



ABN: 11 124 426 339

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2020

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For the half year ended 31 December 2020

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CORPORATE DIRECTORY

PurifloH Limited
Interim Financial Report
For the half year ended 31 December 2020

PurifloH Limited

ABN: 11 124 426 339

Directors

Mr Carl Le Souef (Appointed Chairman 18 September 2020)

Professor Pravansu Mohanty

Mr Simon Lill

Mr. Jon Evans (Appointed 29 October 2020)

Mr William Parfet (Resigned 18 September 2020)

Company Secretary

Mr Simon Lill

Registered Office

Level 3, 2-4 Ross Place,
South Melbourne, Victoria 3205

Telephone : (03) 9673 9690

Facsimile: (03) 9673 9699

Email: corporate@purifloh.com

Website: www.Purifloh.com

Securities Exchange Listing

The Company's securities are listed on the official list of the Australian Securities Exchange Limited, and on the OTCQX in the USA.

ASX Stock Code: PO3

OTC Code: PUFLF

Share Registry

Link Market Services

Locked Bag A14
SYDNEY SOUTH NSW 1235

Phone: 1300 554 474 or (02) 8280 7111

International: +61 2 8280 7111

Fax: (02) 9287 0303

Fax: (02) 9287 0309 (for proxy voting)

Auditors

PKF Brisbane Audit

Level 6,
10 Eagle Street
BRISBANE QLD 4000

Company Solicitors

Steinepreis Paganin

Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

DIRECTORS' REPORT

PuriflOH Limited
Interim Financial Report
For the half year ended 31 December 2020

Your directors submit their report on the consolidated entity consisting of PuriflOH Limited (“the company”) and controlled entity for the half year ended 31 December 2020.

Directors

The names of the company’s directors in office at the end of the financial period are set out below. Directors were in office for this entire period unless otherwise stated.

Carl Le Souef

Appointed Chairman 18 September 2020

Mr. Carl Le Souef is a founding partner and co-owner of Somnio Global. He oversaw the restructuring of PuriflOH (previously known as Water Resources Group Limited) during 2013/2014, which saw Dilato Holdings emerge as the major shareholder of PuriflOH. Mr. Le Souef was previously the sole owner and CEO of one of Australia’s largest privately owned FMCG organisations, Private Formula International, a global operation that included Australia’s number one selling skincare range at the time, Dr Le Winn’s Private Formula. In 2009, he negotiated the sale of the company to a US based pharmaceutical major. Mr. Le Souef maintains an executive role in Somnio Global and in the management of his family office investments.

Pravansu Mohanty

Non-Executive Director

Professor Pravansu Mohanty is a founding partner and co-owner of Somnio Global. He is the Paul K Trojan Collegiate Professor of Engineering at the University of Michigan. He has a Ph.D. in Materials Science from McGill University, Montreal, Canada, with research interests in the areas of Additive Manufacturing, Plasma/Laser Materials Processing, Biomaterials, Nanostructured Materials and Functionally Designed Materials for Energy Storage and Energy Generation. He has published numerous scientific papers, patents and received many research grants from Federal agencies including the National Science Foundation, US Army, US Navy, and Dept. of Energy. In 2015, Professor Mohanty was awarded an honor for non-

resident Indians, the Hind Rattan (Jewel of India) Award for his contribution to science and engineering, presented to him at the Republic Day of India Celebration in New Delhi.

Simon Lill

Director/Company Secretary

Mr. Lill has a background of over 30 years of stockbroking, capital raising, management, business development and analysis for a range of small and start-up companies, in both the manufacturing and resources industries. He has assisted the Company since his appointment in its restructuring activities and was appointed in an executive role by the Board in November 2014.

In the 3 years prior to the date of this report Mr. Lill has been, or is, a director of the following:

- De Grey Mining Limited (appointed 2 October 2013, continuing)
- Mejority Capital Limited (appointed 18 May 2010, resigned 25 November 2019)
- XPD Soccer Gear Group Limited (appointed 29 March 2018, continuing)

Jon Evans

Director – Appointed 29 October 2020

Mr Evans has had a wide range of experience in healthcare, medical research and the innovation and commercialisation of IP and related technology solutions across the Australian and broader Asia Pacific Region.

