

MEMPHASYS LIMITED
ACN 120 047 556

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Share for every 9 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.02 per Share to raise up to approximately \$1,760,396 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Offer is fully underwritten by Canaccord Genuity (Australia) Limited (AFSL 234666) (**Underwriter**). Refer to Section 6.4.2 for details regarding the terms of the underwriting.

This Prospectus also contains the Cleansing Offer, which is detailed in Section 2.2.

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated Wednesday, 18 August 2022 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 Shares 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 Shares offered by this Prospectus should be considered as highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application 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 Shares 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 Offer does not, and is not intended to, constitute an offer 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 Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares 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 2.10.

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 Shares.

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.

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 (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES 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 Shares 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 CHES 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 7.

All references to time in this Prospectus are references to Australian Western Standard 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 Shares, 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 Offer please call the Company Secretary on +61 2 8415 7300.

CORPORATE DIRECTORY

Directors

Ms Alison Coutts
Managing Director

Mr Robert Cooke
Non-Executive Chairman

Mr Andrew Goodall
Non-Executive Director

Mr Paul Wright
Non-Executive Director

Company Secretary

Mr Andrew Metcalfe

Registered Office

30-32 Richmond Road
Homebush NSW 2140

Telephone: +61 2 8415 7300

Website: www.memphasys.com
Email: info@memphasys.com

Auditor*

Pitcher Partners
Level 16, Tower 2, 201 Sussex 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
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Lead Manager and Underwriter

Canaccord Genuity (Australia) Limited
Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000

*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 Lodgement of Appendix 3B with ASX Opening date of the Cleansing Offer	Thursday, 18 August 2022
Existing Shares quoted on an "ex" basis Settlement of Placement funds	Tuesday, 23 August 2022
Record Date for determining Entitlements (5.00pm AEST) Lodgement of Appendix 2A for Placement Shares (before noon Sydney time)	Wednesday, 24 August 2022
Issue of Placement Shares and commencement of quotation of Placement Shares	Thursday, 25 August 2022
Offer opens Prospectus despatched to Shareholders & Company announces despatch has been completed	Monday, 29 August 2022
Last day to extend Closing Date	Friday, 2 September 2022
Closing date of the Offer* Closing date of the Cleansing Offer	5.00pm AEST Wednesday, 7 September 2022
Shares quoted on a deferred settlement basis from market open	Thursday, 8 September 2022
Announcement of results of Offer Underwriter notified of under subscriptions	Monday, 12 September 2022
Settlement of Shortfall	Tuesday, 13 September 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time)	Wednesday, 14 September 2022

*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 Offer

Shares

	Full Subscription
Offer Price per Share	\$0.02
Entitlement Ratio (based on existing Shares)	1:9

	Full Subscription
Shares currently on issue	792,178,337
Shares to be issued pursuant to the Placement (post Record Date)	80,000,000
Shares to be issued under the Offer	88,019,816
Gross proceeds of the issue of Shares	\$1,760,396
Shares on issue Post-Offer	960,198,153

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Shares 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 Shares 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.

1.4 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	\$
Alison Coutts ²	79,625,139	3,363,000	8,847,238	176,944.76
Andrew Goodall	171,498,505	1,350,000	19,055,390	381,107.80
Robert Cooke	-	-	-	-
Paul Wright	-	-	-	-

Notes:

1. Refer to the respective Appendices 3Y or 3X (as applicable) for the Directors for further particulars with respect to their interests in the Securities of the Company.
2. Alison Coutts (through Alison Coutts Consulting Pty Ltd <Alison Coutts Super Fund>) has entered into a sub-underwriting agreement with the Underwriter, pursuant to which she has agreed to sub-underwrite 2,132,600 Shares (\$42,652) under the Offer.

The Directors reserve their right to take up their respective Entitlement, in whole or in part, at their discretion.

