Investor Update

November 2016

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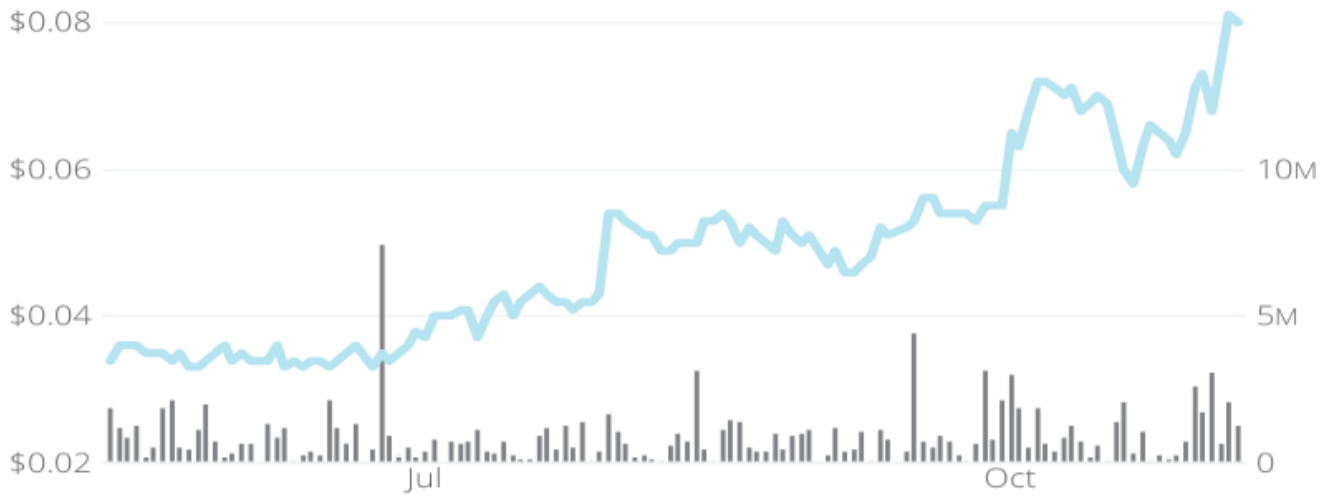
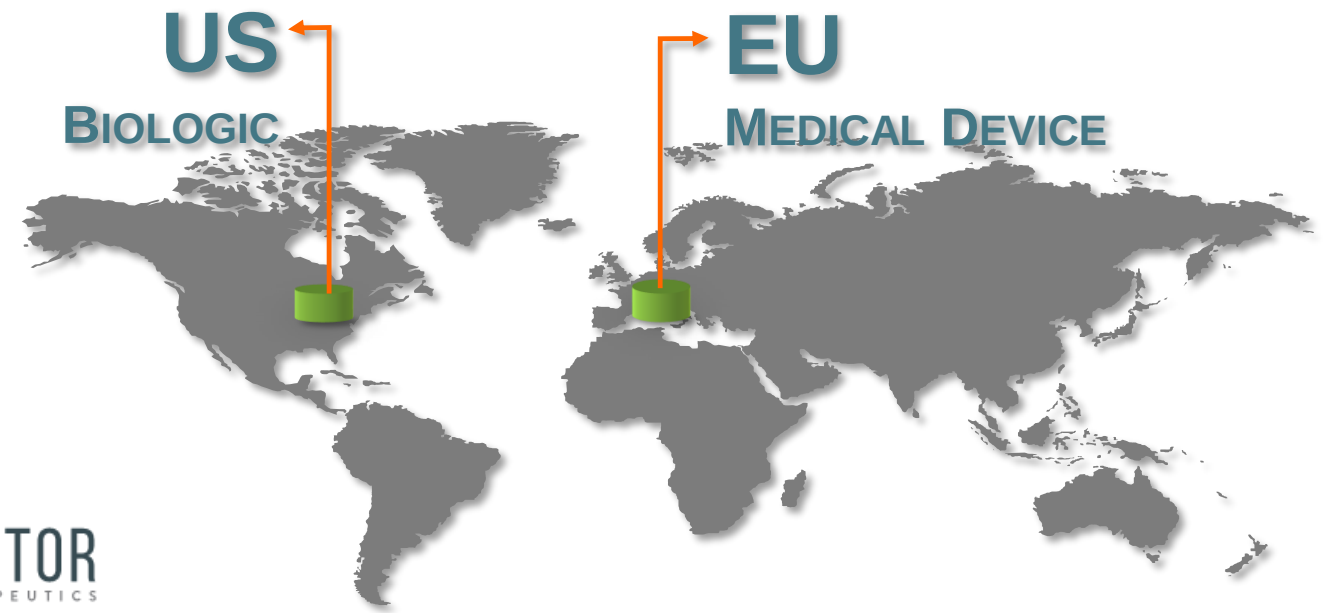
FACTOR THERAPEUTICS

Dashboard





▲ $0.076	
$0.035 (Placement) +217%	
Mkt. Cap. A$57m	
(November 21)	
Focus	**Advanced wound care**
Clinical Stage	**Phase II US Pivotal EU**
Issued Shares	**724.3m**
Options	**9.5m**
EOY Cash	**A$14.3m**
Symbol	**FTT**
Exchange	ASX

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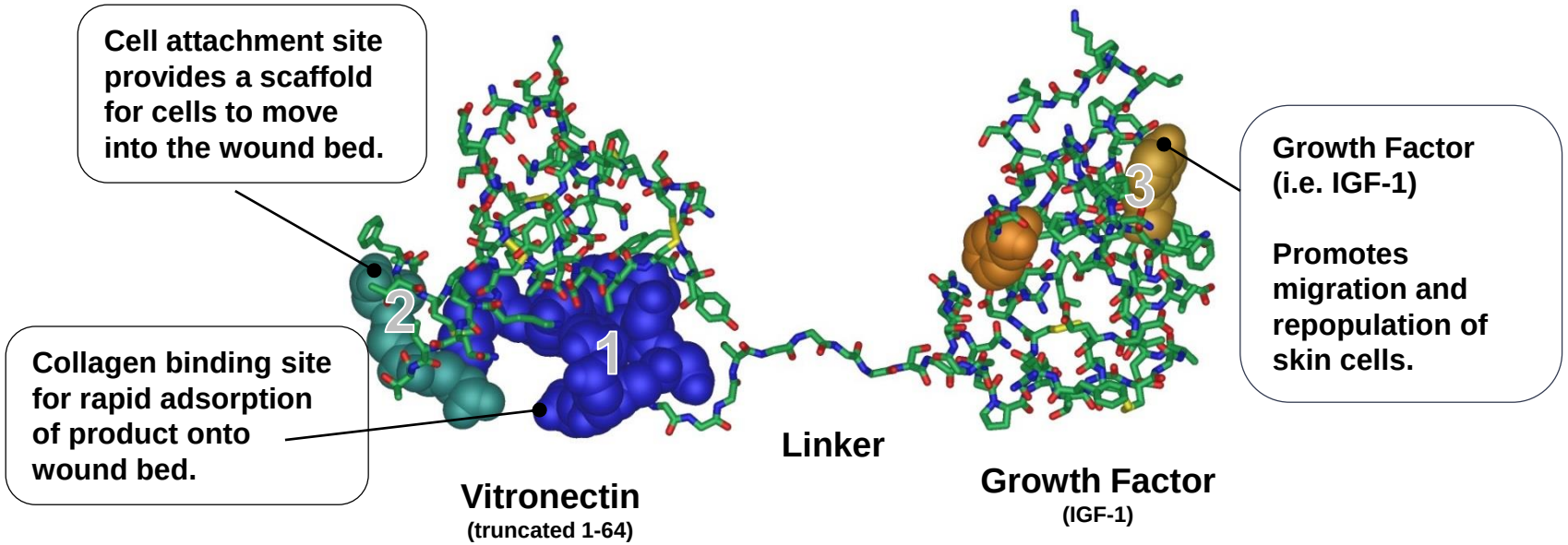
Technology Recap : Molecular “Velcro” + Growth Factors



- Advanced biologic products for wound care using a targeted growth factor approach.
- Our products promote healing by 1) providing an anchor point for new cells and 2) providing growth factors to encourage the proliferation of skin cells.
- Proven potency and safety.
- A platform technology with multiple clinical applications.

