



Announcement Summary

Entity name

MEMPHASYS LIMITED.

Announcement Type

New announcement

Date of this announcement

Wednesday May 26, 2021

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Convertible Notes	50,000,000
n/a	Options	3,000,000

Proposed +issue date

Friday July 9, 2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

MEMPHASYS LIMITED.

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ACN

Registration Number

120047556

1.3 ASX issuer code

MEM

1.4 The announcement is

New announcement

1.5 Date of this announcement

Wednesday May 26, 2021

1.6 The Proposed issue is:

A placement or other type of issue

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Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Friday July 9, 2021	<input checked="" type="checkbox"/> Estimated	

Comments

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

New class

Will the proposed issue of this +security include an offer of attaching +securities?

Yes

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

Convertible Notes



+Security type

+Convertible debt securities

Number of +securities proposed to be issued

50,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.06000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

+Convertible debt securities details

These securities are:

Convertible

Type of security

Capital Note

+Security currency

AUD - Australian Dollar

Face value

AUD 0.0600

Interest rate type

Fixed rate

Frequency of coupon/interest payments per year

Annual

First interest payment date

Saturday December 31, 2022

Interest rate per annum

8.00000 %

Is the interest rate per annum estimated at this time?

No

s128F of the Income Tax Assessment Act status applicable to the +security

s128F exemption status unknown

Is the +security perpetual (ie. no maturity date)?

No

Maturity date

Saturday December 31, 2022



Select other features applicable to the +security

None of the above

Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?

If yes, what is the first trigger date
Friday September 30, 2022

Yes

Details of the type of +security that will be issued if the securities to be quoted are converted, transformed or exchanged

MEM : ORDINARY FULLY PAID

Number of +securities that will be issued if the +securities to be quoted are converted, transformed or exchanged

50,000,000

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

Options

+Security type

Options

Number of +securities proposed to be issued

3,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

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Please describe the consideration being provided for the +securities

Convertible Note raising AUD\$3,000,000

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

0.060000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0600

Expiry date

Sunday December 31, 2023

Details of the type of +security that will be issued if the option is exercised

MEM : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

50,000,000

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Part 7C - Timetable

7C.1 Proposed +issue date

Friday July 9, 2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

Friday July 9, 2021



7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes

7E.1a Who is the lead manager/broker?

Canaccord

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

- (a) a gross 2% fee,
- (b) an additional 2% of the Convertible Notes subscribed for by Peters Investments Pty Ltd when the Convertible Notes are issued; and
- (c) a further 2% fee on conversion of the Convertible Notes (if conversion occurs) by Peters Investments Pty Ltd.

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

None

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Funding will enable the Company to complete a range of necessary tasks for the upgraded Felix device, ahead of the re-commencement of commercial sales discussions in early access markets during the later stages of the quarter ending September 2021

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No



7F.2 Any other information the entity wishes to provide about the proposed issue

- ¿ Conversion Price: the lower of:
- o \$0.06; and
- o a 20% discount to the issue price of shares and/or the exercise price of any options offered under any capital raising(s) completed by the Company of greater than \$1,000,000 prior to the Repayment Date.

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