

ASX RELEASE

29 January 2024

QUARTERLY ACTIVITY REPORT AND APPENDIX 4C

4DS Memory Limited (ASX:4DS) (**4DS**) (the **Company**), is pleased to provide its Quarterly Activity Report and Appendix 4C for the Quarter ended 31 December 2023.

Company Update

On 10 and 11 October 2023, following the success of 4DS's Fourth Platform Lot in the September 2023 quarter, where the Company showed for the first time a fully functioning megabit array with 60nm memory cells, access transistors and write circuitry, 4DS' Board members and Chief Technology Officer met with imec's Chief Operating Officer and a number of senior imec personnel in Belgium for lengthy strategic discussions and a tour of imec's facilities.

On 29 November 2023, 4DS and imec finalised the terms of the collaboration extension which commenced on 1 January 2024 and runs to the end of the same year. 4DS and imec agreed to additional collaboration activities to be undertaken during 2024. The consideration for all collaboration activities is 1.92 million Euro.

Also on 29 November 2023, 4DS announced that process optimization and short loop analysis will take place into early 2024. The Fifth and Sixth Platform Lots will again be manufactured on imec's unique Dory platform on 60nm and significantly for the first time 20nm memory cells. Manufacturing of the Fifth and Sixth Platform Lots will commence during Q1 2024 and Q2 2024 respectively with delivery to 4DS expected during Q3 2024. The Fifth Platform Lot is seeking to further optimise the unique characteristics of the results already seen on the 60nm memory cells prior to undertaking manufacturing of the Sixth Platform Lot on 20nm memory cells.

Activities for these Platform Lots have commenced. imec has ordered all hardware, materials and additional CMOS wafers necessary for manufacture of these lots. Detailed technical planning and activities have also commenced.

On 1 December 2023, Mr Peter Himes was appointed as a strategic advisor to the 4DS Board. Peter is an experienced senior executive in high growth technology firms, with extensive general management responsibilities. He is agile at building winning teams, defining and addressing new markets, building key relationships and partnerships all across the value chain, and promoting and evangelizing for business opportunities. Peter is consistently recognized as a thought leader across multiple industries with a strong focus on innovation systems and strategic alliances over the past 10 years. Peter will be a valued member of the 4DS team and a critical decision maker in how the Company determines commercialisation strategies on the back of potential positive results in 2024 on both 60nm and 20nm memory cells.

COVID-19 Update

Currently, there are no COVID related restrictions significantly affecting the Company's operations in Australia, the USA or Belgium. All 4DS employees are fully vaccinated.

Financial Review

As of 31 December 2023, the Company held cash of \$10.323 million, compared to \$10.124 million as at 30 September 2023. Net cash of \$0.784 million was used in operating activities during the December quarter, which was largely in line with the \$0.908 million used in the September quarter. During the December quarter the Company received proceeds of \$0.983 million from the exercise of unlisted options.

Listing Rule 4.7.C

In item 6 of the Appendix 4C cash flow report for the quarter, payments to related parties of approximately \$142k represent salary paid to the Executive Chairman and Director fees paid to the Non-Executive Directors, including advisory fees paid to the US based Non-Executive Director.

ENDS

Authorised for release by the Board.

Contact information**4DS Interactive Investor Hub**

If you have any questions on this announcement or any past 4DS announcements, check out our Investor Hub. Like, comment, ask a question and view video summaries on important announcements. Shareholders can link through to the Investor Hub via: announcements.4dsmemory.com

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About 4DS

4DS Memory Limited (ASX: 4DS), with facilities located in Silicon Valley, is a semiconductor development company of non-volatile memory technology, pioneering Interface Switching ReRAM for next generation gigabyte storage in mobile and cloud. Established in 2007, 4DS owns a patented IP portfolio, comprising 34 USA patents granted which have been developed in-house to create high-density Storage Class Memory. 4DS has a joint development agreement with Western Digital subsidiary HGST, a global storage leader, which accelerates the evolution of 4DS' technology. 4DS also collaborates with imec, a world-leading research and innovation hub in nanoelectronics and digital technologies. The combination of imec's widely acclaimed leadership in microchip technology and profound software and information and communication technology expertise makes them unique.

For more information, please visit www.4dsmemory.com.

Disclaimer

This release contains certain forward-looking statements that are based on the Company's management's beliefs, assumptions and expectations and on information currently available to management. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results or performance of 4DS to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which 4DS will operate in the future, which are subject to change without notice. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. To the full extent permitted by law, 4DS and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this release (including, but not limited to, any assumptions or expectations set out in the release).

You should not place undue reliance on these forward- looking statements. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward- looking statements.

Appendix 4C

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

Name of entity

4DS MEMORY LIMITED (4DS)

ABN

43 145 590 110

Quarter ended ("current quarter")

31 Dec 2023

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		
1.2 Payments for		
(a) research and development	(510)	(979)
(b) business development	(64)	(130)
(c) production	-	-
(d) staff and board remuneration	(71)	(159)
(e) administration and corporate costs	(191)	(462)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	53	65
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other Income	-	-
1.9 Net cash from / (used in) operating activities	(784)	(1,669)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,025	6,490
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings (Refer 7.6)	-	-
3.6	Repayment of borrowings (Insurance Premium)	-	-
3.7	Transaction costs related to loans and borrowings	(19)	(42)
3.8	Dividends paid	-	-
3.9	Other – principal elements of lease payments	(23)	(58)
3.10	Net cash from / (used in) financing activities	983	6,390

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,124	5,600
4.2	Net cash (used in) operating activities (item 1.9 above)	(784)	(1,669)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from financing activities (item 3.10 above)	983	6,390
4.5	Effect of movement in exchange rates on cash held	-	2
4.6	Cash and cash equivalents at end of period	10,323	10,323

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	803	6,104
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	9,500	4,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,323	10,124

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	142
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
- Aggregate amount paid to Executive Chairman (\$55) including salary, and superannuation.		
- Aggregate amount paid to Non-Executive Directors (\$87k) including advisory fees and directors' fees.		

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 amounts at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Insurance Premium Funding)	-	-
7.4 Total financing facilities	-	-

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.

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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	783
8.2 Cash and cash equivalents at quarter end (item 4.6)	10,323
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (Item 8.2 + item 8.3)	10,323
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	13.18
<i>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.</i>	

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: N/A

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: N/A

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: N/A

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: 29 January 2024

Authorised by: .Board of Directors
(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.