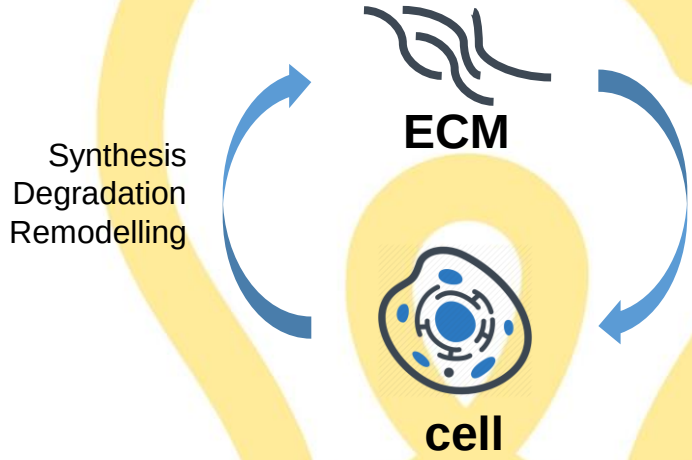
Our mission: Put Wounds onto a Healing Trajectory

Economic Burden
Chronic wounds affect 6.5M people in the US, costs > US$25B.

Difficult to treat
Chronic wounds are recurrent, prone to infection, painful and often associated with comorbidities

Growing Problem
Increasing obesity and diabetes rates drive increase in incidence and prevalence

FTT Solution:
Convert non-healing wound into healing wound



Restore cellular connectivity on dysfunctional ECM
Induce cells to lay down new functional ECM

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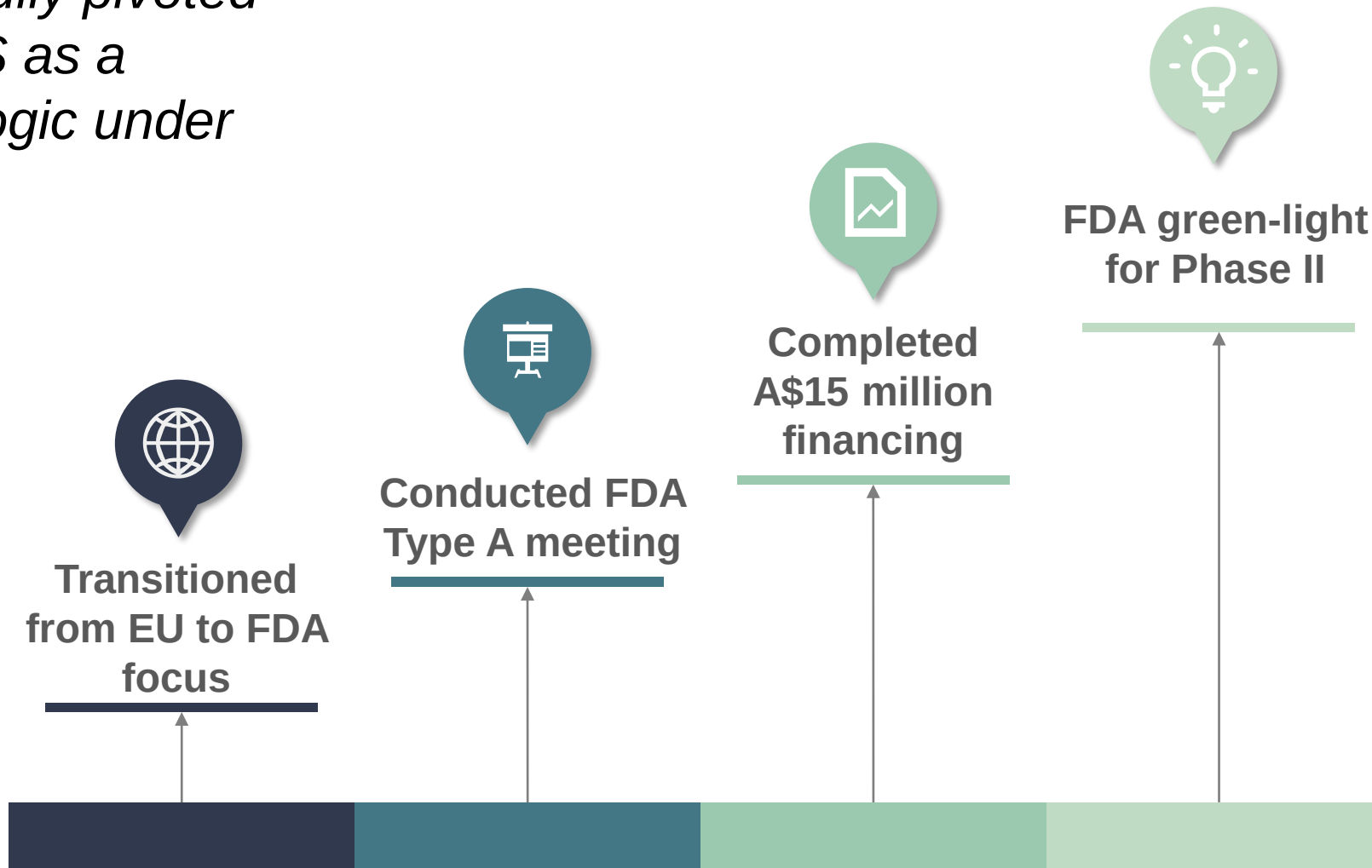
FY16 : A Major Turning Point

