



ASX Release
9 July 2019

Memphasys commercialisation on track, Felix device manufacturer appointed as \$4.2m Placement being arranged

Highlights:

- **W&S Plastics, one of the largest plastic injection moulding companies in Australia, appointed to manufacture and assemble Felix disposable cartridges;**
- **W&S Plastics has identified and recommended a tooling strategy to produce cartridges for KOL assessment, the regulatory approval process and first 12-18 months of commercial sales;**
- **Expanded usage of initial cartridge tooling represents an improved process towards commercialisation;**
- **Memphasys is arranging a \$4.2 million Placement to facilitate the modified tooling strategy and ensure the business is suitably funded into first commercial sales (subject to receipt of regulatory approvals) of the Felix device in Q2 2020; and**
- **Cornerstone support for Placement has been received from current major shareholders, including \$850,000 from current director Andrew Goodall (including ~\$300,000 in debt conversion) and \$2million from Peters Investments Pty Ltd, the investment vehicle of prominent thoroughbred breeder and trainer Bob Peters.**

Australian-based bio-separations company Memphasys Limited (ASX: MEM) (“Memphasys” or “the Company”) is pleased to announce it has achieved two further milestones in the commercialisation plans for its Felix device, being the appointment of W&S Plastics Pty Ltd (“W&S”), one of the largest custom plastic injection moulding companies in Australia to manufacturer and assemble its Felix disposable cartridges, and arranging \$4.2m funding via a Placement.

With these milestones now achieved, the Company is on track to meet its commercialisation timeline for the Felix device (refer ASX release of 9 April 2019 and addendum to that announcement). Subject to the receipt of required regulatory approvals on or before Q2 2020, Memphasys plans to be in a position to launch its sales program for the Felix device in Q2 2020.

Appointment of Felix device manufacturer – W&S Plastics

Memphasys has appointed W&S Plastics Pty Ltd to manufacturer and assemble its Felix disposable cartridges.

W&S Plastics, established in 1978, has a large-scale facility in Sydney and in 2016 established a second facility based in Johor, Malaysia. Its highly accredited facilities are equipped with advanced

machinery to deliver custom designs and modifications and high-volume production focused on medical devices.

The appointment of W&S, which followed an extensive evaluation process, has already yielded significant benefits to Memphasys, with W&S identifying and recommending an initial tooling strategy that would produce cartridges for Key Opinion Leader (“KOL”) assessment, the regulatory approval process and to satisfy the first 12-18 months of commercial sales, after which more expensive tooling would be introduced.

The use of the initial tooling method improves the commercialisation process for the Felix device by the earlier introduction to market of a commercial-grade Felix device, while providing Memphasys a greater degree of flexibility to incorporate minor modifications in design based on KOL feedback. While some tooling costs are brought forward under this strategy the larger tooling costs associated with full scale commercial production will be delayed until the Company is well into commercial sales.

“The appointment of W&S Plastics, who have a high level of experience in the design and manufacturing of intricate components of medical devices, is a key milestone for Memphasys as we look to realise our commercialisation goals in 2020,” Ms. Coutts said.

“They have identified and recommend a tooling strategy to produce cartridges for KOL assessment, the regulatory approval process and first 12-18 months of commercial sales, which is a significant improvement on our earlier plans and a more efficient and flexible process to commercialisation,” she added.

\$4.2M Placement being arranged

Patersons Securities Limited (“Patersons”) has been appointed Lead Manager for a \$4.2million placement of ordinary fully paid shares (182,608,696 in total) at an issue price of 2.3 cents per share (“Placement”).

The Placement will settle in two tranches. Tranche 1 will involve the issue of 71,144,928 ordinary shares raising \$1,613,333 completed utilising the Company’s existing placement capacity pursuant to ASX Listing Rule 7.1. Tranche 2, which includes the issue of shares to Mr Andrew Goodall, a director of Memphasys Limited, will be subject to shareholders approval and consist of the issue of 112,463,768 ordinary shares raising \$2,586,667.

