Factor Therapeutics Annual General Meeting
Chairman's Address and CEO Presentation

Brisbane, 24th May 2018. Factor Therapeutics Limited (ASX : FTT) is pleased to provide the Chairman's Address and CEO Presentation to the 2018 Annual General Meeting of Shareholders being held today at 3.00pm (AEDT) at the offices of McCullough Robertson, Level 11, 66 Eagle Street, Brisbane.

ADDRESS TO SHAREHOLDERS BY DR CHERRELL HIRST, AO, CHAIRMAN

Welcome and thank you for attending this AGM.

It has been just six months since our previous AGM – the result of the Company's revising its year-end to 31 December. I am pleased to report that we have continued to make significant progress during this period as we move towards the end of Phase 2 clinical testing for our lead programme, VF001 in venous leg ulcers.

During this time, I believe we have maintained our commitment to open, honest and clear communication and have continued to provide regular progress updates – today's meeting is part of this process and I trust you will gain further insight into Factor's progress and our plans going forward.

First and foremost, while subsequent to the formal reporting period for this meeting, I want to acknowledge and thank you for your continued support for the Company through the rights issue that was completed last month. It is intensely rewarding for a small board and management team like ours to have this support. This raise is allowing us to complete the clinical trial while at the same time undertaking studies essential for our re-filing for CE Mark, meaning that we can go back to the EMA more quickly than would have been possible otherwise. In addition, it has placed us in a stronger financial position for negotiations with potential partners again assuming a positive outcome for our Phase 2 trial.

Our CEO, Ros Wilson, will provide more detail in her report to you shortly, however from the Board's perspective we are very pleased with the progress the Company has made in this short period and I would like to highlight a few now:

- Recruitment into our Phase 2 study is almost complete. A successful readout will provide "clinical proof-of-concept" which is recognised by regulators, potential partners and clinicians as a critical milestone in drug development. This is a huge milestone in our journey to bring this product to market as a life changing treatment for venous leg ulcers. Its significance for the wound care market should not be underestimated.

- Parallel activities have been commenced to facilitate the transition from Phase 2 readout to the next stage, which as you are aware differs between the EU and US. For the EU, we are preparing to return to the CE Mark process while, for the US, we are preparing Phase 3 plans to discuss with the FDA at the End of Phase 2 meeting.

- Our ocular programme has moved ahead with initiation and completion of further preclinical

studies to finalise which molecule will move forward into clinical development – and the data from this work enables us to proceed to the next phase of securing patent protection.

- We have commenced the VF00X programme, to create the next generation of products based on our targeted delivery platform technology.

- Business development discussions have continued, with a number of face-to-face meetings with potential partners at the recent Symposium for Advanced Wound Care (SAWC) held in the US last month.

On behalf of the Board, I would like to thank Ros and her team for their continued commitment and hard work. The effort by the team is a reflection of their belief in our technology and mission; and, importantly, the potential that our products have to improve the health and wellbeing of people living with hard-to-heal wounds.

I would also like to thank my fellow directors for their continued commitment and effort for the Company and you, its Shareholders, and for their ongoing support.

I thank all of you for being here with us today and for the opportunity to talk with you directly about your Company. Please join us after the meeting for light refreshments and meet our Directors and Management Team.

Thank you, again, for your continued support. I look forward to sharing the next stage of Factor's journey with you.

Corporate Contact
Dr. Rosalind Wilson
Chief Executive Officer
Factor Therapeutics Limited
r.wilson@factor-therapeutics.com

About Factor Therapeutics

Factor Therapeutics Limited ("Factor") is a biomedical technology company that is developing treatments for acute and chronic wound healing applications. Factor is a clinical stage company with its lead program (VF-001) in Phase II for the treatment of venous leg ulcers (VLUs). The company is also developing solutions for a variety of interventional wound care and serious orphan dermatology conditions. The company's platform technology originates from the Institute of Health and Biomedical Innovation at the Queensland University of Technology (QUT), Australia. Factor's shares are traded on the Australian Securities Exchange (ASX) under the ticker FTT. For more information, please visit https://factor-therapeutics.com.

FACTOR THERAPEUTICS

CEO Report to the Annual General Meeting

Dr. Rosalind Wilson

24th May 2018

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- Relevant images accessed under Creative Commons.

