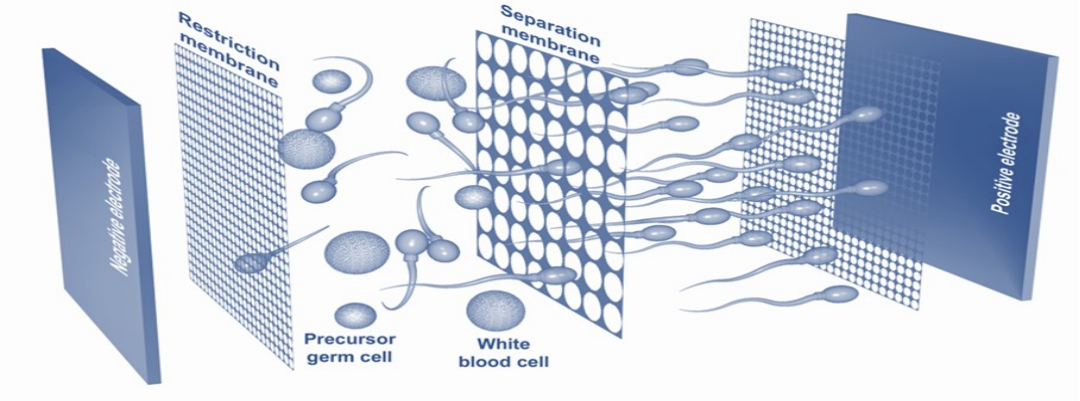
Memphasys Limited
ABN 33 120 047 556
Financial Year Ended 30 June 2020
Appendix 4E: Performance Commentary

PRINCIPAL ACTIVITIES

Memphasys has patented technology combining electrophoresis with size exclusion-based membranes, patented hydrogels, and other polymer membranes to separate specific types of cells from fluids. Memphasys has used this technology to develop a unique device, "Felix", to address male factor infertility. Felix captures high quality sperm cells from semen samples for human assisted reproductive technologies (ART).



The core principle of the Felix device utilises the higher negative charge on the surface of the best sperm cells, as these cells are quickly attracted to the positive electrode when a gentle voltage is applied. The higher negative charge on the cell indicates a well formed cyto-skeleton, with intact DNA in the cell nucleus. The cells in the semen are also separated based on their size, with unwanted debris including white blood cells contained by the size-exclusion separation membrane. The proprietary hydrogel "restriction" membranes are designed to allow the transfer of ions and at the same time prevent bulk fluid flow. In this way the hydrogel restriction membrane provides three important functions:

- Protecting the sperm cells from the electrodes,
- Providing a controlled environment for the sperm cells, and
- Allowing electrical conduction throughout the cartridge

The Felix device incorporates a simple automated process that efficiently separates sperm in around 6 minutes. This is a marked improvement on the current sperm preparation techniques, density gradient centrifugation ("DGC") and "Swim up", currently used in IVF clinics. These techniques are time consuming (each taking 30 to 40 minutes), laborious, and heavily dependent on operator expertise.

DGC and Swim Up separate the sperm cells based on density and motility and do not necessarily select the most viable sperm, with the least DNA damage and highest fertilising potential. In addition, these processes, especially DCG, can create oxidative damage to the sperm and/or damage the DNA contained within.

In an attempt to improve sperm selection, some IVF clinics, including in the largest markets of China and Japan, use both DGC then Swim Up sequentially, which increases the processing time to around 90 minutes and consumes a large quantity of media.

The Felix device has been developed by Memphasys, in conjunction with a team of collaborators, who continue to provide valuable advice as Felix approaches market release. They include:

- Hydrix Services Pty Ltd ("Hydrix"), our engineering development partner,
- Professor John Aitken, the inventor of the sperm separation technology, and his research team at the University of Newcastle ("UoN"),
- Monash IVF Group, providing clinical testing and advice, and
- W&S Plastics Pty Ltd ("W&S), the Felix cartridge manufacturers who have provided valuable input on design and manufacturing.

The Felix device is positioned to be used in IVF clinics globally, with initial sales in some markets expected at the end of CY'20, despite minor delays to product development in Q1 and Q2, due to COVID-19.