1.5 Details of Substantial Holders

Based on publicly available information 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	%	Entitlement
Peters Investments Pty Ltd ²	215,795,000 ¹	27.24%	23,977,222
Andrew Goodall	171,498,505 ³	21.65%	19,055,389
Alison Coutts ⁴	79,625,138 ⁵	10.05%	8,847,238

Notes:

1. Held directly by Peters Investments Pty Ltd.
2. Peters Investments Pty Ltd has also agreed to subscribe for 21,792,568 Shares (\$435,851) under the Placement which will maintain his voting power in the Company at 27.24% following completion of the Placement. Peters Investments Pty Ltd has also entered into a sub-underwriting agreement with the Underwriter, pursuant to which it has agreed to sub-underwrite 23,977,222 Shares (\$479,544) under the Offer. Peters Investments Pty Ltd's sub-underwriting commitment will be offset and reduced by any Entitlement it takes up under the Offer. As such, as the Offer is fully underwritten, its voting power will not increase as a result of the Offer.
3. Comprising:
 - (a) 170,806,265 Shares held directly by Mr Goodall; and
 - (b) 692,240 Shares held indirectly by Mr Goodall through Mrs Marjorie Goodall (Mr Goodall's mother).
4. Alison Coutts (through Alison Coutts Consulting Pty Ltd <Alison Coutts Super Fund>) has agreed to sub-underwrite 2,132,600 Shares (\$42,652) under the Offer.
5. Comprising:
 - (a) 75,847,375 Shares held directly by Ms Coutts;
 - (b) 3,757,763 Shares held indirectly by Ms Coutts through Alison Coutts Consulting Pty Ltd <Alison Coutts Super Fund> (Ms Coutts is a director of Alison Coutts Consulting Pty Ltd and a beneficiary of the super fund); and
 - (c) 20,001 Shares held indirectly by Ms Coutts through Amelia Coutts (Ms Coutts' daughter).

As the Offer is fully underwritten, there is not expected to be any change to the substantial holders on completion of the Offer, noting that Peters Investments Pty Ltd may only acquire up to an additional 23,977,222 Shares (i.e. its pro-rata Entitlement) through taking up Entitlement and/or sub-underwriting the Offer and Ms Coutts has advised the Company that she (and her associated entities) will not subscribe for more than 8,847,238 Shares (i.e. her pro-rata Entitlement) via taking Entitlement and/or sub-underwriting the Offer.

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall Shares) 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.

1.6 Lead Manager

The Company engaged Canaccord Genuity (Australia) Limited (ACN 075 071 466) (**Canaccord** or the **Underwriter**) to act as lead manager to the Offer.

Terms of the lead manager mandate and total fees payable are set out in Section 6.4.1 below.

1.7 Underwriting and sub-underwriting

The Offer is fully underwritten by Canaacord. Refer to Section 6.4.2 of this Prospectus for details of the terms of the underwriting.

Peters Investments Pty Ltd (a substantial Shareholder) has agreed to sub-underwrite 23,977,222 Shares (\$479,544) under the Offer. Peters Investments Pty Ltd's sub-underwriting commitment will be offset and reduced by any Entitlement it takes up under the Offer.

Alison Coutts (a Director and substantial Shareholder of the Company), via her controlled entity Alison Coutts Consulting Pty Ltd <AC Super Fund>, has agreed to sub-underwrite 2,132,600 Shares (\$42,652) under the Offer.

Pursuant to the terms of the sub-underwriting, the Underwriter has agreed to pay each sub-underwriter a fee of 1% of the value of Shares sub-underwritten (based on the Offer price of \$0.02 per Share).

1.8 Effect on Control

As the Offer is fully underwritten, there is not expected to be any change to the substantial holders on completion of the Offer, noting that Peters Investments Pty Ltd may only acquire up to an additional 23,977,222 Shares (i.e. its pro-rata Entitlement) through taking up Entitlement and/or sub-underwriting the Offer and Ms Coutts has advised the Company that she (and her associated entities) will not subscribe for more than 8,847,238 Shares (i.e. her pro-rata Entitlement) via taking up Entitlement and/or sub-underwriting the Offer.

