

Operation Report for Quarter Ended 30 June 2022

During the quarter the Company has continued R&D and product development as follows:

Commercialization Activities

PurifloH is continuing its work toward commercializing the ACERT device. Efforts are now focused on marketing the device to businesses such as hotels and aged care centres. The company is establishing positive interest from the market and is pursuing leads towards securing preliminary sales. Preliminary sales will provide the company with confidence in the potential success and in commencing production of its first product.

The product design has also evolved in response to interaction with the market and now includes features such as advanced connectivity, recording of treatment location, frequency and other data, making it more suitable to businesses in the hospitality industry. The company reiterates that the ACERT is a device specifically designed to target microbial accumulation in Air Conditioning systems, reducing the risk of cross-infection of airborne and aerosol-based diseases between guests and providing improved safety and protection.

Partnership pursuits

The company has continued its activities with Osmoflo as a potential water treatment partner during the quarter. The prototype provided to Osmoflo continues to perform consistently, providing significant improvements in the quality of Reverse Osmosis feed water. Osmoflo has worked on adding automation and sensors to their lab-test rig for long-term testing this quarter and continues to provide PurifloH with periodic updates. Talks are also exploring the financial viability of the PurifloH system through installation of a pilot treatment plant in one of Osmoflo's Reverse Osmosis outposts across Australia.

The company continues to seek other strategic partnerships for installation and maintenance of the ACERT and Air Purifier products together with partnership options on manufacturing and distribution.

R&D activities

Ongoing work on improving surface disinfection continues to show progress, with the ultimate target of complete sterilization. R&D work is being conducted in the company's lab space in Brunswick, Victoria. Mr. Vigneswaran Appia, the company's Technology Development Officer, has also improved the air purification process by modifying the device to operate safely in occupied spaces, even without neutralizer filters. Internal bio-aerosol testing of the new prototype by Mr Appia has also shown it to be 1.5 to 2.5 times faster at ambient air disinfection than a standard HEPA filtration-based air purifier at the same air flow rate. The company believes this improvement provides significant advantages over the previous generation of Air Purifiers, both in terms of performance and unit cost of the device. The

company plans to include this new product into the commercialization line-up alongside the ACERT device and is currently engaging the services of an external lab to provide independent verification of the improved performance and safety in occupied spaces.

Comment on Appendix 4C – Quarterly Cashflow Report

- The Company continues to operate on funds drawn down from its Dilato facility with significantly reduced expenditures.
- The Company drew down an additional \$46,000 only during the quarter and retains a facility through Dilato of \$2.403M.
- 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. 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")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(36)	(465)
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	(36)	(461)
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 (12 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	46	447
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	46	447

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6	30
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(36)	(461)
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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	46	447
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	16	16

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	16	6
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)	16	6

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**

NIL

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

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	3,000	(597)
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	3,000	(597)

7.5 **Unused financing facilities available at quarter end** 2,403

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 has been extended and is available for draw down until 31 December 2023.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(36)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	16
8.3 Unused finance facilities available at quarter end (Item 7.5)	2,403
8.4 Total available funding (Item 8.2 + Item 8.3)	2,419
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	67.19

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

- 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:

- 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:

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

Answer:

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.

29 July 2022

Date:

Authorised by: ...The Chairman – PuriflOH Limited.....
(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.