We successfully pivoted VF-001 to US as a Phase II biologic under an FDA IND



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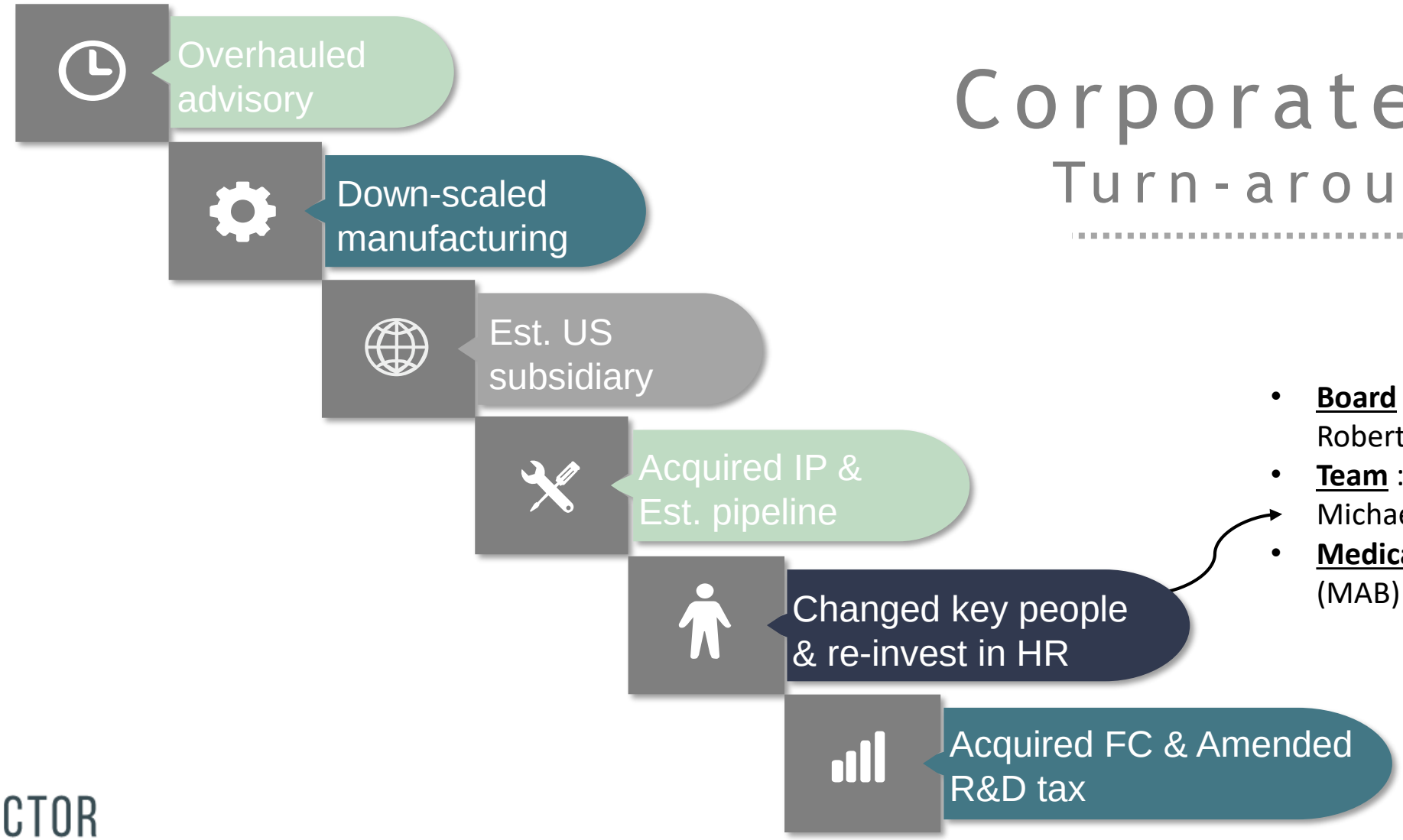
FY16 Restructuring Activities



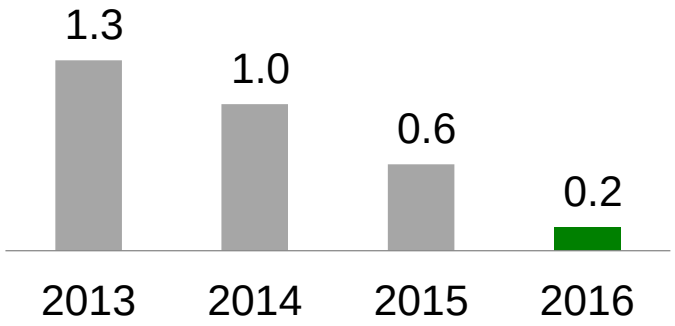
Corporate Turn-around

- **Board** : Chris Behrenbruch, Robert Ryan, Melanie Farris
- **Team** : Anthony Bishop, Michael Larcom
- **Medical Advisory Board** (MAB)