REVIEW OF OPERATIONS

Over the twelve months to 30 June 2020, the core focus of the Company was the commercial development of the Felix device for use in the human ART market. There was also increasing activity to develop next-generation technology to advance sperm separation in the artificial insemination ("AI") sector for animals.

Memphasys has faced the challenges of the COVID-19 pandemic and encouraged team members to work mostly from home. The team efficiently adapted to the circumstances, maintaining the same productivity as it had working from the office. The Company's sustained performance was due not only to having sufficient cash reserves in place at the time COVID-19 arose, but also in carefully navigating delays in supply chains. Memphasys has not experienced any material impact on its business arising from the COVID-19 pandemic, apart from the delay in completing first Felix production.

Product Development of the Felix device

Over the year, Memphasys carried out extensive work on refining the design, materials, and operating performance of the Felix device in preparation for making it a commercial product. In the first half of FY'20 the first Felix prototypes, comprising a benchtop console and disposable cartridges, were manufactured. The consoles were manufactured by hand at Hydrix as part of the development, and the cartridges at W&S Plastics. Some of these units were given to the first key opinion leaders ("KOLs") and were instrumental in demonstrating the viability of the Felix device in IVF clinics.

Monash IVF provided invaluable feedback throughout this period, highlighting various design changes that could be implemented to improve the usability of the device. Monash IVF provided detailed input to address important clinical issues, including selection of the optimum commercially available media to use in the Felix cartridges and optimisation of Felix workflow procedures in commercial IVF labs.

Depiction of final Felix console and single use, disposable cartridge

The Felix device operates on the interaction of two parts: the benchtop console and the disposable cartridges. The console consists of a docking station, for housing the cartridge, and a single button user interface. The console button initiates a fixed automated process, which optimises the final preparation of the cartridge and the supply of an electric field across the cartridge.

The most complex part of the Felix system is the sterile single-use cartridges, which use the various membranes to create compartments into which the semen sample and liquid media are placed before processing. Due to the nature of the Felix device, and its interaction with live semen samples, it is necessary to produce a sterilised device. To ensure effective sterilisation, the cartridges must be assembled within a cleanroom, sealed within a gamma compatible packaging, and exposed to an appropriate level of gamma radiation.

In July 2019, W&S won the contract to manufacture and assemble the disposable cartridges and in March 2020 a dedicated clean room was built at their facility. During FY'20, Memphasys and W&S evolved the cartridge design into a manufacturable, low-cost device with fewer components. The evolved cartridge is easier to assemble, increased automation and has enabled larger runs to operate at a reduced per unit cost. An important aspect of this manufacturing process is the patented hydrogel membranes, the production of which was transferred to W&S in July 2020.

Verification and Validation Process

Verification and Validation are two independent processes and important elements in the development of any medical product. These processes are incorporated at the end of the design process to ensure the product meets the requirements and specifications as well as the user needs and intended use. Any changes to the design of the product at this point will likely require repeating verification activities or providing ample justification for avoiding retesting.

Some elements of the verification were delayed due to COVID-19-related supply chain issues. However, verification and validation activities sufficient to meet the requirements of the early commercial target markets are on track to enable initial Felix sales to occur by end of CY'20.

A brief description of verification and validation processes, and the typical tests that need to be completed are provided below.

Verification

Verification, the process of confirming, through objective evidence, that the product specifications and requirements have been fulfilled, is critical to ensuring the product is manufactured correctly. Every feature or function of the device must be analysed to ensure it meets the requisite design requirements and the appropriate specifications and standards. It is an essential step in the development of any commercial medical product and ensures product consistency. As Hydrix played a major role in the development of the Felix design, including developing the requirements specification, testing those requirements was the natural conclusion to the product design. Hydrix

started the Verification process in Q3 of FY'20 and will be completed with the final build cartridges in Q1 of FY'21.

Validation

Validation, the process of confirming, through objective evidence, that the specified user needs and intended use can be consistently fulfilled, is critical to ensuring the correct product is manufactured. It is an essential step in the development and ensures the device will satisfy the user's needs in the intended environment. This process requires the final build cartridges and the preparation for this phase has been completed, including development of appropriate protocols and specifications.

