

ASX Appendix 4D

Financial Statements for the half-year ended 31 December 2021

1. Details of reporting period

Name of Entity	4DS Memory Limited
ABN	43 145 590 110
Reporting Period	31 December 2021
Previous Corresponding Period	31 December 2020

2. Results for announcement to the market

Key information	31 December 2021	31 December 2020	Increase/ (decrease)	Amount change \$
Revenue from ordinary activities	24,870	29,378	(15%)	(4,508)
Loss for the half-year	(3,063,515)	(3,124,216)	(2%)	60,701
Total comprehensive loss for the half-year attributable to members	(3,049,440)	(3,101,337)	(2%)	51,897

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable figures to be understood:

For further information, refer to the review of operations contained in the directors' report, which forms part of the attached condensed consolidated financial statements.

3. Net tangible asset backing

	31 December 2021	31 December 2020
Net tangible backing per ordinary security	0.46 cents	0.48 cents

4. Details of entities over which control has been gained or lost during the period

N/A

5. Details of Dividends

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2021.

6. Details of dividend reinvestment plans

N/A

7 Details of associate and joint venture entities

N/A

8. Foreign entities

N/A

9. Audit

This report is based on the consolidated financial statements for the half-year ended 31 December 2021 which have been reviewed by PKF Perth.

This information should be read in conjunction with the 2021 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in Director's Report and the consolidated financial statements for the half-year ended 31 December 2021.



Guido Arnout
Managing Director
22 February 2022

Authorised for release by the Board.

4DS MEMORY LIMITED

ACN: 145 590 110

**Interim condensed
consolidated financial
statements**

For half-year ended 31 December 2021



Directors

Drs. Wilbert van den Hoek	Chairman
Dr Guido Arnout	CEO and Managing Director
Mr David McAuliffe	Executive Director
Mr Howard Digby	Non-Executive Director

Company Secretary

Mr Peter Webse

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Auditors

PKF Perth
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West Perth WA 6005

Solicitors

Steinepreis Paganin
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Perth WA 6000

Securities Exchange Listing

Australian Securities Exchange
Home Exchange: Perth, Western Australia
Code: 4DS

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The Directors submit their report for the half-year ended 31 December 2021.

Directors

The names and the particulars of the Directors of the Company during the half year and to the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Name	Status	Appointed
Drs. Wilbert van den Hoek	Chairman	Appointed 30 November 2020
Dr Guido Arnout	Chief Executive Officer and Managing Director	Appointed 7 December 2015
Mr David McAuliffe	Executive Director	Appointed 7 December 2015
Mr Howard Digby	Non-Executive Director	Appointed 7 December 2015

Review and results of operations

The net loss of the Group after income tax for the half year ended 31 December 2021 amounted to \$3,063,515 (31 December 2020 loss: \$3,124,216). As at 31 December 2021, cash and cash equivalents were \$7,260,741 (31 December 2020: \$4,298,794).

On 17 August 2021, the Company released an update following a trading halt that was lodged on 16 August 2021. The following points were addressed in that update and for more details please refer to the ASX announcement.

- **New process breakthroughs have made 4DS' Interface Switching ReRAM technology fully compatible with state-of-the-art high-volume DRAM and NAND production processes**
- **Third Non-Platform Lot wafers yielded an order of magnitude decrease in cell on-resistance, which translates into an up to one order of magnitude boost in read speed**
- **Second Platform Lot wafers demonstrated both device-scaling to imec's minimum geometry and memory switching with an access device on 300mm wafers using state-of-the-art production equipment**
- **Third Platform Lot utilizing imec's megabit memory platform is planned to start late Q3 2021**
- **HGST (100% subsidiary of Western Digital Inc) requests technical update to share the detailed results of these two lots**

On 26 August 2021, the Company released the Appendix E and 2021 Annual Report.

On 29 September 2021, announced the USPTO had granted the 32nd USA patent. Details of the USA patent grant are as follows: Conductive Amorphous Oxide Contact Layers - Patent Number 11,133,464.

On 8 October 2021, the Company entered into a trading halt.

On 12 October 2021, the Company was voluntarily suspended from ASX quotation pending the release of an announcement regarding a technical update.

The voluntary suspension was extended on 18 October 2021, 25 October 2021 and 1 November 2021.

On 28 October 2021, Annual Report was lodged on the ASX and sent to shareholders.

On 1 November 2021, the Company provided its Quarterly Activity Report and Appendix 4C for the Quarter ended 30 September 2021. Please refer to that ASX announcement for more details.

