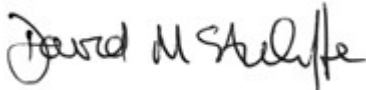


6. Attachments

The Interim Report of 4DS Memory Limited for the half-year ended 31 December 2024 is attached.

7. Signed

Signed 

Date: 21 February 2025

David McAuliffe
Executive Chairman
Authorised for release by the Board.

For personal use only

4DS Memory Limited

ACN 145 590 110

Interim Report - 31 December 2024

For personal use only

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of 4DS Memory Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Board of Directors

The following persons were directors of 4DS Memory Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr. David McAuliffe	Executive Chairman
Dr. Guido Arnout	Non-Executive Director
Mr. Howard Digby	Non-Executive Director

Principal activities

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 three important industry relationships: a development agreement with Belgium based imec, a world leading research and innovation hub in nano electronics and digital technologies; a design agreement with Infineon Technologies AG, Germany's largest semiconductor manufacturer and one of the ten largest semiconductor manufacturers worldwide; and a joint development agreement with Western Digital subsidiary HGST, a global leader in storage solutions.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

Financial Review

The loss for the Group after providing for income tax amounted to \$3,461,538 (31 December 2023: \$1,780,378)

Operating Review

On 10 October 2024, the Company informed shareholders the Fifth Platform Lot had been shipped from imec to its facilities in Fremont, USA, and analysis would commence immediately upon arrival. The Fifth Platform Lot with 60nm memory cells was seeking to optimise and repeat the unique characteristics of the results seen in the Fourth Platform Lot as announced on 23 August 2023 and optimise the construction process of memory cell arrays to de-risk the manufacturing of the first 4DS 20nm memory cell array incorporated in the Sixth Platform Lot. Development of the Sixth Platform Lot comprising 20nm continued during the half-year.

On 17 December 2024 Infineon technologies LLC ("Infineon") (a USA based subsidiary of Infineon Technologies AG) and 4DS entered into a Design Agreement whereby Infineon will assign resources to design a custom ReRAM memory test chip for 4DS, based on 4DS requirements.

The initial scope of work under the Design Agreement will be over 15 months for a total of US\$4.5 million payable by 4DS with an upfront payment of US\$1.5 million and the balance payable monthly at varying monthly amounts. Either party may terminate the Design Agreement under standard terms and conditions in any termination clause and upon termination only Infineon resources completed to the point of termination are payable by 4DS.

To further advance the Company technology, to the path of commercialisation, 4DS needs a customised memory Platform vehicle which is specifically designed for its unique area-based Interface Switching ReRAM characteristics. The megabit Platform used for other Platform Lots was designed to characterise a wide range of emerging memory technologies and has been useful to develop and characterise 4DS's technology during 2023 and 2024, however 4DS has also uncovered some shortfalls of using this universal memory Platform vehicle and recognised that working on a customised memory Platform designed by Infineon is the best path for successful outcomes going forward.

Investor relations and marketing

In the September quarter 4DS attended two major trade shows in Silicon Valley – the Future Memory Summit and the AI Hardware and Edge Computing Conference, both of which showcase emerging companies and technologies in the AI space. 4DS's Chief Strategic Officer Mr Peter Himes also spoke at two industry events: the Edge AI and Vision Alliance Quarterly Member's Meeting and the workshop "Data Centers In a Heterogenous Computing Era". Peter was also featured in an EE Times podcast called "AI with Sally".

In the December quarter Peter Himes presented at Semiconductor Australia 2024 in Sydney. The inaugural event brought together Australia's deep-tech entrepreneurs, industry experts, innovation policy makers and investor community to explore opportunities and chart the roadmap to secure Australia's semiconductor future.

Executive Chairman Mr David McAuliffe travelled to the USA in the second half of October 2024 for various internal strategy meetings some of which led to securing the Infineon Design Agreement.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On the 15 January 2025 the Company informed shareholders that it had successfully completed characterization and testing of the Fifth Platform Lot with key areas of optimisation identified and shared with the imec engineering team working on the Sixth Platform Lot 20nm memory cell array.

