

**4DS Memory Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity: 4DS Memory Limited  
ABN: 43 145 590 110  
Reporting period: For the year ended 30 June 2025  
Previous period: For the year ended 30 June 2024

**2. Results for announcement to the market**

	30 June 2025	30 June 2024	Change	Change
	\$	\$	\$	%
Revenues from ordinary activities	305,160	382,226	(77,066)	(20%)
Loss from ordinary activities after tax attributable to the owners of 4DS Memory Limited	(9,678,176)	(5,450,713)	(4,227,463)	78%
Loss for the year attributable to the owners of 4DS Memory Limited	(9,678,176)	(5,450,713)	(4,227,463)	78%

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the Group after providing for income tax amounted to \$9,678,176 (30 June 2024: \$5,450,713).

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.43	0.45

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

**4DS Memory Limited**  
**Appendix 4E**  
**Preliminary final report**

**7. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

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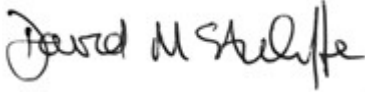
**8. Attachments**

*Details of attachments (if any):*

The Annual Financial Report of 4DS Memory Limited for the year ended 30 June 2025 is attached.

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**9. Signed**



Signed \_\_\_\_\_

Date: 29 August 2025

David McAuliffe  
Executive Chairman

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# Annual Financial Report

**4DS Memory Limited**

**ABN 43 145 590 110**  
**30 June 2025**

## 4DS Memory Limited

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### 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 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  
UNITED STATES

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 29 August 2025.

**4DS Memory Limited  
Corporate directory  
30 June 2025**

**Directors**

Mr. David McAuliffe  
Dr. Guido Arnout  
Mr. Howard Digby

**Company secretary**

Mr. Peter Webse

**Registered and Principal Office**

Level 2, 50 Kings Park Road,  
West Perth WA 6005  
PO Box 271  
West Perth WA 6872

**Share register**

Automic Registry Services  
Level 5  
191 St Georges Terrace,  
Perth WA 6000  
Phone: +61 8 9324 2099  
Fax: +61 8 9321 2337  
Email: info@automic.com.au  
Web: www.automic.com.au

**Auditor**

PKF Perth  
Level 8, 905 Hay Street,  
Perth WA 6000

**Solicitor**

Steinepreis Paganin  
Level 14, QV1 Building  
250 St Georges Terrace  
Perth WA 6000

**Stock exchange listing**

4DS Memory Limited shares are listed on the Australian Securities Exchange (ASX code: **4DS**)

**Website**

[www.4dsmemory.com](http://www.4dsmemory.com)

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**4DS Memory Limited  
Directors' report  
30 June 2025**

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' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

**1. Directors**

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

<b>Mr. David McAuliffe</b>	Executive Chairman
<b>Dr. Guido Arnout</b>	Non-Executive Director
<b>Mr. Howard Digby</b>	Non-Executive Director

**Information on Directors**

<b>Name:</b>	<b>Mr. David McAuliffe</b>
<b>Title:</b>	<i>Executive Chairman</i>
<b>Appointed:</b>	7 December 2015
<b>Qualifications:</b>	LLB (Hons), BPharm
<b>Experience and expertise:</b>	Mr. McAuliffe is an experienced Company Director and Entrepreneur who has had over 25 years' experience, mostly in the international biotechnology field. During that time, he was involved in numerous capital raisings and in licensing of technologies.

He is a founder of several companies in Australia, France and the United Kingdom, many of which have become public companies. He is President of the Dyslexia-Speld Foundation WA (Inc).

<b>Other current directorships:</b>	Non-Executive Chairman of Invex Therapeutics Limited (ASX: IXC)
<b>Former directorships (last 3 years):</b>	-
<b>Interests in shares:</b>	10,061,042 ordinary shares
<b>Interests in options:</b>	6,000,000 unlisted options exercisable at \$0.037 each on or before 27 February 2028

<b>Name:</b>	<b>Dr. Guido Arnout</b>
<b>Title:</b>	<i>Non-Executive Director</i>
<b>Appointed:</b>	7 December 2015
<b>Qualifications:</b>	PhD Electrical Engineering
<b>Experience and expertise:</b>	Dr. Arnout has specific expertise with over 30 years in commercialising electronics technology from concept to product. He was the founding President and CEO of PowerEscape, which introduced the first tools for the development of low-power software executing on multicore devices. He was also founding President and CEO of CoWare, which pioneered system-level design tools for hardware-software co-design and the time-based licensing business model.

