MEMPHASYS LIMITED
ACN 120 047 556

ENTITLEMENT OFFER PROSPECTUS

For a pro-rata non-renounceable entitlement offer of 1 Share for every 6 Shares held by those Shareholders registered at the Record Date at an issue price of $0.003 per Share, together with 1 free New Option for every 4 Shares applied for and issued, to raise up to approximately $1,120,549 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

This Prospectus also contains secondary offers of up to:

(a) 70,165,094 New Options to Placement Participants (**Placement Options Offer**); and

(b) 4,209,906 New Options to Lynx (**Lynx Options Offer**),

(together, with the Entitlement Offer, the **Offers**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

STEINEPREIS PAGANIN

IMPORTANT NOTICE

This Prospectus is dated 2 October 2025 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.11.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under the Entitlement Offer. With respect to the Entitlement Offer, the Company and Lynx Advisors Pty Ltd (**Lynx**) will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.memphasys.com). By making an application under the Entitlement Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD. For the avoidance of doubt, the design and distribution obligations under the Corporations Act do not apply to the Placement Options Offer or Lynx Options Offer.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.memphasys.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 2 8415 7300 during office hours or by emailing the Company Secretary, Andrew Metcalfe, at Andrew@accosec.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Easten Daylight Time, unless stated otherwise.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 2 8415 7300

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CORPORATE DIRECTORY

Directors

Dr David Ali
(CEO and Managing Director)

Ms Lindley Edwards
(Non-Executive Chairperson)

Mr Marjan Mikel
(Non-Executive Director)

Company Secretary

Mr Andrew Metcalfe

Registered Office

Level 1
34 Richmond Road
HOMEBUSH NSW 2140

Telephone: +61 2 8415 7300
Website: www.memphasys.com
Email: info@memphasys.com

Auditor*

BDO Audit Pty Ltd
Level 25, Parkline Place
252 Pitt Street
SYDNEY NSW 2000

Share Registry*

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Telephone: 1300 737 760 (within Australia)
Telephone: + 61 2 9290 9600 (outside Australia)

Legal Advisers

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Broker to the Shortfall Offer

Lynx Advisors Pty Ltd
Level 11
66 Clarence Street
SYDNEY NSW 2000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

EVENT	DATE
Lodgement of Prospectus with ASIC & ASX	Pre-market open, 2 October 2025
Ex date	6 October 2025
Record Date for determining Entitlements as at 5:00pm AEDT	7 October 2025
Entitlement Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	10 October 2025
Last day to extend the Closing Date	29 October 2025
Closing Date as at 5:00pm AEDT*	3 November 2025
Shares under the Entitlement Offer quoted on a deferred settlement basis	4 November 2025
Announcement of results of Entitlement Offer	10 November 2025
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares (before noon, Sydney time)	10 November 2025
Quotation of Shares issued under the Entitlement Offer*	11 November 2025
Annual General Meeting	20 November 2025
Issue date of New Options under the Placement Options Offer and Lynx Options Offer	24 November 2025

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offers

Shares

	FULL SUBSCRIPTION[1]
Entitlement Offer Price per Share	$0.003
Entitlement Ratio (based on existing Shares)	1:6
Shares currently on issue	2,241,098,100
Maximum number of Shares to be issued under the Entitlement Offer	373,516,350
Maximum gross proceeds of the issue of Shares under the Entitlement Offer	$1,120,549
Shares to be issued under Tranche 2 of Placement	40,000,000[2]
Shares on issue post Offers and Placement	**2,654,614,450[3]**

Notes:

1. Assuming the full subscription of approximately $1,120,549 is achieved under the Entitlement Offer.
2. Comprising:
   (a) 33,333,333 Shares to be issued to Mr Rodney Wellstead under the Placement after the Record Date; and
   (b) 6,666,667 Shares to be issued to Director, Mr Marjan Mikel, under the Placement subject to Shareholder approval and therefore after the Record Date.
3. Refer to Section 4.1 for the terms of the Shares.

Options

	FULL SUBSCRIPTION[1]
Offer Price per New Option	Nil
Option Entitlement Ratio (based on Shares applied for and issued under the Entitlement Offer)	1:4
Options currently on issue	794,606,476
Maximum number of New Options to be issued under the Entitlement Offer[2]	93,379,088
New Options to be issued under the Placement Options Offer[2,3,4]	70,165,094
New Options to be issued under the Lynx Options Offer[2,4]	4,209,906
Gross proceeds of the issue of New Options	$Nil
Options on issue post Offers and Placement	**962,360,564**

Notes:

1. Assuming the full subscription of $1,120,549 is achieved under the Entitlement Offer and subject to rounding of individual Entitlements.
2. Refer to Section 4.2 for the terms of the New Options.
3. Includes New Options free attaching to both tranches of the Placement.
4. The Company notes that the New Options to be issued under the Placement Options Offer and Lynx Options Offer are subject to Shareholder approval at the Company's upcoming Annual General Meeting. If Shareholder approval is not obtained, then the New Options under the Placement Options Offer and Lynx Options Offer will not be issued.

1.3 Background to the Placement

As announced on 22 September 2025, the Company has received firm commitments from professional and sophisticated investors (**Placement Participants**) for a placement of 280,660,377 Shares at an issue price of $0.003 per Share to raise approximately $841,981 (**Placement**). The Company intends to issue the Shares under the Placement pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 (other than the Shares to be issued to Director, Marjan Mikel, which issue is subject to Shareholder approval under Listing Rule 10.11).