His career spans over 30 years, including as CEO of an Australian Hospital Group; Director of a State-based Infectious Disease Reference Laboratory; CEO of Tellimed Health Services; Director of Health Strategy and Innovation for Victorian Government; Managing Partner of Fitzroy Health Asia Pacific-an Australian/US Health Commercialisation company and most recently as Managing Director, APAC Health Solutions Group. Mr Evans is also chairman of CEMTAS Australia.

Mr William Parfet - Resigned as Chairman and Director on 18 September 2020

DIRECTORS' REPORT

PuriflOH Limited
Interim Financial Report
For the half year ended 31 December 2020

REVIEW OF OPERATIONS

The half year to 31 December 2020 has been one of change, with the resignation of Mr. Bill Parfet as Chairman and the appointment of Mr. Jon Evans as a Director.

Mr. Parfet made a significant investment in the Company in November of 2018 and was very engaged within the Company until his resignation. All shareholders owe him gratitude and the Board thank him for his time. He remains supportive of the Company and its people.

The appointment to the Board of Jon Evans has brought a wealth of experience in the medical field within Australia and a range of different contacts, in turn resulting in more focus from the Company on the plentiful opportunities within Australia. Mr Evans has introduced Mr Will Siganto and Mr Alastair Swain to the Company as the core of his operational group.

The Australian operational team is well supported by Dr Alex Sava, a proven expert in the commercialization of technologies within infectious and disease control with a background in commercial execution of technologies in this sector.

Associated with these changes has been the opportunities provided by the Covid pandemic and the renewed interest in air purification and infection control. The pandemic has shifted the building blocks and disrupted engagement with the global OEM organisations. The Company's response during the half year has been to take greater control from Australia over the technology commercialization and to re-engineer its working relationship with Somnio Global – its technology partner in Detroit.

The Company has been focusing on delivering a small limited range of products and applications and has engaged with Design and Industry Pty Ltd, who are well progressed in the manufacture of devices, with the key requirements being:

- Aesthetically pleasing;
- Simple user interface;
- Fit for purpose; and
- Ease of manufacture and maintenance.

PuriflOH has also requested that Somnio Global consider a dual function air and surface sanitation system, with prototype work currently underway whereby the system will be able to purify air but also produce a mist that will settle on surfaces and sanitise.

The Company has also recommenced work on prototype evaluation of a pre/post treatment system for reverse osmosis plants and has already engaged with water industry professionals, generating industry awareness of the water treatment technology and its credentials.

As part of the relationship discussions with Somnio Global PuriflOH is also considering other commercialization opportunities around the core FRG Technology for which it does not currently have any rights, such as its potential uses in agriculture.

DIRECTORS' REPORT

PurifLOH Limited
Interim Financial Report
For the half year ended 31 December 2020

Auditor's Independence Declaration

A copy of our auditor's independence declaration as required under Section 307C of the Corporations Act 2001, is set out on page 7.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the Directors



Simon Lill
Director
26 February 2021

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

26 FEBRUARY 2021
BRISBANE

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DIRECTORS' DECLARATION

PurifLOH Limited
Interim Financial Report
For the half year ended 31 December 2020

In the opinion of the directors:

- a) The financial statements and notes set out on pages 11 to 16 are in accordance with the *Corporations Act 2001*, including:
- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
 - ii) complying with Accounting Standard AASB134: *Interim Financial Reporting*, and.
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the board



Simon Lill
Director
26th day of February 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PURIFLOH LIMITED**

Conclusion

We have reviewed the accompanying half-year financial report of Purifloh Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Purifloh Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

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Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

26 FEBRUARY 2021
BRISBANE

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FINANCIAL STATEMENTS

PuriflOH Limited
Interim Financial Report
For the half-year ended 31 December 2020