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter (or any sub-underwriter) may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall (other than Peters Investments Pty Ltd, who's interest already exceeds 19.9% and will not increase as a result of the Offer).

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall Shares) 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.

1.9 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 Offer, their holdings are likely to be diluted by approximately 10% (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 Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.26%	1,111,111	10,000,000	1.14%
Shareholder 2	5,000,000	0.63%	555,556	5,000,000	0.57%
Shareholder 3	1,500,000	0.19%	166,667	1,500,000	0.17%
Shareholder 4	400,000	0.05%	44,444	400,000	0.05%
Shareholder 5	50,000	0.01%	5,556	50,000	0.01%

Notes:

1. Based on 792,178,337 Shares on issue as at the date of this Prospectus. Assumes completion of the Offer and does not account for Shares to be issued pursuant to the Placement.
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 under the Underwriting and Shortfall Offer. 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 OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 9 Shares held by Shareholders registered at the Record Date at an issue price of \$0.02 per Share. 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 88,019,816 Shares may be issued under the Offer to raise up to \$1,760,396.

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

2.2 Cleansing Offer

As detailed in the timetable set out in Section 1.1 of this Prospectus, Shares are proposed to be issued to participants in the Placement on Thursday, 25 August 2022 (prior to the opening date of the Offer). These Shares will be issued without an accompanying disclosure document, to professional and sophisticated investors, under the applicable exemptions in sections 708(8) and (11) of the Corporations Act.

The Corporations Act provides a general prohibition against the on-sale of Shares issued without disclosure within 12 months of their date of issue, subject to certain exceptions.

Section 708A(11) of the Corporations Act provides that a sale offer can be made without the need for further disclosure if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

To enable the Placement Shares to be freely tradable upon issue, the Company is also undertaking a "cleansing offer" under this Prospectus, pursuant to which it invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of \$0.02 per Share to raise a nominal amount of \$20 (**Cleansing Offer**).

The Cleansing Offer is a compliance mechanism only and the Company does not currently intend to issue any Shares or raise any funds under the Cleansing Offer. As such, no application form will be provided for the Cleansing Offer.

The Cleansing Offer is included for the purpose of section 708A(11) of the Corporations Act, to ensure that no trading restrictions attach to the Shares to be issued by the Company under the Placement.

The Cleansing Offer will otherwise have no impact on the Company.

2.3 What Eligible Shareholders may do

The number of Shares 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 Shares 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 2.4. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.4 and Section 2.5.
Take up all of your Entitlement and also apply for Shortfall Shares	- Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your 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 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. - If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the Company's discretion (in consultation with the Underwriter) as	Sections 2.4, 2.5 and 0.

Option	Key Considerations	For more information
	per the allocation policy set out in Section 02.7. Accordingly, your application for additional Shortfall Shares may be scaled-back. The Company's decision on the number of Shortfall Shares to be allocated to you will be final.	
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 Shares you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.4 and Section 2.5
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 Offer to you will lapse.	N/A

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

2.4 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;
- (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; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

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 (AEST) 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;
- (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; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

2.5 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.

2.6 Minimum subscription

On the basis that the Offer is fully underwritten, the minimum subscription is also the full subscription under the Offer.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. (**Shortfall Shares**). 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. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.02 being the price at which Shares have been offered under the Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares in accordance with Section 2.4

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.2. If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Shares by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Shares applied for under the Shortfall Offer.

The Underwriter notes that no Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

2.8 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 Shares 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 Shares now offered for subscription.

2.9 Issue of Shares

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

Shares issued pursuant to the Shortfall Offer will be issued in accordance with the Underwriting Agreement. Where the number of Shares 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 Shares 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 Shares issued under the Offer will be mailed as soon as practicable after the issue of Shares and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

2.10 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer 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 Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

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 OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$1,760,396 before costs. In addition, the Company raised a further \$1,600,000 under the Placement.