Dr. Arnout co-founded the Open SystemC Initiative (OSCI), an industry consortium to standardise a language for system level design, and as its President submitted the SystemC language to IEEE. He served as VP of Engineering and later senior VP of marketing of CrossCheck Technology. He co-founded and later became VP of Engineering of Silver-Lisco, the first commercial EDA (electronic design automation) company.

<b>Other current directorships:</b>	-
<b>Former directorships (last 3 years):</b>	-
<b>Interests in shares:</b>	8,000,000 ordinary shares
<b>Interests in options:</b>	-

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**Name:** Mr. Howard Digby  
**Title:** Non-Executive Director  
**Appointed:** 7 December 2015  
**Qualifications:** BE (Mechanical, Hons)  
**Experience and expertise:** Mr. Digby began his career at IBM and has spent 25 years managing technology related businesses across the Asia Pacific region, of which 12 years were spent in Hong Kong ending with The Economist Group as Regional Managing Director. Prior to this he held senior management roles at Adobe and Gartner where his clients included major semiconductor players inclusive of Samsung, Hynix and TSMC. Upon returning to Perth, Howard served as Executive Editor of WA Business News and now spends his time as a company director, advisor and investor, having played key roles in several M&A and reverse takeover transactions.

**Other current directorships:** Non-Executive Chairman of Singular Health Group Ltd (ASX: SHG)  
Non-Executive Director of Elsie Limited (ASX: ELS)  
**Former directorships (last 3 years):** Non-Executive Director of Spenda Limited (ASX: SPX) - resigned 21 November 2024  
**Interests in shares:** 6,688,629 ordinary shares  
**Interests in options:** 1,000,000 unlisted options exercisable at \$0.037 each on or before 27 February 2028

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years) quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**2. Company secretary**

**Name:** Mr. Peter Webse  
**Qualifications:** B.Bus, FGIA, FCIS  
**Experience:** Mr. Webse has over 30 years company secretarial experience and is Director of Governance Corporate Pty Ltd, a company specialising in company secretarial, corporate governance and corporate advisory services.

**3. Directors' meetings**

The number of Directors meetings and the number of meetings attended by each of the Directors of the Company during the financial year are:

	<b>Attended</b>	<b>Held</b>
Mr. David McAuliffe	9	9
Dr. Guido Arnout	9	9
Mr. Howard Digby	9	9

Held: represents the number of meetings held during the time the Director held office.

## 4DS Memory Limited

### Directors' report

30 June 2025

#### 4. 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 tuneable 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.

#### 5. Review of operations

##### *Financial Review*

The loss for the Group after providing for income tax amounted to \$9,678,176 (30 June 2024: \$5,450,713).

##### *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 year.

On 24 October 2024 the Company announced that its Chief Strategic Officer, Mr Peter Himes, will be presenting at Semiconductor Australia 2024. The inaugural event brings 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.

On 17 December 2024, the Company announced a trading halt in relation to development agreement, capital raise and Company Update. Following the request for a trading halt, the Company announced it had entered into a Design Agreement whereby Infineon Technologies LLC will assign resources to design a custom ReRAM memory test chip for 4DS, based on 4DS requirements. The Company remained in a trading halt until the 19 December 2024.

On 19 December 2024, the Company announced that it had elected not to proceed with a capital raise because the offering wasn't reflective of what the Board considers to be in the best interests of shareholders and that the Company intends to raise capital in early 2025 to enable it to fund its obligations under the Design Agreement with Infineon Technologies LLC. It added that the Company would provide an update in January 2025 in relation to the nature and size of its planned capital raising activities and endeavour to make sure existing shareholders will have the right to participate.

On 15 January 2025, the Company requested a trading halt in relation to a pending capital raise. Following the request for a trading halt, the Company released a second announcement on 15 January 2025 to advise 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 Company remained in a trading halt until 17 January 2025.

The key process learnings from the Fifth Platform Lot that were 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.

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

These new learnings and optimizations from the Fifth Platform Lot were 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.

On the 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, led by Bell Potter as the sole lead manager, comprised the issue of a total of 166.7 million shares, priced at \$0.036 per share, (a 12.2% discount to the closing price as at 14 January 2025 and 24.5% to the 15 day volume weighted average price "VWAP") with 1 free attaching option for every 1 share issued under the placement.