The key process learnings from the Fifth Platform Lot that are necessary for scaling of the memory cell array from 60nm cells to 20nm cells (9 times smaller in area) and that are now in the process of being implemented to the Sixth Platform Lot are:

- Memory cell array patterning and etching: new process tuning modifications for the construction of 20nm cells.
- Memory stack adjustment: the advanced memory stacks which are necessary for the construction of 20nm cells have shown functionality and which de-risks the Sixth Platform Lot with similar memory cell stack constructions.
- Memory array process integration: the best options of the post-patterning backend processes of the advanced memory cells were selected and implemented to the Sixth Platform Lot.

These new learnings and optimizations from the Fifth Platform Lot are critically important for the successful processing of 4DS's first 20nm memory cell array in the Sixth Platform Lot, expected to be manufactured and analysed in 1H 2025. If the Company is successful in scaling from a 60nm memory cell to 20nm memory cell array, then the Sixth Platform Lot will position 4DS' area-based Interface Switching ReRAM technology as a potential generational memory.

On 17 January 2025, 4DS announced it had received binding commitments from institutional and high net worth investors for a placement of \$6 million (Placement). The Placement attracted strong interest in excess of the shares available to allocate and will be followed by a share purchase plan (SPP) of \$2 million.

The Placement comprises the issue of approximately 166.7 million ordinary shares in 4DS (New Shares), at an issue price of \$0.036 per New Share, representing a discount of 12.2% to the closing price as at 14 January 2025 and 24.4% to the 15 day volume weighted average price ("VWAP").

Each issued share under the Placement will have a 1:1 attaching unlisted option with an exercise price of \$0.036 and an expiry of 28 February 2028. The New Shares and Placement Options will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A.

Bell Potter acted as sole lead manager for the Placement. In addition to a 6% capital raising fee, 4DS will issue Bell Potter 12 million advisor options on same terms as the Placement Options (Broker Options).

A SPP will be conducted and eligible shareholders on the Company's share register as at 5pm AEST on 16 January 2025 (Record Date) with a registered address in Australia or New Zealand can apply.

Eligible shareholders can acquire up to \$30,000 of New Shares and the offer will seek to raise \$2 million at \$0.036 per share, being the same price as the Placement.

Each issued share under the SPP will also have a 1:1 attaching unlisted option with an exercise price of \$0.036, expiring on 28 February 2028.

The Company will use funds raised for working capital requirements under the design and services agreement with Infineon, ongoing investment in development with imec, general working capital and offer costs.

On 21 January 2025, the following securities were issued:

- 72,221,974 SPP Shares
- 72,221,974 SPP Options
- 166,666,666 Placement Options
- 12,000,000 Broker Options

All of the options are exercisable at \$0.036 and expire 28 February 2028.

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, in relation to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

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



David McAuliffe
Executive Chairman

21 February 2025



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**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 2024, 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

PKF PERTH

Simon Fermanis

SIMON FERMANIS
PARTNER

21 February 2025
PERTH, WESTERN AUSTRALIA

Condensed consolidated statement of profit or loss and other comprehensive income	6
Condensed consolidated statement of financial position	7
Condensed consolidated statement of changes in equity	8
Condensed consolidated statement of cash flows	9
Notes to the condensed consolidated financial statements	10
Directors' declaration.....	16
Independent auditor's review report to the members of 4DS Memory Limited.....	17

General information

The financial statements cover 4DS Memory Limited as a Group consisting of 4DS Memory Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is 4DS Memory Limited's functional and presentation currency.

4DS Memory Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 2, 50 Kings Park Road,
West Perth WA 6005
AUSTRALIA

Principal place of business

3155 Skyway Court
Fremont CA 94539
USA

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 February 2025.