The major user need for the Felix device is the performance of the device in a clinical setting. This will be validated through testing with clinical samples at Monash IVF. COVID-19 has impacted the operation of many IVF clinics; however, it is expected that Monash IVF will have recovered to the point that there will be no material delays to the Felix testing.

The other user needs focus on the safety and usability of the Felix device, including shelf life, biocompatibility of materials and stability trials. The safety of the device has different implications in different regions throughout the world. Memphasys has defined highly regulated markets as those where the Felix device is considered a medical device and low regulated markets as those where the Felix device is considered laboratory equipment because the device processes sperm and there is no interface with the patient.

The highly regulated markets include countries that require some form of medical device regulation, e.g. TGA, FDA, CE Mark. These markets require more comprehensive testing for the safety of the device, typically including clinical trials. The low regulated markets include countries such as Japan, Canada, and New Zealand. The safety of the device is predominantly concerned with electrical safety. Memphasys will also perform biocompatibility/cytotoxicity testing, with the mouse embryo assay on the final device being the most substantive of these tests. It has been determined that early sales in low regulated markets are possible before comprehensive validation is completed for the highly regulated markets.

Regulatory Strategy and Submissions

The commercial pathway was finalised during the year with input from specialist consultants, assessing the major strategic markets and their complex regulatory environments, as well as low regulated markets with less rigorous regulatory hurdles.

Initial commercialisation will focus on these low regulated markets, which will enable early revenues before the highly regulated markets can be accessed. These markets include Japan, Canada, New Zealand and India. Memphasys currently has early Felix clinical assessments in place with KOLs in every one of these countries.

The major strategic markets, in order of accessibility, include Australia (TGA) and other markets that become available upon TGA approval (certain countries in the Middle East and Asia), USA (FDA); China (SFDA) and Europe (CE Mark). Europe medical device registration rules are undergoing major changes, which have caused widespread uncertainty and delays to the registration process for medical device developers and suppliers, globally. These fundamental changes have extended the time for the Felix device to achieve registration in the Europe.

As Felix is a novel device, its safety and efficacy will need to be clinically demonstrated to satisfy regulators in the "high regulatory hurdle" jurisdictions, including Australia, the USA and Europe.

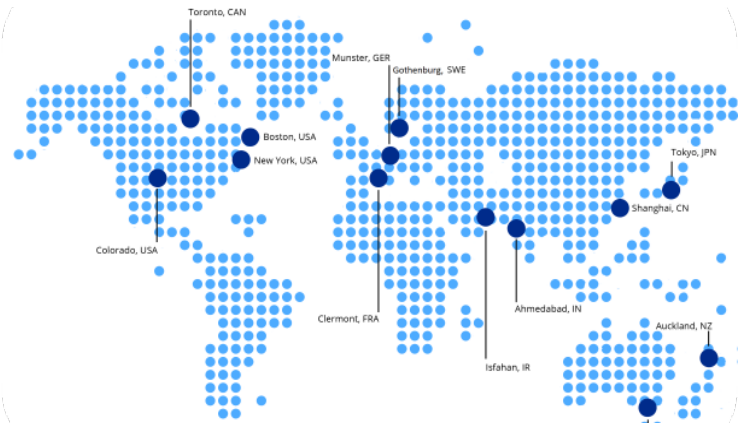
Memphasys personnel attended a pre-submission meeting with the TGA in February 2020 which provided some general guidance on what will be required for the Felix device to pass registration and have commercial sales in Australia. Memphasys has started designing an Australian clinical trial in conjunction with Monash IVF. The trial is planned to start in the second half of FY'21 after the requisite validation activities have been concluded.

The Company also implemented a quality management system ("QMS") and an extensive online software system in preparation for achieving an ISO 13485 certification in FY'21.

Marketing and Key Opinion Leader ("KOL") assessment program

To accelerate international market support and obtain rapid feedback on Felix device clinical performance, Memphasys has worked with Professor John Aitken to recruit 13 KOLs in key markets around the world to participate in the in-vitro clinical assessment of Felix, with Professor Aitken as Principal Investigator.

KOL sites participating in the Felix assessment program



KOLs are leading international IVF laboratories and andrology centres.
They have been selected for their technical and academic expertise, geographic market positioning and their value to Memphasys' commercialisation strategy.