The Factor Therapeutics Team

Board
Dr. Cherrell Hirst – Chairman
Dr. Christian Behrenbruch
Tim Hughes
John Michailidis
Dr. Robert Ryan (US)
Melanie Farris – Company Secretary

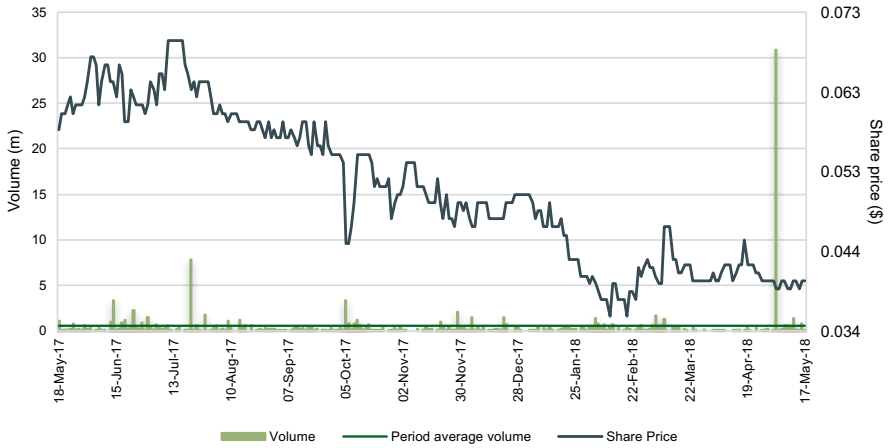
Team	
Dr. Ros Wilson	Chief Executive Officer
Nigel Johnson	Chief Operating Officer
Dr. Gary Shooter	Director of Research
Michael Larcom	Director of Quality
Anthony Bishop	Project Director
Saskia Jo	Director of Finance
Dr. Derek Van Lonkhuyzen	Research, QUT

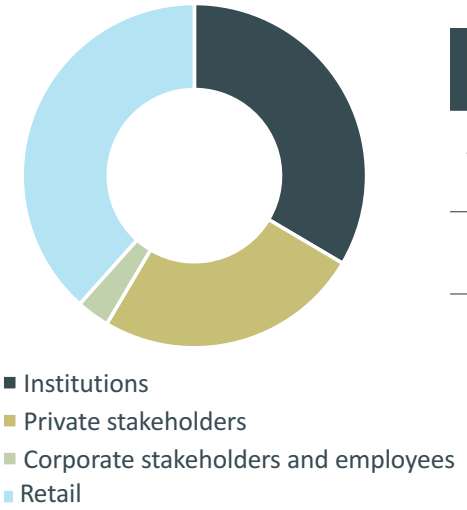
Market Overview

$0.044
(As of May 22, 2018)

Mkt. Cap. A$36.7m
(As of May 22, 2018)

Focus	Advanced wound care
Clinical Stage	Pivotal EU Phase 2 US
Issued Shares	834,335,633
Options	36,209,320
Cash *As of 31 March 2018*	AUD $4.62m
R&D cash rebate *Received May 2018*	AUD $1.23m
Symbol	FTT
Exchange	ASX
Research coverage	Morgans and Taylor Collison





Substantial shareholders	% Issued Capital
Allan Gray Investment Management	14.69%
Fidelity Investment Management	9.86%

Continued Focus on the Priorities Established in 2017

- **Deliver VF00102**
  - Complete recruitment and finalise readout plans
- **Prepare for End of Phase 2**
  - Regulatory interactions EU and US
  - Commercial/partner engagement
- **Build additional portfolio value**

FACTOR THERAPEUTICS

- Financial year end revised to 31 December to facilitate post-VF00102 activities and better reflect our US footprint
  - A major market for wound care
  - Potential partners are US-based, or have a large US presence
  - Phase 3 will comprise at least one study in the US

- Focusing today on the last six months, looking ahead to the next 12 months

Achievements

VF001 in Venous Leg Ulcers

- VF00102 on track and nearing completion
  - Recruitment close ~end June
  - Top-line results ~October
  - Final study report early 2019

Business Development

- Escalated discussions with potential partners
- SAWC presentations

Corporate

- Rights issue to secure Phase 2
- Continue portfolio/pipeline expansion
  - Modest investment

