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ASX Announcements

4th Floor

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QUARTERLY OPERATIONS UPDATE

Purifloh Limited ("Purifloh", "PO3" or "Company") is pleased to provide an update of activities over the last quarter to 31 December, 2020.

The Company is working towards the finalisation of its product design phase for air purification products. The design work is being undertaken by Design and Industry ("D+I") of Victoria. D+I is also assisting the design for manufacture (DFM) of the end products including identification of suitable manufacturing partners and regulatory approvals required.

The Company expects the DFM process to be concluded by the end of June, allowing for the commencement of manufacture in the second half of CY2021. In turn this will provide for the commencement of pre-orders on the two products currently under development, being:

1. The whole of room air purifier designed to be either a wall installation or a mobile installation which can be moved between rooms and will clean all air that flows through it of various pathogens and microbes as the Company has previously announced; and
2. A system for routine sanitising of residential and institutional air conditioning coils to prevent build-up of microbes, dust and allergens.

This system is considered simpler as it will not have to concern itself as to destruction of excess ozone and hydroxyl radicals and intended to address the industry concerns with respect to recirculating of potentially contaminated air and attacking the main documented source of cross-infection.

The Company is currently undertaking internal validation of this process in Melbourne, with independent validations to follow.

Dr Alex Sava, Chief Technology Officer, commenting on the development of the technology to clean air conditioning coils, said that: *"Airborne aerosols are one of the four major routes of cross-infection. Whilst billions of dollars are spent on avoiding aerosols from direct contact (social distancing), the air conditioner-generated aerosols are mostly overlooked. Causing health authorities worldwide to recommend running air conditioners on fresh air only – an expensive and mostly impractical solution especially for hot and humid climates. The Purifloh solution appears to be the only economical and easy-to-retrofit option for routine disinfection of aircon evaporator coils notorious for harbouring microbes and allergens."*

The Company's management team continues to be Mr. Jon Evans, supported by Mr Will Siganto who is managing manufacturing and operations. A new appointee, Mr Alistair Swain, has commenced as Business Development Manager specific to developing the market strategy and sales. Mr Swain's background is in commercialising new technology, establishing strategic relationships and developing sales channels.

The Company continues to work with Somnio Global. Somnio Global have agreed to reduce their charges to the Company without reducing their inputs. They have appointed Industry Star of Detroit to consider manufacturing design and supply chain management of the central reactor of the generator. This ensures protection of the Company's core IP is maintained within the Group's control. Somnio's charges (\$618,534.80) were the main business expense of the Company during the quarter and were paid for Research and Development work, which included staff employment, rental, equipment rental and independent laboratory work.

The Company has also regenerated interest in the use of the proprietary technology for pre-treatment of source water within Reverse Osmosis (RO) plants so as to reduce microbiological and organic fouling, thereby reducing plant operating costs and increasing the life of the RO membrane.

In accordance with ASX Listing Rule 4.7C 3 the Company confirms related party charges as follows:

- \$22,000 payment of Director's Fees
- \$38,500 to Dilato for accounting, administration and rental services
- \$618,534.80 to Somnio Global for research and development services

This ASX report is authorized for release by Mr. Simon Lill (Director)

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