The KOL assessment program is designed to provide further evidence of the technical capabilities and clinical benefits of the Felix device in commercial IVF centres, provide significant examples of the range of use (semen quality), and further define the commercialisation strategy of the Company. The KOL sites are anticipated to be some of the first to purchase the Felix device.

Professor Aitken developed clinical assessment protocols in conjunction with Memphasys and Monash IVF to evaluate Felix's performance against the two current processes of preparing sperm for IVF procedures: DGC and Swim Up.

During CY'19, Professor Aitken and MEM representatives attended European, US and Asia-based human reproduction conventions to recruit the KOL centres. Memphasys also engaged in positive early stage discussions about potential distribution with three major global market leaders in the IVF equipment and consumables business.

In December 2019, the devices were shipped to some initial KOL sites, including the low regulated markets, as well as the USA, China, and Iran. Memphasys personnel attended all these initial sites in person, provided training, supervised initial tests of the device on clinical samples, and answered queries from the KOLs. Shipments to remining KOL sites were then delayed due to COVID-19.

Whilst there have been limited results from the KOL program, as most have been closed due to COVID-19, the results to date of Felix performance have been positive.

Completion of Felix KOL assessment program is planned for the first half of FY'21.

Intellectual Property

Memphasys has registered new patents pertaining to the electrophoretic process and device component configuration. Memphasys has also registered the use of the Felix name for its sperm separation device.

Development of the next generation device

The technology behind the Felix device has been proven to separate good quality sperm from equine ejaculate, in tests conducted at Memphasys and the UoN. A major limitation on the use of the Felix device for animal sperm separation is the volume of semen. The Felix device has been optimised for human clinical samples, and processes 1mL of semen. The volume of animal semen can range anywhere from 10x to 100x as much, so a new device, based on the same core principles has been investigated.

A multidisciplinary team, including Memphasys, UoN, and Hydrix, was set up to address the issues in processing animal semen, and to brainstorm ideas on how to advance the core electrophoretic sperm separation principles of the Felix device to overcome these issues. This exercise conceived two radically different techniques in the separation of sperm cells that will not only have widespread utility in the animal reproductive market but are anticipated to have applications for the next generation Felix device. Memphasys is confident that it will be able to develop a useful next generation device through using an entirely new design concept.

The initial focus for the next generation device is on separation of equine sperm. The horse is a very useful animal model and the equine market is also a sizable and valuable initial target, despite AI not being legally allowed for breeding in thoroughbred racehorses.

Other significant activities

- MEM completed a $4.2m private placement of shares at $0.023 per share before costs in early July 2019.

- MEM received a $1.1m R&D tax refund from the ATO in August 2019.

- MEM announced the award of a 3-year $550,000 ARC Linkage Grant in conjunction with UNSW Sydney and Newcastle University in November 2019.

  Funding was to be spent on research into developing a new, efficient cell separation technology for both humans and animals, including for a next generation Felix device and for animal artificial insemination.

No agreement has yet been reached between UNSW and Memphasys on ownership and access to IP developed in this program, despite extensive negotiations. Wishing to continue the program without delay, Memphasys assembled a team to work on the next generation device including Professor John Aitken and his team of UoN researchers and Hydrix. The team has made good early progress and an early proof of concept has been achieved on one sperm separation concept.

- Exposure to investors in the European market was expanded during the year through Memphasys' listing on a range of prominent local German exchanges, which led to an increase in trading of MEM securities in Germany. Memphasys has a secondary listing at the "open market" of the Frankfurt Stock Exchange. In addition, Memphasys was also recently listed for trading on the "open market" in Berlin, Munich and Stuttgart Stock Exchanges and on the Berlin based Tradegate Exchange.

- On 10 July 2020, achievement of the first milestone for vesting of performance options was announced. The board determined that the company had satisfied all legal and regulatory requirements, as applicable, to distribute its Felix device in its first market jurisdiction, Canada, by 30 June 2020. The achievement of the milestone provides a pathway for the first commercial sales of the Felix device for Q4 CY'20 once requisite verification and validation activities are successfully completed. Canada represents a key early market for MEM with 16,852 IVF treatment cycles initiated and 16,939 cycles of frozen embryo transfers, producing 9,324 clinical pregnancies in 2018. Memphasys also noted that it was in the process of finalising legal and regulatory requirements in other early markets (Japan, India and New Zealand).