4DS Memory Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



	31 December 2024 \$	31 December 2023 \$
Revenue		
Other income	-	7,323
Interest Income	145,552	165,007
Expenses		
Compliance and regulatory expense	(80,888)	(55,256)
Corporate and administration expense	(372,913)	(332,630)
Depreciation expense	(88,686)	(70,324)
Directors and employee expense	(158,296)	(156,915)
Research expenses	(2,526,170)	(969,262)
Share based payments	(248,678)	(268,343)
Other expenses	(132,023)	(96,457)
Unrealised / realised foreign exchange	12,032	(227)
Operating loss	(3,450,070)	(1,777,084)
Interest on lease liabilities	(11,468)	(3,294)
Loss before income tax expense	(3,461,538)	(1,780,378)
Income tax expense	-	-
Loss after income tax expense for the half-year attributable to the owners of 4DS Memory Limited	(3,461,538)	(1,780,378)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	(7,912)	(18,299)
Other comprehensive income for the half-year, net of tax	(7,912)	(18,299)
Total comprehensive income for the half-year attributable to the owners of 4DS Memory Limited	<u>(3,469,450)</u>	<u>(1,798,677)</u>
	Cents	Cents
Basic earnings per share	(0.20)	(0.10)
Diluted earnings per share	(0.20)	(0.10)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents		4,605,577	7,864,294
Trade and other receivables		59,769	91,720
Other assets		172,868	74,999
Total current assets		<u>4,838,214</u>	<u>8,031,013</u>
Non-current assets			
Property, plant and equipment		82,581	100,459
Right-of-use assets		176,974	239,435
Total non-current assets		<u>259,555</u>	<u>339,894</u>
Total assets		<u>5,097,769</u>	<u>8,370,907</u>
Liabilities			
Current liabilities			
Trade and other payables		70,433	91,211
Lease liabilities		142,103	122,829
Employee benefits		68,347	55,938
Total current liabilities		<u>280,883</u>	<u>269,978</u>
Non-current liabilities			
Lease liabilities		65,745	128,403
Employee benefits		14,024	14,637
Total non-current liabilities		<u>79,769</u>	<u>143,040</u>
Total liabilities		<u>360,652</u>	<u>413,018</u>
Net assets		<u>4,737,117</u>	<u>7,957,889</u>
Equity			
Issued Capital	4	66,918,893	66,918,893
Reserves	5	6,715,193	6,474,427
Accumulated losses		(68,896,969)	(65,435,431)
Total equity		<u>4,737,117</u>	<u>7,957,889</u>

	Issued capital \$	Share-based payment reserves \$	Foreign exchange reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	59,853,160	5,820,926	(30,530)	(59,984,717)	5,658,839
Loss after income tax expense for the half-year	-	-	-	(1,780,378)	(1,780,378)
Other comprehensive income for the half-year, net of tax	-	-	(18,299)	-	(18,299)
Total comprehensive income for the half-year	-	-	(18,299)	(1,780,378)	(1,798,677)
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs	(40,843)	-	-	-	(40,843)
Share-based payments (note 3)	-	268,343	-	-	268,343
Issue of shares on exercise of options (note 4)	6,489,873	-	-	-	6,489,873
Balance at 31 December 2023	66,302,190	6,089,269	(48,829)	(61,765,095)	10,577,535
	Issued capital \$	Share-based payment reserves \$	Foreign exchange reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	66,918,893	6,536,200	(61,773)	(65,435,431)	7,957,889
Loss after income tax expense for the half-year	-	-	-	(3,461,538)	(3,461,538)
Other comprehensive income for the half-year, net of tax	-	-	(7,912)	-	(7,912)
Total comprehensive income for the half-year	-	-	(7,912)	(3,461,538)	(3,469,450)
Transactions with owners in their capacity as owners:					
Share-based payments (note 3)	-	248,678	-	-	248,678
Issue of shares on exercise of options (note 4)	-	-	-	-	-
Balance at 31 December 2024	66,918,893	6,784,878	(69,685)	(68,896,969)	4,737,117