Shares under the Placement will be issued in two tranches as follows:

(a) **Tranche 1:** 257,500,000 Shares issued on 1 October 2025, comprising 240,660,377 Shares issued to Placement Participants and an additional 16,839,623 Shares issued to Lynx as part consideration for lead manager services provided to the Company in connection with the Placement; and

(b) **Tranche 2:** 40,000,000 Shares to be issued after the Record Date, comprising 33,333,333 Shares to Placement Participant Mr Rodney Wellstead and 6,666,667 Shares to Director, Mr Marjan Mikel subject to Shareholder approval.

Pursuant to the terms of the Placement and subject to Shareholder approval, the Company proposes to issue the Shares under the Placement together with 1 free attaching New Option (exercisable at $0.011 on or before 5 November 2026) for every 4 Shares applied for and issued under the Placement.

Accordingly, the Placement Options Offer under this Prospectus is to facilitate the offer of the New Options to the Placement Participants and to remove any trading restrictions that may otherwise attach to the New Options and the underlying Shares over which the New Options can be exercised.

Further details in respect of the Placement are set out in the ASX announcement released by the Company on 22 September 2025.

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced

by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

DIRECTOR	SHARES	OPTIONS	SHARE ENTITLEMENT	NEW OPTION ENTITLEMENT	$
David Ali[1]	-	6,696,292	-	-	-
Lindley Edwards[2]	-	-	-	-	-
Marjan Mikel[2]	9,172,125	-	1,528,688	382,172	$4,586.06

Note:

1. Non-Executive Director, Mr Marjan Mikel, has agreed, subject to Shareholder approval to subscribe for 6,666,667 Shares (and 1,666,667 New Options) under the Placement to raise an additional $20,000. Mr Mikel's participation in the Placement is subject to Shareholder approval and therefore will not be issued prior to the Record Date.

2. Marjan Mikel and Lindley Edwards are each proposed to be issued a total of 25,000,000 Options, subject to Shareholder approval at the Company's Annual General Meeting comprising: (a) 6,500,000 Options exercisable at $0.004 and expiring 2 years from their date of issue, (b) 8,500,000 Options exercisable at $0.005 and expiring 2 years from their date of issue and (c) 10,000,000 Options exercisable at $0.007 and expiring 2 years from their date of issue

1.6 Details of Substantial Holders

Based on information known to the Company as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%	SHARE ENTITLEMENT	OPTION ENTITLEMENT
Andrew Goodall[1]	287,760,255	12.84%	47,960,043	11,990,010
Peters Investments Pty Ltd[2]	261,564,791	11.67%	43,594,132	10,898,533

Notes:

1. Mr Goodall is a former Director of the Company (ceased on 29 November 2023).
2. Held directly by Peters Investments Pty Ltd. In addition, Peters Investments Pty Ltd holds 3,000,000 convertible notes in the Company with a face value of $1 per Convertible Note. Refer to Section 3.4 for further details with respect to these Convertible Notes.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Entitlement Offer. A Shareholder that does not take up their full Entitlement is likely to be diluted (refer to Section 1.9 below for further details).

The Company, in consultation with Lynx, will ensure that the Entitlement Offer (including the dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the Corporations Act and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

1.7 Underwriting and sub-underwriting

The Entitlement Offer is not underwritten.

1.8 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further, as set out in Section 2.4, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

Additionally, there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 14.29% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

HOLDER	HOLDING AS AT RECORD DATE	% AT RECORD DATE	ENTITLEMENTS UNDER THE ENTITLEMENT OFFER	HOLDINGS IF ENTITLEMENT OFFER NOT TAKEN UP	% POST ENTITLEMENT OFFER
Shareholder 1	1,000,000,000	44.62%	166,666,667	1,000,000,000	37.67%
Shareholder 2	500,000,000	22.31%	83,333,333	500,000,000	18.84%
Shareholder 3	150,000,000	6.69%	25,000,000	150,000,000	5.65%
Shareholder 4	40,000,000	1.78%	6,666,667	40,000,000	1.51%
Shareholder 5	5,000,000	0.22%	833,333	5,000,000	0.19%

Notes:

1. Based on 2,241,098,100 Shares on issue as at the Record Date. Assumes completion of the Entitlement Offer and does not account for Shares to be issued under the Placement after the Record Date or New Options to be issued pursuant to the Entitlement Offer, Placement Options Offer or Lynx Options Offer.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed by the Lynx. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFERS

2.1 The Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement offer of 1 Shares for every 6 Shares held by Shareholders registered at the Record Date at an issue price of $0.003 per Share together with 1 free attaching New Option for every 4 Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 373,516,350 Shares and 93,379,088 New Options may be issued under the Entitlement Offer to raise up to $1,120,549. No funds will be raised from the issue of the New Options.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The New Options will be exercisable at $0.011 on or before 5 November 2026 and otherwise on the terms set out in Section 4.2.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

2.2 Placement Options Offer

This Prospectus includes an offer of up to 70,165,094 New Options under the Placement Options Offer.

As set out in Section 1.3, the New Options will be offered free attaching (on a 1 for 4 basis) to Shares issued to Placement Participants. Accordingly, no funds will be raised from the issue under the Placement Options Offer.

Only Placement Participants (or their nominees) may apply for the New Options under the Placement Options Offer. Application Forms in respect of the Placement Options Offer will only be provided by the Company to these parties.

The issue of the New Options under the Placement Options Offer is subject to Shareholder approval at the upcoming Annual General Meeting of the Company to be held on or about 20 November 2025.