Outlook for 2021

The major focus in 2021 for Memphasys will be:

- starting Felix commercial sales in various "early market" jurisdictions,
- completing Verification and Validation, as well as the clinical trials needed for the major highly regulated jurisdictions, and development of the regulatory filings for these markets, and
- developing new products with Professor Aitken and UoN for the animal ART market.

The KOL clinical assessment program of the Felix device is planned for completion in the first half of FY'21. A few KOLs have re-opened and started work on the assessment. Other clinics, which were shut due to COVID-19, are just starting to re-open and are preparing to participate in September 2020.

Due to COVID-19, some of the final Validation activities have been delayed which has caused final commissioning delays of the cleanroom at W&S. Final production of Felix cartridges, ready for commercial sales, are anticipated to be made in Q4 CY'20 with initial commercial sales anticipated in early markets by end of CY'20.

Over the coming months, Memphasys will prepare for a pre-submission meeting with the FDA and will continue to prepare for a clinical trial in Australia to obtain TGA registration.

Memphasys will also continue to monitor and evaluate regulatory environment changes, including the new Medical Device Regulations ("MDR") in Europe, and will update its plans where necessary.

Memphasys anticipates final ISO 13485 certification in Q3 FY'21, which will assist with regulatory submissions in higher regulatory target markets.

Memphasys is fully funded for all planned KOL, development, and commercialisation activities through to Q1 FY'21, with $1.97 million in cash reserves as at 30 June 2020.

Financial Performance

The funds raised in the first half of the financial year, comprising the share placement $4.2m and the exercise of options $0.64m, added to the R&D tax refund of $1.1m received in August 2019, allowed Memphasys to fund its operations for the whole calendar year 2020. Having sufficient cash reserves, combined with the fact that Memphasys carried out only research and development activities without depending on any revenue streams, allowed the company to avoid issues related to COVID-19 and to continue focusing on its usual day-to-day activities, having only minor delays on specific non-core parts of the Felix project.

Memphasys finalised the financial year with working capital of $2,971,003 (2019: $1,420,952) and with net assets of $9,755,760 (2019: $6,071,441).

Capitalised expenditure on the three projects in the development stage, was as follows:

- Human assisted reproduction technologies (Felix), which received an investment of $2,703,354 (2019: $1,944,900);
- Animal assisted reproduction technologies, which received an investment of $210,237 (2019: $128,061); and
- New membranes for the Felix device, which received an investment of $223,571 (2019: $396,764).

Activities carried out by the Company have not changed from the prior financial year. Memphasys incurred a $1,133,879 loss from continuing operations (2019: $1,044,578). There are several minor reasons causing this difference, the main one being additional expenditure related to the promotion of the Company locally and in the German capital markets.

The increase in finance costs is due to the implementation of AASB 16 Leases, although the company converted its remaining debt to equity as part of the issue of shares during the year.

The tax refund on R&D activities granted by the Federal Government ("Tax Incentive") continues to be the Company's sole source of regular revenue. A R&D tax refund of $1,293,092 has been approved by AusIndustry for R&D expenditure incurred in the current financial year.

Board and management

Memphasys appointed Shane Hartwig on 31 July 2019, and Paul Wright on 17 March 2020 as non-executive directors, the latter replacing Marjan Mikel who resigned on the same date.

Matters subsequent to the end of the financial year

The following events occurred subsequent to end of the financial year:

- On 23 July 2020, the Company lodged the R&D tax claim for an amount of $1,293,092 which was approved by AusIndustry on 4 August 2020 and is expected to be received from the ATO in late August 2020.