On 4 November 2021, the Company was reinstated back onto ASX after the release of a technical update.

On the same date the Company lodged a technical update. The following points were addressed in that update and for more details please refer to the ASX announcement.

- **Extensive additional testing of Third Non-Platform Lot wafers with up to one order of magnitude boost in read speed has identified a potentially modest degradation in endurance**
- **A Third Platform Lot memory stack etch mask modification is needed and further optimization of the etch process utilizing this new mask will be required before the Third Platform Lot can be started**
- **After successful completion of the memory stack etch optimization, a Third Platform Lot utilizing imec's megabit memory platform will be started**
- **4DS and imec have negotiated a one-year extension to their Collaboration agreement**

On 23 November 2021, the Company entered into a trading halt pending an announcement with regard to a capital raising.

On 25 November 2021, the Company announced that it had received binding commitments from domestic and international institutions and high net worth investors which raised \$2.5 million at an issue price of \$0.048 ("Placement"). The Placement was to be followed by a share purchase plan ("SPP") under which the Company intended to raise up to \$2.5 million at the same price as the Placement, with the ability to accept subscriptions for an additional \$1 million worth of shares.

On 29 November 2021, the Company announced that Mr David McAuliffe would be presenting at the Third Annual ASX Semiconductor Conference on Tuesday, 30 November 2021. The presentation can be found on the Company website.

On 20 December 2021, the Company announced that it had successfully completed its Share Purchase Plan (SPP) which closed, oversubscribed, on 14 December 2021. Based on strong support for the SPP the Company had resolved to accept \$3.5m under the SPP. The following highlights the 20 December 2021 announcement. Please refer to that ASX announcement for more details.

- **4DS completed the SPP following a successful \$2.5m Placement on 3 December 2021**
- **Valid applications received for approximately \$5.934m under the SPP**
- **SPP applications to be scaled back to \$3.5m**
- **Total proceeds of \$6.0m from the Placement and SPP will be used to progress the development of 4DS' Interface Switching ReRAM technology in 2022**

Placement and Issue of securities

On 6 September 2021, the Company announced 1,126,400 ordinary shares were issued following the exercise of \$0.042 unlisted options.

On 25 November 2021, the Company announced it had binding commitments for \$ 2.5 million via the placement of approximately 52 million shares at \$0.048.

On 3 December 2021, the Company issued 52,083,334 shares as part of the Placement.

On 20 December 2021, the Company announced that it had successfully completed its Share Purchase Plan (SPP) which closed, oversubscribed, on 14 December 2021. Based on strong support for the SPP the Company resolved to accept \$3.5m under the SPP.

On 16 December 2021, the Company issued 72,916,667 shares at \$0.048 as part of the SPP.

On 3 December 2021, the Company issued 5,000,000 unlisted options to the Lead Manager, Mac Equity Partners. The options are exercisable at \$0.08 each and expire on 3 December 2023.

COVID-19

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. However, as a result of the ongoing and ever evolving pandemic, the longer-term impacts on the Group cannot be fully determined at this time.

Subsequent Events

On 10 February 2022, the Company announced a testing capability upgrade and management changes.

On 15 February 2022, the Company announced that 3,205,600 ordinary shares were issued following the exercise of \$0.042 unlisted options.

Other than matters above, there have been no other matters or circumstances that have arisen since 31 December 2021 that have significantly affected or may significantly affect:

- the Group's operations in future years; or
- the results of those operations in future years; or
- the Group's state of affairs in future years.

Auditor Independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 17.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Dr Guido Arnout
Chief Executive Officer and Managing Director
22 February 2022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		31 December 2021	31 December 2020
	Notes	\$	\$
Revenue		24,870	29,378
Compliance and regulatory expenses		(77,994)	(22,497)
Corporate and administration expenses		(106,626)	(84,539)
Depreciation and amortisation expenses		(110,984)	(105,647)
Directors and employee expenses		(149,872)	(239,125)
Impairment of assets		(130,438)	-
Interest expense		(15,367)	(12,775)
Research and development		(1,925,383)	(2,126,559)
Share based payments	8	(411,544)	(287,494)
Unrealised / realised foreign exchange		10,683	(105,035)
Other expenses		(170,860)	(169,923)
Loss before income tax expense		(3,063,515)	(3,124,216)
Income tax expense		-	-
Loss for the period		(3,063,515)	(3,124,216)
Other Comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation (net of tax)		14,075	22,879
Total comprehensive loss for the period net of tax		(3,049,440)	(3,101,337)
Basic and diluted loss per share		(0.0023)	(0.0024)