Consolidated Statement of Profit and Loss and Comprehensive Income

For the half-year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Revenue			
Revenue from continuing operations		-	-
Other Income			
Interest income		17	39,825
Unrealised FX Gain		-	35,143
Total Other Income		17	74,968
Expenses			
Research and Development – Somnio		(1,080,825)	(1,807,001)
General and Admin – Somnio		(221,045)	(194,208)
Amortisation Expense – trade marks		(2,153)	(2,210)
Accounting and audit	4	(80,325)	(69,253)
Other Expenses	4	(441,320)	(330,733)
Finance costs		(85)	(383)
Realised FX Loss		(81,170)	(18,968)
Unrealised FX Loss		(820,759)	-
Total expense		(2,727,682)	(2,422,756)
Profit/(Loss) before income tax		(2,727,665)	(2,347,788)
Income tax expense		-	-
Net profit/(Loss) for the period		(2,727,665)	(2,347,788)
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		870,812	42,971
Total Comprehensive Income/(Loss) for the period		(1,856,853)	(2,304,817)
Attributable to owners of the parent entity		(1,856,853)	(2,304,817)
Basic earnings Profit/(loss) per share (cents)		(8.653)	(7.474)
Diluted earnings Profit/(loss) per share (cents)		(8.653)	(7.474)

The accompanying notes form part of these financial statements.

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FINANCIAL STATEMENTS

PuriflOH Limited
Interim Financial Report
For the half-year ended 31 December 2020

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Current Assets			
Cash and cash equivalents	5	181,894	2,355,557
Other receivables		15,838	8,250
Prepayments		65,216	14,297
Total Current Assets		262,948	2,378,104
Non-Current Assets			
Intangible assets - trade marks		61,975	62,528
Total Non-Current Assets		61,975	62,528
Total Assets		324,923	2,440,632
Liabilities			
Current Liabilities			
Trade and other payables	6	789,440	1,048,296
Total Current Liabilities		789,440	1,048,296
Total Liabilities		789,440	1,048,296
Net Assets/(Liabilities)		(464,517)	1,392,336
Equity/ (Shareholders' Deficit)			
Contributed equity		84,352,846	84,352,846
Foreign exchange translation reserve		877,405	6,593
Accumulated losses		(85,694,768)	(82,967,103)
Total Equity/ (Shareholders' Deficit)		(464,517)	1,392,336

The accompanying notes form part of these financial statements.

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FINANCIAL STATEMENTS

PuriflOH Limited
Interim Financial Report
For the half-year ended 31 December 2020

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2019

	Contributed Equity	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	83,961,448	(24,589)	(78,439,068)	5,497,791
Profit/(Loss) for the period	-	-	(2,347,788)	(2,347,788)
Other comprehensive income	-	42,972	-	42,970
Total comprehensive income (loss) for the period	-	42,972	(2,347,788)	(2,304,816)
Equity Transactions				
Issue of shares during the year	391,394	-	-	391,394
Transaction costs net of tax	-	-	-	-
Balance at 31 December 2019	84,352,842	18,383	(80,786,856)	3,584,369

For the half-year ended 31 December 2020

	Contributed Equity	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2020	84,352,846	6,593	(82,967,103)	1,392,336
Profit/(Loss) for the period	-	-	(2,727,665)	(2,727,665)
Other comprehensive income	-	870,812	-	870,812
Total comprehensive income (loss) for the period	-	870,812	(2,727,665)	(1,856,853)
Equity Transactions				
Issue of shares during the year	-	-	-	-
Transaction costs net of tax	-	-	-	-
Balance at 31 December 2020	84,352,846	877,405	(85,694,768)	(464,517)

The accompanying notes form part of these financial statements.

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FINANCIAL STATEMENTS

PurifLOH Limited
Interim Financial Report
For the half-year ended 31 December 2020

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2020

Note	31 December 2020 \$	31 December 2019 \$
Cash flows related to operating activities		
Interest Received	17	39,825
Payments for research and development and other working capital	(3,044,492)	(1,899,638)
Net operating cash flows	(3,044,475)	(1,859,813)
Cash flows related to financing activities		
Net proceeds from issue of shares	-	-
Repayment of borrowings	-	-
Proceeds from borrowings	-	-
Net financing cash flows	-	-
Net increase / (decrease) in cash held	(3,044,475)	(1,859,813)
Net foreign exchange differences	870,812	42,971
Cash and cash equivalents at beginning of the period	2,355,557	6,303,695
Cash and Cash Equivalents at the end of the period	181,894	4,447,027

The accompanying notes form part of these financial statements.

