

Appendix 4E – Final Report

Financial year ended

31 December 2020

Results for announcement to the market

Current Reporting Period: 31 December 2020

Previous Reporting Period: 31 December 2019

Revenue and Net Profit

	Up/Down	% change	\$ change
Revenue from continuing operations	Decreased	-73	(1,821,999)
Total income	Decreased	-73	(1,839,792)
Loss from ordinary activities after tax	Decreased	-83	(1,386,554)
Net Loss for the period	Decreased	-83	(1,386,554)

Dividends

No dividend was proposed or paid. The Company is not yet profitable and therefore there can be no assurance that the Company will become profitable or will pay dividends in the near future. Should any dividends be paid in the future, no assurances can be given as to the level of franking credits attaching to such dividends.

	2020	2019
Earnings/(Loss) Per Share	0.03	0.16
Net tangible assets per share	0.003	0.003
Dividend per share	-	-

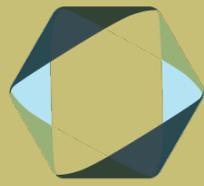
Brief explanation of income and profit (loss)

Factor Therapeutics is a clinical-stage life sciences group. The profit in the period reflects the receipt of R&D tax rebate for clinical activities undertaken in previous periods and reduced operations as the Board seeks to identify a new asset/s to bring into the company via acquisition or licence.

Statement of accumulated losses	2020	2019
Balance at the beginning of the year	(81,533,367)	(83,748,021)
Net profit attributable to members of the parent entity	281,991	1,668,545
Transfers within equity	83,265	546,109
Balance at end of the year	(81,168,111)	(81,533,367)

Audit Report

This Appendix 4E (Final Report) is based on the audited financial statements for the year ended 31 December 2020, which are attached.



FACTOR
THERAPEUTICS

Factor Therapeutics Limited Annual Report

For the year-ended 31 December 2020

ABN: 45 101 955 088

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DIRECTORS' REPORT

Your Directors present their report on Factor Therapeutics Limited ("Company") for the financial year ended 31 December 2020. The names and qualifications of Directors in office during the financial year and up to the date of this report are detailed below. Directors were in office for the entire period unless noted otherwise.

Dr David Brookes	Chairman
Dr Cherrell Hirst, AO	Non-Executive Director and Chair (retired 30 July 2020)
Christian Behrenbruch PhD	Non-Executive Director
John Michailidis	Non-Executive Director

Dr David Brookes, MBBS FACRRM FAICD

Non-Executive Director and Chairman

Appointed Non-Executive Director 10 April 2019. Appointed Chairman 30 July 2020

Dr Brookes has extensive experience in the health and biotechnology industries and is currently a Non-Executive director of Anantara Ltd (ASX:ANR) and TALi Digital Limited (ASX:TD1). He has previously been a director of several other ASX listed biotechnology companies, most recently as the Chairman of genomics solutions company, RHS Ltd, which was acquired by PerkinElmer Inc (NYSE:PKI \$9B biotech company) in June 2018. Until its acquisition in January 2021, Dr Brookes was Non-Executive Chairman of a private health services company, the Better Medical Group, and maintains roles as a clinician and a biotechnology industry consultant. Dr Brookes is a Fellow of the Australian College of Rural and Remote Medicine and a Fellow of the Australian Institute of Company Directors.

Dr Cherrell Hirst AO, FTSE MBBS BEdSt DUniv FAICD

Appointed Non-Executive Director 30 June 2009; appointed Chair 7 April 2015. Retired from the Board 30 July 2020

Cherrell Hirst AO has had a distinguished clinical career in the detection and diagnosis of breast cancer; and significant experience as a director of commercial, government and not-for-profit organisations. She is a Director of the Gold Coast Hospital and Health Service and Bolton Clarke Ltd (prev RSL Care RDNS Limited) and the John Villiers Trust Pty Ltd. Dr Hirst is also the Chairman of the Advisory Board of Institute of Molecular Biosciences at the University of Queensland. During the previous three years, Dr Hirst has served as Non-Executive Director, ImpediMed Limited (ASX:IPD) (August 2005 to November 2017) and Medibank Private Limited (ASX:MPL) (December 2009 to August 2017).

Christian Behrenbruch, BEng(Hons) DPhil(Oxon) MBA JD GAICD

Non-Executive Director

Appointed Executive Director 12 October 2015; Non-Executive Director effective 1 June 2017

Christian Behrenbruch has over 15 years of C-level leadership experience in the medtech, biotechnology and healthcare IT space, and has significant experience as a director of commercial and non-profit organisations. His former CEO/Director-level appointments include Mirada Solutions (now Siemens Plc), Fibron Technologies and ImaginAb, Inc. He is a former director of Momentum Biosciences LLC, Siemens Molecular Imaging Ltd, Radius Health Ltd (now Adaptix), Cell Therapies P/L (Peter MacCallum Cancer Centre) and the Oncidium Foundation. He is currently the Managing Director and CEO of Telix Pharmaceuticals Limited (ASX:TLX), Chairman of Monash Engineering and IT Foundation Board and is a Professorial Fellow at Monash University.

John Michailidis, BSc (Hons) EMBA (HARV) MAICD

Non-Executive Director

Appointed Non-Executive Director 14 February 2017

Mr. Michailidis is currently the Managing Director for TEVA Australia/NZ and brings over 30 years of commercial pharmaceutical experience to Factor, most recently as Managing Director for TEVA, Australia and New Zealand. His career has ranged from global franchise and regional executive leadership roles with F. Hoffman – La Roche (Roche) to CEO experience with growth-stage biopharmaceutical companies, such as AviPep and Orphan Australia (acquired by Sigma). Mr. Michailidis holds a BSc in Genetics from LaTrobe University, and executive business qualifications from Harvard Business School and INSEAD.

DIRECTORS' INTERESTS IN COMPANY SECURITIES

	Number of Ordinary Shares	Number of Options
D Brookes	12,800,000	-
C Behrenbruch	3,265,306	3,000,000
J Michailidis	527,432	1,000,000

COMPANY SECRETARY

Melanie Farris (FGIA, FCG, GAICD) BComn Grad Dip ACG

Ms Farris holds a Bachelor of Communication (Public Relations), and a Graduate Diploma in Applied Corporate Governance. She is a Fellow of the Governance Institute of Australia, a Fellow of the Chartered Governance Institute (UK) and a Graduate of the Australian Institute of Company Directors.