Key Metrics

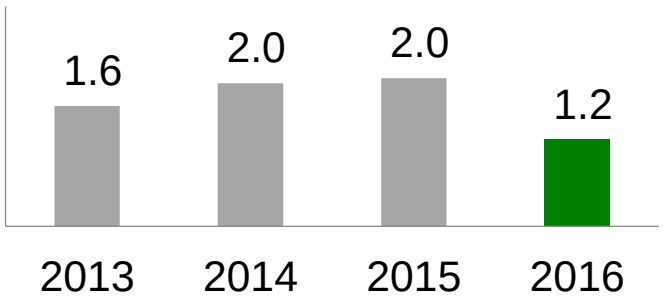
R&D expense

$0.16m -73%



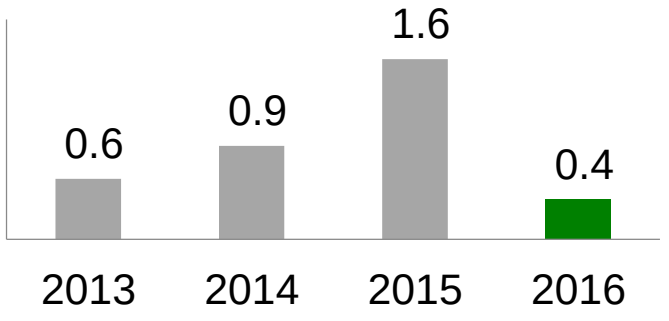
Employment expense

$1.181m -41%



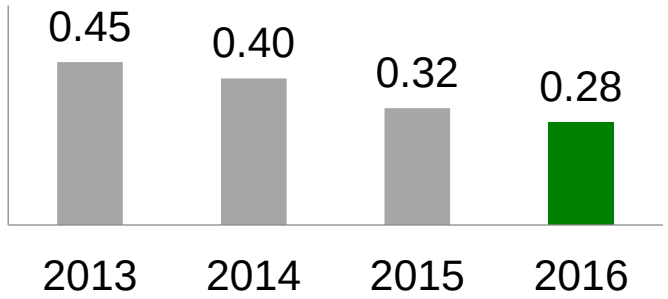
Regulatory expense

$0.36m -78%



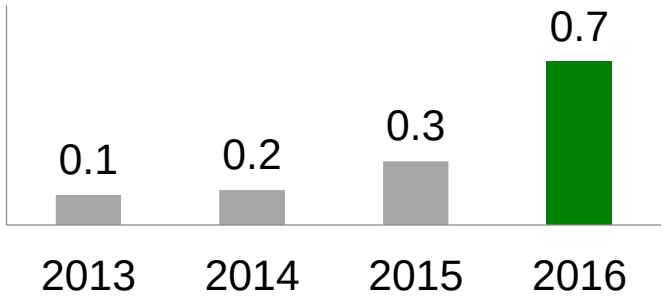
IP expense

$0.28m -12%



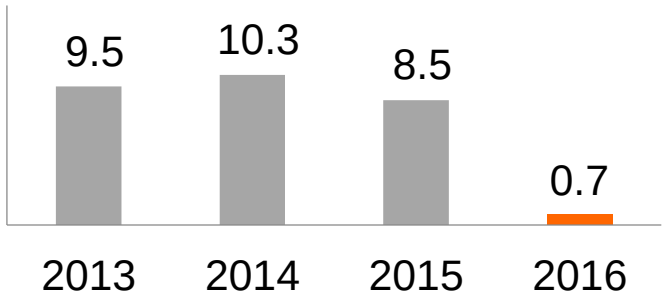
Clinical expense

$0.743m +155%



Inventory

$0.71m* -92%



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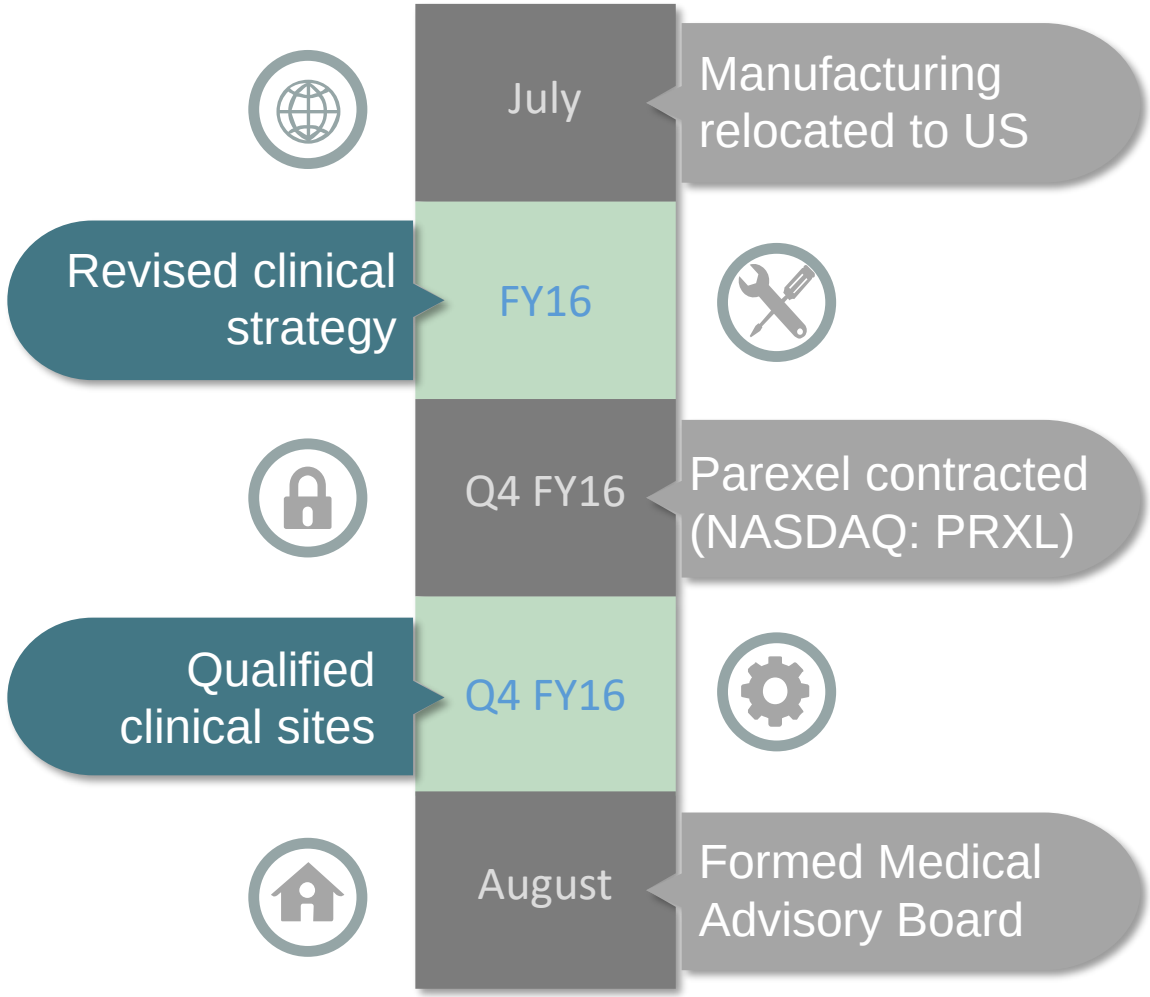
***Appropriate revaluation: Regulatory shelf-life of registration lots precedes potential approval date**

Post-Financing : Clinical Priorities

Clinical Activities

Phase II Readiness



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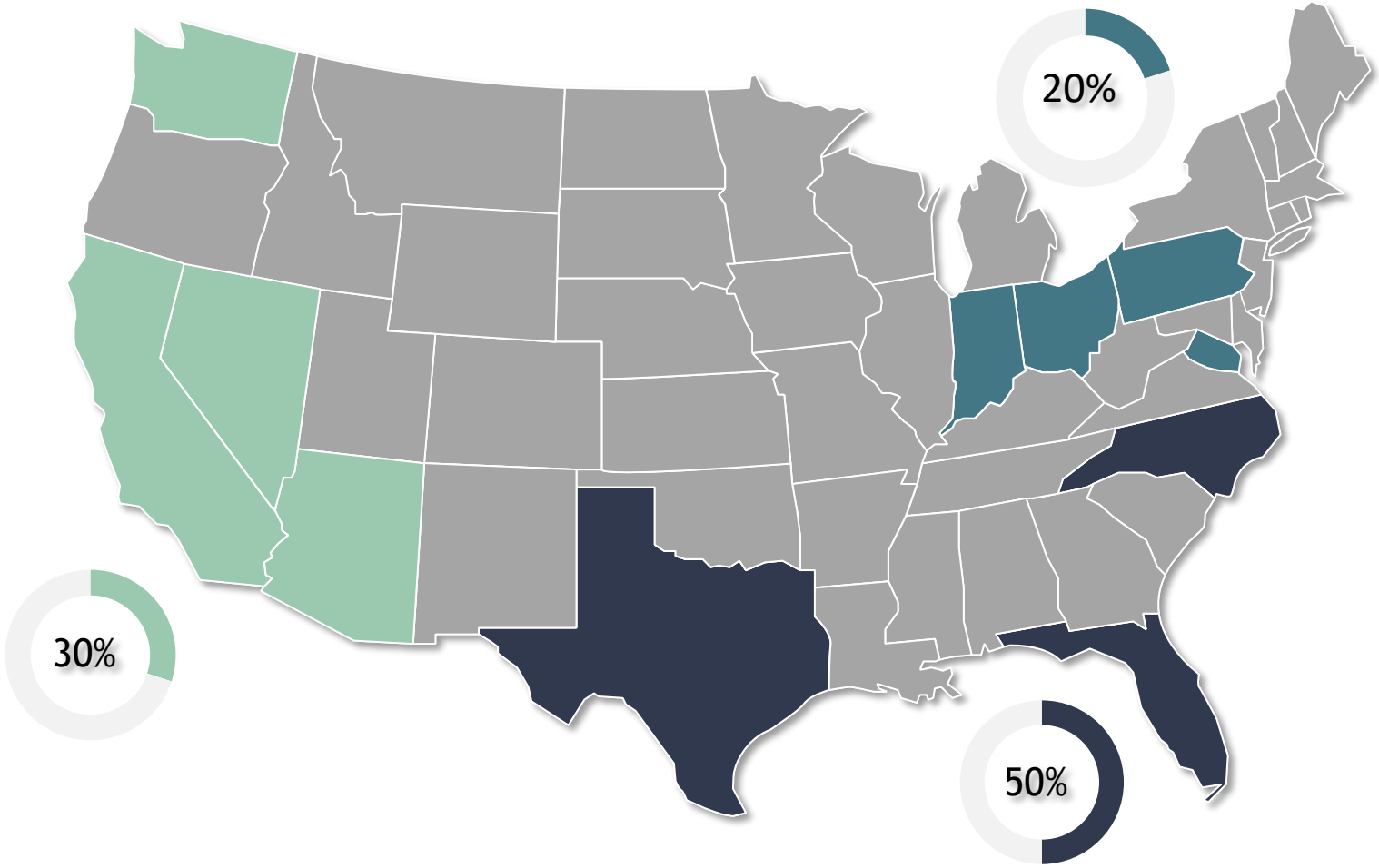
Clinical Operations



VF-001 in Phase II

- ✓ **Ethics complete**
- ✓ **Initial sites opening now**
- ✓ **First-patient imminent**

SOUTH — **KOLs & podiatry**

NORTH — **Specialty sites**

WEST — **High throughput sites**

Introducing our Lead Investigator

UNC SCHOOL OF MEDICINE

William Marston M.D.

