December 2025 Quarterly Activities Report and Appendix 4C

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Quarterly Highlights:

- **First material revenues achieved across multiple jurisdictions, with approximately $102,000 invoiced during the quarter and ~$1.5 million in contracted multi-year minimum revenues secured.**
- **CE Mark approval secured for the Felix™ System, enabling commercial sales across Europe and other CE-recognised jurisdictions and activating existing commercial agreements.**
- **Five-year European commercial supply agreement executed with Centro Fertilità Assistita (CFA Italia), valued at a minimum of ~A$925,000; with initial cartridge orders received ahead of contractual obligations.**
- **Middle East commercial traction, with International Technical Legacy (ITL) placing an initial order for 500 Felix™ cartridges during the quarter ahead of contractual obligations, followed by a repeat order for a further 200 cartridges in January.**
- **Direct sales execution progressed across MENA and Italy, including in-market engagement with ITL and participation at the Middle East Fertility Society (MEFS) Conference.**
- **First Indian supply agreement executed, providing access to a network of 200+ IVF clinics.**
- **Repeat commercial order secured in Japan, supporting ongoing Felix™ utilisation.**
- **Operating costs reset: Annual operating costs reduced by ~39%, freeing capital for manufacturing and regulatory acceleration.**

Memphasys Limited ("Memphasys" or the "Company"), a biotechnology company focused on developing and commercialising innovative products for assisted reproduction, is pleased to provide its Quarterly Activities Report for the period ended **31 December 2025**.

During the December 2025 quarter, Memphasys delivered a pivotal commercial step-change, with CE Mark approval enabling the activation of binding, multi-year international commercial agreements and the Company's transition to a recurring revenue-generating phase.

The Company moved from market preparation to active global commercial execution, invoicing approximately $102,000 across Europe, the Middle East and Japan under long-term contractual arrangements with established IVF groups and partners driven by approximately $1.5 million in contracted multi-year minimum revenues.

This combination of material invoiced revenues and contracted revenue visibility represents a first for Memphasys, reflecting the successful conversion of regulatory, clinical and commercial preparation into tangible financial outcomes.

Strategy Execution: Transition to Global Commercial Rollout

The Felix™ commercialisation strategy, implemented during 2025, reached a major execution milestone during the December quarter with the receipt of CE Mark approval under the EU Medical Device Regulation (EU MDR). This approval represents the final regulatory gateway required for Felix™ to be commercially sold and routinely used across the European Economic Area and other CE-recognised jurisdictions.

With CE Mark approval secured, Memphasys has transitioned from regulatory and market preparation into active global commercial rollout. Previously executed binding multi-year commercial agreements have now been fully activated, including the five-year European supply agreement with Centro Fertilità Assistita (CFA) Italia and the two-year exclusive Middle East and North Africa agreement with International Technical Legacy (ITL).

Initial cartridge orders were placed ahead of contractual triggers and contributed directly to invoiced revenues during the quarter, providing clear evidence of clinic-level demand and commercial validation under Memphasys' go-direct sales model. A subsequent repeat order of 200 cartridges was received from ITL in January, reflecting strong interest in Felix™ from clinics in Qatar, where CE Mark approval now permits immediate clinical use.

CE Mark approval also materially accelerates the Company's broader global expansion strategy through regulatory mutual-recognition pathways, enabling progression of approvals in India and Australia and supporting activation of existing commercial arrangements in these high-growth markets.

The Company's strategy remained focused on:

- Felix™ commercialisation as the sole corporate priority;
- A go-direct sales model embedding Memphasys' clinical and commercial leadership within clinics;
- A recurring consumable-driven revenue model; and
- Disciplined capital deployment aligned with near-term revenue generation.

Commercialisation Results

Europe: First Long-Term Commercial Supply Agreement

During the quarter, Memphasys executed a five-year European commercial supply agreement with CFA Italia, one of Italy's largest private fertility groups. The agreement includes minimum purchase commitments of 7,500 Felix™ cartridges over the contract term, equating to a minimum value of approximately A$925,000.

CFA Italia placed an initial purchase order for 500 Felix™ cartridges ahead of contractual triggers. Cartridge orders placed during the quarter contributed directly to the Company's first invoiced revenues under a binding European commercial contract, reinforcing the scalability of Felix™ within a major IVF market.

Middle East: Direct Sales Execution and Early Orders

Memphasys accelerated Felix™ commercialisation in the Middle East through a company-led direct sales engagement strategy, with the Company's business development team undertaking on-site commercial planning with International Technical Legacy (ITL) and engaging directly with IVF clinics across Qatar and the UAE.

This activity resulted in ITL placing an initial order for 500 Felix™ cartridges during the quarter, ahead of contractual triggers, followed by a repeat order for a further 200 cartridges in January as a direct result of CE-Mark approval, which allowed for immediate use of Felix™ in Qatar and other middle east countries. These orders were placed under Memphasys' five-year exclusive MENA commercial agreement with ITL, valued at approximately $390,000.

India: Go-Direct Market Entry

During the quarter, Memphasys executed its first Indian supply agreement under the go-direct commercial strategy with Andrology Center group company Andro Diagnostics, providing access to a network of more than 200 IVF clinics. The agreement has an initial minimum value of approximately $200,000 and positions the Company for rapid commercial activation following completion of the CDSCO regulatory process expected in mid-2026.

Japan: Repeat Orders and Expansion of Direct Engagement

Memphasys secured a repeat order for 200 Felix™ cartridges from the Nishitan ART Clinic Kobe Sannomiya Branch, part of Japan's leading private fertility network. The repeat order contributed to invoiced revenues during the quarter and demonstrated Felix™'s transition from initial adoption to recurring clinical use.