PRINCIPAL ACTIVITIES – REVIEW OF OPERATIONS

Activities during the year were directed to the identification and diligence of potential new business opportunities for the Company. Following the receipt (in November 2018) of negative clinical trial results for the Company's previous lead asset (VF001), the Board initiated a series of activities aimed at reducing operations and preserving cash resources whilst engaging with a broad range of contacts to identify a potential new business opportunity for the Company. During the financial year ended 31 December 2020, the Company announced it had entered into a term sheet with Rockville-based Brain Biosciences, Inc. doing business as LONGMILE Veterinary PET Imaging, a commercial-stage veterinary medical technology company, relating to the negotiation and potential implementation of a transaction to acquire products and technologies for companion animal and equine veterinary imaging from LONGMILE. (On 18 January 2021, the Company announced the cessation of negotiations with the proposed LONGMILE transaction. For additional information on this announcement refer to Significant events after the Balance Date in the Directors' Report and Note 23 of the Financial Report.)

On 24 July 2020, ASX determined that the securities of the Company would be suspended from quotation and that, following any approval by Shareholders of a commercial transaction, ASX would exercise its discretions under Listing Rule 11.1.3 to require Factor to re-comply with Chapters 1 and 2 of the Listing Rules. Re-compliance with Chapters 1 and 2 of the Listing Rules will involve, amongst other things, Factor having a "structure and operations that are appropriate for a listed entity". This determination remains at ASX's discretion. As outlined in Guidance Note 33, ASX's general policy is to remove from the official list an entity whose securities have been suspended from quotation for a continuous period of two years. The Company is required to maintain records and an adequate financial condition to warrant its continued listing during this two year timeframe, which commenced in July 2020.

OPERATING RESULTS AND DIVIDENDS

The profit after tax of the Company for the financial year ended 31 December 2020 was \$281,991 (2019: \$1,668,545). No dividend was proposed or paid.

CORPORATE STRUCTURE

Factor Therapeutics Limited ("Factor") is an entity incorporated and domiciled in Australia. Factor is listed on the Australian Securities Exchange with the code FTT (ASX:FTT).

FINANCIAL RESULTS

These Financial Statements are prepared on a going concern basis. Similar to other companies in the life sciences industry, in order for the Company to execute its plans, opportunities to obtain additional capital may need to be identified by the Board to meet operational and programme development needs.

Operations and related expenditure in the financial year ended 31 December 2020 were significantly reduced from prior years. The primary expense area for the Company over the period related to corporate costs. Corporate expenses consisted primarily of professional service fees including legal and accounting, insurances and compliance-related costs.

CHANGES IN ISSUED CAPITAL

Effective 4 July 2020, 1,400,000 unlisted share options lapsed at their Expiry Date and in accordance with their terms. Effective 4 December 2020, 1,600,000 unlisted share options lapsed at their Expiry Date and in accordance with their terms.

FORWARD STRATEGY

As noted above, the forward strategy of the Company involves the identification and ultimate completion of a commercial transaction for a new business opportunity for the Company. Future operations will be dependent on the successful identification and acquisition (via licence, purchase or merger) of a new asset or business.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Total equity is recorded at the balance date at \$3,172,280 (2019: \$2,888,415), being an increase of \$283,865 (2019: \$2,074,973). The movement is primarily the result of an increase in net assets in the form of cash and cash equivalents following the receipt in April 2020 of R&D tax rebate for eligible R&D activities undertaken in 2018 (but invoiced and paid for in financial year ended 31 December 2019). There were no other significant changes in the state of affairs of the Company during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments in the operations of the Company and the expected results from those operations in future financial years will be affected by the success of management in identifying and securing one or more new commercial transactions for the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. Nonetheless, the Company is committed to high standards of environmental care.

UNISSUED SHARES: SHARE OPTIONS

At the date of this report there were 5,250,000 (31 December 2019: 8,250,000) unissued ordinary shares under options as detailed in the table below. Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity. During the financial year ended 31 December 2020, no ordinary shares of Factor Therapeutics Limited were issued on the exercise of share options granted.

FACTOR THERAPEUTICS LIMITED
DIRECTORS' REPORT
31 DECEMBER 2020

Grant Date	Expiry Date	Exercise Price	Number of Options
01-Jul-16	30-Jun-21	\$0.110	3,000,000
23-Nov-16	23-Nov-21	\$0.110	1,000,000
21-Aug-17	21-Aug-22	\$0.110	250,000
17-Nov-17	17-Nov-22	\$0.110	1,000,000
			5,250,000

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 18 January 2021, the Company announced the cessation of negotiations in the proposed LONGMILE transaction. The Company had sought in principle advice from ASX on relevant Listing Rule matters to ascertain to a reasonable degree of certainty any fundamental hurdles to its application for admission to the ASX official list under Listing Rule 1.1 Condition 1 and Listing Rule 1.19. By mutual agreement, FTT and LONGMILE agreed to two extensions of the exclusivity agreement while the Company awaited ASX feedback on the in principle advice application. At the date of this Report, definitive in-principle ASX advice regarding the transaction had not been received. Due to the considerable prolongation of the transaction and changes in business circumstances in the interim, the parties have not been able to finalise acceptable commercial terms. As a result the parties have elected by mutual agreement to cease negotiation, with no further penalty.

The Board is considering all options relating to the future of the Company. On 25 January 2021 the Company announced it had appointed Taylor Collison Limited to assist the Board in broadening the focus and access of commercial opportunities, particularly in areas beyond the current Board's specific expertise in biotechnology. Taylor Collison is assisting the Board in assessing projects brought to the attention of the Company by other parties.

COVID-19

The global impact of COVID-19 is ongoing. It is not practicable to estimate the potential impact, positive or negative, to the Company after the reporting date. The situation is continually developing and impacts to the Company will be dependent the activity and operations of the Company combined with a number of factors, including measures imposed by the Australian Government and other countries, such as quarantine, travel restrictions and any economic stimulus that may be provided.

Other than as detailed above, there were no subsequent events that required adjustment to or disclosure in the Directors' Report or the Financial Statements of the Company for the year ended 31 December 2020.

DIRECTORS' MEETINGS

The number of meetings of Directors and committees of Directors held in the financial year ended 31 December 2020, and the number of meetings attended by each Director, is listed below.