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

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Project development ¹	1,293,138	38.48
2.	Working capital, including salaries, consultancy fees and corporate overheads	1,281,658	38.13
3.	Settlement of debts and creditors ²	515,000	15.33
4.	Expenses of the Placement	118,270	3.52
5.	Expenses of the Offer ³	152,330	4.53
	Total	3,360,396	100

Notes:

- Comprising:
 - continuing the commercialisation of the Felix™ System, including bolstering sales and marketing activities in low regulatory markets;
 - undertaking Felix™ System clinical trials and other regulatory activities;
 - continuing the development of other pipeline products with the University of Newcastle research team; and
 - commencing development of the next generation Felix™ System.
- On 29 July 2022, the Company announced that Peters Investments Pty Ltd had advanced a working capital loan of \$440,000 to the Company that would convert to equity at the Company's next capital raising. The full value of the loan (being \$440,00) will be repaid and offset against Peters Investments Pty Ltd's subscription for the corresponding portion of Shares under the Offer and/or Placement, at \$0.02 per Share. Refer to Section 6.4.3 for further details).

On 2 June 2022, Ms Coutts (and her controlled entity) advanced working capital loans totalling \$75,000 to the Company. Subject to compliance with the Corporations Act and ASX Listing Rules, the Company and Ms Coutts have agreed that the loans (or portion thereof) may be repaid via offset against Ms Coutts' (or her associated entities') subscription for Shares under the Offer, at \$0.02 per Share. Any balance of the loans that remains unpaid following the offset shall be repaid in cash from the proceeds of the Offer, together with accrued interest. Refer to Section 6.4.4 for further details.

- Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

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 Offer

The principal effect of the Offer, assuming all Entitlements are accepted, will be to:

- (a) increase the cash reserves by \$1,608,066 (after deducting the estimated expenses of the Offer and prior to any offset and/or repayment of debt, as contemplated at Section 6.4.3 and 6.4.4) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 792,178,337 as at the date of this Prospectus to 960,198,153 Shares (including 80,000,000 Shares to be issued to participants in the Placement during the Offer period).

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and the Placement is completed during the Offer Period, is set out below.

Shares

	Number
Shares currently on issue	792,178,337
Shares to be issued under the Placement	80,000,000
Shares offered pursuant to the Offer	88,019,816
Total Shares on issue after completion of the Offer	960,198,153

Options

	Number
Options currently on issue ¹	15,940,800
Total Options on issue after completion of the Offer	15,940,800

Notes:

- 6. Comprising:
 - (a) 3,000,000 exercisable at \$0.06 on or before 31 December 2023;
 - (b) 1,770,000 exercisable at \$0.088 on or before 31 August 2023;
 - (c) 1,593,000 exercisable at \$0.094 on or before 31 August 2024;
 - (d) 3,000,000 exercisable at \$0.10 on or before 13 September 2023. In accordance with their terms, the Offer will trigger an adjustment to the exercise price of these Options as provided for in ASX Listing Rule 6.22.2;

- (e) 3,462,000 exercisable at \$0.0905 on or before 30 July 2023; and
- (f) 3,115,800 exercisable at \$0.0965 on or before 30 July 2024.

In addition to the above, the Company also has 3,000,000 convertible notes on issue held by Peters Investments Pty Ltd, with a face value of \$1 per convertible note. Refer to the Company's Notice of General Meeting dated 23 July 2021 for the full terms of the convertible notes on issue.

3.4 Pro-forma balance sheet

The reviewed balance sheet as at 31 December 2021, unaudited balance sheet as at 31 July 2022 and the unaudited pro-forma balance sheet as at 31 July 2022 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 Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