The New Options will be issued on the terms and conditions set out in Section 4.2 of this Prospectus. All Shares issued on exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The Placement Options Offer will be made under this Prospectus for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of any Shares issued on exercise of the New Options issued under the Placement Options Offer.

2.3 Lynx Options Offer

Lynx was appointed to act to act as sole lead manager and broker to the Placement and broker to the Shortfall Offer pursuant to an agreement dated 18 September 2025 (**Mandate**).

Under the Mandate, in consideration for services provided in connection with the Placement, the Company agreed to pay or issue:

(a) a fee of 6.0% of the gross proceeds raised under the Placement to be settled through the issue of 16,839,623 Shares and 4,209,906 New Options on the same terms as the Placement; and

(b) a fee of 6.0% of the amount raised from placing the Shortfall, to be paid in cash.

The Company has agreed to reimburse Lynx for all reasonable out-of-pocket expenses incurred in performing its services under Mandate, including legal fees. Individual items

over $250 and aggregated expenses expected to exceed $1,000 will only be reimbursed if approved in writing by the Company prior to incurring the expense.

The Mandate otherwise contains indemnities, representations and warranties by the Company to Lynx and other terms and conditions considered standard for an agreement of this nature.

Only Lynx (or its nominee/s) may accept the Lynx Options Offer, by using the relevant Application Form in relation to the Lynx Options Offer. No funds will be raised from the Lynx Options Offer as the New Options are being issued in consideration for services provided by Lynx.

All New Options offered under the Lynx Options Offer will be issued on the terms set out in Section 4.2 of this Prospectus. All Shares issued on exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The Lynx Options Offer will be made under this Prospectus for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of any Shares issued on exercise of the New Options issued under the Lynx Options Offer.

2.4 Shortfall Offer

Any Entitlement not taken up under the Entitlement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date to allow the Company to place the Shortfall with unrelated investors who are not Eligible Shareholders. The Company reserves the right to close the Shortfall Offer at any time.

Eligible Shareholders may apply for Shortfall Securities under the Shortfall Offer provided such applications are received by the Closing Date. The issue price for each Share under the Shortfall Offer will be $0.003, being the same price at which Shares are offered under the Offer.

To the extent there is a shortfall between applications received under the Offer and the total number of Securities proposed to be issued, Lynx has the right (but not the obligation) to place such Shortfall Securities within three months of the Closing Date. The allocation of Shortfall Securities will be determined by Lynx in agreement with the Company, having regard to the following principles:

(a) Lynx and the Directors may allocate the Shortfall to both new investors and Eligible Shareholders, in a manner considered appropriate to the best interests of the Company, balancing the Company's desire to raise funds with other relevant factors (including the long-term Shareholder base, strategic investor relationships and corporate governance considerations).

(b) Eligible Shareholders are encouraged to apply for Shortfall Securities, but allocation priority will not necessarily be given to them.

(c) Where it is considered in the Company's best interests to allocate Shortfall to a particular applicant or category of applicants, Lynx and the Directors may do so. This may result in preference being given to applications from new investors over Eligible Shareholders.

(d) Subject to the above, where applications are received from multiple Eligible Shareholders, the Shortfall will generally be allocated in a manner considered fair and reasonable, having regard to applicants' existing shareholdings and the Company's broader objectives.

(e) No allocation will be made under the Shortfall Offer to the extent that it would result in an applicant (together with their associates) acquiring a relevant interest of 20% or more in the Company, in breach of the takeover thresholds under the Corporations Act, subject to permitted exceptions (including those set out in section 611 of the Corporations Act).

All decisions regarding the allocation of Shortfall Securities will be made jointly by Lynx and the Directors and will be final and binding. There is no guarantee that any application for Shortfall Securities will be satisfied in full or at all.

If the Company scales back any applications, the excess application monies will be returned to applicants (without interest) as soon as practicable. The Company accepts no liability for any loss suffered by applicants who receive fewer Shortfall Securities than applied for.

2.5 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
Take up all of your Entitlement	Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.6. As set out in Section 2.6, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Sections 2.6 and 2.7
Take up a proportion of your Entitlement and allow the balance to lapse	If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.6 below. As set out in Section 2.6, if you pay by BPAY® or EFT, you do not need to return the Entitlement and Acceptance Form.	Sections 2.6 and 2.7
Allow all or part of your Entitlement to lapse	If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse.	N/A

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.6 Payment options

(a) **By BPAY®**

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

(i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and

(ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (AEDT) on the**

Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings**. This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please refer to your personalised letter accompanying the prospectus for instructions. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

(i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and

(ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies.

2.7 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

(a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;

(b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.8 Minimum subscription

There is no minimum subscription under the Entitlement Offer.

2.9 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

The Company will not apply for Official Quotation of the New Options issued pursuant to this Prospectus.

2.10 Issue of Securities

Securities issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and the timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Entitlement Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.11 Overseas shareholders

These Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such offers or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Securities are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (A ust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to $1,120,549 before costs. In addition, the Company raised a further $841,981 under the Placement.