The accompanying condensed notes form part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		31 December 2021	30 June 2021
	Notes	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		7,260,451	4,298,794
Trade and other receivables		21,536	11,376
Other assets		4,721	4,628
Prepayments		126,337	46,723
TOTAL CURRENT ASSETS		7,413,045	4,361,521
NON-CURRENT ASSETS			
Plant and equipment		200,466	377,851
Right-to-use asset	6	194,858	237,502
TOTAL NON-CURRENT ASSETS		395,324	615,353
TOTAL ASSETS		7,808,369	4,976,874
CURRENT LIABILITIES			
Trade and other payables		582,504	735,108
Provisions		40,278	38,611
Lease liabilities	6	108,342	100,911
Other current liabilities		77,585	-
TOTAL CURRENT LIABILITIES		808,709	874,630
NON-CURRENT LIABILITIES			
Lease liabilities	6	109,470	158,187
TOTAL NON-CURRENT LIABILITIES		109,470	158,187
TOTAL LIABILITIES		918,179	1,032,817
NET ASSETS		6,890,190	3,944,057
EQUITY			
Issued capital	7	53,413,294	47,925,285
Reserves		4,837,539	4,326,281
Accumulated losses		(51,360,643)	(48,307,509)
TOTAL EQUITY		6,890,190	3,944,057

The accompanying condensed notes form part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Issued capital	Accumulated Losses	Share Based Payment Reserve	Foreign Exchange Reserve	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2021	47,925,285	(48,307,509)	4,339,238	(12,957)	3,944,057
<i>Total Comprehensive Income</i>					
Loss for the period	-	(3,063,515)	-	-	(3,063,515)
Foreign currency translation of subsidiary	-	-	-	14,075	14,075
Total comprehensive loss for the period	-	(3,063,515)	-	14,075	(3,049,440)

Transactions with owners in their capacity as owners:

Issue of share capital	2,500,000	-	-	-	2,500,000
Share purchase plan	3,485,930	-	-	-	3,485,930
Capital raising costs	(545,230)	-	96,021	-	(449,209)
Issue of employee options	-	-	411,543	-	411,543
Options lapsed	-	10,381	(10,381)	-	-
Issue of shares on exercise of options	47,309	-	-	-	47,309
Balance as at 31 December 2021	53,413,294	(51,360,643)	4,836,421	1,118	6,890,190

	Issued capital	Accumulated Losses	Share Based Payment Reserve	Foreign Exchange Reserve	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2020	40,086,985	(41,670,706)	3,236,850	(36,422)	1,616,707
<i>Total Comprehensive Income</i>					
Loss for the period	-	(3,124,216)	-	-	(3,124,216)
Foreign currency translation of subsidiary	-	-	-	22,879	22,879
Total comprehensive loss for the period	-	(3,124,216)	-	22,879	(3,101,337)

Transactions with owners in their capacity as owners:

Issue of share capital	4,500,000	-	-	-	4,500,000
Share purchase plan	3,111,969	-	-	-	3,111,969
Capital raising costs	(370,998)	-	-	-	(370,998)
Issue of employee options	-	10,515	(10,515)	-	-
Options issued	-	-	287,495	-	287,495
Issue of shares on exercise of options	315,756	-	(63,757)	-	251,999
Issue of shares in lieu of Director fees	50,000	-	-	-	50,000
Balance as at 31 December 2020	47,693,712	(44,784,407)	3,450,073	(13,543)	6,345,835

The accompanying condensed notes form part of these financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021	31 December 2021	31 December 2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	1,224	4,203
Interest expense	(10,441)	(12,773)
Other Income	23,646	25,173
Payment for research and development	(1,910,998)	(2,882,217)
Payment for business development	(10,391)	(1,611)
Payments to suppliers and employees	(436,767)	(421,905)
Net cash used for operating activities	(2,343,727)	(3,289,130)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(233,450)	-
Net cash used in investing activities	(233,450)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	5,985,930	7,611,969
Proceeds from exercise of options	47,309	252,000
Payment of capital raising costs	(384,713)	(370,998)
Principal elements of lease payments	(59,011)	(51,984)
Repayment to lender (insurance premium)	(49,360)	(39,040)
Interest paid on finance lease	(1,232)	(1,970)
Net cash provided by financing activities	5,538,923	7,399,977
Net increase in cash and cash equivalents held	2,961,746	4,110,847
Cash and cash equivalents at 1 July	4,298,794	2,509,785
Foreign exchange	(89)	(93,897)
Cash and cash equivalents at 31 December	7,260,451	6,526,735

The accompanying condensed notes form part of these financial statement

Notes to the interim condensed consolidated financial statements

1. Corporate Information

The interim condensed consolidated financial statements of 4DS Memory Limited (the **Company**) and its controlled entities (the **Group**) for the half year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 22 February 2022.