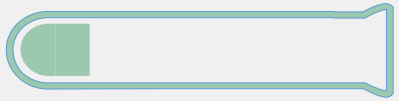
Chief, Division of Vascular Surgery

Professor, Department of Surgery

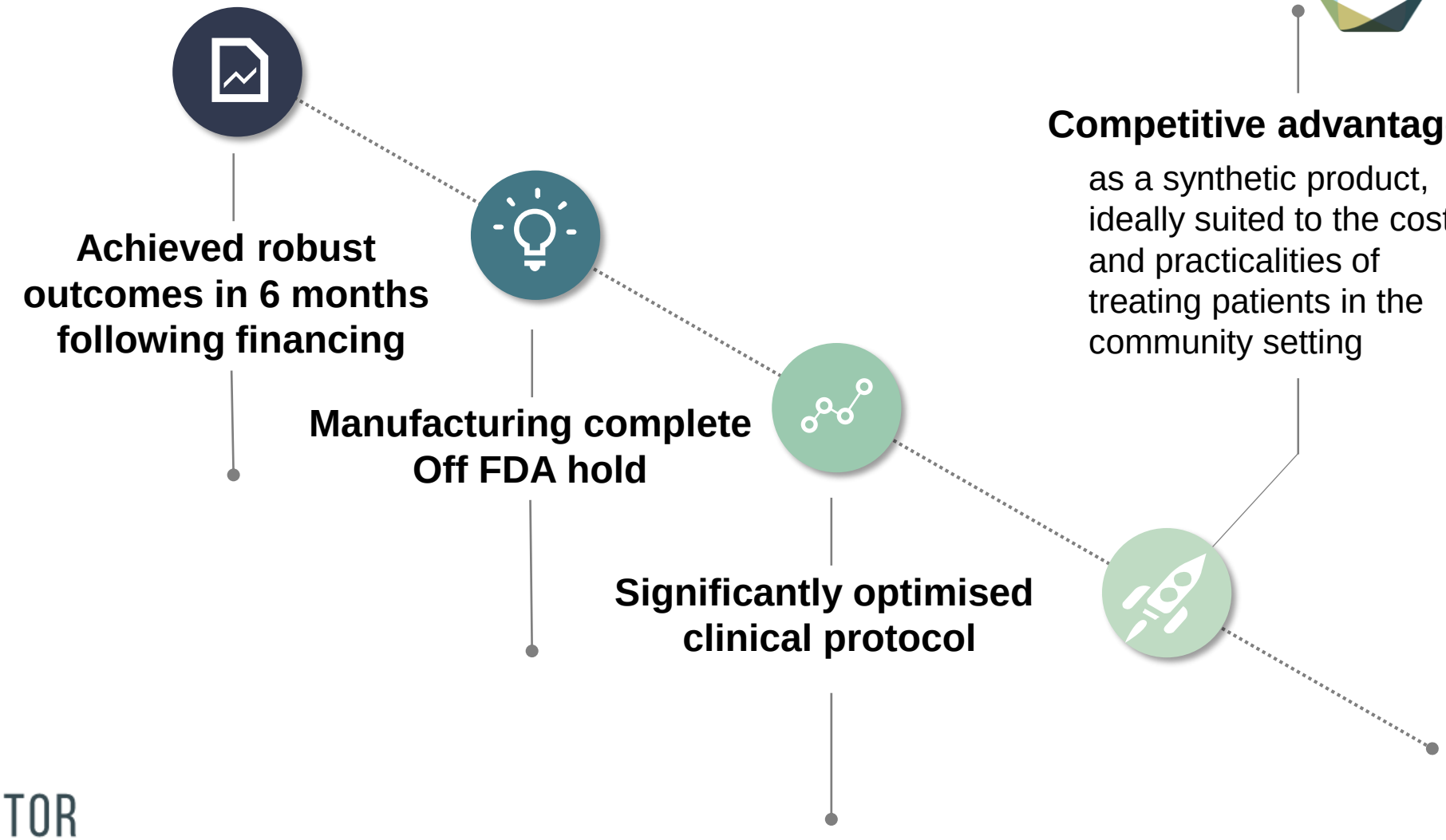
We are pleased to announce Professor Marston has formally joined Factor's Phase II study as Lead Principal Investigator.

An experienced trialist and international expert in wound care, Professor Marston will provide leadership and investigator coordination.

Advancing the Pipeline

Program	Candidates	Progress
Chronic cutaneous ulcers Priority focus 	‘001	• Phase II, Venous leg ulcers • Preparing CMC for FDA end-of-phase 2 meeting • Preparing return to European CE Mark process • Evaluating indication expansion opportunities
High viscosity formulation 	‘002	• Achieved necessary improvements in our CMC/analytical capability • Engaged with potential collaborators to plan future path
Ocular 	‘003/004	• R&D manufacturing underway • Potential proof-of-concept readout Jul 2017 • Planning *in vivo* collaboration
New opportunities 	‘005 ….	Other key updates and collaborations planned

De-Risked Pathway Forward



The Investor Perspective ASX:FTT

Growth

Near-term value inflection around regulatory and data catalysts, business development

Long term market opportunity for VF001 across multiple indications

Progress

Effective corporate turnaround, de-risked lead program

VF-001 will start a significant Phase II trial in the US

Clear Mission

To develop and commercialise a portfolio of advanced wound care products

Lead Program : VF-001 in Venous Leg Ulcers

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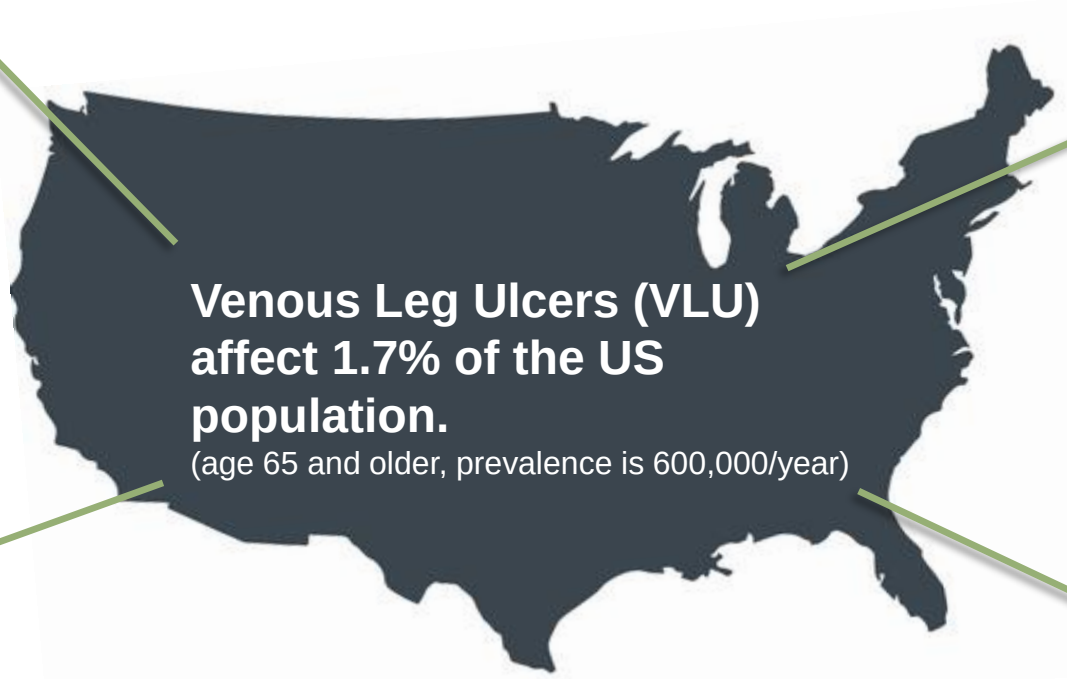
A Major Opportunity for VF-001

1/3 of treated patients experience 4+ recurrent episodes

Probability of healing in Mild and moderate patients is 93% and 65% respectively.