The funds raised from the Entitlement Offer and Placement are intended to be applied in accordance with the table set out below:

ITEM	PROCEEDS OF THE ENTITLEMENT OFFER AND THE PLACEMENT	FULL SUBSCRIPTION ($)	%
1.	Felix™ commercialisation[1]	$1,306,000	66.55%
2.	Settlement of debts and creditors[2]	$34,000	1.73%
3.	Working capital, including salaries, consultancy fees, interest repayments on convertible notes and corporate overheads	$527,530	26.88%
4.	Expenses of the Placement	$5,000	0.25%
5.	Expenses of the Offers[3]	$90,000	4.59%
Total		**$1,962,530**	**100%**

Notes:

1. Funds will be primarily allocated to Felix™ commercialisation, including progressing regulatory approvals to access European markets, direct selling and marketing modelling, manufacturing, CE Mark and other regulatory costs.
2. The Company intends to use proceeds from the Placement settle a short-term loan.
3. Refer to Section 6.7 for further details relating to the estimated expenses of the Offers.

The Directors expect that the funds raised under the Entitlement Offer and Placement will be sufficient to cover the costs of the Offers and operational/working capital expenditure through to June 2026, on the basis that the Entitlement Offer is fully subscribed. In the hypothetical scenario that no funds are raised under the Entitlement Offer and only the Placement proceeds are received, the Directors expect the available funds will be sufficient until approximately December 2025, after which additional funding through debt and/or equity will be required to meet the Company's forecast expenditure plans for commercialisation of the Felix™ device.

As noted in Section 2.3, the Company has entered into a Mandate with Lynx, pursuant to which Lynx has agreed to act as broker to the Shortfall Offer (on a best endeavours basis) to place any Shortfall to interested third party investors within three months of the Closing Date. This is in addition to the annual placement capacity that is available to the Company under Listing Rules 7.1 and 7.1A (subject to shareholder approval).

In the event the Entitlement Offer is not fully subscribed, operational objectives are likely to be modified subject to Lynx's success in placing any Shortfall, which may result in delay or substantial changes to the Company's future plans. In such circumstances, the Company will apply the available funds first to the costs of the Placement and Offers, then to the settlement of debts and creditors, with the balance applied proportionally to the other uses of funds as set out in the "Use of Funds" table.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offers

The principal effect of the Offers, assuming all Entitlements are accepted and no additional Securities are issued prior to the Record Date, will be to:

(a) increase the cash reserves by $1,120,549 (before deducting the estimated expenses of the Offers) immediately after completion of the Offers;

(b) increase the number of Shares on issue from 2,241,098,100 as at the date of this Prospectus to 2,654,614,450 Shares; and

(c) increase the number of Options on issue from 794,606,476 as at the date of this Prospectus to 962,360,564 Options.

3.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company is set out below.

Shares

	NUMBER
Shares currently on issue	2,241,098,100
Shares offered under the Entitlement Offer[1]	373,516,350
Shares issued under Tranche 2 of the Placement[2]	40,000,000
Total Shares on issue after completion of the Offers	**2,654,614,450**

Notes:

1. Assuming the full subscription of approximately $1,120,549 is achieved under the Entitlement Offer and subject to rounding of individual Entitlements.
2. Comprising:
   (a) 33,333,333 Shares to be issued to Mr Rodney Wellstead under the Placement after the Record Date; and
   (b) 6,666,667 Shares to be issued to Director, Marjan Mikel, under the Placement subject to Shareholder approval.
3. Refer to Section 4.1 for the terms of the Shares.

Options

	NUMBER
Options currently on issue[1]	794,606,476
New Options to be issued under the Entitlement Offer[2,5]	93,379,088
New Options offered under the Placement Options Offer[3,4,5]	70,165,094
New Options offered under the Lynx Options Offer[4,5]	4,209,906
Total Options on issue after completion of the Offers[2]	**962,360,564**

Notes:

1. Comprising:
   (a) 309,499,944 exercisable at $0.011 on or before 5 November 2026;
   (b) 31,250,000 exercisable at $0.011 on or before 28 August 2026;
   (c) 7,933,333 exercisable at $0.011 on or before 20 December 2026;
   (d) 8,333,333 exercisable at $0.011 on or before 8 November 2026;
   (e) 105,000,000 exercisable at $0.02 on or before 15 February 2026;
   (f) 13,392,584 exercisable at $0.0149 on or before 15 February 2027;
   (g) 106,613,948 exercisable at $0.02 on or before 18 January 2026; and
   (h) 212,583,334 exercisable at $0.01 on or before 15 April 2027.
2. Assuming the full subscription of approximately $1,120,549 is achieved under the Entitlement Offer and subject to rounding of individual Entitlements.
3. Includes New Options free attaching to both tranches of the Placement.
4. The Company notes that the New Options to be issued under the Placement Options Offer and Lynx Options Offer are subject to Shareholder approval at the Company's upcoming Annual General Meeting. If Shareholder approval is not obtained, then these New Options will not be issued.
5. Refer to Section 4.2 for the terms of the New Options.

3.4 Convertible Notes on Issue

The Company has the following Convertible Notes on issue as at the date of this Prospectus:

CONVERTIBLE NOTES	NUMBER
Convertible Notes currently on issue[1]	3,000,000
Convertible Notes offered under the Placement and Offers	Nil
Total Convertible Notes on issue on completion of the Placement and Offers	**3,000,000**

Note:

The Company has 3,000,000 Convertible Notes on issue with an aggregate face value of $3,000,000 (plus accrued interest and capitalised facilitation fees) held directly by Peters Investments Pty Ltd and maturing 31 December 2025. The Convertible Notes have a variable conversion price, being the lower of (a) $0.06 and (b) a 20% discount to the issue price of shares and/or the exercise price of any options offered under any capital raising completed by the Company of greater than $1,000,000 prior to the maturity date of the Convertible Notes. As at the date of this Prospectus, the conversion price is $0.0048. If the total amount raised under the Placement and Entitlement Offer exceeds $1,000,000, the conversion price will reduce to $0.0024. Based on the current face value of the Convertible Notes plus accrued interest and capitalised facilitation fees as at the date of this Prospectus (being $4,312,863 a total of 1,797,026,250 Shares would be issued on conversion. It is noted that conversion of the notes is at the discretion of the holder and subject to any applicable constraints under the ASX Listing Rules and Corporations Act.