4DS Memory Limited is a listed public company, trading on the Australia Securities Exchange, limited by shares, incorporated and domiciled in Australia. The Group's principal place of business and registered office is located at Level 2, 50 Kings Park Road, West Perth Western Australia 6005, Australia.

The Group is principally engaged in pioneering the development of a non-volatile memory technology known as Interface Switching ReRAM, for next generation gigabyte Storage Class Memory.

2. Basis of preparation

The interim condensed consolidated general purpose financial statements for the half-year reporting period ended 31 December 2021 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34.

This interim condensed consolidated general purpose financial statements does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by 4DS Memory during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods have been consistently applied by the Consolidated Entity in these interim financial statements as compared with the most recent annual financial statements.

Estimates and judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal to the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

3. New Standards, Interpretations, amendments adopted by the Group

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4. Segment Information

The Company has identified its operating segment based on internal reports that are reviewed by the Board and management. There was only one operating segment being research and development of non-volatile memory technology, ReRAM for next generation storage in mobile and cloud.

5. Financial Instruments

The Group's financial instruments consist of trade and other receivables, deposits paid, trade and other payables, and financial liabilities. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amounts of the financial assets and liabilities approximate their fair value.

Notes to the interim condensed consolidated financial statements

6. Leases

(i) AASB 16 related amounts recognised in the statement of financial position

	31 Dec 2021	30 June 2021
	\$	\$
Right of use assets		
Leased buildings:		
Opening balance	237,502	371,069
Depreciation expense	(50,419)	(102,545)
Foreign currency exchange	7,775	(31,022)
Net carrying amount	194,858	237,502

Lease liabilities included in the statement of financial position as at 31 December 2021

Current	108,342	100,911
Non-current	109,470	158,187
Total	217,812	259,098

(ii) AASB 16 related amounts recognised in the statement of profit or loss

	31 Dec 2021	31 Dec 2020
	\$	\$
Depreciation charge related to right-of-use assets	50,419	54,811
Interest expense on lease liabilities (under finance cost)	9,201	12,773
Short-term leases expense	-	41,100

(iii) AASB 16 related amounts recognised in the statement of cash flows

Total half-yearly cash outflows for leases	59,011	51,984
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Notes to the interim condensed consolidated financial statements

7. Issued Capital and reserves

(a) Movements in ordinary share capital	Number of shares	\$
Balance 1 July 2020	1,140,544,555	40,086,985
Placement shares	100,000,000	4,500,000
Share Purchase Plan	69,148,931	3,111,969
Issued capital – in lieu of Director fees	1,086,955	50,000
Exercised of unlisted options	10,168,000	535,101
Capital raising costs	-	(358,770)
Balance 30 June 2021	1,320,948,441	47,925,285
Placement shares	52,083,334	2,500,000
Share purchase plan	72,916,667	3,485,930
Exercised of unlisted options	1,126,400	47,309
Capital raising costs	-	(545,229)
Balance 31 December 2021	1,447,074,842	53,413,294

(b) Movements in options	Number of options	\$
Balance 1 July 2020	71,535,000	3,236,850
Share based payment, employee options	20,000,000	1,231,465
Options exercised, employee options	(10,168,000)	(108,045)
Options expired/forfeited	(880,000)	(21,032)
Balance 30 June 2021	80,487,000	4,339,238
Share based payment, employee options	-	411,543
Share based payment, advisor options	5,000,000	96,021
Options exercised, employee options	(1,126,400)	-
Options expired/forfeited	(260,000)	(10,381)
Balance 31 December 2021	84,100,600	4,836,421

(c) Share based payment reserve	31 Dec 2021	30 June 2021
	\$	\$
Balance at beginning of the year	4,339,238	3,236,850
Options lapsed/forfeited during the year	(10,381)	(21,032)
Share-based payment expense	507,564	1,231,465
Exercise of options	-	(108,045)
Balance 30 June 2021	4,836,421	4,339,238

(d) Foreign exchange translation reserve	31 Dec 2021	30 June 2021
	\$	\$
Balance at beginning of the year	(12,957)	(36,422)
Foreign exchange movement on translation of foreign operations	14,075	23,465
Balance at end of year	1,118	(12,957)
<i>The purpose of the foreign exchange translation reserve is to recognise exchange differences arising from the translation of foreign operations to Australian dollars.</i>		
Share based payment reserve	4,836,421	4,339,238
Foreign exchange translation reserve	1,118	(12,957)
Total reserves	4,837,539	4,326,281

Notes to the interim condensed consolidated financial statements

8. Share based payments

The following share-based payment arrangements were entered into during the half-year ended 31 December 2021:

On 3 December 2021, the Company issued 5,000,000 unlisted options to the Lead Manager, Mac Equity Partners. The options are exercisable at \$0.08 each and expire on 3 December 2023.