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FINANCIAL STATEMENTS

PuriflOH Limited
Interim Financial Report
For the half-year ended 31 December 2020

Notes to the consolidated half-year Financial Statements

1. Reporting Entity

PuriflOH Limited ("the Company") is a public company, incorporated in Australia with its registered office at:

Level 3
2 – 4 Ross Place
South Melbourne, Victoria. 3205

The consolidated half-year financial report was authorised for issue in accordance with a resolution of the directors on 26 February 2021.

2. Statement of Accounting Policies

Basis of preparation for the half-year report

This consolidated interim financial report for the half-year ended 31 December 2020 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by PuriflOH Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Going Concern

The Directors of the Group have prepared the Financial Report of the Group on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Directors note that the report shows a net loss for the half year period of \$2,727,665 (2019: net loss of \$2,347,788) and a net operating cash outflow of \$ 3,044,475 (2019: deficit of \$ 1,859,813), and a net current asset deficiency of \$ 526,492 (30 June 2020: surplus of \$ 1,329,808)

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that despite the recorded loss and operating cash outflows for the half year period, at the date of signing the half year financial statements to 31 December 2020, the Group has implemented strategies to ensure there is sufficient funding for at least the next 12 months.

The Group has been in an active Research and Development phase with funds being spent supporting development and engagement with a number of OEMs. Any successful outcome of any of these discussions will provide for an improved outlook on cashflows and losses.

The ability of the Group to continue on a going concern basis is dependent upon the following:

- The ability to raise additional capital.
- The ongoing provision of the Dilato loan facility.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

New and revised Standards and amendments thereof and Interpretations effective for the current half year did not have any impact on the disclosures or amounts recognised in these financial statements.

3. Segment Information

In 2018 the Company established a subsidiary in USA (PuriflOH USA Incorporated) for the purpose of preparing a base of operations from which the technology will be commercialized and manufactured. At this stage of development, the financial results from this reportable segment are equivalent to the financial statements of the consolidated entity as a whole.

FINANCIAL STATEMENTS

PurifloH Limited
Interim Financial Report
For the half-year ended 31 December 2020

Notes to the consolidated half-year Financial Statements

4. Other Expenses and Accounting Expenses

	31 December 2020	31 December 2019
	\$	\$
Other Expenses		
ASX Fees	29,080	56,325
Share Registry Services	3,182	3,328
Serviced Office	45,000	45,000
Legal Fees	14,913	9,495
Insurance	45,360	35,014
Directors Fees	36,000	126,000
Consulting - Other	211,863	33,376
Other	55,922	22,194
	441,320	330,733
	31 December 2020	31 December 2019
	\$	\$
Accounting and Audit Expenses		
Accounting Fees	67,610	59,894
Audit Fees	12,715	9,359
	80,325	69,253

5. Cash and Cash Equivalents

	31 December 2020	30 June 2020
	\$	\$
AUD Accounts	65,453	151,465
USD Accounts	116,441	2,204,092
Total	181,894	2,355,557

6. Trade and Other Payables

	31 December 2020	30 June 2020
	\$	\$
Trade Payables	18,384	1,572
Accruals	12,000	20,412
USA Trade and Other payables	699,556	964,812
Other Related Parties		
Directors	21,000	23,000
Others	38,500	38,500
Balance	789,440	1,048,296

7. Commitments and Contingencies

The Company has an ongoing agreement with Dilato Holdings to provide office space in Melbourne for \$7,500 per month and accounting and administration services for \$10,000 per month. Dilato Holdings are the major shareholder of PurifloH Limited holding, currently holding 18,409,644 shares, being 58.40% of the Company.

The Board are currently reviewing all contractual arrangements in place with Somnio Global. This includes consideration of the timing and extent of success based payments. The adjusted arrangements will be finalized and reported before year end.

There were no other material changes in contingent liabilities or contingent assets since the end of the last annual reporting period of 30 June 2020.

8. Subsequent Events

There have been no material subsequent events.

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