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# September 2025 Quarterly Activities Report and Appendix 4C

Memphasys Limited ("Memphasys" or the "Company") a biotechnology company focused on developing and commercialising innovative products for assisted reproduction, is pleased to provide its quarterly activities report and Appendix 4C for the period ending 30 September 2025.

During the September 2025 quarter, the Company continued executing its renewed and focused commercialisation strategy centered exclusively on its flagship Felix™ System - a first-in-class, automated sperm separation technology for the assisted reproduction sector.

The quarter marked a decisive transition from research and development to commercial execution, with the Company achieving tangible commercial milestones, advancing global partnership agreements, strengthening governance, and realigning operational resources to support its Felix™-only commercialisation pathway.

**Quarterly Highlights**

- **Strategy Reset Complete**: Memphasys now 100% focused on commercialising its flagship Felix™ System – streamlined, disciplined, and revenue-driven.
- **First Binding International Revenues**: Five-year ITL distribution deal expanded to 15 MENA countries (including Turkey) – order value lifted to A$390,000.
- **Manufacturing Scale-Up Underway**: Cost-of-goods (COGS) reduction program tracking to achieve <$40 per cartridge.
- **CE Mark Approval Acceleration**: Submission lodged June 2025; approval expected early 2026, aligned with market launch strategy and commercial readiness.
- **Operational Reset Delivered**: Operating costs cut ~40% (from ~$3.0M to ~$1.8M p.a.), freeing capital for manufacturing and regulatory acceleration.
- **Governance Strengthened**: Marjan Mikel appointed Chair of Commercialisation Committee; Stefan Ross joins as Company Secretary; Mathew Watkins as Independent NED.
- **Capital Base Strengthened**: $0.84M Placement completed; Rights Issue underway to raise up to $1.12M to fund global rollout.
- **Pipeline Momentum Building**: Late-stage negotiations in Japan, New Zealand, and India; MENA region primed for activation on CE Mark approval.

**Renewed Strategy Executed**

Memphasys' strategic reset, first outlined in early 2025, has now been fully implemented. The Company's renewed direction priorities include:

- **Felix™ commercialisation as the sole corporate focus**, with all resources, investments, and management attention directed toward accelerating contracted sales and scaling production.
- **Shift from passive distribution to active direct selling**, ensuring control over customer relationships, pricing, training, and market entry.
- **Emphasis on early-revenue, low-regulatory markets** (Japan, New Zealand, Canada) while preparing for large-scale launches in CE Mark jurisdictions (EU, Australia).
- **Razor-and-blade business model**, combining initial console placements with recurring cartridge sales to drive predictable, high-margin revenue.

The strategy delivers an agile, capital-efficient pathway to sustainable growth and positions Felix™ as a scalable, clinically validated solution capable of transforming global IVF workflows.

**Commercialisation Results**

The Company achieved significant commercial outcomes during the quarter - direct evidence of the renewed strategy's success in driving market traction and near-term revenue visibility.

**Transformational MENA Partnership Expanded**

Memphasys signed a five-year exclusive commercial distribution agreement with International Technical Legacy (ITL) covering 15 Middle Eastern and North African (MENA) countries, including Qatar, UAE, and Saudi Arabia.

During the quarter, ITL upgraded its initial A$325,000 binding order to A$390,000 and expanded the territory to include Turkey, a key IVF hub and the Company's first contracted EU-member state, representing more than 100 clinics performing 40,000 IVF cycles annually.

The agreement will be automatically activated upon CE Mark approval, securing the Company's first contracted international revenues and providing a scalable recurring revenue framework consistent with the Felix™ razor-and-blade model.

**Strengthened Commercial Pipeline**

The Company advanced negotiations for volume-based agreements in New Zealand, Japan, and India, with completion expected in the coming quarters. These contracts are expected to generate initial Felix™ revenues during FY2026, providing tangible proof of commercial momentum.

**Post-Quarter Developments**

**Repeat Order and Direct Expansion in Japan**

Following the end of the September quarter, Memphasys announced a repeat order from the Nishitan ART Clinic Group in Japan, one of the country's leading private fertility networks . The order comprised 200 Felix™ cartridges valued at approximately A$24,000, scheduled for dispatch in November 2025.