The announcement also outlined details of a share purchase plan (**SPP**) of \$2 million to eligible shareholders under the same terms of the Placement with shareholders eligible to acquire up to \$30,000 of New Shares. Each issued share would have a 1:1 attached unlisted option with an exercise price of \$0.36, expiring on 28 February 2025.

The Company outlined it would 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 20 February 2025, the Company announced that it has successfully completed its Share Purchase Plan (SPP) and Placement. After receiving valid applications from eligible shareholders for approximately \$4.76 million, the SPP applications were scaled back to \$2.6 million with refunds issued by direct credit to shareholders.

On 28 April 2025, the Company announced that imec had successfully completed the manufacturing and processing of the Sixth Platform Lot. This Lot was received at the 4DS facilities in Fremont on 6 May 2025 and electrical testing started the next day.

On 16 June 2025, the Company detailed the results of the Sixth Platform Lot outlining that while electrical testing and characterization of the Sixth Platform Lot is still incomplete and remains ongoing, the initial analysis of the wafers within the entire Lot indicates that the necessary process modifications and optimizations introduced into the Sixth Platform Lot have not yielded the expected electrical testing and characterization results the Company was expecting.

The Company is in the process of completing a root cause analysis using the recently received analytics, which includes physical analytics and chemical analysis to identify the reasons for the unexpected initial analysis in the 20nm Sixth Platform Lot to date. If this imminent root cause analysis identifies the reasons for the initial unexpected results, announced on 16 June 2025, the Company will meet with its partners at the earliest opportunity to discuss the strategic options going forward.

**Material agreements**

On 17 December 2024, the Company signed a design agreement with Infineon Technologies LLC to design a custom RERAM chip for the Company, based on the Company's requirements. In consideration for Infineon Technologies LLC services, the Company will pay a total of US\$4.5 million, with an upfront payment of US\$1.5 million with the balance payable monthly at various amounts. For the full terms regarding material agreement please refer to the Company announcements page on its website.

**Patent portfolio**

4DS Memory has a patented IP portfolio, comprising 34 USA patents granted, which have been developed in-house to create high-density Storage Class Memory. The granted patents are 100% owned by the Company. These 34 patents are specifically related to the operation of the Company and are free from any royalty or licensing obligations.

**Significant changes in the state of affairs**

Refer to the operating review and placement and issue of securities for significant changes in the state of affairs of the Group during the financial year.

## **6. Material business risks**

There are a number of material risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance and prospects of the Company and the value of its shares. Some of these risks may be mitigated by the Group's internal controls and processes but some are outside the control of the Company, its Directors and management. The material risks identified by management are described below:

### *(a) Going concern*

The Group's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on the Company's ability to raise sufficient working capital to ensure the continued implementation of the Group's business plan.

### *(b) Development risk*

The Group's technology is the subject of continuous development and needs to be substantially developed further in order to gain and maintain competitive and technological advantage, and to improve the products' usability, scalability and accuracy. There are no guarantees that the Group will be able to undertake such development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Group's results and viability.

### *(c) Intellectual Property risk*

There can be no assurance that the Group's patent portfolio will afford the Group commercially significant protection of the Group's technology, or that competitors will not develop competing technologies that circumvents such intellectual property. Although the Group will implement all reasonable endeavours to protect its intellectual property, there can be no assurance that these measures will be sufficient.

### *(d) Competition*

The semiconductor memory industry in which the Group operates is subject to competition. Current or future competitors may come up with new, better or cheaper products and solutions. The Group's competitors include both small and medium enterprises and large, established corporations or multinationals. Those may decide to enter the Group's target markets and be able to fund aggressive marketing strategies. They may also have stronger financial capabilities than the Group which may negatively affect the operating and financial performance of the business.

### *(e) Technology Risk*

The Group's market involves rapidly evolving products and technological change. The Group cannot guarantee that it will be able to engage in research and development at the requisite levels. The Group cannot assure investors that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products, services and technologies developed by others may render the Group's products and services obsolete or non-competitive.

## **7. Dividends**

No dividend has been declared or paid by the Company.

## **8. Placement and issue of securities**

For the financial year ended 30 June 2025, the Company issued 297,463,800 ordinary shares and 270,888,640 options as below:

- 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 166,666,666 ordinary shares in 4DS (New Shares), at an issue price of \$0.036 per New Share.

## 4DS Memory Limited

### Directors' report

30 June 2025

- 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 OptionsAll of the options are exercisable at \$0.036 and expire 28 February 2028.
- On 22 April 2025, the Company issued 20,000,000 unlisted options to employee exercisable at \$0.036 and expire 30 December 2027.
- During May and June 2025, a total of 58,075,160 ordinary shares were issued following the exercise of options at \$0.036 per share, and an additional 500,000 shares were issued at \$0.055 per share.
- On June 30, 2025, 3,000,000 unlisted options with an exercise price of \$0.20 expired.