Lindley Edwards, Chair of Memphasys, said:

"Securing CE Mark approval represents the commercial inflection point for Memphasys. With binding multi-year international agreements now activated, and material revenues invoiced across multiple jurisdictions for the first time, the Company has moved decisively into execution. Initial and repeat orders demonstrate strong demand and validate the recurring revenue model as Felix™ rolls out globally."

Corporate and Financial Update

During the period, Memphasys continued to align its operating structure with its transition to a globally focused, execution-led commercial model, reallocating resources toward in-market sales, clinical engagement and account management.

Material revenues of approximately $102,000 were invoiced during the December 2025 quarter, with cash receipts expected in the March 2026 quarter, reflecting standard payment terms under the Company's international commercial agreements.

Administration and employment costs during the quarter were higher due to a number of one-off restructuring costs, including termination costs and legal fees. The Company expects net operating cash outflows to reduce in subsequent quarters as these one-off costs fall away. Average monthly cash burn post the December 2025 quarter is now expected to be approximately $280,000.

Annual operating costs have reduced by ~39%, as noted in the Company's September 2025 quarterly activities report.

The Company extended the maturity date of its convertible notes with Peters Investments Pty Ltd to 30 June 2026, enhancing balance sheet flexibility as Memphasys enters its revenue-scaling phase following the commencement of invoicing under long-term commercial contracts.

The entitlement offer and full shortfall placement was completed during the quarter raising **$1.1 million**, supporting Felix™ commercialisation activities including regulatory progression, manufacturing readiness and direct sales execution.

Payments to related parties and their associates during the quarter, as outlined in Section 6.1 of the accompanying Appendix 4C to these quarterly activities report were $122,000. These payments are related to salaries, superannuation and Director's fees paid to directors and related entities during the December 2025 quarter.

Further details are provided in the accompanying **Appendix 4C**.

Leadership Restructure to Support Direct Selling Global Commercialisation Strategy

The Company conducted a detailed review of its commercialisation strategy for the Felix™ System, and approved an organisational restructure aligned to the Company's shift toward a direct selling, globally focused commercial model. As part of this restructure, the position of Chief Executive Officer was made redundant, and Dr David Ali departed the Company, effective 31 December 2025.

A/Prof Hassan Bakos, the Company's Director of Operations, took on the role of Director – Clinical Engagement and Growth, with responsibility for driving sales growth and strengthening customer engagement. In this capacity, he commenced reporting directly to the Commercialisation Committee. His expanded responsibilities included sales, Key Account Management, operational readiness and training deployment and market-entry execution.

Outlook

The December 2025 quarter represents a defining period for Memphasys, marked by regulatory success, the activation of long-term international commercial agreements, and the achievement of first material invoiced revenues of approximately **$102,000**, together with **~$1.5 million** in contracted multi-year minimum revenues.

With CE Mark approval secured, clinics operationally prepared, and revenues now being invoiced in Europe, the Middle East and Japan, alongside advancing regulatory pathways in India and Australia, the Company enters the next quarter focused on scaling execution and growing contracted, recurring revenues, supported by late-stage commercial discussions in both existing and new markets.

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

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About Memphasys

Memphasys Limited (ASX: MEM) is an Australian-based reproductive biotechnology company commercialising the Felix™ System, a patented bio separation technology that isolates the most viable sperm cells for human assisted reproduction.

By combining electrophoresis and size-exclusion membranes, Felix™ delivers a fast, gentle and standardised sperm selection process that enhances sperm quality and reduces laboratory time. The system replaces traditional centrifugation, which can cause cellular stress and DNA damage, offering clinicians a superior, repeatable alternative.

Memphasys' commercial strategy focuses on building contracted sales through direct and distribution-led channels, scaling production to improve margins, and establishing Felix™ as a new global standard in sperm preparation for ART.

Website: www.memphasys.com

Appendix 4C

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

Name of entity	
Memphasys Limited	
ABN	**Quarter ended ("current quarter")**
33 120 047 556	31 December 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	8	12
1.2	Payments for		
	(a) research and development	(177)	(219)
	(b) product manufacturing and operating costs	(134)	(138)
	(c) advertising and marketing	(31)	(45)
	(d) leased assets	(17)	(24)
	(e) staff costs	(434)	(702)
	(f) administration and corporate costs	(649)	(766)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	(362)	(366)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	901	901
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(894)**	**(1,345)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(3)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1)**	**(3)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,940	1,940
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	34	193
3.6	Repayment of borrowings	(672)	(672)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,302**	**1,461**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4	298
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(894)	(1,345)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(3)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,302	1,461
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**411**	**411**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	411	4
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**411**	**4**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	122
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	4,066	4,066
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**4,066**	**4,066**

7.5	**Unused financing facilities available at quarter end**	-

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

Convertible Note: Peters Investments: $3m plus facilitation fees and interest (maturing 30 June 2026, coupon rate of 8%).

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(894)
8.2	Cash and cash equivalents at quarter end (item 4.6)	411
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	411
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.46

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

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

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

Answer: No, Net operating cash outflows during the quarter were higher due to non-recurring termination and timing-related costs. Accordingly, the Company expects net operating cash outflows to reduce in subsequent quarters as these one-off costs fall away and as commercialisation activities progress and revenue generation is realized.

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

Answer: On 30 December 2025, Memphasys announced it had raised $579,166.62 through the placement of 193 million shares, strengthening its position to advance commercialisation of the Felix™ system following CE Mark approval. The Company expects to raise additional funds as required under its existing placement capacity. The funds will support European and MENA sales, regulatory progress, and working capital.

8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Yes, as outlined in section 8.6.2.	

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

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

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

Date: 22 January 2026.....

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.