	Directors' Meetings		Audit and Risk Management Committee		Nomination Committee		Remuneration Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
D Brookes	31	31	1	1	-	-	-	-
C Hirst (Retired 30/07/2020)	21	21	1	1	-	-	-	-
C Behrenbruch	31	29	1	1	-	-	-	-
J Michailidis	31	30	1	1	-	-	-	-

COMMITTEE MEMBERSHIP

At the date of this report the Board's Committees and their membership are as follows:

- Audit and Risk Management Committee, the members of which are independent Non-Executive Directors Mr John Michailidis (Chair), Dr Christian Behrenbruch and Dr David Brookes.
- Remuneration Committee, the members of which are independent Non-Executive Directors Mr John Michailidis (Chair), Dr Christian Behrenbruch and Dr David Brookes (ex-officio).
- Nomination Committee, the members of which are independent Non-Executive Directors Dr David Brookes (Chair), and Dr Christian Behrenbruch.

REMUNERATION REPORT (AUDITED)

This Remuneration Report for financial year ended 31 December 2020 outlines the remuneration arrangements for the Company in accordance with the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Factor Therapeutics' remuneration framework and practices are designed to align remuneration outcomes with shareholder interests and to attract and retain persons with appropriate and relevant capability. This remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director, whether executive or otherwise.

For the purposes of this report, the term "Director" refers to Non-executive Directors (NEDs) only. "KMP" refers to other key management personnel.

The names and details of the Directors and KMP of the Company in office during the financial year and until the date of this report are detailed below. Unless otherwise noted, Directors and KMP listed are in office at the date of the report. There were no changes to KMP after the Balance Date and before the date this financial report was authorised for issue.

Non-Executive Directors

David Brookes ⁽ⁱ⁾	Non-Executive Director and Chairman
Cherrell Hirst ⁽ⁱⁱ⁾	Chairman
John Michailidis	Non-Executive Director
Christian Behrenbruch	Non- Executive Director

(i) Dr Brookes was appointed to the Board on 10 April 2019 and was appointed Chairman on 30 July 2020

(ii) Dr Cherrell Hirst retired from the Board on 30 July 2020

Non-executive Director Remuneration

The amount of aggregate remuneration sought to be approved by shareholders and the fees paid to Directors are reviewed annually. Each Director receives an annual fee for being a Director of the Company, which reflects their obligations and responsibilities and takes into account the overall situation of the Company and its cash position. Directors' fees include statutory superannuation. There are no retirement benefits. The remuneration of non-Executive Directors consists only of Director's fees - currently no additional fees are paid for chairmanship or membership of board committees.

As part of the Company's focus on preserving its capital, the Directors resolved to not take payment of any fees following the results of the Phase 2 clinical trial. Directors forfeited all fees for the period 1 December 2018 to 31 May 2019. From 1 June 2019 director fees re-commenced at approximately 50% previous rate.

The Board resolved that effective 1 August 2020, Director fees be reinstated to 100% of previously approved remuneration, being specifically:

- \$82,800 (plus super) for a total of \$90,666 per annum for the Chairman; and
- \$59,771 (plus super) for a total of \$65,449 per annum for Non-executive directors.

The Board agreed that directors would defer 50% of director fees until such time that the LONGMILE transaction was completed and the Company had re-complied with Listing Rules 1 & 2 to the satisfaction of ASX. At that time the Board would consider making payment of the deferred fee in cash or options.

In accordance with the Company's constitution and ASX Listing Rules, the aggregate remuneration of Non-executive Directors is determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 28 November 2011 when shareholders approved an aggregate annual remuneration pool of \$400,000. The total non-Executive Director remuneration of Factor Therapeutics Limited for the financial year ended 31 December 2020 is \$175,357.

Key Management Personnel Remuneration – General Philosophy

The Company's general remuneration philosophy is detailed in this section. The Company has no permanent employees at this time and therefore no executive remuneration was paid or accrued in the financial year ended 31 December 2020.

The Company aims to reward management personnel with a mix of remuneration and at a level commensurate with their position and responsibilities within the Company so as to:

- attract and retain appropriately capable and talented individuals;
- reward personnel for corporate, team and individual performance;
- align the interest of personnel with those of shareholders; and
- build a strong cohesive leadership team which can deliver execution excellence against the strategy.

Remuneration consists of:

- total fixed remuneration – base salary and superannuation; and
- 'at risk' remuneration – short-term incentives (STI) and long-term incentives (LTI).

To ensure that the Company continues to attract, retain and motivate talented staff at a competitive cost, Factor will:

- aim to align total fixed remuneration to the median rate of the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits; and
- ensure 'at risk' remuneration provides an incentive for performance aligned with the strategic objectives of the Company.

Adjustments to fixed remuneration and 'at risk' remuneration are paid/issued following the annual performance and remuneration review, which is conducted by executive management based on achievement against the KPIs and recommended to the Remuneration Committee; a review by the Remuneration Committee and recommendation to the Board; and approval by the Board.

Calculation of STI awards is based on achievement of KPIs set at the beginning of each year.

LTIs are offered to incentivise, reward and retain personnel, and to further align the interests of personnel and shareholders. The terms of any LTI grant are determined by the Board. LTI grants normally take the form of the issue of unlisted share options. Share options are normally issued under the company's employee share option plan (ESOP). All grants of equity are determined by the Board, following a recommendation from the Remuneration Committee.

Remuneration year ended 31 December 2020

	Salaries/ Fees	Super	Other	STI (cash)	LTI (options) ⁽ⁱⁱⁱ⁾	Total	STI	LTI
	\$	\$	\$	\$	\$	\$	%	%
Non-Executive Directors⁽ⁱ⁾								
C Hirst ⁽ⁱⁱ⁾	23,333	2,217	-	-	-	25,550	-	-
C Behrenbruch	46,434	-	-	-	13	46,447	-	0%
J Michailidis	42,405	4,028	-	-	971	47,404	-	2%
D Brookes	52,000	4,940	-	-	-	56,940	-	-
Total	164,172	11,185	-	-	984	176,341		

(i) Effective 1 August 2020, 50% of non-executive directors fees are deferred. The amounts listed above reflect the full amount paid and owing (as deferred fees) for the year ended 31 December 2020. The total amount owing to directors as deferred fees at 31 December 2020 is as follows: D Brookes \$18,889; C Behrenbruch \$13,635; J Michailidis \$13,635.

(ii) C Hirst retired from the Board on 30 July 2020.

(iii) Options expense relates to sign-on options or options issued in lieu of director fees issued in prior years. Options for C Behrenbruch were issued 1 July 2016; options for J Michailidis were issued 1 November 2017.