#### 9. Matters subsequent to the end of financial year

On 18 August 2025, the Company announced the completion of a comprehensive root cause analysis of the 20nm Sixth Platform Lot, employing both physical and chemical techniques. The analysis confirmed that etch residues introduced during manufacturing led to electrical shorting of the memory devices. The Company is now engaging with its partners to review these findings and jointly assess the most effective strategic and technical development pathways and shareholders will be updated as these initiatives progress.

Also on the same day, the Company announced that Hitachi Global Storage Technologies (**HSGT**) had signed the 12<sup>th</sup> consecutive renewal of its Joint Development Agreement with the Company.

On 28 August 2025, the Company entered into a trading halt pending the release of an announcement in relation to the outcome of the engagement with the Company's development partners to jointly assess the most effective pathway forward for the Company's technology for 2025 and beyond.

No other matter or circumstance has arisen since 30 June 2025 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.

#### 10. Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

#### 11. Environmental regulation and performance

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

The Group aims to comply with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental regulations.

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**12. Share options**

Unissued ordinary shares of 4DS Memory Limited under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number under option
31/05/2022	31/05/2027	\$0.100	10,500,000
19/12/2022	19/12/2027	\$0.037	13,500,000
27/02/2023	27/02/2028	\$0.037	7,000,000
23/03/2023	31/03/2026	\$0.055	5,107,184
05/02/2024	05/02/2029	\$0.073	10,000,000
08/01/2025	28/02/2028	\$0.036	192,813,480
17/04/2025	30/12/2027	\$0.036	20,000,000
			<b>258,920,664</b>

All unissued shares are ordinary shares of the Company.

All vested options expire on termination of employment unless the Board makes a determination (in its absolute discretion) that the employee's performance during the term and the circumstances of the termination of the employment are such that all unvested options on the date of termination will continue to vest according to the vesting schedule and only expire on the expiry date. Further details about share-based payments to Directors and Key Management Personnel (**KMP**) are included in the remuneration report.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

**Shares issued as a result of the exercise of options**

During or since the end of the financial year, the Company issued ordinary shares of the Company as a result of the exercise of options as follows:

Number of shares	Amount paid on each share
29,260,645	\$0.036
7,569,692	\$0.036
3,789,017	\$0.036
500,000	\$0.055
17,383,332	\$0.036
72,474	\$0.036

**13. Indemnification and insurance of Directors, Officers and Auditors**

**Indemnification**

The Company indemnifies each of its Directors, Officers and Company Secretary. The Company indemnifies each Director or Officer to the maximum extent permitted by the *Corporations Act 2001* from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a director or Officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the *Corporations Act 2001*. The Company must also use its best endeavours to insure a director or Officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**Insurance premiums**

During the year the Company paid insurance premiums to insure Directors and Officers against certain liabilities arising out of their conduct while acting as an Officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against, and the premium paid cannot be disclosed.

**14. Non-audit services**

During the year, PKF Perth, the Group's auditor, performed certain other services in addition to the audit and review of the financial statements.

The Board of Directors has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditors' independence for the following reasons:

- All non-audit services are reviewed and approved by the Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the audit; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of the amounts payable to the auditor of the Group, PKF Perth and its network firms for non-audit services provided during the year are set out below:

<b>Services other than audit and review of financial statements:</b>	<b>30 June 2025</b>
<b>Other services</b>	
Taxation compliance (paid this financial year for 30 June 2024 service)	7,350
Taxation compliance for financial year 30 June 2025	6,000
Employee Share Scheme Reporting (paid this financial year for 30 June 2024 service)	3,000
	<u>16,350</u>

**15. Proceedings on behalf of Company**

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**16. Rounding Off**

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.

### **17. Remuneration Report (audited)**

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (**KMP**) of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

#### **17.1 Remuneration Policy**

The Company has adopted a remuneration policy designed to align individuals' and team reward and encourage Executives to perform to their full capacity.

Remuneration packages may contain any or all of the following:

- (a) Annual salary base with provision to recognise the value of the individuals' personal performance and their ability and experience;
- (b) Rewards, bonuses, commissions, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution;
- (c) Share participation - the Company proposes to put in place an equity incentive plan; and
- (d) Other benefits, such as holiday leave, sickness benefits, superannuation payments and long service benefits.