Persisting pain at dressing changes is common -

Associated with lower activity, depression, 73% disturbed sleep, 50% mood affect.



Venous Leg Ulcers (VLU) affect 1.7% of the US population.
(age 65 and older, prevalence is 600,000/year)

$$$ $2.5-3.5B

Annual cost of treating to the US healthcare system. VLU treatment costs ~$9,600.

Over 1,000 outpatient wound centers in the US.

Current therapies fail to bind to collagen in the ulcer bed, hindering fast and effective wound healing

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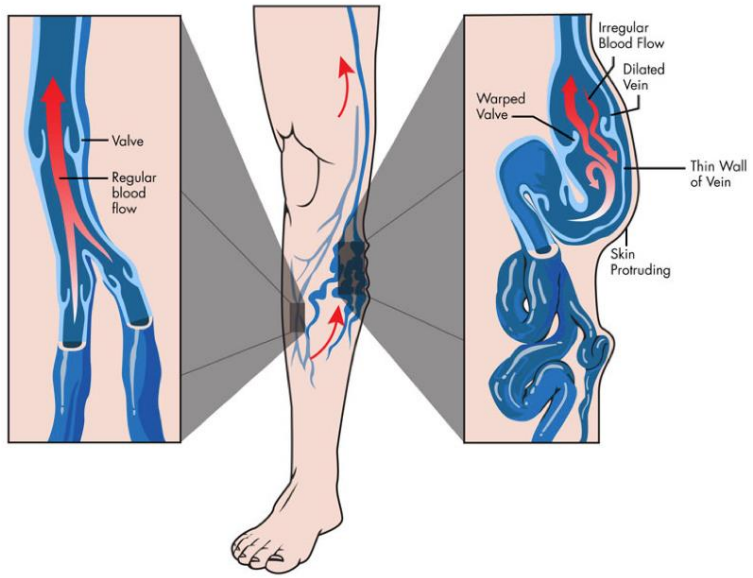
Margolis severity scores

Underlying Venous Disease



- Seminal work by epidemiologist and wound care expert, Dr. David Margolis (U. Penn) provides classification of venous disease
- Highest level of unmet need in Margolis 1 patients
- Highly relevant to considering the therapeutic potential of VF-001

Severity	Proportion in the real world population	Probability of Healing within 24 Weeks with Limb Compression (%)*	Baseline Ulcer Area (cm^2)	Ulcer Duration (months)
0 (least severe)	~ 69%	93.0 %	≤ 5	≤ 6
I (middle)	~ 25%	65.0 %	≤ 5	> 6
			> 5	≤ 6
2 (most severe)	~ 6%	13.0 %	> 5	> 6

** Margolis DJ, Berlin JA, Strom BL. Which venous leg ulcers will heal with limb compression bandages? Am J Med. 2000 Jul;109(1):15-9.*

The vast majority of these patients will be treated in the community setting, not the specialty care setting

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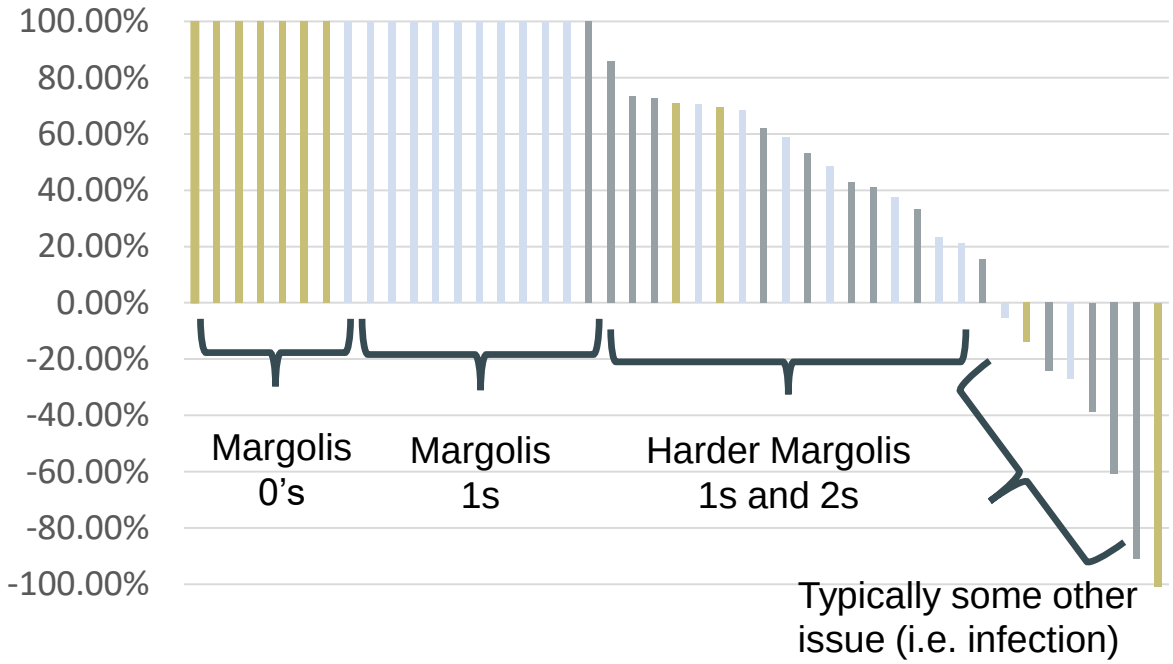
Subset Analysis Highlights Efficacy



- 12 week data showed statistically significant wound area reduction from baseline (p=0.003)
- Differential, robust efficacy in Margolis 1's
- Moderate efficacy in harder Margolis 1's and 2's

(Patients that completed treatment, N=48)