Remuneration for the year ended 31 December 2019

	Salaries/ Fees	Super	Other	STI (cash)	LTI (options) ⁽ⁱⁱⁱ⁾	Total	STI	LTI
	\$	\$	\$	\$	\$	\$	%	%
Non-Executive Directors⁽ⁱ⁾								
C Hirst	23,333	2,217	-	-	-	25,550	-	-
C Behrenbruch	19,163	-	-	-	2,437	21,600	-	11%
T Hughes	-	-	-	-	-	-	-	-
J Michailidis	17,500	1,663	-	-	2,236	21,399	-	10%
D Brookes	17,500	1,663	-	-	-	19,163	-	-
Total	77,496	5,543	-	-	4,673	87,712		

Other KMP

R Wilson ⁽ⁱⁱ⁾	21,873	1,266	-	-	8,021	31,160	-	26%
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- (i) Non-Executive Director fees were forfeited by all directors for the period 1 December 2018 to 31 May 2019. From 1 June 2019 director fees re-commenced at approximately 50% previous rate.
- (ii) Dr Wilson ceased to be employed as CEO on 21 January 2019
- (iii) Options expense relates to sign-on options or options issued in lieu of director fees issued in prior years. Options for C Behrenbruch were issued 1 July 2016; options for J Michailidis were issued 1 November 2017; options for R Wilson were issued 23 June 2017.

Shareholdings of Directors and KMP for the year ended 31 December 2020

	Balance 1 January 2020	Shares issued from Options exercised	Net Acquired/(Disposed)	Balance 31 December 2020
C Hirst ⁽ⁱ⁾	3,798,640	-	-	3,798,640
C Behrenbruch	3,265,306	-	-	3,265,306
D Brookes ⁽ⁱ⁾	12,800,000	-	-	12,800,000
J Michailidis	527,432	-	-	527,432
Total	20,391,378	-	-	20,391,378

- (i) C Hirst retired from the Board on 30 July 2020 and D Brookes was announced as the Chairman.

Option Holdings of Directors and KMP for the year ended 31 December 2020

	Balance 1 January	Options granted	Lapsed	Exercise d	Balance 31 December	Vested 31 December	Exercisable 31 December	Unexercis- -able 31 December
D Brookes	-	-	-	-	-	-	-	-
C Hirst ⁽ⁱ⁾⁽ⁱⁱ⁾	300,000	-	(300,000)	-	-	-	-	-
C Behrenbruch ⁽ⁱ⁾	4,000,000	-	(1,000,000)	-	3,000,000	3,000,000	3,000,000	-
J Michailidis	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
Total	5,300,000	-	(1,300,000)	-	4,000,000	4,000,000	4,000,000	-

- (i) Options issued in lieu of director fees
 (ii) C Hirst retired from the Board on 30 July 2020.

Related Party Transactions with KMP

Remuneration: Remuneration to KMP is recorded in the tables above.

Loans: There were no loans between the Company and any KMP in the year ended 31 December 2020.

Other transactions: On 31 December 2019 the Company entered into an agreement with JEM Pharmaceuticals Pty Ltd, which is a consulting company of Non-Executive Director, Mr John Michailidis. The consulting agreement is for services associated with the scientific and commercial diligence review processes for asset/s under consideration by the Company for potential acquisition or licence. Expenses incurred for the year ended 31 December 2020 and payable at that date totalled \$Nil (2019: \$3,300).

Other than those noted above, there were no related party transactions with any KMP in the year ended 31 December 2020.

END OF REMUNERATION REPORT

INDEMNITY

Subject to the Corporations Act and the Constitution of the Company, the Company must indemnify each Director, Company Secretary and Executive Officer to the maximum extent permitted by law, against any liability incurred by them as, or by virtue of their holding office as and acting in the capacity of Director, Company Secretary or Executive Officer of the Company. Insurance premiums have been paid during the period in respect of a contract insuring Directors and Officers against legal costs incurred in defending proceedings against them. Details of the nature of liabilities covered or the amount of premiums paid are not disclosed as such disclosure is prohibited in the terms of the contract.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A statement of independence has been provided by the Company's auditor, PKF Brisbane Audit, and is attached to this Directors' Report as required by section 307C of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors



Dr David Brookes

Chairman

23 February 2021

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FACTOR THERAPEUTICS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

BRISBANE
23 FEBRUARY 2021

FACTOR THERAPEUTICS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Continuing operations			
Interest received		5,199	6,018
R&D tax rebate	9	667,611	2,488,791
Total revenue		672,810	2,494,809
Other income	2a	21,528	39,321
R&D expenses			
- Clinical trials expenses	2b	191,331	187
- Intellectual property		(3,922)	(81,388)
Corporate and Administration expenses			
- Occupancy expenses		(9,038)	(5,573)
- Employee benefits expense		(176,219)	(135,677)
- Consultants		(178,367)	(327,581)
- Administration expenses		(157,030)	(223,342)
- Share based payment expense		(1,874)	(15,074)
- Preliminary transaction costs (Longmile)		(35,010)	-
- Depreciation	3	-	(3,665)
- Finance costs		(287)	(3,038)
- Gains/(Losses) on foreign exchange	3	(6,048)	(25,073)
- Other expenses		(35,883)	(45,092)
Profit(Loss) before income tax	3	281,991	1,668,545
Income tax expense	9(a)	-	-
Net profit(loss) from continuing operations		281,991	1,668,545
Other comprehensive income			
Total comprehensive income for the year		-	-
Net profit(loss) attributable to members of the Company			
Net profit(loss) attributable to members of the Company		281,991	1,668,545
Total comprehensive income attributable to members of the Company		281,991	1,668,545
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
		Cents	cents
Basic earnings per share	20	.03	.16
Diluted earnings per share	20	.03	.16

The accompanying notes form part of these financial statements.

FACTOR THERAPEUTICS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	3,199,739	3,038,810
Trade and other receivables	5	11,860	13,559
Other assets	7	45,150	81,187
TOTAL CURRENT ASSETS		3,256,749	3,133,556
NON-CURRENT ASSETS			
Property, plant and equipment	8	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		3,256,749	3,133,556
CURRENT LIABILITIES			
Trade and other payables	6	84,469	245,141
TOTAL CURRENT LIABILITIES		84,469	245,141
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		84,469	245,141
NET ASSETS		3,172,280	2,888,415
EQUITY			
Contributed equity	10	84,213,601	84,213,601
Reserves	11	126,790	208,181
Accumulated losses		(81,168,111)	(81,533,367)
TOTAL EQUITY		3,172,280	2,888,415

The accompanying notes form part of these financial statements.