The Board will determine the appropriate level and structure of remuneration of the executive team and such consideration will occur each year on the recommendation of the Chairman.

Remuneration of Executives and Non-Executives will be reviewed annually by the Board.

#### **Remuneration structure**

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

#### **Non-Executive Director Remuneration**

##### ***Objective***

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors to the highest calibre, whilst incurring a cost which is acceptable to shareholders.

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**Structure**

The Constitution and the ASX Listing Rules specify that the aggregate Directors' fees payable to Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. Shareholders have approved aggregate Directors' fees payable of \$300,000 per year.

The amount of aggregate Directors' fees sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Company. However, if a Director performs extra or special services beyond their role as a Director, the Board may resolve to provide additional remuneration for such services.

Fees for Directors are not linked to the performance of the Group however, to align all Directors' interests with shareholder interests, Directors are encouraged to hold shares in the Company and may receive options. This effectively links Directors' performance to the share price performance and therefore to the interests of shareholders. For this reason, there are no performance conditions prior to grant, but instead an incentive to increase the value to all shareholders.

**Termination**

The termination of a Director is effective on receipt of a resignation notice. Alternatively, shareholders have the power to remove the Directors by way of a Members Resolution.

**Executive Remuneration**

**Objective**

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward Executives for Company performance;
- Align the interest of Executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

**Structure**

Executive remuneration may consist of both fixed and variable elements.

**Fixed Remuneration**

**Objective**

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually or upon renewal of fixed term contracts by the Board and the process consists of a review of Company and individual performance, relevant comparative remuneration in the market and internal policies and practices.

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

**Variable Remuneration**

**Objective**

Variable remuneration may be provided to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**17.2 Details of remuneration**

*Directors' and executive officers' remuneration*

The KMP of the Group consisted of the Directors of 4DS Memory Limited and the following persons:

<b>Directors</b>	<b>Designation</b>
Mr. David McAuliffe	Executive Chairman
Dr. Guido Arnout	Non-Executive Director
Mr. Howard Digby	Non-Executive Director
<b>Key Management Personnel</b>	
Mr. Ting Yen	Chief Technology Officer
Mr. Peter Himes	Chief Strategic Officer

Details of the nature and amount of each major element of remuneration of KMP of the Group are set out in the following tables.

Table 1: Remuneration for the year ended 30 June 2025

	Short-term benefits	Post-employment benefits		Share-based payments	Total
	Cash salary and fees (including annual leave)	Superannuation	Long Service Leave	Equity-settled	
30 June 2025	\$	\$	\$	\$	\$
<b>Executive Directors:</b>					
D McAuliffe	218,583	23,000	5,251	31,984	278,818
<b>Non-Executive Directors:</b>					
G Arnout [A]	280,141	-	-	-	280,141
H Digby [B]	45,000	-	-	5,331	50,331
<b>Other Key Management Personnel:</b>					
T Yen	427,049	-	-	127,156	554,205
P Himes	250,217	-	-	233,226	483,443
	<b>1,220,990</b>	<b>23,000</b>	<b>5,251</b>	<b>397,697</b>	<b>1,646,938</b>

**Notes in relation to Directors' and Executive officers' remuneration table FY 2025**

[A] Includes \$250,141 of consultancy fees as advisor to the Chairman (FY 2024: \$286,806) and \$30,000 for the Non-Executive Director fees.

[B] Director fees were paid to Bandra Consulting Pty Ltd of which is owned by Mr. Digby.

The fair value of the options is calculated at the date of grant using the Black Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

Table 2: Remuneration for the year ended 30 June 2024

30 June 2024	Short-term benefits	Post-employment benefits		Share-based payments	Total
	Cash salary and fees (including annual leave)	Superannuation	Long Service Leave	Equity-settled	
	\$	\$	\$	\$	\$
<b>Executive Directors:</b>					
D McAuliffe	206,668	22,000	4,242	91,728	324,638
<b>Non-Executive Directors:</b>					
G Arnout [A]	286,806	-	-	-	286,806
H Digby [B]	30,000	-	-	15,288	45,288
<b>Other Key Management Personnel:</b>					
T Yen	440,976	-	-	274,641	715,617
P Himes [C]	61,016	-	-	222,426	283,442
	<b>1,025,466</b>	<b>22,000</b>	<b>4,242</b>	<b>604,083</b>	<b>1,655,791</b>

**Notes in relation to Directors' and Executive officers' remuneration table FY 2024**

[A] Includes \$256,806 of consultancy fees as advisor to the Chairman (FY 2023: \$240,253) and \$30,000 for the Non-Executive Director fees.