End of Phase 2

- Preparing for rapid transition post-readout
  - CE Mark in EU
  - US FDA End of Phase 2 meeting
  - Phase 3 design
- Submissions will be finalised with completion of VF00102 final study report

Research

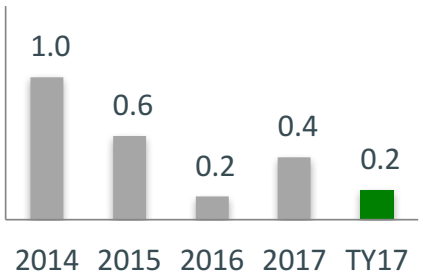
- Orphan ocular programme
  - Singapore Eye Research Institute
- VF00X: next generation products
  - Wound care and other applications of our platform technology

Key Metrics

Expenses clearly focused on clinical execution (TY, transition year)

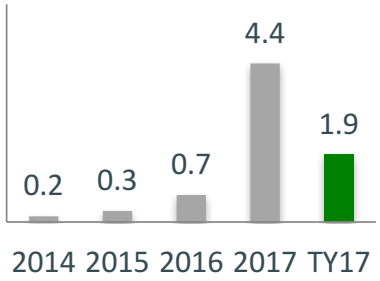
R&D expense

$0.21m



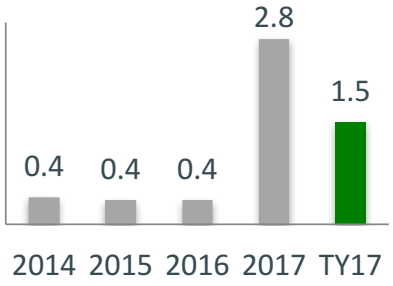
Clinical expense

$1.856m

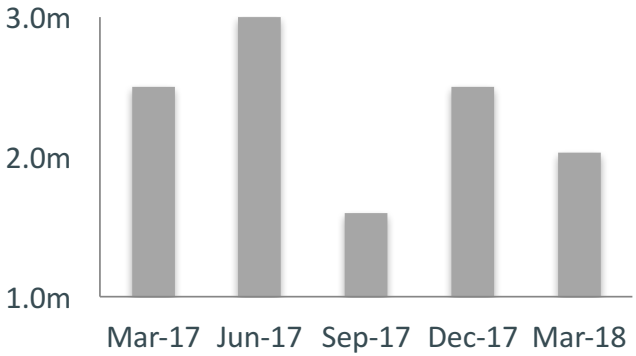


R&D tax rebate

$1.520m

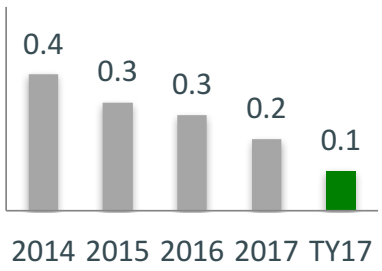


Cash used in operating activities



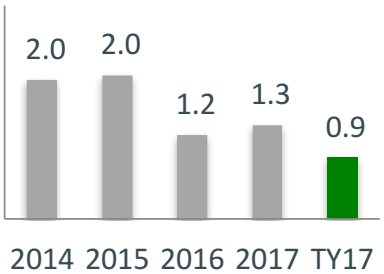
IP expense

$0.117m