3.5 Proposed Issues

Subject to Shareholder approval at the Company's Annual General Meeting, the Company is currently proposing to issue the following additional Securities:

(a) to Lynx (or its nominee/s), in consideration for corporate advisory services:

  (i) 10,000,000 Shares and 2,500,000 New Options on the same terms as the Placement;

  (ii) 6,500,000 Options exercisable at $0.004 on or before the date that is 2 years from the date of issue;

  (iii) 8,500,000 Options exercisable at $0.005 on or before the date that is 2 years from the date of issue; and

  (iv) 10,000,000 Options exercisable at $0.007 on or before the date that is 2 years from the date of issue.

(b) to Director, Marjan Mikel, 25,000,000 Options comprising: (a) 6,500,000 Options exercisable at $0.004 and expiring 2 years from their date of issue, (b) 8,500,000 Options exercisable at $0.005 and expiring 2 years from their date of issue and (c) 10,000,000 Options exercisable at $0.007 and expiring 2 years from their date of issue;

(c) to Director, Lindley Edwards, 25,000,000 Options comprising: (a) 6,500,000 Options exercisable at $0.004 and expiring 2 years from their date of issue, (b) 8,500,000 Options exercisable at $0.005 and expiring 2 years from their date of issue and (c) 10,000,000 Options exercisable at $0.007 and expiring 2 years from their date of issue;

(d) a total of 11,397,453 Shares to current and former Directors in lieu of accrued Director fees; and

(e) a total of 19,666,667 Shares to non-related creditors in lieu of accrued debts.

3.6 Pro-forma balance sheet

The audited balance sheet as at 30 June 2025 and the unaudited pro-forma balance sheet as at 30 June 2025 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, completion of the Placement and no further Securities are issued prior to the Record Date (other than as noted in this Prospectus) and including expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	PRO-FORMA AS AT 30 JUNE 2025[1] $ NON-AUDITED	AS AT 30 JUNE 2025 $ AUDITED
Current assets		
Cash and cash equivalents	1,941,791	298,302
Inventories	58,818	58,818
Other current assets	976,205	976,205
Total current assets	**2,976,814**	**1,333,325**
Non-current assets		
Financial assets at fair value through OCI	13,000	13,000
Property, plant and equipment	278,434	278,434
Intangible assets	9,298,001	9,298,001
Right-of-use asset	288,998	288,998
Total non-current assets	**9,878,433**	**9,878,433**
Total assets	**12,855,247**	**11,211,758**
Current liabilities		
Trade and other payables	140,312	284,023
Interest-bearing liabilities	4,866,493	4,866,493
Lease liabilities	63,843	63,843
Other liabilities	1,162,500	1,162,500
Provisions for employee benefits	214,626	214,626
Total current liabilities	**6,447,774**	**6,591,485**
Non-current liabilities		
Lease liabilities	272,069	272,069
Provisions for employee benefits	6,558	6,558
Total non-current liabilities	278,627	278,627
Total liabilities	6,870,112	6,870,112
Net assets	6,128,846	4,341,646
Equity		
Issued capital	62,573,256	60,613,256
Reserves	2,462	2,462

	PRO-FORMA AS AT 30 JUNE 2025[1] $ NON-AUDITED	AS AT 30 JUNE 2025 $ AUDITED
Accumulated losses	(56,446,872)	(56,274,072)
Total equity	**6,128,846**	**4,341,646**

Note:

1. Adjusted to reflect increase in cash and share capital from completion of the Entitlement Offer and Placement, less costs of the capital raising. Pro-forma has been prepared to reflect the position of the Company assuming full subscription under the Entitlement Offer, prior to any offset and/or repayment of existing debt via the capital raising.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of New Options

(b) **Entitlement**

Each New Option entitles the holder to subscribe for 1 Share upon exercise of the New Option.

(c) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each New Option will be $0.011 (**Exercise Price**).

(d) **Expiry Date**

Each New Option will expire at 5:00pm (AEDT) on 5 November 2026 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to

Shareholders during the currency of the New Options without exercising the New Options.

(l) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(m) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

(a) **Going concern risk**

The Company's annual financial report for the financial year ended 30 June 2025 (**Financial Report**) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company until profitability is achieved. Refer to Section 3.1 for further details.

In the event that the Offers are not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company's activities.

(b) **Additional requirements for capital**

The funds raised under the Offers are considered sufficient to meet the immediate objectives of the Company. It is likely that additional funding will be required in the future to effectively implement the Company's business and operations plans, to take advantage of opportunities for acquisitions or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(c) **Research and Development Rebate Liability**

The Company has historically claimed refundable research and development (**R&D**) tax offsets, which are an important source of non-dilutive funding. Eligibility for these offsets depends, among other things, on whether a major shareholder is considered "connected with" the Company under the Income Tax Assessment Act 1997 (Cth). Where a shareholder is treated as holding 40% or more of the Company (on a fully diluted basis), that shareholder's turnover may be grouped with the Company's. If the aggregated turnover exceeds $20 million, the Company may be ineligible for refundable offsets. The legislation also provides the Commissioner with discretion to determine that an entity holding between 40% and 50% does not in fact control the Company, in which case aggregation may not be required.