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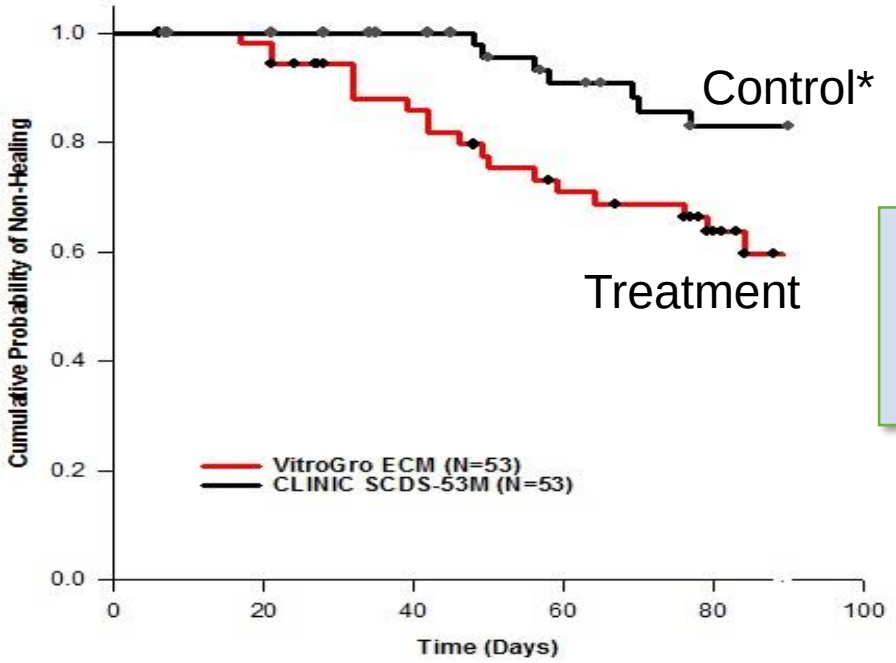
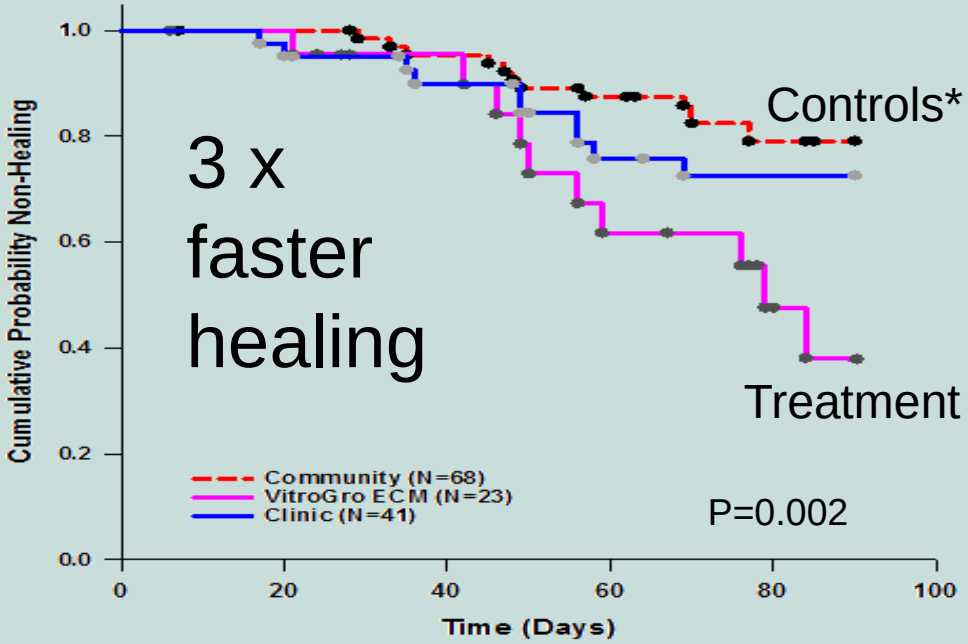
VF-001 shows Improved and efficient healing

All Severities



VF-001 Converts non-healing wounds to healing wounds

Margolis 1 (Moderately Severe)



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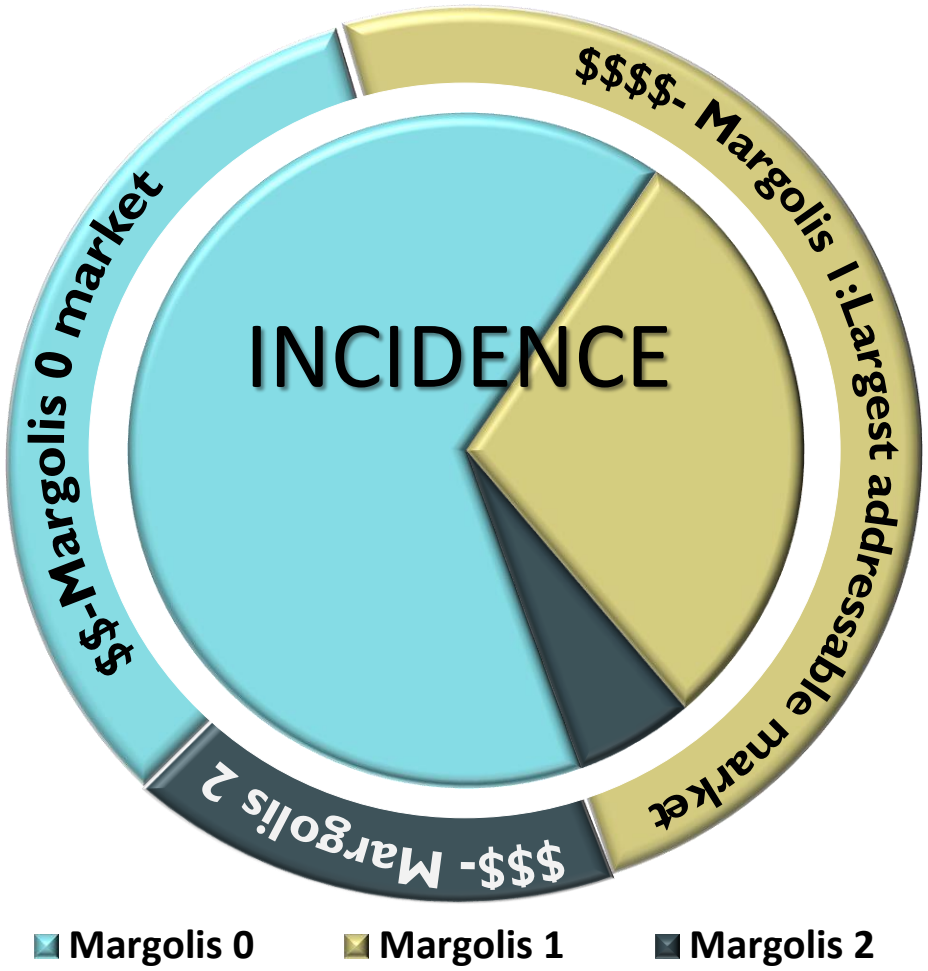
**Cross-trial comparison*

An Effective Market Segmentation Strategy



Margolis type 0 patients:

- Mild disease – community care
- Compression bandaging, dressings
- Highly fragmented / congested market (low "value"/differentiation)

Margolis type 1 patients:

- ***Unmet clinical need***, low competition.
- A cost-effective treatment that can be used in the community setting would be a game-changer
- FTT target market

Margolis type 2 patients:

- Severe disease, specialty care, congested.
- Expensive therapies (grafts, cell therapies, scaffolds) but cost-benefit supports these treatments.

