems.

Osmoflo

The first phase of testing with Osmoflo is ongoing and focused on demonstrating Purifloh's effectiveness in delaying or preventing bio-fouling in reverse osmosis membranes on a laboratory scale.

Initial results demonstrate the ability of the FRG device in not only destroying bacteria but also in oxidizing or coagulating most of the organic compounds present in the water after sufficient treatment. Results analysed independently by an accredited laboratory show a 100% reduction in viable bacterial colonies, nearly 70% reduction in Total Organic Carbon, and more than 63% reduction in the total Chemical Oxygen Demand. The results demonstrate that the combination of Ozone, Hydroxyl and other Free Radicals generator by the FRG is powerful enough to coagulate and oxidize a large fraction of organic compounds and reduce the level of contaminants in the water. The control baseline showed the presence of over 10,000 Colony Forming Bacteria per ml of the water, which are completely sterilized by the treatment.

Although pure disinfection is usually insufficient in mitigating biofouling due to microbial reproduction on the membrane, Purifloh believes that the reduction in Organic chemistry combined with disinfection will improve membrane life. Currently, the treated water is being tested further to demonstrate reduced membrane fouling and the rate thereof

Internal R&D

The Company continues to progress research towards validating the FRG as a low energy surface disinfection and sterilisation technology. PurifloH is on the path to achieve 99.9999% removal of surface dwelling bacterial spores using a low power FRG for use as a sterilizer in various applications.

Associated with this work PurifloH is also examining means of improving its Air Purification product offering through improving the time taken to remove aerosolized pathogens from ambient air as well as reconfiguring the core device to reduce the need for non-PurifloH apparatus such as carbon filters.

Comment on Appendix 4C – Quarterly Cashflow Report

- The Company notes that it has continued to operate on funds drawn down from its Dilato facility. It has also significantly reduced all expenditures.
- The Company drew down an additional \$31,000 only during the quarter and retains a facility through Dilato of \$2.449M.
- Funds spent during the quarter were mainly on corporate costs and fees for parties working within the Company.
- Director fees for the quarter as identified in the Appendix 4C totalled \$10,000 for consulting work completed by Directors within the business. Most Directors continue to accrue fees.

This ASX announcement was authorized and approved by the Board of Directors of PurifloH Limited.

End

For further information:

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Appendix 4C

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

Name of entity

Purifloh Limited

ABN

11 124 426 339

Quarter ended ("current quarter")

31 March 2022

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | 78 |
| 1.2 Payments for | | |
| (a) research and development | - | (74) |
| (b) product manufacturing and operating costs | | |
| (c) advertising and marketing | | |
| (d) leased assets | | |
| (e) staff costs | | |
| (f) administration and corporate costs | (51) | (429) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | - | - |
| 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 | (51) | (425) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (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 \$A'000 | Year to date (9 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 | 31 | 401 |
| 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 | 31 | 401 |

| | | |
|---|------|-------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 26 | 30 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (51) | (425) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 31 | 401 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 6 | 6 |

| 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 | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 6 | 26 |
| 5.2 | Call deposits | | |
| 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) | 6 | 26 |

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
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| 10 |
| |

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

\$10,083.70 payment of Director's Fees

\$40,000 in additional corporate fees, dominantly D+O insurance fees, ASX fees, website management and other external consultants.

7. Financing facilities

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.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

| | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|---|
| | 3,000 | (551) |
| | | |
| | | |
| | 3,000 | (551) |

7.5 **Unused financing facilities available at quarter end**

2,449

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 financing 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.

Lender: Dilato Holdings Pty Ltd

Interest Rate: 10%

Maturity Date: The facility is unsecured and is available for draw down until 30 June 2022

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

(51)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

6

8.3 Unused finance facilities available at quarter end (Item 7.5)

2,449

8.4 Total available funding (Item 8.2 + Item 8.3)

2,455

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

48.13

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

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:

N/A

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:

N/A

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:

N/A

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: ...29 April 2022.....

Authorised by: ...Simon Lill.....
(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 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.