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 31 July 2022 ¹ \$ NON-AUDITED	As at 31 July 2022 \$ NON-AUDITED	As at 30 December 2021 \$ REVIEWED
CURRENT ASSETS			
Cash and cash equivalents	3,420,842	331,842	1,951,089
Trade Receivables	-	-	13,574
Inventory	80,604	80,604	94,858
Other current assets	1,687,937	1,687,937	1,342,072
TOTAL CURRENT ASSETS	5,189,383	2,100,383	3,401,593
NON-CURRENT ASSETS			
Financial assets at fair value through OCI	74,000	74,000	125,000
Property, plant and equipment	494,822	494,822	539,196
Intangible assets	9,678,774	9,678,774	8,920,894
Right-of-use asset	1,827,024	1,827,024	1,922,478
TOTAL NON-CURRENT ASSETS	12,074,620	12,074,620	11,507,568
TOTAL ASSETS	17,264,003	14,175,003	14,909,161
CURRENT LIABILITIES			
Trade and other payables	642,460	642,460	217,377
Non-interest-bearing liabilities	154,668	154,668	181,002
Interest-bearing liabilities	3,866,993	3,866,993	3,286,488
Lease liabilities	98,727	98,727	88,368
Tax liabilities	(10,464)	(10,464)	11,162
Provisions	286,446	286,446	283,976
TOTAL CURRENT LIABILITIES	5,038,830	5,038,830	4,068,373
NON-CURRENT LIABILITIES			
Non-interest-bearing liabilities	77,330	77,330	154,664
Lease liabilities	1,819,015	1,819,015	1,880,726
Provisions	32,533	32,533	34,789
TOTAL NON-CURRENT LIABILITIES	1,928,878	1,928,878	2,070,179
TOTAL LIABILITIES	6,967,708	6,967,708	6,138,552
NET ASSETS	10,296,295	7,207,295	8,770,609
EQUITY			
Issued capital	53,429,937	50,340,937	50,340,937
Reserves	5,185	5,185	56,185
Accumulated losses	(43,138,827)	(43,138,827)	(41,626,513)
TOTAL EQUITY	10,296,295	7,207,295	8,770,609

Notes:

- Adjusted to reflect increase in cash and share capital from completion of the 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 Offer, prior to any offset and/or repayment of existing debt via the capital raising (as contemplated in Sections 6.4.3 and 6.4.4).

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.

5. RISK FACTORS

5.1 Introduction

The Shares 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 Shares 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 Shares. 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 half year financial report for the six months ended 31 December 2021 (**Half Year 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' paragraph included in the Half Year Report, the Directors believe that upon the successful completion of the Offer and Placement, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short to medium term working capital requirements.

(b) Additional requirements for capital

The funds raised under the Offer 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) **Potential for significant dilution**

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

(d) **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.

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

The Company's business is presently dependent on the commercial success of the Felix device, its lead program.

(f) **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.

(g) **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.

(h) **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. 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.

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

The Company's success 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.

(j) **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.

(k) **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.

(l) **Liquidity and realisation**

There can be no guarantee that an active market in the 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.

(m) **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.

(n) **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.

5.3 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.

5.4 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 Shares.

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

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

Before deciding whether to subscribe for Shares 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
18/08/2022	Update - Proposed issue of securities - MEM
17/08/2022	Proposed issue of securities – MEM
17/08/2022	Reinstatement to Official Quotation

Date	Description of Announcement
17/08/2022	\$3.36 capital raising to accelerate FELIX commercialisation
11/08/2022	Court Orders Granted and update on Proposed Capital Raising
2/08/2022	Cleansing Statement
29/07/2022	Quarterly Activities/Appendix 4C Cash Flow Report
29/07/2022	Suspension from Official Quotation
27/07/2022	Trading Halt
28/06/2022	Monash IVF clinical study enrolls first patient using FELIX
27/06/2022	Notification of cessation of securities - MEM
9/06/2022	Felix System commercialisation update
6/06/2022	Notification of cessation of securities - MEM
17/05/2022	Response to ASX Query
26/04/2022	Final Director's Interest Notice SH
26/04/2022	Initial Director's Interest Notice - RC
26/04/2022	Non-Exec Chair Appointment and Director Resignation
12/04/2022	Quarterly Activities/Appendix 4C Cash Flow Report
30/03/2022	Follow up sales of FelixTM System
22/03/2022	SAMSON stallion fertility device returns positive results
14/03/2022	MEM Achieves ISO 13485 Compliance
3/03/2022	Presentation at Pitt St Research conference

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	\$0.052	16/05/2022
Lowest	\$0.03	15/06/2022, 17/08/2022

6.4 Material Contracts

6.4.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Canaccord to act as sole lead manager and bookrunner to the Offer and Placement (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

The Company has agreed to pay Canaccord:

- (a) a management fee of 2.0% of the gross proceeds raised under the Offer and Placement; and
- (b) a selling/underwriting fee of 4% of the gross proceeds raised from the Offer and Placement.