This repeat order signifies the transition from initial adoption to repeat clinical use, reinforcing Felix™'s growing traction in Japan's premium self-pay IVF segment.

Memphasys will engage directly with the Nishitan ART Clinic Kobe Sannomiya Branch and expand into the broader Nishitan ART network as part of its go-direct commercial strategy in Japan, establishing a launch platform within the world's largest IVF market.

**Indian Supply Agreement Executed**

On 28 October 2025, Memphasys signed its first Indian commercial supply agreement under its global go-direct strategy with Andro Diagnostics, part of the Andrology Center Coimbatore group.

The agreement includes a minimum Year 1 commitment of 1,800 Felix™ cartridges (A$98,820) and a 50% increase in Year 2 (≥2,700 cartridges).

Andro Diagnostics will establish a dedicated Felix™ team to promote adoption across its network of more than 200 IVF clinics.

The deal builds on an established multi-year collaboration between Memphasys and the Andrology Center, which achieved the world's first live births using Felix™.

The agreement will activate following CE Mark and CDSCO approvals, positioning India as a major commercial growth market for FY2026 and beyond.

**Investor Endorsement & Capital Strengthening**

Memphasys successfully completed a $0.84 million Placement at $0.003 per share during the quarter, with strong support from both institutional and existing shareholders.

A non-renounceable rights issue to raise up to an additional $1.12 million was launched and will provide all shareholders with the opportunity to participate in the Company's next phase of growth.

Funds raised are being deployed directly toward:

- Delivering existing binding contracts (including the expanded ITL agreement);
- Finalising additional international distribution and direct sale contracts;
- Scaling manufacturing capacity and reducing cost of goods (COGS) below **$40 per cartridge**; and
- Supporting CE Mark regulatory approval, which remains on track for mid-2026.

**Operational & Financial Alignment**

Memphasys has taken decisive steps to ensure all **people, budgets, and resources** are aligned with the Company's focused commercialisation strategy.

**Operational Efficiency**

- The Company reduced operating costs by approximately 40%, from ~$3.0 million to ~$1.8 million per annum, through a disciplined restructuring program that eliminated non-core expenditure and refocused resources on commercial execution.
- Savings have been strategically redirected into manufacturing scale-up, inventory build, and regulatory advancement, directly enhancing Felix™'s commercial readiness and gross margins.
- The leadership structure has been realigned to support the Company's commercialisation phase, strengthening governance and executional focus. Mr Stefan Ross was

appointed Company Secretary (effective 8 October 2025), bringing strong governance and ASX compliance expertise.
- On 20 October 2025, Dr David Ali transitioned to focus exclusively on his role as Chief Executive Officer, stepping down as Executive Director to dedicate his efforts to operational delivery as Memphasys advances the global rollout of Felix™. This structural change reflects the Company's evolution from product development to commercial execution, with operational discipline now central to success.
- Mr Mathew Watkins was also appointed as an Independent Non-Executive Director (effective 20 October 2025), adding valuable governance and ASX compliance experience to the Board.

These changes reinforce Memphasys' commitment to disciplined growth, partnership-driven scaling, and excellence in execution as the Company enters its next phase of commercialisation.

**Financial Discipline**

The Company remains committed to prudent capital management, prioritising spending in activities that directly support revenue generation, CE Mark progression, and manufacturing scale-up.

**Regulatory Progress**

The CE Mark submission for Felix™ was lodged in **June 2025** and continues to progress positively, with approval expected within the next **nine months**.

This milestone remains the key regulatory gateway for EU commercialisation and is central to activating contracted revenues under the ITL agreement and other pending distribution arrangements.

**Corporate & Financial Update**

Refer to the attached Appendix 4C cashflow report accompanying these activities for details of the quarter end cash and cash equivalents balance and cash flow movements during the September 2025 quarter.

Payments to related parties and their associates during the quarter, as outlined in Section 6.1 of the accompanying Appendix 4C to these quarterly activities report were $86,000. These payments are related to salaries, superannuation and Director's fees paid to directors and related entities during the September 2025 quarter.

**Outlook**

Memphasys enters the December 2025 quarter with a clear executional focus and growing post-quarter commercial momentum, underpinned by the Japan and India developments.