During FY25, the Company became aware that these rules may apply to a substantial shareholder, Peters Investments Pty Ltd, which also holds convertible notes. Due to factors such as accrued interest on the convertible notes, the conversion price and changes in the number of securities on issue, Peters Investments was at times taken to have exceeded the 40% threshold in prior periods. While the $20 million turnover threshold was not exceeded in FY23, it was exceeded for part of FY24, resulting in a reassessment of eligibility for that year.

Following receipt of professional advice, the Company has recognised a liability of $1.118 million in respect of the FY24 rebate, while retaining the FY23 rebate and recognising a receivable for the FY25 rebate. These treatments are reflected in the Company's FY25 financial statements.

The Company intends to seek a private ruling from the Australian Taxation Office to confirm its position with respect to the FY24 rebate. Until that ruling is obtained, there remains uncertainty as to the treatment of the rebate for FY24. Any requirement to repay that rebate could adversely affect the Company's financial position and cash flows.

Refer to the Company's 2025 Annual Report for further information.

(d) **Potential for significant dilution**

Upon implementation of the Offers, the number of Shares and Options on issue in the Company will increase. This means that, post completion of the Offers, each Share and Option will represent a lower proportion of the ownership of the Company.

(e) **Convertible Notes**

As stated in Section 3.4, the Company has 3,000,000 Convertible Notes on issue with an aggregate face value of $3,000,000 plus accrued interest and capitalised facilitation fees, totalling $4,312,863 as at the date of this prospectus, maturing on 31 December 2025 and held by Peters Investments Pty Ltd. The Convertible Notes are convertible at the discretion of the holder. As at the date of this Prospectus, the conversion price of the Convertible Notes is $0.0048. In the event that the Company raises more than $1,000,000 under the Offers and Placement the conversion price will be reduced to $0.0024 and a total of approximately 1,797,026,250 Shares would be issued on conversion.

If converted, the Convertible Notes may result in the issue of a substantial number of Shares to a single holder. This may lead to a significant concentration of ownership and could have implications for the control of the Company, including the ability to influence the outcome of shareholder resolutions. The potential issue of a large number of Shares may also result in dilution to existing Shareholders and impact the liquidity and trading price of the Company's Shares. The Company notes however that conversion remains subject to applicable constraints under the ASX Listing Rules and the Corporations Act.

In addition to conversion risk, the Company faces the risk that the Convertible Notes will mature on 31 December 2025. While the Company is confident it will be able to renegotiate an extension or refinancing with Peters Investments Pty

Ltd prior to maturity, there can be no certainty that this will occur on acceptable terms, or at all. If the Convertible Notes are not extended, refinanced, or converted, the Company may be required to repay them in cash, which could materially affect its financial position, funding availability and ability to pursue its business objectives.

(f) **Commercial success of products being developed**

The Company is in the process of developing and commercialising its products. Inherent uncertainties exist in any commercialisation program for new technologies and products. The Company's products are at varying stages of development, and none of the Company's products are currently at a commercialised stage. There is no assurance that:

(i) the development and commercialisation of new technologies and products will be successful;

(ii) all necessary regulatory registrations or approvals for the sale and distribution of the Company's products will be obtained (and on terms acceptable to the Company); or

(iii) the Company's products will achieve market acceptance.

(g) **Reliance on commercial success of one product initially**

The Company has made a strategic decision to prioritise the commercialisation of a single core product, being the Felix™ system, and has placed other projects on hold for the time being. While this focused approach is intended to concentrate resources and accelerate market entry for the Felix™ system, it also increases the Company's exposure to the risks associated with that product alone. Any delays, regulatory challenges, technical issues, or market resistance in relation to the commercialisation of the Felix™ system may have a material adverse impact on the Company's prospects, given the reduced diversification of its development pipeline. There is also a risk that paused projects may lose momentum, require additional investment to recommence, or become commercially unviable over time.

(h) **Increase in competition**

The Company's earnings and the market acceptance of the Company's products may be adversely affected by competitor activity, new competitors entering the market, or if competitors release more advanced products that result in reduced market share for the Company's products.

Increased competition and new products may have the effect of rendering the Company's previous developments obsolete, decreasing the financial value of products or intellectual property and reducing pricing and profit margins.

(i) **Reliance on business partners, suppliers and customers**

The Company is reliant on key existing business partners and future proposed suppliers and customers. The Company is reliant on arrangements with third parties (including the University of Newcastle) and in relation to the further development of intellectual property and the development of some future products.

The Company may also rely on third party distributors for the sale of its products in certain jurisdictions. These distributors may not be successful in marketing and selling the Company's products or may not commit sufficient resources to meet the Company's sales targets.

If the Company is not able to manage its distribution network, or if the distribution network is not successful in marketing and selling its products, or if the Company experiences a significant reduction in, cancellation of, or change in the size and timing of orders from distributors, the Company's potential revenue may be reduced, which would adversely impact the Company's financial outcomes.

(j) **Reliance on key personnel**

Strong competition exists in the medical device industry for highly skilled workers due to the limited number of people with the appropriate skill set in the local and international market. The Company currently employs, or engages as consultants, a number of key management personnel and intends to employ more highly skilled people.

The Company has structured incentive programs for its key personnel and it has also established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor or compete directly with the Company. Despite these measures, there is no guarantee that the Company will be able to attract and retain suitable qualified personnel, and a failure to do so could materially and adversely affect the business, operating results and financial prospects.