The Company agrees to reimburse the Canaccord for all reasonable out-of-pocket expenses incurred by the Lead Manager in connection with the Lead Manager Mandate and the Offer, including legal fees up to a maximum of \$20,000.

In the event that during the period of 12 months starting on the earlier of the completion of the Offer and the termination of the engagement by the Company, the Company undertakes any equity or hybrid capital raising (**Subsequent Offer**), the Company agrees to offer Canaccord the opportunity to act as sole and exclusive lead manager and bookrunner to the Subsequent Offer and will pay Canaccord a fee to be agreed between the Company and Canaccord (such agreement not to be unreasonably withheld). The Company must not engage with any other party to manage that capital raising, unless Canaccord has already been offered, and has declined, the opportunity to manage that capital raising.

The engagement may be terminated at any time by Canaccord by giving notice in writing to the Company.

The Company may terminate the engagement at any time where Canaccord has materially breached the engagement. However, such termination will not be effective unless:

- (a) the Company has given Canaccord notice in writing setting out the reasons why Canaccord has materially breach the engagement; and
- (b) Canaccord has not remedied the breach within 14 days of such notice.

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

6.4.2 Underwriting Agreement

The Company has entered into an underwriting agreement with the Canaccord, pursuant to which Canaccord has been appointed to act as Underwriter to the Offer (**Underwriting Agreement**).

Canaccord has agreed to fully underwrite the Offer (the **Underwritten Shares**), for an amount of \$1,760,396.30 (**Underwritten Amount**).

Canaccord may procure any person to sub-underwrite such portion of the Underwritten Shares as Canaccord, in its absolute discretion, thinks fit subject to ensuring that no sub-underwriter (together with their associates) acquires a relevant interest in more than 19.99% of the issued share capital of the Company (other than Peters Investments Pty Ltd, who's interest already exceeds 19.9% and will not increase as a result of the Offer).

The fees to be received by Canaccord for this engagement are set out in the summary of the Lead Manager Mandate at Section 6.4.1 above, which, for the avoidance of doubt, will not be duplicated.

In addition, the Company agrees to reimburse the Underwriter for all costs, expenses and disbursements (including any applicable GST) reasonably incurred by the Underwriter in relation to the Offer and the Underwriting Agreement, including legal fees up to a maximum of \$10,000. The Underwriter is to obtain the written consent of the Company, which consent must not be unreasonably withheld, prior to incurring any individual cost, expense or disbursement (excluding legal fees) greater than \$2,000.

The obligation of Canaccord to underwrite the Offer is subject to certain events of termination. Canaccord may terminate its obligations under the Underwriting Agreement (without cost or liability to it) if:

- (a) **(Indices fall)**: either of the All Ordinaries Index or the S&P/ASX Small Ordinaries Index as published by ASX is at any time after the date of this Agreement, at a level that is 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by the Corporations Act, and the Company is not able to rectify such disclosure deficiency by way supplementary or replacement disclosure within 5 business days of becoming aware of the deficiency;
- (c) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive and the Company is not able to rectify such disclosure deficiency by way supplementary or replacement disclosure within 5 Business Days of becoming aware of the deficiency;
- (d) **(Restriction on allotment)**: the Company is prevented from allotting the Shares the subject of the Offer within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (e) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation

to the Prospectus, the date for the Company to notify ASX of under subscriptions (if any) has arrived (**Shortfall Notice Deadline Date**), and that application has not been dismissed or withdrawn;