The Company's priorities for the next quarter include:

1. Fulfilment of the Japan repeat order and ongoing expansion into the Nishitan ART Clinic network.

2. Activation of the Indian supply agreement upon regulatory approvals and commencement of Year 1 delivery commitments.

3. Finalisation of volume-based agreements in additional key markets including New Zealand.

4. Delivery of manufacturing cost reduction program to achieve target COGS of <$40 per cartridge.
5. Preparation for CE Mark market readiness, including training, logistics, and clinical onboarding with ITL.
6. Completion of the non-renounceable rights issue, ensuring capital adequacy through to first commercial revenues.

**Authorised by the Board of Memphasys Limited**

**-ENDS-**

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**About Memphasys**

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

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

Website: www.memphasys.com

# Appendix 4C

# Quarterly cash flow report for entities subject to Listing Rule 4.7B

| Name of entity | |
|---|---|
| Memphasys Limited | |

| ABN | Quarter ended ("current quarter") |
|---|---|
| 33 120 047 556 | 30 September 2025 |

| Consolidated statement of cash flows | | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | | |
| 1.1 | Receipts from customers | | 4 | 4 |
| 1.2 | Payments for | | | |
| | (a) | research and development | (42) | (42) |
| | (b) | product manufacturing and operating costs | (4) | (4) |
| | (c) | advertising and marketing | (14) | (14) |
| | (d) | leased assets | (7) | (7) |
| | (e) | staff costs | (268) | (268) |
| | (f) | administration and corporate costs | (117) | (117) |
| 1.3 | Dividends received (see note 3) | | - | - |
| 1.4 | Interest received | | 1 | 1 |
| 1.5 | Interest and other costs of finance paid | | (4) | (4) |
| 1.6 | Income taxes paid | | - | - |
| 1.7 | Government grants and tax incentives | | - | - |
| 1.8 | Other | | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | | **(451)** | **(451)** |

| | | | | |
|---|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | | |
| 2.1 | Payments to acquire or for: | | | |
| | (a) | entities | - | - |
| | (b) | businesses | - | - |
| | (c) | property, plant and equipment | (2) | (2) |
| | (d) | investments | - | - |
| | (e) | intellectual property | - | - |
| | (f) | other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **(2)** | **(2)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | 159 | 159 |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **159** | **159** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 298 | 298 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (451) | (451) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (2) | (2) |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 159 | 159 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **4** | **4** |

| **5.** | **Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | **Current quarter $A'000** | **Previous quarter $A'000** |
|---|---|---|---|
| 5.1 | Bank balances | 4 | 298 |
| 5.2 | Call deposits | **-** | **-** |
| 5.3 | Bank overdrafts | **-** | **-** |
| 5.4 | Other (provide details) | **-** | **-** |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **4** | **298** |

| **6.** | **Payments to related parties of the entity and their associates** | **Current quarter $A'000** |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 86 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | 4,974 | 4,974 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | 4,974 | 4,974 |
| 7.5 | **Unused financing facilities available at quarter end** | | - |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Convertible Note: Peters Investments: $3m plus facilitation fees and interest totalling $4,313k (maturing 31 December 2025, coupon rate of 8%).

R&D Loan: Radium Capital: $661k (repayable on receipt of R&D rebate, fixed coupon rate 15%, maturing 30 November 2025).

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | **(451)** |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 4 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | **-** |
| 8.4 | Total available funding (item 8.2 + item 8.3) | **4** |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | **0.01** |

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes, the Company expects that it will continue to have negative operating cash flows for the time being.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company announced on 22 September 2025 that it had completed a Placement raising $0.84m (before costs) with a free attaching unlisted option on a one (1) for four (4) basis, exercisable at $0.011 each, expiring on 5 November 2026. The Company also announced an additional non-renounceable rights issue to raise up to $1.12m available to eligible shareholders on the same terms as the Placement. Subsequent to the end of the quarter, as announced on 1 October 2025 the Company issued 257,500,000 Placement Shares at $0.003 per Share. The Company continually evaluates potential funding alternatives for its near to medium term as well as longer term working capital requirements.

| | |
|---|---|
| 8.6.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| Answer: Yes, refer to answer in 8.6.2. | |
| *Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.* | |

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2025

Authorised by: By the Board of Directors
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.