Further, the unexpected loss of an employee with a particular skill could have an adverse effect on the Company's operations until a replacement can be found and trained.

(k) **Ability to rely on and protect the intellectual property**

The Company's success and its ability to create value from its technological innovations depends at least in part on its use of its intellectual property, as well as third party intellectual property which is licensed or otherwise granted to the Company.

The intellectual property rights on which the Company is reliant may be subject to claims, including third party infringement claims, which may adversely affect the commercialisation of the Company's products or result in the Company incurring expenses or damages. Defending against allegations and litigation could be expensive, take significant time and divert management's attention.

Similarly, if the Company is not able to adequately protect its know-how, expertise, trade secrets and intellectual property rights, including where the Company cannot obtain patent protection in a timely manner, or if existing patents are inadequate to prevent competitors developing competing products, then the Company's business and financial performance may be adversely affected.

Further, the Company's existing patents and any future patents that it may obtain may not be sufficiently broad to prevent others from practicing its technologies or developing competing products and technologies.

(l) **Diminution in reputation or brand**

The Company is reliant on its reputation and the reputation of its products and brands. Any factors or events that diminish the reputation of the Company, its products, its brands, trademarks or intellectual property may adversely affect the Company.

(m) **Prospective information**

There can be no guarantee that the factors and assumptions on which the Company has assessed the feasibility of its products, potential levels of market acceptance and sales of its products, development and commercialisation strategies of its products, or relevant potential costs and expenses, and any other factors or assumptions upon which the Company bases its various technical or commercial decisions, will ultimately prove to be valid or accurate. The various factors and assumptions may be, or may depend on other factors which are, outside the control of the Company.

(n) **Liquidity and realisation**

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be a relatively limited number of buyers, or a relatively large number of sellers, on ASX at any given time. This may increase the volatility of the market price of the Shares. It

may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid for their Shares.

(o) **Litigation**

The Company may be the subject of complaints or litigation by customers, suppliers, employees or officers, Shareholders, government agencies or other third parties. Such matters may have an adverse effect on the Company's reputation, divert its financial and management resources from more beneficial uses, or have a material adverse effect on the Company's future financial performance or position. Currently, the Company is free of any litigation claims.

(p) **Changes in political and regulatory environments**

The Company is subject to various federal and state-based laws and regulations in Australia as well as other jurisdictions in which the Company operates.

The introduction of new laws and regulations (including in relation to medical devices) may result in increased expenses for the Company, as it establishes new compliance procedures, retrains its employees and reviews or redevelops products.

New regulatory environments create risk that the regulations will have unintended consequences, or that interpretations may change over time, which could adversely affect the Company's operations and ability to manufacture, sell or distribute some products.

(q) **Interest Rate Risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of the fixed rate financial instruments.

(r) **Foreign Exchange Risk**

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the group holds financial instruments which are other than the AUD functional currency of the group. In the current financial year, the group has operated internationally in low volumes and has no assets and liabilities in foreign currencies at the end of the period. Therefore, there was no exposure to foreign exchange risk.

(s) **Clinical trials and regulatory approval processes**

In Australia and other jurisdictions, the Company is required to apply for and receive regulatory authorisation before marketing the Felix™ system and other products. The outcomes of the clinical trials in Australia, which are a requirement for obtaining regulatory approvals, may be delayed or unsuccessful. Unforeseeable complications and delays may arise in the regulatory approval process and any future regulatory approvals that the Company receives may include requirements for post-market testing and surveillance to monitor the safety and effectiveness of the product, which will impose additional costs on the Company and the business.

Further, the regulatory approval process and requirements governing clinical trials vary from country to country. The policies of the regulatory authorities may change, and additional government regulations may be enacted that could prevent, limit and delay the necessary approval of any products the Company is looking to commercialise. The Company cannot predict the likelihood, nature or extent of any government regulation that may arise from future legislation or administration action in any jurisdiction in which it operates or may, in the future operate from. In addition to regulatory approval, in any jurisdiction, a medical

device must also be approved for reimbursement before it can be approved for sale.

A failure or delay in obtaining regulatory approval for a product in one jurisdiction, may have a negative effect on the regulatory process in other jurisdictions.

(t) **Pricing regulations or third-party coverage and reimbursement policies**

The Company cannot guarantee that it will receive favourable pricing and reimbursement for the use of the Felix™ system or other products which it may commercialise in the future.

The rules and regulations governing pricing and reimbursement for medical products vary widely from country to country. In some foreign jurisdictions, the government largely controls pricing of medical products. In other countries, coverage negotiations must occur at the regional or hospital level.

If the Company is unable to promptly obtain coverage and profitable payment rates from hospital budgets, government funded and private purchases for the Felix™ system or any future products, this could have an adverse effect on the financial performance of the Company.

5.3 Industry specific

(a) **Development and commercialisation of technologies**

The Company is relying on its ability to develop and commercialise its technologies, with an emphasis on Felix™. A failure to successfully develop and commercialise its technologies could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position.

(b) **Research and development**

The Company has paused its additional R&D activities and can make no representation that any of its research into or development of its technologies will be successful, that the development milestones will be achieved, or that its technologies will be developed into products that are commercially exploitable.

There are many risks inherent in the development of biotechnology products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

(c) **Manufacturing costs**

The Company's success may depend, in part, on its ability to lower the manufacturing costs of its products while maintaining product performance and quality standards. If the Company is unable to reduce manufacturing costs, it may be constrained in its ability to set competitive pricing and maintain a competitive advantage.

