

ASX RELEASE

28 January 2022

## 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 2021.

### **Technical Update**

On 4 November 2021 the Company announced a Technical Update in relation to the results of the analysis of the Third Non-Platform Lot and Second Platform Lot wafers. Please refer to the announcement for specific details.

The Company advises that planning for the Third Platform Lot production in 2022 took place during the latter half of the quarter and as previously announced the start of the Third Platform Lot is expected to occur in early 2022. Subject to unforeseen circumstances the out-of-fab date for the Third Platform Lot remains July 2022.

### **imec Contract Renewal for 2022**

imec and 4DS negotiated to extend the collaboration agreement to the end of 2022 for the production of a Third Platform Lot using imec's 1 megabit memory array with access transistors. Please refer to the 4 November 2021 Technical Update for details of the imec extension.

### **Presentation at Third Annual ASX Semiconductor Conference**

Mr David McAuliffe presented at the Third Annual ASX Semiconductor Conference on 30 November 2021 which was hosted by Pitt Street Research. The virtual conference was well attended, and a copy of the presentation is available on the Company website.

### **COVID-19 Update**

Currently, there are no COVID related restrictions significantly affecting the Company's operations in the USA or Belgium. All 4DS employees are fully vaccinated. The Company is monitoring the more contagious Omicron variant that started spreading in the USA and Belgium in November 2021.

### **Financial Review**

On 25 November 2021 the Company announced it had received binding commitments for a \$2.5 million Placement to domestic and international institutions and high net worth investors. The Company also launched a Share Purchase Plan ("SPP") to offer all eligible shareholder on the record data, the opportunity to subscribe for up to \$30,000 of new shares at the same price as the Placement (\$0.048 per share), without brokerage or other costs.

The Company successfully completed its Share Purchase Plan (SPP) which closed, oversubscribed, on 14 December 2021. The Company announced on 20 December 2021 it had received valid applications for approximately \$5.934 million under the SPP but this was scaled back to the target of \$3.5 million.

The total proceeds of \$6.0 million from the Placement and SPP will be used to progress the development of 4DS' Interface Switching ReRAM technology in 2022.

As of 31 December 2021, the Company held cash of \$7.260 million, compared to \$2.864 million as of 30 September 2021. Net cash of \$1.095 million was used in operating activities during the quarter, compared to \$1.254 million in the September quarter. The main variance when compared to the previous quarter was a freeze and or reduction of employees' salaries to preserve capital for the 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 \$82k represents salaries paid to the CEO and Executive Director, the payment of Director's fees to Non-Executive Directors and superannuation (where applicable).

**ENDS**

Authorised for release by the Board.

### **Contact information**

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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 32 USA patents granted (of which 4 have expired) and 1 patent application, 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](http://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**

43 145 590 100

**Quarter ended ("current quarter")**

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(855)	(1,911)
(b) business development	(9)	(11)
(c) production	-	-
(d) staff costs	(65)	(119)
(e) administration and corporate costs	(171)	(324)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(5)	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	9	10
1.8 Other Income	-	14
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,095)</b>	<b>(2,349)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(235)
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(235)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,952	5,952
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	81
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(358)	(376)
3.5	Proceeds from borrowings (Refer 7.6)	-	-
3.6	Repayment of borrowings (Insurance Premium)	(49)	(49)
3.7	Transaction costs related to loans and borrowings	(2)	(3)
3.8	Dividends paid	-	-
3.9	Other – principal elements of lease payments	(30)	(59)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>5,513</b>	<b>5,546</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,864	4,299
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,095)	(2,349)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(235)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,513	5,546
4.5	Effect of movement in exchange rates on cash held	(22)	(1)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,260</b>	<b>7,260</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	7,260	2,864
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,260</b>	<b>2,864</b>

**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

<b>Current quarter \$A'000</b>
82
-

Salary paid to Managing and Executive Directors and Non-Executive Director remuneration.

**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	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Insurance Premium Funding)	78	78
7.4 <b>Total financing facilities</b>	78	78

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.

**Insurance Premium Funding**

4DS Memory has accepted the premium finance facility offered by Attvest Finance Pty Ltd to use the facility to pay insurance premium in 10 instalments according to the agreement. Total amount financed was \$129,307.58 entered on 5 October 2021 with an interest of 5% to be repaid over 10 instalments, an amount of \$78,000 remains to be paid at the end of the quarter.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,095)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,260
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (Item 8.2 + item 8.3)	7,260
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	6.6

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: 28 January 2022

Authorised 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.