FACTOR THERAPEUTICS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share Capital \$	Option Reserve \$	Foreign Exchange Translation Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 January 2020	84,213,601	208,181	-	(81,533,367)	2,888,415
Comprehensive income:					
- Profit for the year	-	-	-	281,991	281,991
- Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	281,991	281,991
Transactions with owners in their capacity as owners:					
- Issue of share capital	-	-	-	-	-
- Transaction costs	-	-	-	-	-
- Share option expense	-	1,874	-	-	1,874
- Option reserve lapsed/expired	-	(83,265)	-	83,265	-
Total transactions with owners	-	(81,391)	-	83,265	1,874
Balance at 31 December 2020	84,213,601	126,790	-	(81,168,111)	3,172,280
Balance at 1 January 2019	83,822,247	803,765	(64,549)	(83,748,021)	813,442
Comprehensive income:					
- Profit for the year	-	-	-	1,668,545	1,668,545
- Offset of reserves on deregistration of subsidiaries	-	-	64,549	(64,549)	-
- Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	64,549	1,603,996	1,668,545
Transactions with owners in their capacity as owners:					
- Issue of share capital	417,000	-	-	-	417,000
- Transaction costs	(25,646)	-	-	-	(25,646)
- Share option expense	-	15,074	-	-	15,074
- Option reserve lapsed/expired	-	(610,658)	-	610,658	-
Total transactions with owners	391,354	(595,584)	-	610,658	406,428
Balance at 31 December 2019	84,213,601	208,181	-	(81,533,367)	2,888,415

The accompanying notes form part of these financial statements.

FACTOR THERAPEUTICS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Rental income received		-	16,212
Government grants		21,528	36,741
Payments to suppliers and employees		(492,667)	(2,523,167)
Payment of preliminary transaction costs (Longmile)		(35,010)	-
Interest received		5,199	7,705
R&D tax rebate received		667,611	2,488,791
Income tax received (paid)		-	-
Net cash provided by/(used in) operating activities	19(b)	166,661	26,282
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		-	-
Net cash provided by/(used in) investing activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	417,000
Costs of share issue		-	(25,646)
Net cash provided by/(used in) financing activities		-	391,354
Net increase / (decrease) in cash held		166,661	417,636
Cash and cash equivalents at beginning of year		3,038,810	2,610,991
Effects of exchange rate fluctuations on cash and cash equivalents		(5,732)	10,183
Cash and cash equivalents at end of year	19(a)	3,199,739	3,038,810

The accompanying notes form part of these financial statements.

**FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS**

CORPORATE INFORMATION

Factor Therapeutics Limited is a public company limited by shares incorporated in Australia whose shares have been traded on the Australian Securities Exchange since 19 March 2004 (ASX: FTT). Factor Therapeutics is a life sciences company in the biotechnology sector. This financial report of Factor Therapeutics Limited was authorised for issue in accordance with a resolution of Directors on 23 February 2021.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial report has been prepared on an accruals basis, based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

COVID-19 pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Company based on known information. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date as a result of COVID-19.

a. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense (income) charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Research and Development expenditure

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The Company has adopted the profit and loss approach to accounting for research and development tax offsets under the revised regime, pursuant to *AASB 120 Accounting for Government Grant and Disclosure of Government Assistance*. Under this approach the grant or incentive is recorded as part of revenue in the profit and loss.

c. Intangibles

Licenses, Patents and Intellectual Property

Licenses and patents are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Licenses and patents are amortised over their useful life, which has been assessed as ten years from the date the intangible asset is in its intended use.

d. Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits with consideration given to employees' wages increases and the probability that the employees may satisfy vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Equity settled Compensation

The Company operates equity-settled share-based payment employee share and option schemes (refer Note 14). The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

e. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts.

f. Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

g. Revenue recognition

Revenues are recognised at fair value of the consideration received net of any applicable taxes.

Interest revenue is recognised as it accrues taking into account the interest rates applicable to the financial assets.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

All revenue is stated net of the amount of goods and services tax.

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or payables in the Statement of Financial Position. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

**FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS**

i. Property, plant and equipment continued

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The expected useful life for plant and equipment is 3 to 10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

j. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

k. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

l. Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

m. Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Impairment testing is performed annually for intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

n. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

o. Financial Instruments

Initial and Recognition Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

p. Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Australian dollars, which is the Company’s functional currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

p. Foreign Currency Transactions and Balances continued

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is recognised in profit or loss in the period in which the operation is disposed of.

q. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgements – Tax losses available

Included in note 9(d) are tax losses not brought to account, which have resulted from current and prior periods. The ability of the Company to utilise these losses in future periods will depend on the satisfaction of the relevant tests applied by the Australian Taxation Office to the losses available.

r. Going concern

The ability of the Company to continue as a going concern and meet its strategic objectives in the mid to long-term is principally dependent upon successfully on-boarding a new asset opportunity and ultimately obtaining additional funds for its principal activities and operations.

As at 31 December 2020, the Company has recorded a net current asset surplus of \$3,172,280 (31 December 2019: \$2,888,415), including cash and cash equivalents totalling \$3,199,739 (31 December 2019: \$3,038,810). The entity recorded a net profit from continuing operations after tax of \$281,991 (2019: \$1,668,545), and experienced net cash inflows from operating activities of \$166,661 (2019: \$26,282). On that basis, The Directors are satisfied that adequate cash will be available to meet all obligations for a period of at least twelve months from the date of this report.

On 24 July 2020, ASX determined that the securities of the Company would be suspended from quotation and that, following any approval by Shareholders of a commercial transaction, ASX would exercise its discretions under Listing Rule 11.1.3 to require Factor to re-comply with Chapters 1 and 2 of the Listing Rules. Re-compliance with Chapters 1 and 2 of the Listing Rules will involve, amongst other things, Factor having a “structure and operations that are appropriate for a listed entity”. This determination remains at ASX’s discretion. As outlined in Guidance Note 33, ASX’s general policy is to remove from the official list an entity whose securities have been suspended from quotation for a continuous period of two years. The Company is required to maintain records and an adequate financial condition to warrant its continued listing during this two year timeframe, which commenced in July 2020.

The Board is considering all options relating to the future of the Company. On 25 January 2021 the Company announced it had appointed Taylor Collison Limited to assist the Board in broadening the focus and access of commercial opportunities, particularly in areas beyond the current Board’s specific expertise in biotechnology. Taylor Collison is assisting in assessing projects brought to the attention of the Company by other parties.

The Directors have confidence that a suitable asset acquisition or business combination transaction will be completed and are of the opinion that such new business is likely to meet the approval of ASX for re-compliance with Chapters 1 and 2 of the Listing Rules. On that basis, and in consideration of the cash position of the Company, the Directors are satisfied that the going concern basis of preparation is appropriate.

FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS

s. New and Amended Accounting Policies Adopted by the Company

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

NOTE 2a: OTHER INCOME

	2020	2019
	\$	\$
ATO cash flow boost	21,528	-
Rent and outgoings received in relation to sublease	-	2,580
Grants	-	36,741
Total other income	21,528	39,321

NOTE 2b: CLINICAL TRIAL EXPENSES

Over accrual in prior years	(191,331)	-
Other clinical expenses	-	(187)
Total clinical trial expenses	(191,331)	(187)

Accrued expenses relating to the clinical trial had been overestimated in previous years. This has resulted in a reversal of the overestimated amount and is presented as a negative expense line item.

NOTE 3: EXPENSES

Loss before tax includes the following specific expenses:

Realised gains/(losses) on foreign exchange	(316)	(35,256)
Unrealised gains/(losses) on foreign exchange	(5,732)	10,617
Total gain/(loss) on foreign exchange	(6,048)	(25,073)
Depreciation plant and equipment	-	3,665
Rental expense on operating leases – minimum lease payments	2,020	2,485

**FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	3,178,216	2,892,904
Short term bank deposits - at call	21,523	145,906
	3,199,739	3,038,810

NOTE 5: TRADE AND OTHER RECEIVABLES

Current	2020	2019
	\$	\$
GST/VAT receivable	10,488	13,559
Other receivables	53,308	-
Less: Provision for doubtful other receivables	(51,936)	-
	11,860	13,599

NOTE 6: TRADE AND OTHER PAYABLES

Current		
Unsecured liabilities:		
Trade payables	202	7,162
Other payables and accruals	84,267	237,979
	84,469	245,141

NOTE 7: OTHER ASSETS

Current		
Prepayments	45,150	81,187

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Computer hardware and software – at cost	13,152	13,152
Less: Accumulated depreciation	(13,152)	(13,152)
	-	-

FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial period are set out below.

	Furniture and fixtures	Computer hardware and software	Fit out	Total
	\$	\$	\$	\$
Carrying amount at 1 January 2019	-	3,665	-	3,665
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	(3,665)	-	(3,665)
<hr/>				
Carrying amount at 1 January 2020	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	-	-	-
<hr/>				
Carrying amount at 31 December 2020	-	-	-	-

NOTE 9: INCOME TAX

a) The components of income tax expense comprise

Current tax	-	-
Under/(over) provision in prior years (current tax)	-	-
Total income tax benefit/ (expense)	-	-

FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: ISSUED CAPITAL

	2020 Number	2020 \$	2019 Number	2019 \$
Ordinary Shares fully paid	1,042,835,633	84,213,601	1,042,835,633	84,213,601
Movements in shares on issue				
Balance at beginning of year	1,042,835,633	84,213,601	834,335,633	83,822,247
Ordinary shares issued via private placement	-	-	208,500,000	417,000
Transaction costs	-	-	-	(25,646)
Balance at end of year	1,042,835,633	84,213,601	1,042,835,633	84,213,601

NOTE 11: RESERVES

	2020 \$	2019 \$
Option reserve	126,790	208,181
	126,790	208,181
a) Option Reserve		
The option reserve records the share-based payment expense on valuation of employee share options issued under the Company's ESOP, refer Note 14.		
Movement		
Balance at beginning of year	208,181	803,765
Option expense	1,874	15,074
Lapsed/expired options	(83,265)	(610,658)
Balance at end of year	126,790	208,181

NOTE 11: RESERVES continued

b) Foreign Exchange Translation Reserve

	2020	2019
	\$	\$
Balance at beginning of year	-	(64,549)
Movement during the year	-	64,549
Balance at end of year	-	-

The foreign exchange translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Movement

Balance at beginning of year

Movement during the year

Balance at end of year

NOTE 12: CAPITAL MANAGEMENT

Management controls the capital of the Company in order to maintain an appropriate debt to equity ratio and ensure that the Company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

NOTE 13: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks in functional and foreign currencies, short-term investments, and accounts receivable and payable.

Treasury Risk Management: The Board, at each of its meetings, analyses financial risk exposure and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed on a regular basis.

Financial Risk Exposures and Management: The main risks the Company is exposed to through its financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk.

Credit risk exposures: Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. The credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts.

Interest rate risk exposures: Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments. At balance date, the Company does not have material exposure to interest rate risk.

Liquidity risk: Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities or financing options are maintained. At balance date, the Company does not have material exposure to liquidity risk.

**FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 13: FINANCIAL RISK MANAGEMENT continued

Foreign currency risk: Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the functional currency of the Company. The Company manages foreign currency risk by monitoring forecast foreign currency commitments and foreign exchange rates. At balance date, the Company's exposure to foreign currency risk arises from the holding of cash balances US\$7,245 and EUR€131,846 at exchange rates of 1.2984 and 1.5952 respectively.

Net fair value of financial assets and liabilities: The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and the financial liabilities of the Company approximates their carrying amounts. The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Sensitivity analysis: The Company has performed a sensitivity analysis relating to its exposure to interest rate and foreign currency exchange rate risks, to assess the effect on reported results and equity which could result from a change in these risks. Management have determined that, at 31 December 2020, the effect on profit and equity as a result of changes in foreign currency exchange rates by +100 basis points or -100 basis points would be \$2,205 (2019: \$2,680). The effect on profit and equity as a result of changes in interest rates by +100 basis points or -100 basis points would be \$36,496 (2019: \$34,181) additional, or less, interest revenue.

NOTE 14: SHARE-BASED PAYMENTS

	2020 \$	2019 \$
<i>Recognition of share-based payment expense</i>		
Expense arising from equity-settled share-based payment transactions	1,874	15,074

Types of share-based payment plans

Employee Share Option Plan (ESOP)

During the financial year ended 31 December 2020, no options were issued under the employee share option plan. No ordinary shares of Factor Therapeutics Limited were issued on the exercise of share options granted.

FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14: SHARE-BASED PAYMENTS *continued*

Summary of options granted and lapsed during the financial year ended 31 December 2020

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options issued during the year:

	2020 Number	2020 WAEP	2019 Number	2019 WAEP
Outstanding at the beginning of year	8,250,000	\$0.10	32,759,320	\$0.11
Options issued during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Options lapsed during the year	(3,000,000)	-	(24,509,320)	-
Options exercised during year	-	-	-	-
Outstanding at the end of the year	5,250,000	\$0.11	8,250,000	\$0.10
Exercisable at the end of the year	5,250,000	\$0.11	8,166,666	\$0.10
Weighted average remaining contractual life		0.89 years		1.47 years

NOTE 15: COMMITMENTS FOR EXPENDITURES

The Company held no contractual commitments as at 31 December 2020.