[B] Director fees were paid to Bandra Consulting Pty Ltd of which is owned by Mr. Digby.

[C] Remuneration commenced on appointment as Chief Strategic Officer on 15 April 2024.

The fair value of the options is calculated at the date of grant using the Black Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

**17.3 Service Agreements**

Remuneration and other terms of employment for Directors and KMP are formalised in service agreements. Details of these agreements are as follows:

**Name:** Mr. David McAuliffe  
**Title:** Executive Chairman  
**Agreement commenced:** 7 December 2015

Mr. McAuliffe is subject to an employment contract with the following conditions:

- Remuneration salary of \$200,000 per annum plus statutory superannuation.
- An equity package to be determined by the Board (subject to shareholder approval).
- Performance bonuses (if any) as may be approved by the Board from time to time.
- Entitlement to be reimbursed for all reasonable out-of-pocket expenses necessarily incurred in the performance of his duties.
- Remuneration reviewed annually on each review date or at any other time as the Board may determine (in its absolute discretion).

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**Incentive**

Upon a liquidity event occurring, Mr. McAuliffe will be entitled to receive 17.5% of the Sale Bonus Pool if Mr. McAuliffe continuously provided the services through the time of the liquidity events.

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

<b>Sale Bonus Pool</b>	
Sale Value of US\$120m to US\$350m	5% of the sale value
Sale Value of US\$350m to US\$550m	US\$17.5m plus 6.25% of the excess above US\$350m
Sale Value above US\$550m	US\$30m plus 7.5% of the excess above US\$550m

**Termination**

Termination of employment can be provided by the Company with three months written notice or by the employee with three months written notice. The notice period can be waived if there is sufficient cause.

**Name:** Dr. Guido Arnout  
**Title:** Adviser to Executive Chairman  
Agreement commenced: from 1 September 2022

Dr. Arnout is subject to an employment contract with the following conditions:

- Handle the G&A function for 4DS Inc. for a total of 32 hours per month at a rate of US\$125 per hour.
- Collection of test data for an extraction of data from 4DS Inc. test data base for no more than 68 hours of work per month at a rate of US\$125 per hour, unless more time is expressly authorised in writing by the Executive Chairman.

**Incentive**

Upon a liquidity event occurring, Dr. Arnout will be entitled to receive 15% of the Sale Bonus Pool if Dr. Arnout continuously provided the services through the time of the liquidity events.

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

<b>Sale Bonus Pool</b>	
Sale Value of US\$120m to US\$350m	5% of the sale value
Sale Value of US\$350m to US\$550m	US\$17.5m plus 6.25% of the excess above US\$350m
Sale Value above US\$550m	US\$30m plus 7.5% of the excess above US\$550m

**Termination**

14 days' notice of termination is required for the role of adviser to Executive Chairman. Termination condition for Non-Executive Director role with immediate effect by written notice to the Company or the Company's shareholders may resolve the removal by member's resolution.

**Name:** Mr. Ting Yen  
**Title:** Chief Technology Officer  
Agreement commenced: 5 October 2022  
Term of agreement: VP contract terms continued with the appointment as Chief Technology Officer

Mr. Yen is subject to an employment contract with the following conditions:

- Remuneration salary of US\$264,000 per annum subject to normal statutory deductions by the Company.
- Participation in any employee incentive scheme.
- Entitlement to be reimbursed for all reasonable out-of-pocket expenses necessarily incurred in the performance of his duties and,
- Remuneration reviewed annually on each review date or at any other time as the Board may determine (in its absolute discretion).

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**Incentive**

Upon a liquidity event occurring, Mr. Yen will be entitled to receive 25% of the Sale Bonus Pool if Mr. Yen continuously provided the services through the time of the liquidity events.

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

	<b>Sales Bonus Pool</b>
Sale Value of US\$120m to US\$350m	5% of the sale value
Sale Value of US\$350m to US\$550m	US\$17.5m plus 6.25% of the excess above US\$350m
Sale Value above US\$550m	US\$30m plus 7.5% of the excess above US\$550m

**Termination**

Termination of employment can be provided by the Company with three months written notice or by the employee with three months written notice. The notice period can be waived if there is sufficient cause.