Appendix 4E

Preliminary final report

Name of entity

Memphasys Limited

ABN or equivalent company reference	Financial year ended ('current period')
33 120 047 556	30 JUNE 2020 (Comparisons to 30 June 2019)

For announcement to the market

				$A'000
Revenue from continuing ordinary activities	**Remained**		**at**	**0**
Total income from continuing ordinary activities	**Increased**	**127%**	**to**	**196**
Loss from continuing operations	**Increased**	**9%**	**to**	**(1,134)**
Loss from ordinary activities after tax attributable to members	**Increased**	**9%**	**to**	**(1,134)**
Net Loss for the period attributable to members	**Increased**	**9%**	**to**	**(1,134)**

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Previous corresponding year	Nil	Nil

Record date for determining entitlements to the dividend, N/A

For a brief explanation of any of the figures reported above see notes below and also refer to the attached market announcement.

1. Consolidated Statement of Profit or Loss and Other Comprehensive Income

Continuing operations	For the year ended 30 June 2020 $	For the year ended 30 June 2019 $
1.1 **Revenue**		
Revenue from sales or services	-	-
Gross profit	-	-
Grant income	**166,607**	**83,736**
Finance income	**29,839**	**2,876**
General & administration	**(1,148,440)**	**(886,955)**
Research & development	**(113,288)**	**(196,901)**
Finance cost expense	**(68,597)**	**(47,334)**
1.2 Loss before income tax	**(1,133,879)**	**(1,044,578)**
1.3 Income tax	-	-
1.4 Loss after tax from continuing operations	**(1,133,879)**	**(1,044,578)**
1.5 Net loss for the year	**(1,133,879)**	**(1,044,578)**
1.6 Net loss attributable to members of parent	**(1,133,879)**	**(1,044,578)**
1.7 Other comprehensive income / (expense)		
Items that may be reclassified subsequently to profit or loss		
Exchange translation difference	-	-
Total other comprehensive income / (expense) for the year	-	-
1.8 Total comprehensive expense for the year	**(1,133,879)**	**(1,044,578)**

Consolidated accumulated losses

		30 June 2020 $	30 June 2019 $
1.9	Accumulated losses at the beginning of the financial year	**(38,803,922)**	**(37,759,344)**
1.10	Net loss attributable to members (*item 1.6*)	**(1,133,879)**	**(1,044,578)**
1.11	Expired share options transferred to accumulated losses	**256,810**	-
1.12	**Accumulated losses at end of the financial year**	**(39,680,991)**	**(38,803,922)**

2. Consolidated Statement of Financial Position

		As at 30 June 2020 $	As at 30 June 2019 $
	Current assets		
2.1	Cash and cash equivalents	1,967,800	873,573
2.2	Inventories	32,677	-
2.3	Other current assets	1,557,310	1,280,035
2.4	**Total current assets**	**3,557,787**	**2,153,608**
	Non-current assets		
2.5	Property, plant and equipment	208,464	27,514
2.6	Intangible assets	6,546,093	4,655,316
2.7	Right-of-use asset	986,297	-
2.8	**Total non-current assets**	**7,740,854**	**4,682,830**
2.9	**Total assets**	**11,298,641**	**6,836,438**
	Current liabilities		
2.10	Trade & other payables	285,744	308,618
2.11	Non-interest-bearing liabilities	26,344	319,372
2.12	Lease liabilities	106,843	3,768
2.13	Tax liabilities	93	7,436
2.14	Short term provisions	167,770	93,462
2.15	**Total current liabilities**	**586,784**	**732,656**
	Non-current liabilities		
2.16	Lease liabilities	931,053	2,975
2.17	Long term provisions	25,044	29,366
2.18	**Total non-current liabilities**	**956,097**	**32,341**
2.19	**Total liabilities**	**1,542,881**	**764,997**
2.20	**Net assets**	**9,755,760**	**6,071,441**
	Equity		
2.21	Issued capital	48,697,744	43,424,091
2.22	Reserves	739,007	1,451,272
2.23	Accumulated losses	(39,680,991)	(38,803,922)
2.24	**Total equity**	**9,755,760**	**6,071,441**