NOTE 16: CONTINGENT LIABILITIES AND ASSETS

The directors are not aware of any other contingent assets or any contingent liabilities that are likely to have a material effect on the results of the Company as disclosed in these financial statements.

NOTE 17: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel compensation: Details of remuneration of the key management personnel are provided in the Remuneration Report in the Directors' Report.

Loans: There were no loans between the Company and any KMP in the year ended 31 December 2020.

On 31 December 2019 the Company entered into an agreement with JEM Pharmaceuticals Pty Ltd, which is a consulting company of Non-Executive Director, Mr John Michailidis. The consulting agreement is for services associated with the scientific and commercial diligence review processes for asset/s under consideration by the Company for potential acquisition or licence. Expenses incurred for the year ended 31 December 2020 and payable at that date totalled \$Nil (2019: \$3,300). Other than those noted above, there were no related party transactions in the year ended 31 December 2020.

FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: SEGMENT INFORMATION

Operating segments are identified, and segment information disclosed, on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, the Board of Directors confirms that the Company continues to operate in one operating segment, being biotechnology.

NOTE 19: CASH FLOW INFORMATION

	2020	2019
	\$	\$
a) Reconciliation of Cash		
Cash at end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	3,199,739	3,038,810
b) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Profit(Loss) after income tax expense	281,991	1,668,545
Non-cash flows in loss from ordinary activities		
Depreciation	-	3,665
Unrealised foreign exchange losses	5,732	(10,183)
Non-cash employee benefits expense – option-based payments	1,874	15,074
Changes in operating assets and liabilities		
(Increase) / decrease in receivables and prepayments	37,736	69,621
Increase / (decrease) in payables	(160,672)	(1,693,942)
Increase / (decrease) in provisions	-	(26,498)
Cash flow from operating activities	166,661	26,282

**FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 20: EARNINGS PER SHARE

	2020	2019
	\$	\$
Profit(Loss) after income tax benefit attributable to the Company	281,991	1,668,545
Weighted average number of shares used as the denominator	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculation of Basic EPS	1,042,835,633	1,022,842,482
Weighted average number of options outstanding which are considered potentially dilutive	-	-
Weighted average number of potential ordinary shares outstanding during the year used in calculation of Diluted EPS	1,042,835,633	1,022,842,482
The diluted EPS calculation includes that portion of the options considered to be potentially dilutive, weighted with reference to the date of conversion		
	Cents	Cents
Basic earnings per share	0.03	0.16
Diluted earnings per share	0.03	0.16

NOTE 21: REMUNERATION OF AUDITORS

Audit services – PKF Brisbane Audit	40,250	39,750
	40,250	39,750

NOTE 22: CONTROLLED ENTITIES

The Company had no subsidiaries at 31 December 2020 or at 31 December 2019.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

On 18 January 2021 the Company announced the cessation of negotiations in the proposed LONGMILE transaction. The Company had sought in principle advice from ASX on relevant Listing Rule matters to ascertain to a reasonable degree of certainty any fundamental hurdles to its application for admission to the ASX official list under Listing Rule 1.1 Condition 1 and Listing Rule 1.19. By mutual agreement, FTT and LONGMILE agreed to two extensions of the exclusivity agreement while the Company awaited ASX feedback on the in principle advice application. At the date of this Report, definitive in-principle ASX advice regarding the transaction had not been received. Due to the considerable prolongation of the transaction and changes in business circumstances in the interim, the parties have not been able to finalise acceptable commercial terms. As a result the parties have elected by mutual agreement to cease negotiation, with no further penalty.

The Board is considering all options relating to the future of the Company. On 25 January 2021 the Company announced it had appointed Taylor Collison Limited to assist the Board in broadening the focus and access of commercial opportunities, particularly in areas beyond the current Board's specific expertise in biotechnology. Taylor Collison is assisting the Board in assessing projects brought to the attention of the Company by other parties.

COVID-19

The global impact of COVID-19 is ongoing. It is not practicable to estimate the potential impact, positive or negative, to the Company after the reporting date. The situation is continually developing and impacts to the Company will be dependent the activity and operations of the Company combined with a number of factors, including measures imposed by the Australian Government and other countries, such as quarantine, travel restrictions and any economic stimulus that may be provided.

Other than as detailed above, there were no subsequent events that required adjustment to or disclosure in the Directors' Report or the Financial Statements of the Company for the year ended 31 December 2020.

NOTE 24: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**FACTOR THERAPEUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
DIRECTORS' DECLARATION**

DIRECTORS' DECLARATION

In the opinion of the Directors:

- the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
 - ii. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- the financial statements and notes also comply with International Financial Reporting Standards; and,
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* and as recommended under ASX Corporate Governance Council's Corporate Governance Principles for the financial year ended 31 December 2020.



Dr David Brookes

Chairman

Adelaide, 23 February 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FACTOR THERAPEUTICS LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Factor Therapeutics Limited (the company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

In our opinion the financial report of Factor Therapeutics Limited is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

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PKF Brisbane Pty Ltd. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

1. Going concern

Why significant

The accompanying financial report has been prepared on a going concern basis, which assumes that the Company will

- be able to pay its debts as and when they become due and payable; and
- continue its operations for the foreseeable future.

As disclosed at note 1(r): Going Concern

On 24 July 2020, ASX determined that the securities of the Company would be suspended from quotation and that, following any approval by Shareholders of a commercial transaction, ASX would exercise its discretions under Listing Rule 11.1.3 to require the Factor to re-comply with Chapters 1 and 2 of the Listing Rules. Re-compliance with Chapters 1 and 2 of the Listing Rules will involve, amongst other things, the Factor having a “structure and operations that are appropriate for a listed entity”. This determination remains at ASX’s discretion.

As outlined in Guidance Note 33, ASX’s general policy is to remove from the official list an entity whose securities have been suspended from quotation for a continuous period of two years. The Company is required to maintain records and an adequate financial condition to warrant its continued listing during this two year timeframe, which commenced in July 2020.

The ability of the Company to continue as a going concern and meet its strategic objectives in the mid to long-term is principally dependent upon successfully on-boarding a new asset opportunity and ultimately obtaining additional funds for its principal activities and operations sufficient to meet the approval of ASX for re-compliance with Chapters 1 and 2 of the Listing Rules.