- (f) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (g) **(Hostilities):** there is a material outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Japan, the United Kingdom, the United States of America, France, North Korea, the People's Republic of China, Israel or any member of the European Union;
- (h) **(Authorisation)** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter (acting reasonably);
- (i) **(Indictable offence):** a director or senior manager of a the Company (or a subsidiary of the Company) (a **Relevant Company**) is charged with an indictable offence;
- (j) ***(Default):** default or breach by the Company under this Underwriting Agreement of any terms, condition, covenant or undertaking which is not remedied by the Company within 5 business days of notification by Canaccord;
- (k) ***(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in this Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (l) ***(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (m) ***(Adverse change):** an event occurs which gives rise to a Material Adverse Effect after the date of this Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in Canaccord's reasonable opinion, unlikely to be met in the projected time;
- (n) ***(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive in a material respect or that there was a material omission from them;
- (o) ***(Significant change):** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (p) ***(Public statements):** without the prior approval of Canaccord a public statement is made by the Company in relation to the Offer, the Issue or

the Prospectus except where such statement is required by law or the Listing Rules;

- (q) ***(Misleading information):** any information supplied at any time by the Company or any person on its behalf to Canaccord in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (r) ***(Official Quotation qualified):** the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
- (s) ***(Change in Act or policy):** there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy which if enacted would have a Material Adverse Effect;
- (t) ***(Prescribed Occurrence):** a certain prescribed occurrence occurs;
- (u) ***(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (v) ***(Event of Insolvency):** an event of insolvency occurs in respect of a Relevant Company;
- (w) ***(Judgment against a Relevant Company):** a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (x) ***(Litigation):** material litigation, arbitration, administrative or industrial proceedings are after the date of this Underwriting Agreement commenced against any Relevant Company, other than any claims disclosed to Canaccord in writing prior to the date of this Underwriting Agreement or foreshadowed in the Prospectus;
- (y) ***(Board and senior management composition):** there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of Canaccord (acting reasonably);
- (z) ***(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (aa) ***(Timetable):** there is a delay in any specified date in the Offer timetable which is greater than 1 business day, without the written consent of the Canaccord (such consent not to be unreasonably withheld or delayed);
- (bb) ***(Force Majeure):** any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;

- (cc) ***(Certain resolutions passed):** a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of Canaccord;
- (dd) ***(Capital Structure):** any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus or Placement except in respect of the exercise of options on issue at the date of this Agreement or the issue of convertible securities under the Company's employee incentive plan;
- (ee) ***(Investigation):** any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company; or
- (ff) ***(Market Conditions):** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

No event specified in any paragraph above marked with an asterisk (*) will entitle the Underwriter to exercise its rights to terminate its obligations under the Underwriting Agreement unless, in the reasonable opinion of the Underwriter the event has or is likely to have, or two events together have or are likely to have:

- (i) a material adverse effect on the outcome of the Offer or on the subsequent market for the Shares the subject of the Offer (including, without limitation, matters likely to have a material adverse effect on a decision of Shareholder to invest under the Offer); or
- (ii) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries either individually or taken as a whole,

(i) and (ii) above being a **Material Adverse Effect**; or
- (iii) could give rise to a liability of Canaccord under the Corporations Act or otherwise.

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

6.4.3 Convertible Loan Agreement - Peters Investments Pty Ltd

On 29 July 2022, the Company (as borrower) entered into a converting loan agreement with Peters Investments Pty Ltd (ACN 008 699 287) (as lender) (**Peters Investments**), pursuant to which Peters Investments provided the Company a loan of \$440,000 (**Loan Amount**) to be applied to general business activities and working capital (**Converting Loan Agreement**).

The material terms of the Converting Loan Agreement are summarised below:

- (a) **Interest:** No interest is payable on the Loan Amount.
- (b) **Security:** The Loan Amount is unsecured.

- (c) **Conversion and Repayment:** subject to (d) and (e) below, the loan will be repaid via offset against Peters Investments' subscription for \$440,000 worth of Shares (being 22,000,000 Shares) under the Offer and/or Placement.

