ASX Release **22 September 2025**
ASX Code: MEM

Memphasys' Placement Accelerates Felix™ Commercialisation and Manufacturing Scale-Up, Operating Costs Slashed by 40%

Highlights:

- **Placement completed, raising ~$0.84m (before costs), with additional non-renounceable rights issue to raise up to $1.12m available to eligible shareholders.**
- **Strong demand, with the placement supported by both existing and new investors, including institutional participation.**
- **Investors backing the renewed commercialisation strategy being driven by the Board and executive.**
- **Funds to be applied to delivery of existing contracts, finalisation of advanced negotiations for other contracts, and scaling of production.**
- **Operational costs reduced by ~40% (from ~$3.0m to $1.8m in CY2026), with savings being redeployed into Felix™ manufacturing, inventory build, and gross margin improvements to <$40 per cartridge.**
- **Commercialisation of Felix™ remains the Company's sole focus, with dual priorities of 'immediate & near term' contracted sales and manufacturing cost reductions.**

Memphasys Limited (ASX: MEM) ("Memphasys" or "the Company") is pleased to announce it has successfully completed a Placement, raising approximately **$0.84 million (before costs)** at an issue price of $0.003 per share (Placement).

New investors joined the raise, but the majority of funds were allocated to supportive existing shareholders, who remain energised by and committed to the renewed commercialisation strategy being executed by the Board and executive team. Their strong backing underscores growing confidence in Felix™ as a disruptive technology and in Memphasys' ability to convert its pipeline of binding agreements and advanced negotiations into meaningful revenues.

Non-Executive Director, Marjan Mikel, an existing shareholder, will also participate in the Placement for $20,000, subject to shareholder approval.

The Placement price represents a 36% discount to the Company's 5-day VWAP of $0.0047, providing investors with an attractive entry point while securing the capital required to deliver Memphasys' commercialisation plans. Investors will also receive one (1) free attaching unlisted option for every four (4) shares subscribed, exercisable at $0.011 and expiring on 5 November 2026 (Placement Options).

The Placement Options are subject to shareholder approval at an upcoming meeting of shareholders.

A Non-Renounceable Rights Issue, on the same terms, is proposed to raise up to an additional $1.12 million, providing all eligible shareholders the opportunity to participate in this next phase of growth.

Rationalisation of Operating Costs

The Board has undertaken a decisive rationalisation of operational costs, cutting expenses by 40% from approximately $3.0 million to $1.8 million in CY2026. These savings are being redeployed into core priorities - scaling manufacturing, building Felix™ inventory, and improving gross margins with a target cost of less than $40 per cartridge.

This approach ensures Memphasys remains laser-focused on Felix™ commercialisation and near-term revenue generation, while avoiding spend on non-core activities and maintaining uncompromised execution.

Investor Sentiment & Board Reception

The investment community has strongly endorsed Memphasys' pivot from a broad set of priorities to a laser focus on Felix™ commercialisation and immediate revenue generation. Feedback from institutional and strategic investors highlights confidence not only in the sharpened commercial focus and disciplined execution pathway but also in the Board's decisive cost reductions. The combination of leaner focused operations and redeployment of capital into manufacturing and inventory has been viewed as a major strength, reinforcing Memphasys' transition from R&D to revenue and positioning the Company to continue attracting high-quality investors as commercial momentum builds.

Use of Funds

Proceeds from the capital raising will be deployed to:

- Deliver binding commercial contracts already secured, including the recently expanded ITL agreement, upgraded to A$390,000 and broadened to include Turkey[1] – Memphasys' first contracted EU revenues
- Progress advanced negotiations in New Zealand, Japan, and India, with further volume-based agreements expected in the coming quarters. These represent near-term revenue opportunities for FY2026
- Scale production and manufacturing capacity, ensuring Memphasys can meet contract demand while establishing a production profile that drives reductions in cost of goods sold (COGS) and improves long-term gross margins.
- Support CE Mark regulatory process, enabling access to the EU – the world's largest IVF market.

Felix Commercialisation Focus

Memphasys' strategy is centred solely on the commercialisation of Felix™, with a dual focus on:

1. Building contracted sales through binding agreements in MENA, Turkey, and new markets under advanced negotiation.
2. Scaling production to support these contracts, creating volume that will underpin manufacturing efficiencies and reduce COGS, enhancing the razor/razorblade revenue model.

This approach positions the Company to generate its first meaningful revenues in FY2026, while also laying the foundation for sustained profitability as volumes scale.

[1] Refer ASX announcement dated 18 September 2025

On the successful completion of the Placement Memphasys Chairperson, **Lindley Edwards**, said:

"This strategic capital raising, with strong support from existing, new and institutional investors, is a clear endorsement of our move to a laser focus on Felix™ commercialisation and near-term revenue. With funding secured, we are executing binding contracts, advancing new deals, and scaling manufacturing to drive costs down. Further, we've cut operating expenses some 40% and redeployed savings into production and inventory, targeting margins of <$40 per cartridge. This disciplined, commercial focus sets the foundation for sustainable revenues and long-term shareholder value."

With multiple additional contracts in advanced stages of negotiation across key international markets, Memphasys expects to make further announcements in the near term. These agreements, if executed, represent short term revenue opportunities and will add to the strong foundation already established.

The Board and executive team are confident that this growing commercial pipeline, combined with the sharpened focus on Felix™ commercialisation, will deliver sustained momentum and long-term value creation for shareholders.

Indicative Timetable

Please see below an indicative timetable for the Entitlement Offer.

Event	Date
Announcement of Offer & Appendix 3B	Monday, 22 September 2025
Lodgement of Prospectus with ASIC & ASX	Friday, 26 September 2025
Ex date	Wednesday, 1 October 2025
Record Date for determining Entitlements	Thursday, 2 October 2025
Prospectus despatched to Shareholders & Company announces despatch has been completed (Opening date)	Tuesday, 7 October 2025
Last day to extend Closing Date	Monday, 13 October 2025
Closing Date	Wednesday, 29 October 2025
Securities quoted on a deferred settlement basis from market open	Thursday, 30 October 2025
Announcement of results of issue	Wednesday, 5 November 2025
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time)	Wednesday, 5 November 2025

Lynx Advisors Pty Ltd ("Lynx") was Lead Manager ("LM") for the Placement and will receive 6% (plus GST) of the total gross proceeds of the Placement in scrip fees payable as LM on the same terms as the Placement.

Lynx will have the right to place any shortfall shares from the Rights Issue.

This announcement has been authorised for release by the Board of Memphasys Limited.

ENDS

For further information, please contact:

Dr David Ali
Managing Director & CEO
Memphasys Limited
Tel: +61 2 8415 7300
E: david.ali@memphasys.com>

David Tasker
Managing Director
Chapter One Advisors
Tel: +61 433 112 936
E: dtasker@chapteroneadvisors.com.au

About Memphasys

Memphasys Limited (ASX: MEM) is focused on the commercialisation of its patented Felix™ System, a novel bioseparation technology for assisted reproduction. Felix™ combines electrophoresis with proprietary size-exclusion membranes to rapidly isolate the most viable sperm cells for use in human fertility treatments.

The Company's strategy is centred on securing contracted sales, driving adoption through key clinical and distribution partnerships, and scaling production capacity. With regulatory and commercial pathways advancing, Memphasys is positioned to deliver on its vision of establishing Felix™ as a new global standard in sperm selection.

Website: www.memphasys.com

The Felix™ Systems is a registered trademarks of Memphasys Limited. All rights reserved.