



Date: 31 July 2023

Quarterly Report

ASX Announcement

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Operation Report for Quarter Ended 30 June 2023

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

R&D Activities:

1. Surface Treatment:

The company has continued its R&D activities towards the FRG based surface treatment solution for the destruction of *Aspergillus niger* as well as other difficult organisms using its ACERT (Air Conditioning Environmental Remediation Treatment) system. Additionally, we are diligently working on revolutionary methods for instrument sterilization that rely on radical generation, eliminating the use of chemicals.

Internal testing shows promise in the effectiveness of the FRG as a surface treatment solution through consistent destruction of tough microbes. While the ACERT device has proven effective at the destruction of mould spores, both as a dry powder and as a suspension in liquid, Purifloh is working towards a new design that can kill the most resilient microbes on our planet – bacterial spores. These spores are available as Biological Indicators in testing the sterilization effectiveness of autoclaves and include spore formulations of bacteria such as *Geobacillus stearothermophilus* and *Bacillus atrophaeus*. Preliminary internal testing has shown promising results justifying further R&D towards a low energy (<30 W) instrument sterilization device. Upon optimization and perfection of the process envelope, Purifloh will pursue external validation and announce the results appropriately.

2. New Water Treatment Capability:

Leveraging the results mentioned in a previous ASX announcement titled "FRG shows capability of PFAS removal," published on 13/06/23, the company has initiated the development of a water treatment validation system at Co-Labs Australia's laboratory facilities. The primary objective is to independently verify the FRG's effectiveness in eliminating "forever chemicals" such as PFAS (Per- and polyfluoroalkyl substances). The company is establishing its own lab-scale system to optimize the PFAS treatment process under diverse conditions, enabling a faster pathway to a functional pilot system in collaboration with our water treatment partner, Osmoflo. This collaborative effort will ultimately validate the effectiveness of PFAS destruction in real-world applications. Osmoflo, which will in turn, help establish effectiveness of PFAS destruction in a real-world setting.

It is difficult to assess the potential for the removal of PFAS. It is a global problem without any current solution so theoretically the commercial outcomes could be substantial. Understanding of the market together with commercialisation of a product will be an outcome from the Osmoflo arrangements.

Agriculture

During the quarter the Company commenced exploring the opportunities for its FRG provided by the agriculture sector, which includes but is not limited to the improvement of shelf life of produce through the destruction of microbes such as mould or through the destruction of ethylene, the chemical which causes fruit to ripen.

Partnerships and commercialization:

1. Water Treatment with Osmoflo – the partnership with Osmoflo continues to strengthen, with the parties finalizing terms on an MoU towards R&D and commercialization of an FRG based water treatment system.
2. The company continues to seek other strategic partnerships for the marketing, installation, and maintenance of the ACERT and Air Purifier products together with partnership options on manufacturing and distribution. To that end it has held discussions with one other party operating in a similar area.

Corporate

During the quarter Mr. Jonathon Evans resigned.

The Company has also been suspended from trading due to the non-lodgment of Appendix 4G's. These have been provided to the ASX for review.

The Company is also in the process of finalising a submission to the ASX in respect of Listing Rule 12.1.

Comment on Appendix 4C – Quarterly Cashflow Report

- The Company notes that it has continued to operate on funds drawn down from its Dilato facility. It has also continued to run the business with heavily reduced expenditures.
- The Company drew down an additional \$5,000 only during the quarter and retains a facility through Dilato of \$2.201M.

- 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 \$11,000 for consulting work completed by a Director within the business. Directors continue to accrue fees.

This ASX announcement was authorized and approved by the Chairman of Purifloh Limited.

End

For further information:

**Carl Le Souef (Director)
Melbourne, Australia
+ 613 9673 9673**

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 2023

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	6	6
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs		
(f) administration and corporate costs	(14)	(216)
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	(8)	(210)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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	5	203
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	5	203

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	12	16
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(8)	(210)
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)	5	203
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	9	9

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	9	12
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)	9	12

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	11
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

\$11,000 paid to a Director for consulting fees

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	3,000	(800)
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	3,000	(800)
7.5 Unused financing facilities available at quarter end		2,200
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.		
<p>The Company has entered into a debt facility with Dilato Holdings Pty Ltd, an investment company associated with Company Chairman Mr Carl Le Souef. The facility is for A\$3.0M and has a current expiry date of 31 December 2024. The facility has an interest rate of 10% pa.</p> <p>As at 30 June the facility had drawn down \$800,000 of the \$3M, and hence retains access to \$2.2M.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(8)
8.2 Cash and cash equivalents at quarter end (item 4.6)	9
8.3 Unused finance facilities available at quarter end (item 7.5)	2,200
8.4 Total available funding (item 8.2 + item 8.3)	2,201
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	275.13
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

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

Answer:

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 July 2023.....

Authorised by:Carl Le Souef.....
(Name of body or officer authorising release – see note 4)

Notes

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