Memphasys has received the full support from current major shareholders to cornerstone the Placement, with \$850,000 from current director Andrew Goodall (including ~\$300,000 in debt conversion) and \$2 million from Peters Investments Pty Ltd – the investment company headed by prominent Australian horse owner-breeder Bob Peters. Tranche 2 of the Placement will be used to facilitate the investment from Andrew Goodall and Peters Investments Pty Ltd.

The Placement will see the Company fully funded into the sales launch of the Felix device in one or more key markets.

Commenting on the Placement, Memphasys Executive Chair Alison Coutts said:

“The completion of this placement is a strong endorsement from our shareholders in our ability to develop the Felix device to deliver improved IVF treatment results through our unique bio-separations technology.

“The Company is strongly focused on commercialising Felix and the support we have received allows us to enhance our focus and continue to surpass major milestones,” she said.

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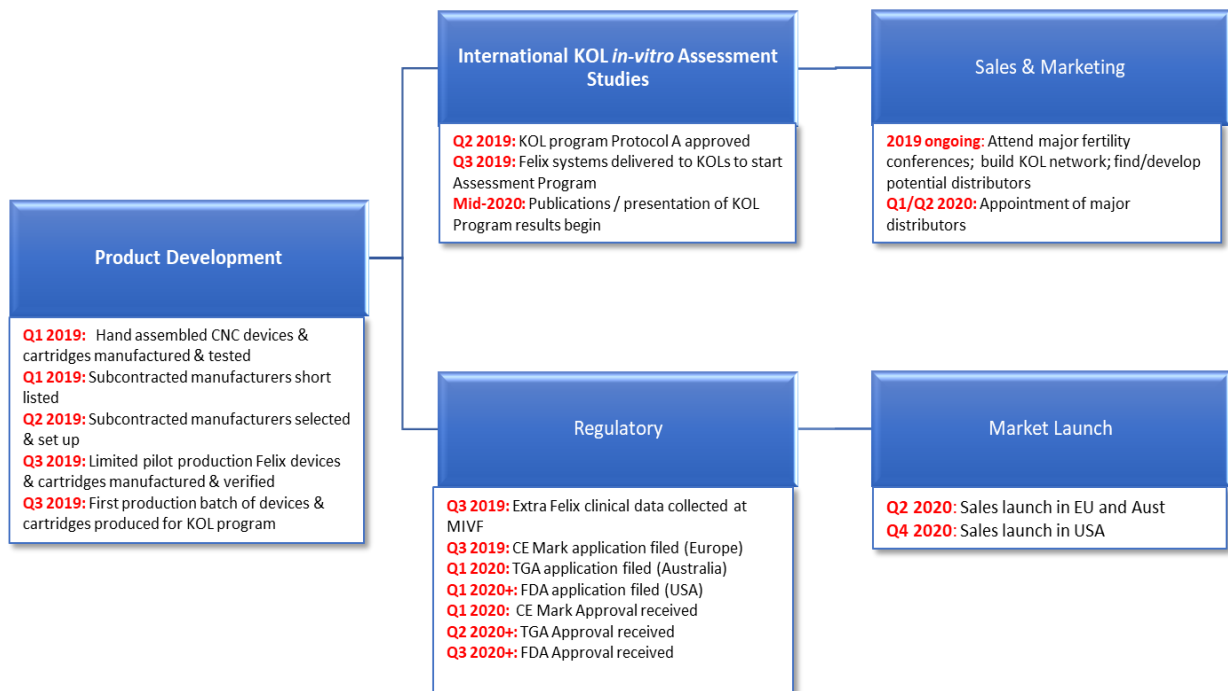
About Memphasys:

Memphasys Limited (ASX: MEM) specialises in biological separations for high value commercial applications. The Company’s patented membrane processes in combination with electrophoresis, the application of an electrical potential difference across a fluid, enable the separation of high value substances or contaminants from the fluid in which they are contained. The main application of the technology is the separation of the most viable sperm cells for artificial reproduction, most particularly for human IVF.

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Appendix

Felix product development and commercialisation timeline



Note: The dates on the table are indicative only, reflecting what Memphasys currently expects will be the most likely commercialisation milestone timeframes.

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