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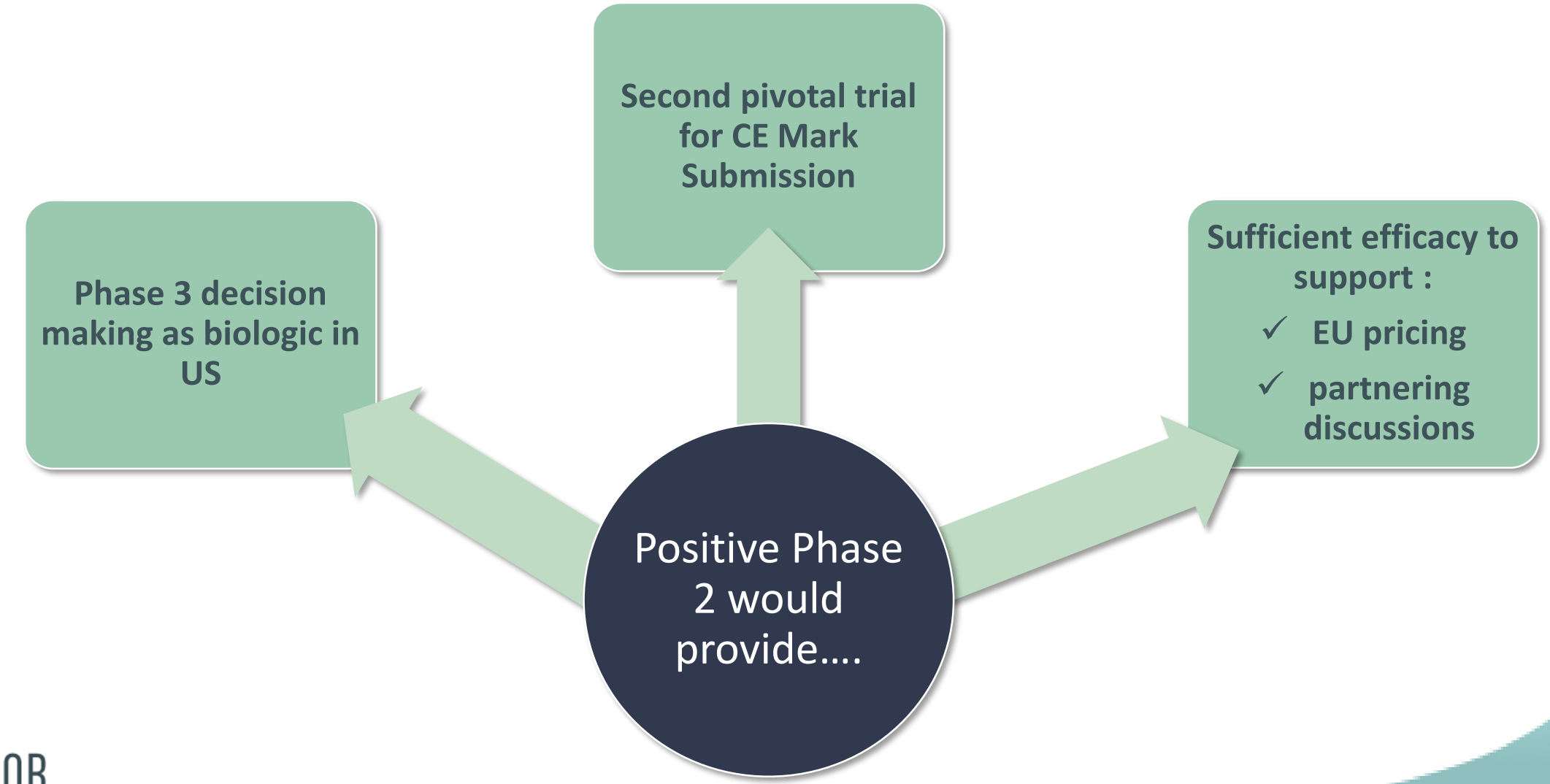
Phase II Trial Synopsis:

Duration	12 weeks (2 weeks screening, 12 weeks treatment, 12 weeks follow up)
Dosing	1:1:1 randomized into placebo, 14 mcg VF001+SC, 140mcg VF001+SC
Total patients	168 patients, 26 sites
Key inclusion criteria	Margolis predictive score of 1a or 1b at treatment initiation. Target ulcer exhibits <30% change in ulcer size with standard of care.
Primary Endpoint	% Reduction in study ulcer area
Key Secondary Endpoints	Proportion of patients with complete ulcer closure
	Time to ulcer closure
	Quality adjusted life-year survey
	Time to first instance of no ulcer study pain (VAS score)
	Time to meaningful pain reduction

- **Partnering Potential:** Successful Phase II is a major inflection point
- **EMA**: Serves as a second pivotal study for EMA (CE Mark)
- **FDA**: Successful Phase 2 and CE Mark could mean only one confirmatory Phase 3 would be required for approval, with a second Phase 3 in another indication

Poised for Clinical and Commercial Success



Trial Supports a Broad Product Label

- For Margolis 0/1 patients, Standard Care will always involve compression bandaging and moisture dressings in the community setting. It is cheap, effective, not yet beaten
- Negative pressure wound care systems may have future applicability but are not yet clinically proven for VLU – more of a novelty at this stage
- Margolis “classification” is a high-level strategy for patient delineation. It is an “effect”, not a “score”. Qualitative, not quantitative
- In the “real world”, we will exclude patients with severe venous disease (Margolis 2s) by size/duration of ulcer
- In the “real world”, we will not exclude Margolis 0 patients from treatment eligibility, rather we will require that those patients have not responded to a duration of Standard Care (4-8 weeks)

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Pricing Supported by Reimbursement Models

- **~€1,000 per treatment course is supported using pricing models. Actual wound closure rates and factors like quality of life and pain reduction can bolster pricing.**
- Huge impact on Margolis 1 “hard to heal” patients. These cost the most in the community care setting where VitroCard has the strongest signal.
  - Phase II screens for patients who do not adequately respond to standard of care.
  - In line with pricing and reimbursement criteria for competing products
- For example, a 20% healing rate improvement would eliminate 6 weeks of standard care
  - Upside : benchmark to standard care
  - Pain relief
- VF-001 is cost-effective even after sensitivity analysis
- £705 average cost saving per patient in UK, €629 in Germany (15%)
- Probability of cost-effectiveness is 91%

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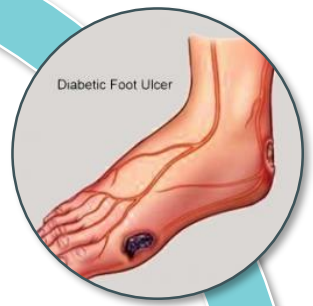
Beyond VF-001 & VLUs

Synergistic mechanisms of action

MONASH University

Core Vitronectin IP Platform



Indication expansion – i.e. DFUs, orphan

Clinical application expansion – i.e. viscous formulation

New molecules based on core IP

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Summary

- De-risked product with prior clinical experience demonstrated safety and efficacy
- Factor has achieved robust operational outcomes in the 6 months following financing
- Manufacturing is complete, off FDA clinical hold
- Clinical protocol has been significantly optimised
- Competitive advantage as a synthetic product, ideally suited to the cost and practicalities of treating patients in the community setting
- Exciting pipeline and indication expansion opportunities

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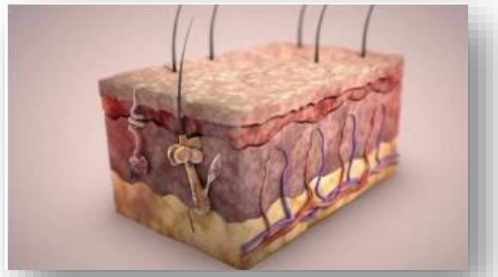
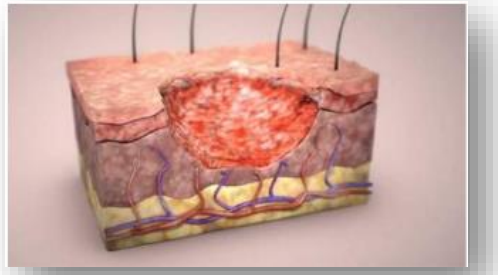
Catalysts

Catalyst	Timing
Phase 2 trial FPI	Any day
Recruitment update	Quarterly, starting end-Q1
DFU IND update	End-Q1
Orphan strategy update	Early Q2
Completion of enrolment	End-Q2 / early Q3
Ocular program – preliminary data	Q2
Top-line results from US Phase II	End-Q3 / early Q4
Monash collaboration outcomes	End Q4

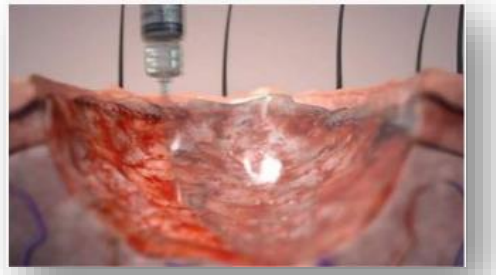
Healthy skin layers



Hemostasis



Application of VF-001



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