

24 July 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 30 June 2024.

Company Update

Peter Himes Appointed to Chief Strategic Officer

On 15 April 2024, Mr Peter Himes was appointed as 4DS' Chief Strategic Officer. Peter was appointed as a Strategic Advisor to the 4DS Board on 1 December 2023, however his role evolved into a more permanent position to assist the Company with developing a comprehensive strategic plan by collaborating with the Chief Technical Officer, Executive Chairman and the Board of Directors, to determine and implement 4DS's overall vision, marketing, networking and JV / M&A plan. Peter is 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 4DS's 60nm and 20nm memory cells.

Queensland Briefing

On 24 April 2024, Executive Chairman David McAuliffe hosted an Investor Briefing on the Gold Coast, Queensland, Australia. David was joined by 4DS Chief Technology Officer Mr Ting Yen and Chief Strategic Officer Mr Peter Himes via Zoom from Silicon Valley, to update guests on 4DS Memory's progress to date and plans for 2024.

HGST Signs for 11th Consecutive Year

On 13 May 2024, HGST, a subsidiary of Western Digital Corporation, signed the 11th consecutive twelve (12) month Joint Development Agreement with 4DS ahead of the 30 June 2024 deadline.

Technical Update for the June Quarter

The Fifth Platform Lot is seeking to further optimise the unique characteristics of the results already seen on the 60nm memory cells. The new optimized process will also be applied to the manufacturing of the Sixth Platform Lot on 20nm memory cells.

Both Platform Lots may benefit from the new improvements in cell performances.

During Q2 2024, 4DS worked extensively with the imec technical team to prepare for the processing of the Fifth and Sixth Platform Lots. Both the Fifth and Sixth Platform Lots are continuing their processing at imec. Estimated delivery to 4DS remains on track for the Fifth Platform Lot in late Q3 2024 and based on current estimated timeframes the Sixth Platform Lot is expected to arrive at 4DS in late Q4 2024.

Marketing and Strategy Efforts

In Q2 2024, 4DS issued its US press release relaunching the Company to the US and European market. As a part of this 4DS was interviewed by 15 analysts and reporters which led to 4 published articles covering the 4DS relaunch.

As part of this launch the 4DS website was also completely re written and relaunched, reflecting the new strategy, positioning and features of 4DS Memory.

Also in Q2 2024, 4DS engaged Lodge Partners Pty Ltd, a privately owned Institutional Stockbroking, Research and Corporate Finance Firm with offices in Melbourne and Sydney, which led to a published report on the future outlook for 4DS Memory. Established in 1994 Lodge Partners has grown and evolved to become a provider of the highest level of service in investment advice and corporate counsel. View the Report via this link <https://www.4dsmemory.com/research-reports/>

As a key element of the Company's strategic positioning in the AI space, 4DS is to become a member of the Edge AI and Vision Alliance in July 2024. This industry trade group is comprised of over 100 firms in the space, including processor houses, memory firms, design and simulation firms, systems houses and analysts. Because of the high crossover of technology needs many of the large data-center AI firms such as Nvidia, Intel and AMD are also members of this Alliance, making it ideal for 4DS to engage across this industry space.

Conferences

In May 2024, 4DS Chief Technical Officer and Chief Strategic Officer attended the 40th Anniversary Celebration of imec. The event expanded 4DS's network of contacts across the advanced semiconductor industry and gave the Company the opportunity to highlight the unique aspects of 4DS to key industry players.

4DS will be attending the Future Memory Summit in August 2024, a major industry event that tracks the progress of future memory technologies, standards and trends.

4DS will also be attending the AI Hardware Summit in September 2024. This event, put on by the same group that organizes MemCon, is growing in industry importance with explosion of new processor architectures being proposed and launched onto the market.

Also in September 2024, 4DS will be presenting the Company and technology to the Edge AI and Vision Alliance members. This industry trade group is dedicated to the unique needs of edge AI processing for which the Company believes the 4DS Technology is uniquely suited.

Systems Architecture Expert Potential Appointment

4DS continues to talk with potential candidates for a systems architect expert consultancy role, which would aim to help 4DS value propositions across the different possible application domains (Big Data, Server, Generative AI).

Board and Management USA Strategy Meetings

The Board and senior management are meeting in Los Gatos, USA, in early August for high-level discussions around strategy, marketing and forward planning. While the Company operates as a team exceptionally well from a distance, it is still valuable to meet in person a couple of times throughout the year to help drive value for shareholders, as was done in August 2023.

Executive Chairman Comment

Executive Chairman Mr David McAuliffe commented: "4DS continues to work closely and collaboratively with imec to achieve our 2024 goals. Our CTO Ting Yen and CSO Peter Himes are heavily involved in the technology development process and are also busy with expanding outreach and networking opportunities within the AI, Warm Data Storage and semiconductor industry.

"The Board continues to believe that 4DS is the right memory, for the right market, at the right time and will keep shareholders informed as the Platform 5 Lot and Platform 6 Lot, on 60nm and 20nm memory cells respectively, are progressed."

Financial Review

As of 30 June 2024, the Company held cash of \$7.884 million, compared to \$9.472 million at 31 March 2024. Net cash of \$1.551 million was used in operating activities during the June quarter, which included a contractual payment to imec, compared to \$1.493 million used in the March quarter.

Listing Rule 4.7.C

In item 6 of the Appendix 4C cash flow report for the quarter, payments to related parties of approximately \$141k represent salary and superannuation 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 and payment to a related party Ignite Communications.

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](https://www.4dsmemory.com/announcements)

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About 4DS

4DS Memory Limited (ASX: 4DS), with facilities located in Silicon Valley, is a semiconductor technology company bringing high bandwidth, high endurance, persistent non-volatile memory to advanced CMOS process nodes. Its technology, known as Interface Switching ReRAM, features tunable persistence and low energy per bit for today's most challenging compute intensive and AI processor applications. Established in 2007, 4DS owns a patented IP portfolio, comprising 34 USA patents, and is the first company to develop PCMO ReRAM, on an advanced CMOS processing node. 4DS has a development agreement with Belgium based imec – a world leading research and innovation hub in nano electronics and digital technologies, as well as a joint development agreement with Western Digital subsidiary HGST, a global leader in storage solutions.

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")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,304)	(3,632)
(b) business development	(102)	(322)
(c) production	-	-
(d) staff and board remuneration	(71)	(301)
(e) administration and corporate costs	(179)	(762)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	105	307
1.5 Interest and other costs of finance paid	-	(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	(1,551)	(4,714)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(5)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	-	(5)

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	-	7,178
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(48)
3.5	Proceeds from borrowings (Refer 7.6)	-	-
3.6	Repayment of borrowings (Insurance Premium)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – principal elements of lease payments	(35)	(129)
3.10	Net cash from / (used in) financing activities	(37)	7,001

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,472	5,600
4.2	Net cash (used in) operating activities (item 1.9 above)	(1,551)	(4,714)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(5)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from financing activities (item 3.10 above)	(37)	7,001
4.5	Effect of movement in exchange rates on cash held	-	2
4.6	Cash and cash equivalents at end of period	7,884	7,884

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	564	1,452
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	7,300	8,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,884	9,472

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

- Aggregate amount paid to Executive Chairman (\$56k) including salary, and superannuation and (\$9k) to a related party Ignite Communication.
- Aggregate amount paid to Non-Executive Directors (\$76k) including salary and directors' fees.
-

Current quarter \$A'000
141
-

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)	(1,550)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,884
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (Item 8.2 + item 8.3)	7,884
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.09

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: 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: 24 July 2024

Authorised by: By the Board of 4DS Memory Limited
(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.