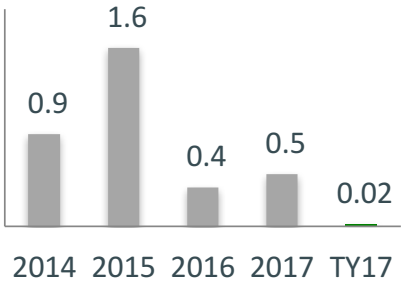
Employment expense

$0.862m



Regulatory expense

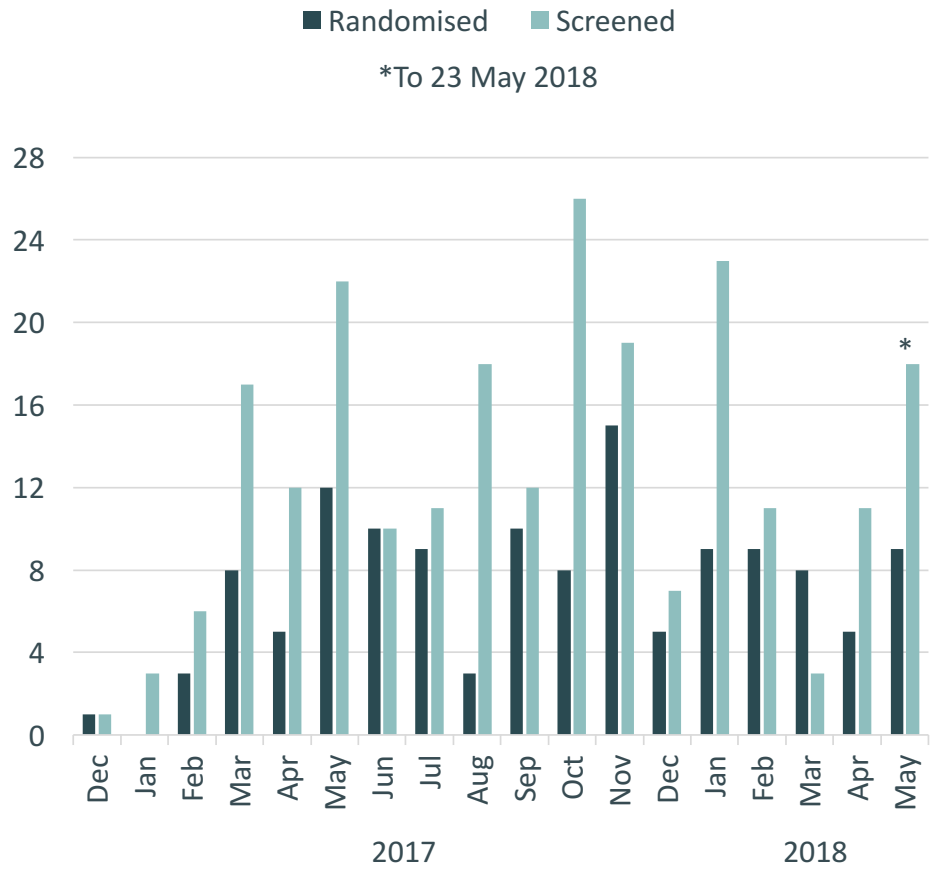
$0.019m

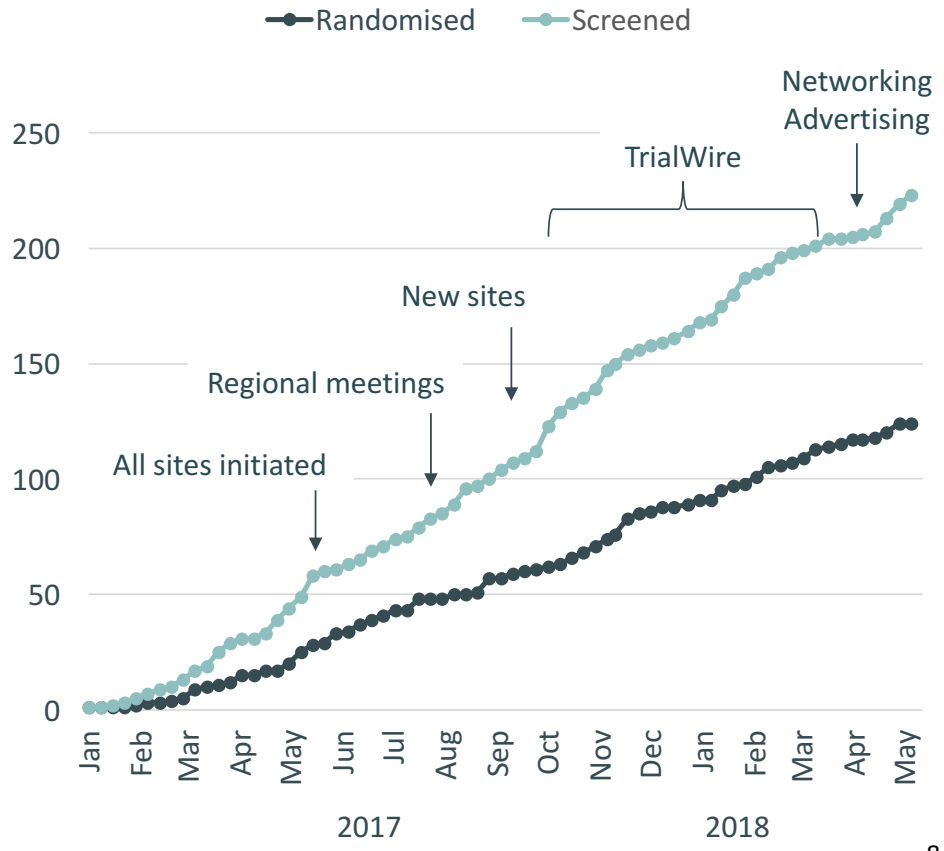


Balance Sheet Data	**End Apr-18**
Cash/cash equivalents	$7.2
Tax asset	$1.2
Debt Outstanding	$0.3
Cash Flow Data	
Ave. operating expenditure (Q)	~$2.3
Est. runway	4 Q

VF00102 is Approaching Completion

Continued active management strategy





Phase 2b Targets are Clear and Within Reach

Phase 1	Development goal	Phase 2b (VF00102) targets

Efficacy signal observed	CONFIRM	• Primary endpoint – change in ulcer size
		  • Will be achieved with ~10% difference between VF001 and placebo e.g. 70% reduction for VF001, 60% for placebo
		• Consistent trend for other healing endpoints
		  • Full healing and time to wound closure

Benign safety profile	REINFORCE	• Increase safety database by up to three times and include patients treated with a high dose