In the event that the Shares the subject of the Offer and Placement are not issued within 6 months of the date of execution of the Converting Loan Agreement (**Maturity Date**), the Company must repay the loan within 5 business days of the Maturity Date (**Repayment Date**).

- (d) **Prepayment:** The Company may prepay the whole or part of the loan on any day prior to the Repayment Date, on giving not less than 2 business days prior written notice to Peters Investments.
- (e) **Compliance with laws:** The loan may not be converted into Shares if such conversion would cause the Company or Peters Investments to breach the Corporations Act or any other applicable laws or regulations.

6.4.4 Convertible Loan Agreement – Alison Coutts

On 2 June 2022, the Company (as borrower) has entered into two separate loan agreements with Ms Alison Coutts and her controlled entity, Alison Coutts Consulting Pty Ltd <AC Super Fund> (as lender), pursuant to which Ms Coutts advanced the Company loans totalling \$75,000, to be applied toward working capital expenses.

The material terms of the loan agreements are summarised below:

- (a) **Interest:** interest is payable at 8% per annum on the loans.
- (b) **Security:** the loans are unsecured.
- (c) **Conversion and Repayment:** subject to compliance with the Corporations Act and ASX Listing Rules, the Company and Ms Coutts have agreed that the loans (or portion thereof) may be repaid via offset against Ms Coutts' (or her associated entities') subscription for Shares under the Offer. Any balance of the loans that remains unpaid following the offset shall be repaid in cash from the proceeds of the Offer, together with accrued interest.

6.5 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 Offer; or
- (c) the Offer,

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
 - (i) the Offer.

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 1.4.

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 2023	FY ending 30 June 2022
Alison Coutts	\$350,000	\$557,071 ¹
Andrew Goodall	\$50,000	\$50,000
Paul Wright	\$50,000	\$50,019 ²
Robert Cooke ³	\$125,000 ⁴	\$18,205 ³

Notes:

1. Comprising \$328,306 in cash salary and fees, \$5,000 in cash bonus, \$23,598 superannuation, \$22,921 long-term benefits and \$177,276 options.
2. Comprising \$45,472 cash salary and fees and \$4,547 superannuation.
3. Comprising \$16,550 cash salary and fees and \$1,655 superannuation.
4. Comprising \$100,000 cash salary and fees and \$25,000 worth of options to be issued

subject to shareholder approval at the next shareholder meeting.

6.6 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 Offer; or
- (f) the Offer,

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 Offer.

Canaccord has acted as the lead manager and underwriter of the Offer. The Company estimates it will pay Canaccord the fees set out in Section 6.4.1 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Canaccord has received \$333,000 (excluding GST) in fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$25,000 (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 \$55,399 (excluding GST and disbursements) for legal services provided to the Company.

6.7 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.

Canaccord has given its written consent to being named as the lead manager and underwriter to the Offer in this Prospectus.

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

Pitcher Partners has given its written consent to being named as the auditors to the Company in this Prospectus and to the use of audited and reviewed financials to prepare the balance sheet set out in Section 3.4 and the statement in Section 5.2(a). Pitcher Partners has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$152,330 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	7,705
Underwriting fee ¹	105,624
Legal fees	25,000
Printing, distribution and other miscellaneous expenses	10,795
Total	152,330

Notes:

1. Refer to the summary of the underwriting agreement at Section 6.4.2 for further details.

6.9 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.



Ms Alison Coutts
Executive Chairman
For and on behalf of
Memphasys Limited

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application 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.

Cleansing Offer means the offer as described in Section 2.2.

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 Offer.

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

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

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement of 80,000,000 Shares to sophisticated and professional investors, at an issue price of \$0.02 per Share, to raise \$1,600,000, as announced by the Company on 17 August 2022.

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, Options and/or convertible notes, 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 means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 02.7.

Shortfall Shares means those Shares not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

Underwriter means Canaccord Genuity (Australia) Limited (AFSL 234666).