How our audit addressed the key audit matter

We evaluated the Company’s funding and liquidity position at 31 December 2020 and the ability of the Company to successfully on-board a new asset opportunity sufficient to meet the approval of ASX for re-compliance with Chapters 1 and 2 of the Listing Rules.

Our work included, but was not limited to, the following procedures:

- We reviewed the process undertaken to determine the appropriateness of the use of the going concern basis.
- We evaluated the Company’s funding and liquidity position at 31 December 2020 and the ability of the Company to repay its debts as and when they fall due for a minimum of 12 months from the date of signing the financial report.
- We reviewed the process undertaken for the Company to identify and assess the commercial opportunities available sufficient to meet the approval of ASX for re-compliance with Chapters 1 and 2 of the Listing Rules.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the company's Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Factor Therapeutics Limited for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

BRISBANE
23 February 2021

FACTOR THERAPEUTICS LIMITED SHAREHOLDER INFORMATION

Registered Office

c/- Company Matters Pty Ltd

Level 21, 10 Eagle Street

Brisbane, QLD, 4000

P: +61 7 3334 3900

E: investor@factor-therapeutics.com

W: www.factor-therapeutics.com

Share Registry

Shareholder information in relation to shareholding or share transfer can be obtained by contacting the Company's share registry: Link Market Services, Locked Bag A14, Sydney South, NSW, 1235 Tel: 1300 554 474 Email: registrars@linkmarketservices.com.au www.linkmarketservices.com.au

For all correspondence to the share registry, please provide your Security-holder Reference Number (SRN) or Holder Identification Number (HIN).

Change of address

Changes to your address can be updated online at www.linkmarketservices.com.au or by obtaining a Change of Address Form from the Company's share registry. CHESS sponsored investors must change their address details via their broker.

Annual General Meeting

The Annual General Meeting is scheduled to be held in Brisbane during May 2021 at a date to be determined.

Annual report mailing list

All shareholders are entitled to receive the Annual Report. In addition, shareholders may nominate not to receive an annual report by advising the share registry in writing, by fax, or by email, quoting their SRN/HIN.

Securities exchange listing

Factor shares are listed on the Australian Securities Exchange and trade under ASX code FTT.

ASX Shareholder Disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is current as at 23 February 2020.

Total securities on issue

	Securities (Listed)	Securities (Unlisted)
Fully paid ordinary shares	1,042,835,633	-
Options to acquire shares	-	5,250,000
Total	1,042,835,633	5,250,000

**FACTOR THERAPEUTICS LIMITED
SHAREHOLDER INFORMATION**

Distribution of equity securities – ordinary shares

Range	Securities	%	No. of holders	%
100,001 and Over	1,002,395,932	96.12	811	36.01
10,001 to 100,000	38,716,394	3.71	986	43.78
5,001 to 10,000	1,461,577	0.14	170	7.55
1,001 to 5,000	247,091	0.02	84	3.73
1 to 1,000	14,639	0.00	201	8.93
Total	1,042,835,633	100.00	2,252	100.00
Unmarketable Parcels	35,039,701	3.36	1,387	61.59

Voting rights

Shareholders in Factor Therapeutics Limited have a right to attend and vote at General Meetings. At a General Meeting, individual shareholder may vote in person or by proxy. On a show of hands every member present in person or by proxy shall have one vote. Upon a poll each share shall have one vote. All quoted and unquoted share options, and convertible notes, have no voting rights.

Substantial shareholders

The Company has no current notice of any shareholder holding greater than 5% of issued securities.

Share buy-back

There is no current or planned buy-back of the Company's shares.

Statement in accordance with ASX Listing Rule 4.10.19

The Company confirms that it has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

Twenty largest shareholders - ordinary shares

Rank	Name	13 Jan 2021	%
1	CALAMA HOLDINGS PTY LTD	40,000,000	3.84
2	GP SECURITIES PTY LTD	28,607,989	2.74
3	CITICORP NOMINEES PTY LIMITED	24,261,921	2.33
4	YELWAC PTY LTD	22,594,216	2.17
5	SYMINGTON PTY LTD	19,700,000	1.89
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,314,861	1.56
7	MR JULES CHRISTIAN WILSON	15,099,502	1.45
8	DR ALOK JHAMB	15,000,000	1.44
9	MR FRANCIS XAVIER PARNIS & MRS SALLY JANE PARNIS	14,554,598	1.40
10	MR MICHAEL ANDREW WHITING & MRS TRACEY ANNE WHITING	12,876,085	1.23
11	NURRAGI INVESTMENTS PTY LTD	12,850,000	1.23
12	MR KEVIN JOHN DAY	12,500,000	1.20
13	MR KONSTANDINOS EMMANOUIL	12,000,000	1.15
14	HAROLD CRIPPS HOLDINGS PTY LTD	11,623,027	1.11
15	MR ANTHONY BRATTON	10,986,115	1.05
16	JETOSEA PTY LTD	10,000,000	0.96
17	AGLUB INVESTMENTS PTY LTD	9,945,731	0.95
18	MS PHAROTH SAN & MR KADEN SAN	9,500,000	0.91
19	GATTENSIDE PTY LTD	9,033,037	0.87
20	QUEENSLAND UNIVERSITY OF TECHNOLOGY	8,087,010	0.78
	Total	315,534,092	30.26
	Balance of register	727,301,541	69.74
	Grand total	1,042,835,633	100.00

**FACTOR THERAPEUTICS LIMITED
SHAREHOLDER INFORMATION**

Twenty largest shareholders - quoted share options

No share options are quoted.

Holders of greater than 20% unquoted securities

Non-Executive Director Dr Christian Behrenbruch holds 3,000,000 unlisted share options. A total of 5,250,000 unquoted share options are on issue at the date of this report.

**FACTOR THERAPEUTICS LIMITED AND CONTROLLED ENTITIES
CORPORATE DIRECTORY**

Directors

Dr David Brookes, Chairman
Christian Behrenbruch PhD, Non-Executive Director
John Michailidis, Non-Executive Director

Company Secretary

Melanie Farris

Registered Office

c/- Company Matters Pty Ltd
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E: investor@factor-therapeutics.com
W: www.factor-therapeutics.com

Australian Business Number

45 101 955 088

Securities Exchange Listing

Australian Securities Exchange
ASX Code: FTT

Auditors

PKF Brisbane Audit
Brisbane
Australia

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
P: 1300 554 474
F: (02) 9287 0303
W: www.linkmarketservices.com.au