Name: **Mr. Peter Himes**  
 Title: **Chief Strategic Officer**  
 Agreement commenced: 15 April 2024  
 1 April 2025 (Amendment to statement of work)

Mr. Himes is subject to a consulting agreement with the following conditions:

- Remuneration salary of US\$16,000 (from 1 July 2024 to 31 March 2025) to US\$6,000 (effective from 1 April 2025) subject to normal statutory deductions by the Company.
- Entitlement to be reimbursed for all reasonable out-of-pocket expenses necessarily incurred in the performance of his duties.

**Termination**

Termination of employment can be provided by the Company with 30 days written notice or by the employee with 30 days written notice. The notice period can be waived if there is sufficient cause.

Name: **Howard Digby**  
 Title: **Non-Executive Director**

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things.

Howard Digby being non-executive Director remuneration approved by the Board from \$35,000 per annum to \$50,000 per annum effective from 1 October 2025. The Company has not entered into employment contact with non-Executive Director.

**Incentive**

Upon a liquidity event occurring, Mr. Digby will be entitled to receive 7.5% of the Sale Bonus Pool if Mr. Digby continuously provided the services through the time of the liquidity events.

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

	<b>Sale Bonus Pool</b>
Sale Value of US\$120m to US\$350m	5% of the sale value
Sale Value of US\$350m to US\$550m	US\$17.5m plus 6.25% of the excess above US\$350m
Sale Value above US\$550m	US\$30m plus 7.5% of the excess above US\$550m

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**17.4. Equity Instruments**

**[A] Shareholdings of Key Management Personnel**

The movement of number of shares held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as part of remuneration	On exercise of options	Net change other	Balance at the end of year
<b>30 June 2025</b>					
<i>Executive Directors</i>					
D McAuliffe	10,061,042	-	-	-	10,061,042
<i>Non-Executive Directors</i>					
G Arnout	8,000,000	-	-	-	8,000,000
H Digby	6,688,629	-	-	-	6,688,629
<i>Other Key Management Personnel</i>					
T Yen	-	-	-	-	-
P Himes	-	-	-	-	-
	<b>24,749,671</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,749,671</b>

There were no shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2025.

**[B] Options holdings of Key Management Personnel**

The movement during the reporting period, by number of options over ordinary shares in 4DS Memory Limited held, directly, indirectly or beneficially, by each KMP, including their parties, is as follows:

	Balance at the start of the year	Granted as part of remuneration	On exercise of options	Options expired	Balance at the end of year
<b>30 June 2025</b>					
<i>Executive Director</i>					
D McAuliffe	6,000,000	-	-	-	6,000,000
<i>Non-Executive Director</i>					
H Digby	1,000,000	-	-	-	1,000,000
<i>Other key management personnel</i>					
T Yen	20,000,000	20,000,000	-	-	40,000,000
P Himes	10,000,000	-	-	-	10,000,000
	<b>37,000,000</b>	<b>20,000,000</b>	<b>-</b>	<b>-</b>	<b>57,000,000</b>

All invested options expire on termination of employment unless the Board makes a determination (in its absolute discretion) that the employee's performance during the term and the circumstances of the termination of the employment are such that all unvested options on the date of termination will continue to vest according to the vesting schedule and only expire on the expiry date.

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**[C] Options over equity instruments granted as compensation**

Details on options over ordinary shares in the Company that were granted as compensation to each KMP during the reporting period and details on options that vested during the reporting periods are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
17/4/2025	17/4/2027	30/12/2027	\$0.036	\$0.0163

Values of options over ordinary shares granted, exercised and lapsed for Directors and other KMP as part of compensation during the year ended 30 June 2025 are set out below:

KMP	Value of options granted and vested during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration options consisting of for the year %
D McAuliffe	31,984	-	-	11%
H Digby	5,331	-	-	11%
T. Yen	127,156	-	-	27%
P. Himes	233,226	-	-	48%

**[D] Performance rights**

There were no performance rights over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2025.

**18. Key Management Personnel Transactions**

**Loans to KMP and their related parties**

There are no loans between the Group and KMP.

**Other transactions with KMP and their related parties**

Purchases from and sales to KMP and their related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's KMP.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transaction	KMP and their related parties	Total expense 30 June 2025	Payable balance 30 June 2025	Total expense 30 June 2024	Payable balance 30 June 2024
Ignite Communications	Consultancy fee	Margie Livingston (Spouse of David McAuliffe)	23,500	-	29,000	-

**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

***Sales Bonus Pool Commitments***

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, 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:

As at 30 June 2025, the following Sales Bonus Pool structure was approved by the Shareholders of the Company.

