



EQUITY RAISING OF \$9.6M CONCLUDED

ASX Announcement

7 November 2018

ASX: Code P03

Issued Shares

31,382,956

Directors/Management

Steve Morris
Chairman

Steve Annear
Executive Director

Simon Lill
Executive Director

Lucia Cade
Non-Executive Director

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HIGHLIGHTS

- A\$9.6 million raised through placement of 4 million shares at \$2.40 per share to a key cornerstone investor, Upjohn Laboratories LLC of Michigan.
- Upjohn is a family investment company of Michigan investor and businessman, Mr Bill Parfet, who has also agreed to join the Board of Purifloh.
- Purifloh has incorporated a subsidiary in the US to initiate the commercial development opportunities for its Free Radical Generator technology.
- Upjohn also acquire 1,271,601 shares through an off market transaction, resulting in a total interest of 5,271,601 shares, or 16.8% of Purifloh.

Purifloh Executive Director, Mr Steve Annear, said of the placement: *“Purifloh could not have sought a better endorsement of its technology and commercialisation plans. Mr Parfet’s confirmation of the value of the company and his agreement to join the board of the Purifloh is an enormous milestone for the company. We look forward to justifying Mr Parfet’s faith in the potential of Purifloh and are clearly delighted to have someone of his calibre and immense experience join the Board.”*

Mr Parfet stated today that: *“We have conducted due diligence on Somnio and its range of technologies for some time and we are impressed with the disruptive nature of the FRG technology platform. An investment into Purifloh to execute on its potential was logical. That the technology has been developed in Michigan and has global impact only adds to our attraction.”*

The Transaction

Purifloh Limited (“Purifloh” or “Company”) is pleased to announce the investment of A\$9.6 million through the issue of 4 million shares at a price of \$2.40 per share to Michigan businessman, Mr Bill Parfet, through an investment arm of his family office, Upjohn Laboratories LLC (“Upjohn”).

In addition, Upjohn has also acquired 1,271,601 shares in an off-market transfer from Purifloh’s second largest shareholder, to take its total holding to 5,271,601 shares, or 16.8% of the expanded issued capital of the Company.

Commensurate to this investment, Mr Parfet has agreed to join the Board of Purifloh, bringing a long, successful and storied career to assist the company in the execution of its commercialization strategy. This appointment has been unanimously welcomed by the Board.

Mr. Parfet currently serves as the Chairman and CEO of Northwood Group, which includes the investment arm of his family office, having recently retired from numerous public company positions. He served as Vice Chairman of the Board of the Upjohn Company where he was also President (1991-1993) and Executive Vice President (1989-1991). Mr. Parfet joined The Upjohn Company (now recognized as Pfizer) in March 1973 and was a member of the Board of Directors from 1985 through 2003. He also served as the Independent Lead Director for Stryker Corporation, Director for Monsanto Company, Director for Consumers Energy, and Director for Taubman Company. Most recently he served as the Executive Chairman of inviCRO LLC in Boston which was sold to Konica Minolta in 2017.

From the funds received by Purifloh, there is an introductory fee of 3% to be paid to an independent party not associated with the Company’s Technology Partner, Somnio Global Inc. (“Somnio”), resulting in net funds to Purifloh of A\$9.312 million.

Purifloh now has the required funding to accelerate its strategy to fully commercialize the FRG technology.

The company aims to:

- Commercialise the three lead Free Radical Generator (“FRG”) applications through manufacturing and licensing strategies. As previously announced, the Company is involved in discussions with significant commercial partners. Further updates will be provided as these discussions evolve and as commercial non-disclosure agreements allow;
- Establish the Company’s main operating base in Michigan to:
 - provide immediate access to the largest market for the Company’s products; and
 - utilize the world class manufacturing base of the region.
- Develop and release new FRG products to provide a continuous long-term pipeline of product releases and revenue opportunities;
- Further develop its long-term relationship with Somnio to provide Purifloh with ongoing access to technologies with global impact that address some of the world’s most important health issues; and
- Provide longer term growth through recognizing, developing and commercializing other world class and disruptive technologies in the environmental arena.

Purifloh will now commence resourcing the company including the employment of key personnel primarily in the USA where the Company's operational base will be established. The corporate and administrative cost base will be kept efficient and effective to focus on product development and completion of initial licensing agreements. This process has commenced through the recent establishment of a subsidiary in the United States, Purifloh, USA Inc., located in Detroit, Michigan.

Purifloh already has a presence in Michigan through its relationship with Somnio and the domicile of its Executive Director, Mr Steve Annear. Purifloh believes Detroit, Michigan, to be a superior location to establish its operations as it:

- is within the world's largest market for the Company's products;
- provides access to superior product engineering and manufacturing skills, and associated skilled labour, allowing Purifloh to manufacture of its core technology, the FRG system;
- has excellent infrastructure and immediate access to markets;
- includes a willingness from both Local and State Government to regenerate the manufacturing industry within Detroit and encourage a workforce back into the city.

The Upjohn investment will now accelerate the Company's progress in the commercialization of the FRG based applications. The Company is actively engaged with large, US based companies who are showing strong interest in the capability and performance of the system. The value proposition and competitive advantage for FRG based products in new and existing markets continues to strengthen.

For further information:

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About Purifloh

Purifloh Limited (“Purifloh” or “Company”) is developing a suite of applications for the Free Radical Generator (“FRG”) which delivers powerful oxidizing agents, including streams of airborne hydroxyl radicals, to deal with a range of environmental challenges. It has many potential applications, but the Company is in the first instance concentrating on three key areas, being:

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

The FRG application development has initially focussed on production of oxygen and hydrogen radicals – ozone (O₃) and the hydroxyl ion (OH) – amongst the most powerful oxidising agents known. The value of these oxidising agents for purification, sanitation and sterilisation is outlined as follows:

- Physical destruction at the cellular level through lysing of bacteria, viruses and spores thereby eliminating infectious contaminants, such as those found in hospitals and medical facilities;
- Compared to traditional techniques is highly effective against bacteria including gram negative, gram positive and antibiotic resistant strains of pathogens
- Offers a safe chemical free solution with a benign waste output;
- Enhancing the ability to capture particulate matter, particularly sub-micron particles as well as killing germs within its air purification systems.

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

Hence the benefits and advantages of FRG based systems are that they are:

- Flexible, able to generate a powerful range of radicals that can be channelled as agents of purification and sterilization;
- Chemical free:
 - inputs are electricity and air (ozone generation); and
 - air + water (hydroxyl generation);
 - Waste output is benign - air and water;
- Able to generate high levels of the oxygen radical, ozone, using ambient air, under all ambient conditions, unlike competitors who require temperature controlled, purified oxygen as the feed gas;
- Uniquely capable of combining the generation of radicals with direct plasma treatment within the chamber of the reactor for a dual treatment impact;
- Low cost and fully scalable;
- Utilizing one core technology platform to develop a multitude of products across a broad spectrum of applications.

In addition to the unique advantages of the system, the near term strategy of the Company is further strengthened by:

- The demonstrated performance of the technology providing a strong foundation for the development of a large product portfolio to provide ongoing revenue growth.
- Independently verified results (fully data backed) which have generated immediate interest from industry with the first trial completed in September 2018.
- A strong IP position being established with a multi layered protection strategy including the development of further application patents to support the core patent.
- A long term technical and scientific partnership with Somnio, a Detroit based world class innovation organization. More about Somnio can be found at www.somnioglobal.com