	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities		
Payments to suppliers and employees	(671,331)	(627,798)
Payments for research expense	(2,514,137)	(982,409)
Payments for business development	(172,167)	(117,373)
Interest received	174,526	64,097
Net cash used in operating activities	<u>(3,183,109)</u>	<u>(1,663,483)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(9,193)	-
Net cash used in investing activities	<u>(9,193)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from exercise of options	-	6,489,873
Payment of options issued	-	(40,846)
Payment of lease payments	(71,010)	(61,458)
Net cash from/(used in) financing activities	<u>(71,010)</u>	<u>6,387,569</u>
Net increase/(decrease) in cash and cash equivalents	(3,263,312)	4,724,086
Cash and cash equivalents at the beginning of the financial half-year	7,864,294	5,599,537
Effects of exchange rate changes on cash and cash equivalents	4,595	(225)
Cash and cash equivalents at the end of the financial half-year	<u><u>4,605,577</u></u>	<u><u>10,323,398</u></u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

Basis of preparation

These general-purpose financial statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going Concern

The consolidated financial statements have been prepared on going concern basis. In arriving at this position, the directors have had regard to the fact that the Company has, or in the directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

As at 31 December 2024, the net assets of the Group totalled \$4,737,117 (30 June 2024: \$7,957,889) and cash on hand totalled \$4,605,577 (30 June 2024: \$7,864,294).

New Accounting Standards and Interpretations not yet mandatory or early adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the following new and amended Accounting Standards and Interpretations:

New Pronouncement	Effective Date	Application
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	01/07/2024	All entities

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 2. Operating segments

Operating segments are identified, and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position.

The Company has identified its operating segments based on internal reports reviewed by the Board and management. There was only one operating segment being research and development of Interface Switching ReRAM technology for today's most challenging compute intensive and AI processor applications.

Note 3. Share-based payments

Set out below are summaries of options granted under the plan:

	Number of options	
	31 December 2024	31 December 2023
Outstanding at the beginning of the financial half-year	49,607,191	170,298,882
Exercised	-	(116,541,698)
Expired	-	(1,600,000)
Outstanding at the end of the financial half-year	<u>49,607,191</u>	<u>52,157,184</u>

For the period ended 31 December 2024 a share-based payment of \$248,678 (31 December 2023: \$268,343) was recognised as an expense in the profit or loss statement, the whole amount was related to vesting expense from options issued in a prior period.

Note 4. Issued Capital

	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$	30 June 2024 \$
Issued capital	1,763,434,918	1,763,434,918	70,466,802	70,466,802
Capital raising costs	-	-	(3,547,909)	(3,547,909)
	<u>1,763,434,918</u>	<u>1,763,434,918</u>	<u>66,918,893</u>	<u>66,918,893</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	<u>1,763,434,918</u>		<u>66,918,893</u>
Balance	31 December 2024	<u>1,763,434,918</u>		<u>66,918,893</u>

Note 4. Issued Capital (continued)

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	1,632,543,220		59,853,160
Exercise of unlisted options	25 August 2023	43,852,572	\$0.055	2,411,891
Exercise of unlisted options	30 August 2023	13,596,971	\$0.055	747,833
Exercise of unlisted options	30 August 2023	1,500,000	\$0.080	120,000
Exercise of unlisted options	4 September 2023	9,575,180	\$0.055	526,635
Exercise of unlisted options	4 September 2023	8,750,000	\$0.052	455,000
Exercise of unlisted options	8 September 2023	2,000,000	\$0.055	110,000
Exercise of unlisted options	11 September 2023	3,432,971	\$0.055	188,813
Exercise of unlisted options	18 September 2023	3,606,582	\$0.055	198,362
Exercise of unlisted options	19 September 2023	1,372,727	\$0.055	75,500
Exercise of unlisted options	26 September 2023	1,803,029	\$0.055	99,167
Exercise of unlisted options	26 September 2023	7,380,000	\$0.052	383,760
Exercise of unlisted options	26 September 2023	4,000,000	\$0.037	148,000
Exercise of unlisted options	4 October 2023	12,830,000	\$0.064	821,120
Exercise of unlisted options	12 October 2023	400,000	\$0.080	32,000
Exercise of unlisted options	25 October 2023	500,000	\$0.080	40,000
Exercise of unlisted options	7 November 2023	500,000	\$0.080	40,000
Exercise of unlisted options	15 November 2023	941,666	\$0.055	51,792
Exercise of unlisted options	4 December 2023	500,000	\$0.080	40,000
Exercise of unlisted options	11 January 2024	9,450,000	\$0.052	491,400
Exercise of unlisted options	17 January 2024	300,000	\$0.052	15,600
Exercise of unlisted options	8 February 2024	4,000,000	\$0.037	148,000
Exercise of unlisted options	7 March 2024	600,000	\$0.055	33,000
Issue of options related to capital raising cost		-	\$0.000	(64,075)
Capital raising cost		-	\$0.000	(48,065)
Balance	31 December 2024	<u>1,763,434,918</u>		<u>66,918,893</u>