Reduced pain Faster healing[1] Most benefit for moderate severity ulcers[2]	EXPAND	• Other measures to support market access – key for patients, clinicians and payers • Pain, quality of life and safety

1. Shannon & Nelson *Int Wound J* 2016; doi: 10.1111/iwj.12687; 2. Data on file

Data Quality Remains Highly Consistent

- At May 2018, 91 patients have completed treatment

- Observations in the **blinded, combined dataset**
  - i.e. 1/3 receiving placebo, 2/3 receiving VF001

→ Rapid wound area reduction in first 4 weeks

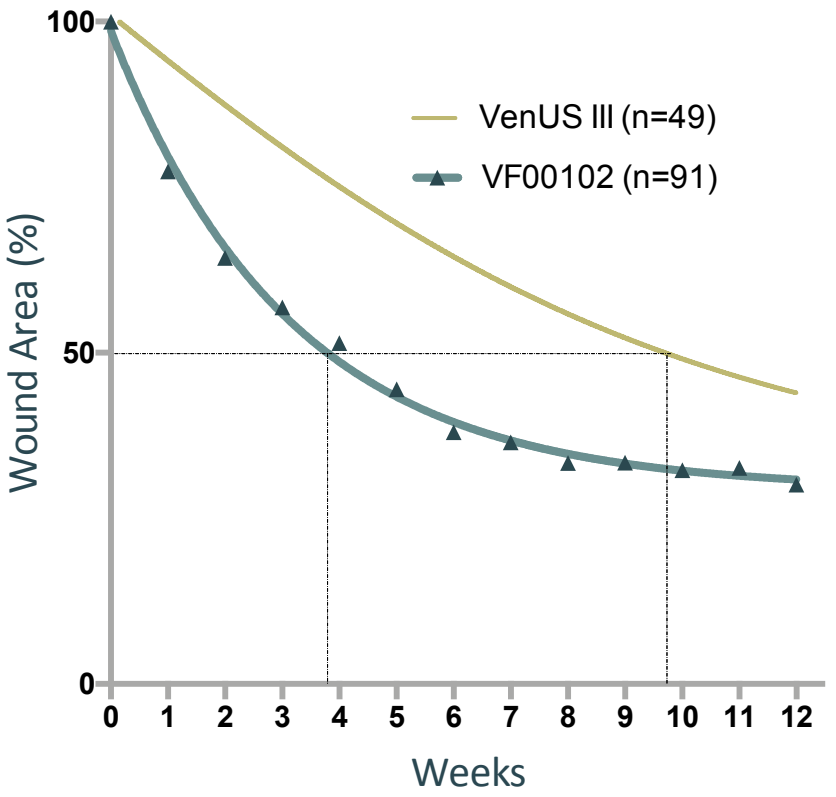
→ 53% of patients fully healed

→ 50% healing at ~week 4; ~70% healing at week 12

- Informal benchmark – the VenUS III study:
  - Large UK study; all patients received standard care
  - Subset (n=49) with similar wound size/age to VF00102