3. Consolidated Statement of Cash Flow

		For the year ended 30 June 2020 $	For the year ended 30 June 2019 $
	Cash flows from operating activities		
3.1	Payments to suppliers and employees	(1,011,857)	(1,183,854)
3.2	Government grants	1,173,264	592,734
3.3	Finance costs	(68,597)	(116,352)
3.4	**Net cash flows used in operating activities**	**92,810**	**(707,472)**
	Cash flows from investing activities		
3.5	Interest receipts	27,385	2,876
3.6	Payment for purchases of property, plant and equipment	(236,280)	(13,702)
3.7	Payment for purchases of other non-current assets	(2,901,417)	(2,115,859)
3.8	**Net cash flows used in investing activities**	**(3,110,312)**	**(2,123,685)**
	Cash flows from financing activities		
3.9	Proceeds from issues of securities	4,543,905	2,703,594
3.10	Share issue costs	(339,901)	(380,028)
3.11	Proceeds from third party loans	-	50,000
3.12	Repayment of third-party loans	-	(114,982)
3.13	Proceeds from related party borrowings		1,294,339
3.14	Repayment of related party borrowings	-	(50,000)
3.15	Repayment of lease liabilities	(92,275)	-
3.16	**Net cash flows from financing activities**	**4,111,729**	**3,502,923**
3.17	**Net (decrease)/increase in cash held**	**1,094,227**	**671,766**
3.18	Cash at beginning of year	**873,573**	**201,807**
3.19	**Cash and cash equivalents at end of year** *(see reconciliation of cash)*	**1,967,800**	**873,573**

4. Consolidated Statement of Changes in Equity

	Issued capital $	Share options reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2019	43,424,091	1,451,272	(38,803,922)	6,071,441
Movement				
Loss for the year	-	-	(1,133,879)	(1,133,879)
Total comprehensive income for the year	-	-	(1,133,879)	(1,133,879)
Issue of share capital	4,836,944	-	-	4,836,944
Transaction costs on share issue	(346,291)	-	-	(346,291)
Share options issued	-	327,545	-	327,545
Expired share options transferred to equity	783,000	(783,000)		-
Expired share options transferred to accumulated losses	-	(256,810)	256,810	-
Balance at 30 June 2020	**48,697,744**	**739,007**	**(39,680,991)**	**9,755,760**

	Issued capital $	Share options reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2018	40,095,314	1,015,610	(37,759,344)	3,351,580
Movement				
Loss for the year	-	-	(1,044,578)	(1,044,578)
Total comprehensive income for the year	-	-	(1,044,578)	(1,044,578)
Issue of share capital	4,075,891	-	-	4,075,891
Transaction costs on share issue	(747,114)			(747,114)
Share options issued	-	435,662	-	435,662
Balance at 30 June 2019	**43,424,091**	**1,451,272**	**(38,803,922)**	**6,071,441**

5. Reconciliation of cash

Reconciliation of cash at the end of the year (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	30 June 2020 $	30 June 2019 $
5.1 Cash on hand and at bank	1,967,800	873,573
5.2 Total cash at end of year *(item 3.19)*	**1,967,800**	**873,573**

6. Earnings per security (EPS)

		30 June 2020	30 June 2019
6.1	Basic losses per share	(0.0008)	(0.0025)
6.2	Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,388,316,844	409,925,467
6.3	Diluted losses per share	(0.0008)	(0.0025)
6.4	Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	1,426,521,301	409,925,467

7. NTA backing

		30 June 2020	30 June 2019
7.1	NTA backing per ordinary security	$0.004	$0.003

8. Matters subsequent to the end of the financial year

The following events occurred subsequent to end of the financial year:

- On 23 July 2020, the Company lodged the R&D tax claim for an amount of $1,293,092 which was approved by AusIndustry on 4 August 2020 and is expected to be received from the ATO in late August 2020.

Annual General Meeting

The annual general meeting will be held as follows:

Place	30 Richmond Road, Homebush West, NSW 2140
Date	Thursday 19th of November 2020
Time	11 a.m.
Approximate date the annual report will be available	Monday 1st September 2020

Compliance statement

1 The report has been prepared in accordance with the Corporations Act 2001, the recognition and measurement criteria of Accounting Standards and Urgent Issues Group Interpretations and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards "AIFRS". Compliance with AIFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards "IFRS".

2 This report, and the accounts upon which the report is based, use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on accounts that have been audited.

6 The entity has a formally constituted Audit Committee.

Signed: 

Name: Alison Coutts
Chairman

Date: 27 August 2020