Movements in options

Details	Date	Options	\$
Balance	1 July 2024	49,607,191	6,536,199
Amortisation of previously issued employee options		-	248,677
Balance	31 December 2024	<u>49,607,191</u>	<u>6,784,876</u>

Details	Date	Options	\$
Balance beginning of the year	1 July 2023	170,298,882	5,820,926
Share based payment, employee options		10,000,000	222,426
Share based payment, broker options		3,000,000	64,074
Amortisation of previously issued employee options		-	428,773
Options exercised, employees'/consultants' options		(46,710,000)	-
Option exercised, brokers' options		(13,400,000)	-
Free attaching options exercised		(70,781,691)	-
Options expired		(2,800,000)	-
Balance	31 December 2024	<u>49,607,191</u>	<u>6,536,199</u>

Note 5. Reserves

	31 December 2024 \$	30 June 2024 \$
Foreign currency reserve	(69,685)	(61,773)
Share-based payments reserve	6,784,878	6,536,200
	6,715,193	6,474,427

Movements in reserves

Movements in each class of reserve during the current and previous financial half-year are set out below:

	Share based payment reserve \$	Foreign exchange translation reserve \$	Total \$
Balance at 1 July 2023	5,820,926	(30,530)	5,790,396
Foreign currency translation	-	(31,243)	(31,243)
Share based payment	715,274	-	715,274
Balance at 30 June 2024	6,536,200	(61,773)	6,474,427
Foreign currency translation	-	(7,912)	(7,912)
Share based payment - employee options	248,678	-	248,678
Balance at 31 December 2024	6,784,878	(69,685)	6,715,193

Note 6. Commitments and Contingent

Sales Bonus Pool Commitment

The incentive is in the form of participation in a cash bonus pool (Sale Bonus Pool), the size of which will be determined by the value received by shareholders upon a liquidity event, such as takeover of the Company or a sale of the Company's intellectual property. The members of 4DS' technical team, based in Silicon Valley, including Dr. Guido Arnout will be participating in the Sale Bonus Pool.

Upon a liquidity event occurring, the following (Eligible Participants) will each be entitled to receive a proportion of the Sale Bonus Pool, with the balance to be allocated to Eligible Participants at the discretion of the Board.

The size of the Sales Bonus Pool shall be calculated as follows:

Sales value between US\$120m to US\$350m
Sales value between US\$350m to US\$550m
Sales value above US\$550m

Sales Bonus Pool

5% of the sales value
US\$17.5m plus 6.25% of the excess above US\$350m
US\$30m plus 7.5% of the excess above US\$550m

Note 6. Commitments and Contingent (continued)

Participants	Structure %
David McAuliffe	17.5%
Howard Digby	7.5%
Guido Arnout	15.0%
Ting Yen	25.0%
Joseph Tzou	15.0%
Michael Hawran	5.0%
Peter Webse	5.0%

Infinion Technologies LLC Commitment

The Company entered into an agreement with Infineon technologies LLC on 16 December 2024 to design a custom ReRAM memory test chip for 4DS.

The initial scope of work under the Agreement will be over 15 months for a total of US\$4.5 million payable by the Company with an upfront payment of US\$1.5 million payable in January 2025 and the remaining balance payable monthly at varying monthly amount as disclosed below.