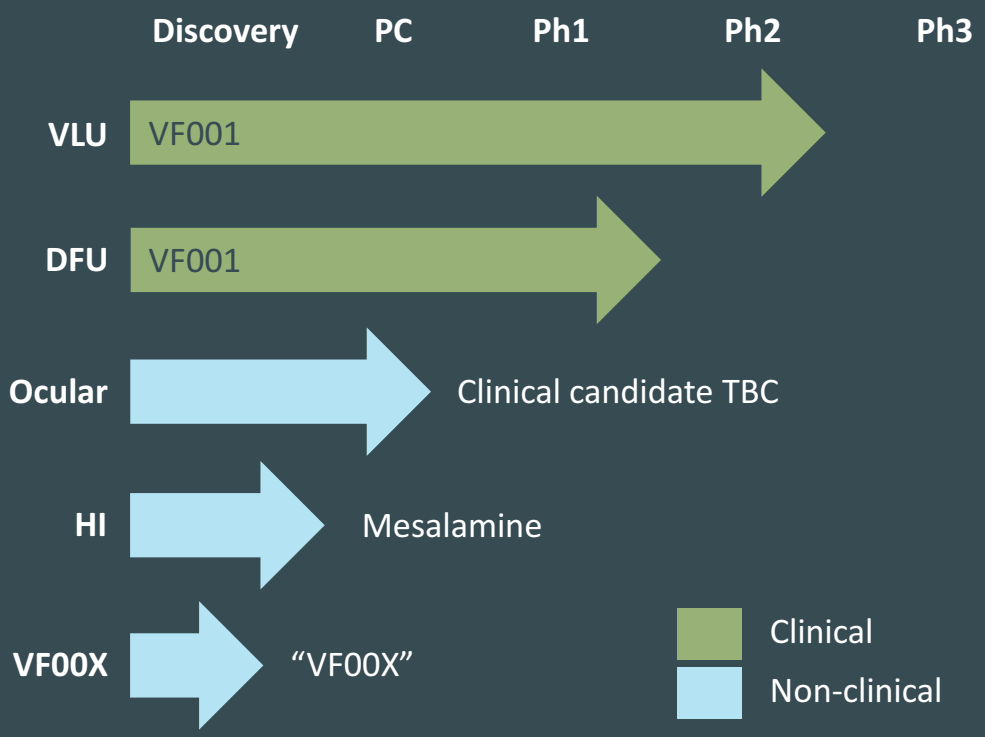
→ 41% of patients fully healed

→ 50% healing at ~week 10; ~55% healing at week 12



Note: VF00102 is a blinded study and data shown are a composite of 1/3 patients treated with placebo and 2/3 with VF001. The benefit of adding VF001 to standard care will be determined when the study is unblinded.

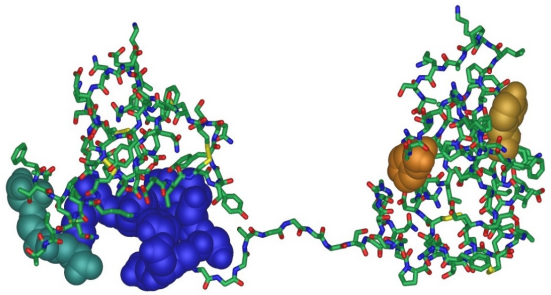
Game-Changing Technology and Strong Pipeline



FACTOR THERAPEUTICS

Our technology: targeted delivery of a ***biological scaffold and linked growth factors***

VF001 features IGF-1 for wound healing in VLU, DFU and ocular wounds



VF00X will identify *next generation products* for wound healing and other applications of Factor's platform technology

Commercialisation Planning

High level of commercial and clinical interest driven by:

Innovation

- VF001 is a next generation product in a field that has seen few genuine advances
- Difficult indication: about 20 years since the last FDA-approved *medicine* for wound care