Fair value of options

The fair value of share options granted have been valued using a Black Scholes Methodology, taking into account the terms and conditions upon which the unlisted share options were granted.

A summary of the inputs used in the valuation of the options is as follows:

<i>Unlisted Share Options</i>	<i>Lead Manager Options</i>
Exercise price	\$0.08
Share price at date of issue	\$0.048
Grant date	3 December 2021
Expected volatility	100%
Expiry date	3 December 2023
Risk free interest rate	0.55%
Value per option	\$0.0192
Number of options	5,000,000
Total value of options	\$96,021

For the period ended 31 December 2021 a share based payment of \$96,021 was recognised in capital raising cost and \$411,544 (31 Dec 2020: \$287,495) was recognised as an expense in the profit or loss statement. The amount included \$411,544 is recognised as a vesting expense related to vesting from options issued in a prior period.

9. Dividends

The Company did not pay or propose any dividends in the half year to 31 December 2021.

10. Contingent and Commitments

Commitments

The Company entered into an agreement with IMEC on the 31 October 2017 to develop a transferrable production compatible process flow for its Interface Switching ReRAM technology and to demonstrate this process on imec's megabit test chip. On 31 October 2019 both parties agreed to extend the agreement to the end of 2020 and through a second amendment, dated 1 January 2021, both parties agreed to add extra activities to the project and extend the duration of the agreement with additional payment terms until the end of 2021.

Through a third amendment, as announced on 4 November 2021, the Company and IMEC agreed to extend the term of the agreement until 31 December 2022. From 1 January 2022 the Company shall pay IMEC an additional amount of 600,000 Euro, with payments made in January 2022 and April 2022. In addition, under the third amendment, the royalty cap of 8% increased to 5,000,000 Euro.

Out of fab wafers, as previously guided, are expected in July 2022 with results available as soon as practicable thereafter. Subject to those results, the third amendment also provides for an additional spend of 400,000 Euro at the sole discretion of the Company.

Notes to the interim condensed consolidated financial statements

10. Contingent and Commitments (Continued)

There have been no other significant changes in contingent liabilities or commitments since the last reporting date other than reported above.

11. Subsequent Events

On 10 February 2022, the Company has announced a testing capability upgrade and management changes.

On 15 February 2022, the Company announced 3,205,600 ordinary shares were issued following the exercise of \$0.042 unlisted options.

Other than matters above, there have been no other matters or circumstances that have arisen since 31 December 2021 that have significantly affected or may significantly affect:

- the Group's operations in future years; or
- the results of those operations in future years; or
- the Group's state of affairs in future years.

Notes to the interim condensed consolidated financial statements

The Directors of 4DS Memory Limited declare that:

1. The interim financial statements and notes of the Company and its subsidiaries (the **Group**), as set out on pages 7 to 15 are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



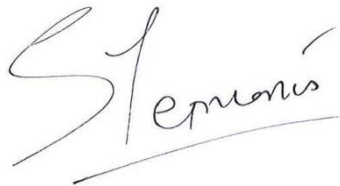
Guido Arnout
Chief Executive Officer and Managing Director
22 February 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF 4DS MEMORY LIMITED**

In relation to our review of the financial report of 4DS Memory Limited for the half year ended 31 December 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



**SIMON FERMANIS
SENIOR PARTNER**

22 FEBRUARY 2022
WEST PERTH,
WESTERN AUSTRALIA

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF 4DS MEMORY LIMITED

Report on the Interim Financial Report

Conclusion

We have reviewed the half-year financial report of 4DS Memory Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2021, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of 4DS Memory Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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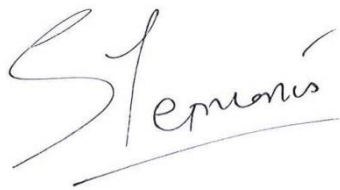
Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of an half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF PERTH



SIMON FERMANIS
SENIOR PARTNER

22 FEBRUARY 2022
WEST PERTH,
WESTERN AUSTRALIA