5.4 General Risks

(a) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) introduction of tax reform or other new legislation;

(iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(c) **Insurance**

The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in the legitimate claim by the Company under an insurance policy.

(d) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

(i) the annual financial report most recently lodged by the Company with the ASIC;

(ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

(iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	DESCRIPTION OF ANNOUNCEMENT
1 October 2025	Cleansing Statement
1 October 2025	Application for quotation of securities - MEM
30 September 2025	Appendix 4G and Corporate Governance Statement
30 September 2025	LR4.3D - adjustment to financial statements

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.memphasys.com.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC

and the respective dates of those sales were:

	($)	DATE
Highest	$0.006	8 September 2025, and 10 -11 September 2025
Lowest	$0.003	1 September 2025, 25 – 26 August 2025, 12 – 14 August 2025, and 31 July 2025
Last	$0.004	1 October 2025

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $450,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

DIRECTOR	FY ENDING 30 JUNE 2024	FY ENDING 30 JUNE 2025	FY ENDING 30 JUNE 2026
David Ali	$334,569[1]	$386,932[5]	$365,500[11]

DIRECTOR	FY ENDING 30 JUNE 2024	FY ENDING 30 JUNE 2025	FY ENDING 30 JUNE 2026
Lindley Edwards	-	$60,556[6]	$100,448[12]
Marjan Mikel	-	$4,168[7]	$50,000[13]
Paul Wright	$42,046[2]	$59,132[8]	-
Robert Cooke	$83,694[3]	$56,609[9]	-
Michael Atkins	$6,692[4]	$59,132[10]	-

Notes:

1. Comprising $247,725 in cash salary and fees, $25,320 in superannuation, $7,774 in long service leave and $53,750 in share-based payments.
2. Comprising $37,879 in cash salary and fees and $4,167 in superannuation.
3. Comprising $75,400 in cash salary and fees and $ 8,294 in superannuation.
4. Comprising $6,029 in cash salary and fees and $663 in superannuation.
5. Comprising $330,000 in cash salary and fees, $21,500 in STI, $29,932 in superannuation and $5,500 in long service leave.
6. Comprising $54,310 in cash salary and fees and $6,246 in superannuation. Ms Lindley Edwards was appointed as Non-Executive Chairperson with effect form 23 November 2024.
7. Comprising $4,168 in cash salary and fees. Mr Marjan Mikel was appointed as Non-Executive Director with effect from 19 June 2025.
8. Comprising $53,033 in cash salary and fees and $6,099 in superannuation. Mr Paul Wright ceased as a Director on 11 September 2025.
9. Comprising $50,770 in cash salary and fees and $5,839 in superannuation. Mr Robert Cooke ceased as a Director on 26 November 2024.
10. Comprising $53,033 in cash salary and fees and $6,246 in superannuation. Mr Micheal Atkins was appointed as a Director on 13 March 2024 and ceased as a Director on 25 July 2025.
11. Comprising $330,000 in cash salary and fees, $30,000 in superannuation and $5,500 in long service leave.
12. Comprising $89,686 in cash salary and fees and $10,762 in superannuation.
13. Comprising $50,000 in cash salary and fees.

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offers.

Lynx Advisors Pty Ltd has acted as broker to the Shortfall Offer. The Company estimates it will pay Lynx the fees set out in Section 2.3 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Lynx has received a total of $8,150 (plus GST) in fees in consideration for broker services provided to the Company and will otherwise receive the fees in connection with the Offers and Placement as disclosed in this Prospectus.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin $15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling $199,912.50 (excluding GST and disbursements) for legal services provided to the Company.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and

(c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Lynx Advisors Pty Ltd has given its written consent to being named broker to the Company in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

BDO Audit Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2025 audited balance sheet of the Company in Section 3.6. BDO Audit Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.7 Expenses of the Offers

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately $90,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	$
ASIC fees	3,206
ASX fees[1]	6,759
Legal fees	15,000
Printing and distribution	10,035
Miscellaneous	5,000
Adviser fees[2]	50,000
Total	**90,000**

Notes:

1. Calculated based upon number of shares to be issued at issue price.
2. This amount represents a provisional expense, calculated on the assumption that approximately 30% of Shareholders will take up their Entitlements under the Entitlement Offer, with the remaining 70% to be placed by Lynx under the Shortfall Offer. Under its mandate, Lynx has been appointed as broker to the Shortfall Offer and will use its best endeavours to place any shortfall. Lynx will be entitled to a cash fee equal to 6% of the funds raised from Shares placed under the Shortfall Offer.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Memphasys Limited (ACN 120 047 556).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Entitlement Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the non-renounceable entitlement offer the subject of this Prospectus.

Annual General Meeting means the general meeting of Shareholders to be held on or about 20 November 2025.

New Option means an Option offered under the Entitlement Offer, Placement Options Offer or Lynx Options Offer on the terms and conditions set out in Section 4.2.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement has the meaning given in Section 1.3.

Placement Options Offer means the offer of up to 70,165,094 New Options to the sophisticated and professional investors who participated in the Placement, on the basis of 1 free New Option for every 4 Shares subscribed for, under this prospectus.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and or Options, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall Offer has the meaning given in Section 2.4.

Shortfall Securities means those Securities not applied for under the Entitlement Offer (if any).

Lynx means Lynx Advisors Pty Ltd a CAR of BR Securities Australia Pty Ltd AFSL 456663 (ACN 654 471 262).