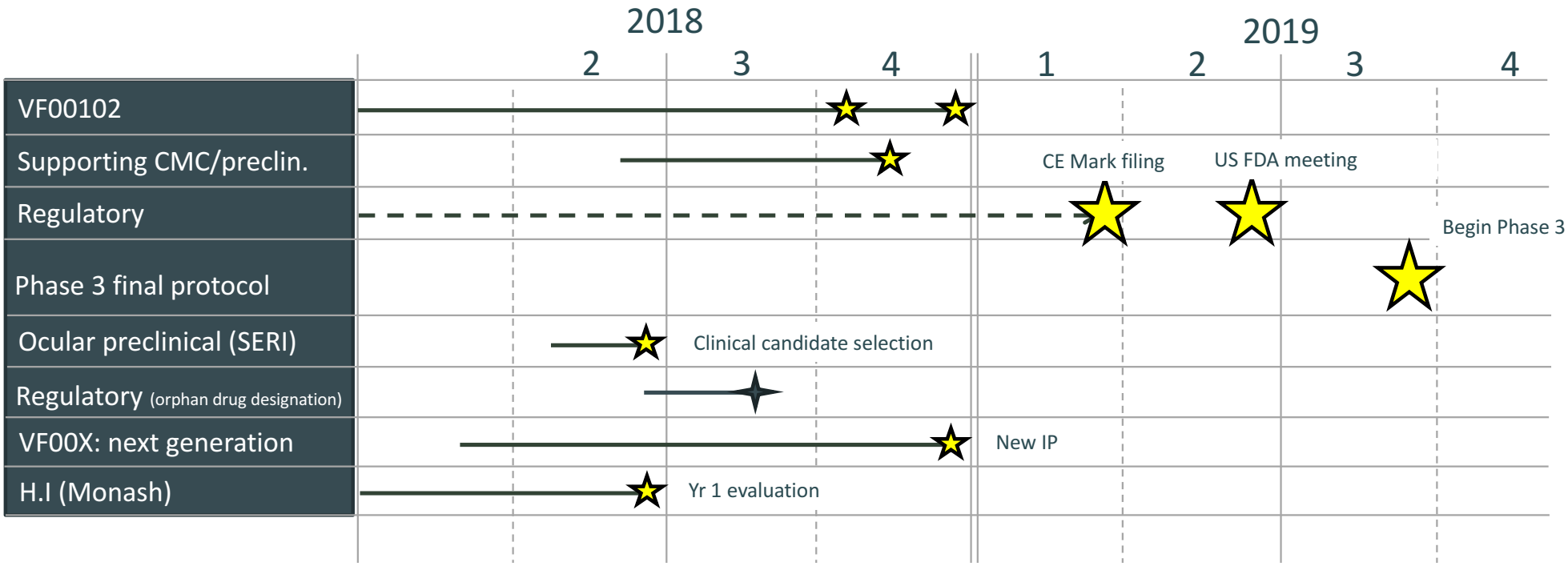
Clinical development strategy

- Data-driven Phase 2 study design
- Bringing precision medicine to wound care

Significant potential

- Effective, safe and easy to use
- Better healing, reduced pain and improved quality of life for patients and reduced cost of care
- VF001 line extensions to treat other wounds, including ocular and DFU
- Portfolio potential for wider platform technology applications

Project Milestones



Activities for the Next 12 Months

Lead programme VF001 in VLU	**Deliver VF00102** ➢ Efficacy readout (wound healing) CYQ3 → full readout (pain, QoL, safety) 2019 **Regulatory interactions** ➢ Finalise dossier for return to CE Mark process (EU) ➢ Prepare US FDA End of Phase 2 meeting request
Pipeline Build additional portfolio value	**Ocular** ➢ Select clinical candidate and prepare for Phase 1/2 ➢ Proceed to next phase of IP filing **VF00X** ➢ File provisional patent **Harlequin ichthyosis** ➢ Preclinical testing review prior to further development decision **Diabetic foot ulcer (DFU)** ➢ Prepare for Phase 2
Commercial Engage potential partners	Share VF00102 results and portfolio progress Present results at key wound care scientific meetings; submit for publication

In Summary

Results imminent

Significant progress towards a key milestone and inflection point for the company

Preparing to move rapidly from readout to regulatory interactions

Intensified business development activity – building anticipation ahead of readout