	USD \$	AUD \$
31/01/2025	1,500,000	2,417,931
01/03/2025	100,000	161,195
01/04/2025	100,000	161,195
01/05/2025	100,000	161,195
01/06/2025	100,000	161,195
01/07/2025	100,000	161,195
01/08/2025	200,000	322,391
01/09/2025	200,000	322,391
01/10/2025	200,000	322,391
01/11/2025	200,000	322,391
01/12/2025	200,000	322,391
01/01/2026	300,000	483,586
01/02/2026	300,000	483,586
01/03/2026	300,000	483,586
01/04/2026	300,000	483,586
01/05/2026	300,000	483,586
	<u>4,500,000</u>	<u>7,253,791</u>

There have been no other significant changes in commitments and contingent since the last reporting date.

Note 7. Events after the reporting period

On the 15 January 2025 the Company informed shareholders that it had successfully completed characterization and testing of the Fifth Platform Lot with key areas of optimisation identified and shared with the imec engineering team working on the Sixth Platform Lot 20nm memory cell array.

The key process learnings from the Fifth Platform Lot that are necessary for scaling of the memory cell array from 60nm cells to 20nm cells (9 times smaller in area) and that are now in the process of being implemented to the Sixth Platform Lot are:

Note 7. Events after the reporting period (continued)

- Memory cell array patterning and etching: new process tuning modifications for the construction of 20nm cells.
- Memory stack adjustment: the advanced memory stacks which are necessary for the construction of 20nm cells have shown functionality and which de-risks the Sixth Platform Lot with similar memory cell stack constructions.
- Memory array process integration: the best options of the post-patterning backend processes of the advanced memory cells were selected and implemented to the Sixth Platform Lot.

These new learnings and optimizations from the Fifth Platform Lot are critically important for the successful processing of 4DS's first 20nm memory cell array in the Sixth Platform Lot, expected to be manufactured and analysed in 1H 2025. If the Company is successful in scaling from a 60nm memory cell to 20nm memory cell array, then the Sixth Platform Lot will position 4DS' area-based Interface Switching ReRAM technology as a potential generational memory.

On 17 January 2025, 4DS announced it had received binding commitments from institutional and high net worth investors for a placement of \$6 million (Placement). The Placement attracted strong interest in excess of the shares available to allocate and will be followed by a share purchase plan (SPP) of \$2 million.

The Placement comprises the issue of approximately 166.7 million ordinary shares in 4DS (New Shares), at an issue price of \$0.036 per New Share, representing a discount of 12.2% to the closing price as at 14 January 2025 and 24.4% to the 15 day volume weighted average price ("VWAP").

Each issued share under the Placement will have a 1:1 attaching unlisted option with an exercise price of \$0.036 and an expiry of 28 February 2028. The New Shares and Placement Options will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A.

Bell Potter acted as sole lead manager for the Placement. In addition to a 6% capital raising fee, 4DS will issue Bell Potter 12 million advisor options on same terms as the Placement Options (Broker Options).

A SPP will be conducted and eligible shareholders on the Company's share register as at 5pm AEST on 16 January 2025 (Record Date) with a registered address in Australia or New Zealand can apply.

Eligible shareholders can acquire up to \$30,000 of New Shares and the offer will seek to raise \$2 million at \$0.036 per share, being the same price as the Placement.

Each issued share under the SPP will also have a 1:1 attaching unlisted option with an exercise price of \$0.036, expiring on 28 February 2028.

The Company will use funds raised for working capital requirements under the design and services agreement with Infineon, ongoing investment in development with imec, general working capital and offer costs.

On 21 January 2025, the following securities were issued:

72,221,974 SPP Shares
72,221,974 SPP Options
166,666,666 Placement Options
12,000,000 Broker Options

All of the options are exercisable at \$0.036 and expire 28 February 2028.

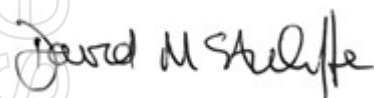
No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company 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



David McAuliffe
Executive Chairman

21 February 2025

For personal

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF 4DS MEMORY LIMITED
Report on the Half-Year 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 2024, 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, and notes to the financial statements, including material accounting policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2024, 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 accompanying 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 2024 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 Half-Year 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.

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 2024 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 a 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
PKF PERTH

Simon Fermanis

SIMON FERMANIS
PARTNER

21 FEBRUARY 2025
PERTH, WESTERN AUSTRALIA