<b>Participants</b>	<b>%</b>
David McAuliffe	17.50%
Howard Digby	7.50%
Guido Arnout	15.00%
Ting Yen	25.00%
Joseph Tzou	15.00%
Michael Hawran	5.00%
Peter Webse	5.00%

**19. Voting of shareholders at last year's annual general meeting**

At the Company's last Annual General Meeting (AGM), 2.75% of votes cast at the meeting rejected the adoption of the remuneration report. The Company did not receive any specific feedback at the AGM or throughout the year and up to the date of this report on its remuneration practices.

***This concludes the remuneration report, which has been audited.***

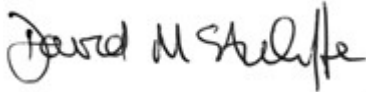
**4DS Memory Limited**  
**Directors' report**  
**30 June 2025**

**Auditor's independence declaration**

A copy of the auditor's independence declaration for the year ended 30 June 2025 as required under section 307C of the *Corporations Act 2001* has been received and can be found after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



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David McAuliffe  
Executive Chairman

29 August 2025

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

In relation to our audit of the financial report of 4DS Memory Limited for the year ended 30 June 2025, 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

29 August 2025  
PERTH, WESTERN AUSTRALIA

**4DS Memory Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**

	Note	30 June 2025 \$	30 June 2024 \$
<b>Revenue</b>			
Other income		-	8,050
Interest Income		305,160	382,226
<b>Expenses</b>			
Compliance and regulatory expenses		(167,723)	(114,004)
Consulting and professional Fees		(315,603)	(325,730)
Directors and employee benefit expenses	3	(321,834)	(294,438)
Depreciation and amortisation expense	3	(181,060)	(161,760)
Research expenses	3	(7,885,090)	(3,590,548)
Share based payments	15	(412,240)	(651,198)
Unrealised / realised foreign exchange		(13,910)	(15,605)
Other expenses	3	(665,793)	(669,804)
<b>Operating loss</b>		<b>(9,658,093)</b>	<b>(5,432,811)</b>
Interest on lease liabilities		(20,083)	(17,902)
<b>Loss before income tax expense</b>		<b>(9,678,176)</b>	<b>(5,450,713)</b>
Income tax expense	5	-	-
<b>Loss after income tax expense for the year attributable to the owners of 4DS Memory Limited</b>		<b>(9,678,176)</b>	<b>(5,450,713)</b>
<b>Other comprehensive income (loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	14	373	(31,243)
Other comprehensive income (loss) for the year, net of tax		373	(31,243)
<b>Total comprehensive income loss for the year attributable to the owners of 4DS Memory Limited</b>		<b>(9,677,803)</b>	<b>(5,481,956)</b>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	13	(0.52)	(0.31)
Diluted loss per share	13	(0.52)	(0.31)

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

**4DS Memory Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2025**

	Note	30 June 2025	30 June 2024
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	10,198,573	7,884,294
Trade and other receivables		85,894	91,720
Other assets		56,729	54,999
<b>Total current assets</b>		<u>10,341,196</u>	<u>8,031,013</u>
<b>Non-current assets</b>			
Right-of-use assets	8	114,513	239,435
Property, plant and equipment		85,473	100,459
<b>Total non-current assets</b>		<u>199,986</u>	<u>339,894</u>
<b>Total assets</b>		<u>10,541,182</u>	<u>8,370,907</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	1,534,030	91,211
Lease liabilities	10	131,312	122,829
Employee benefits	11	80,758	55,938
<b>Total current liabilities</b>		<u>1,746,100</u>	<u>269,978</u>
<b>Non-current liabilities</b>			
Lease liabilities	10	-	128,403
Employee benefits	11	13,652	14,637
<b>Total non-current liabilities</b>		<u>13,652</u>	<u>143,040</u>
<b>Total liabilities</b>		<u>1,759,752</u>	<u>413,018</u>
<b>Net assets</b>		<u>8,781,430</u>	<u>7,957,889</u>
<b>Equity</b>			
Issued capital	12	76,657,618	66,918,893
Reserves	14	7,237,419	6,474,427
Accumulated losses		<u>(75,113,607)</u>	<u>(65,435,431)</u>
<b>Total equity</b>		<u>8,781,430</u>	<u>7,957,889</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**4DS Memory Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2025**

	Issued capital \$	Share Based Payment Reserve \$	Foreign Exchange Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	59,853,160	5,820,927	(30,530)	(59,984,718)	5,658,839
Loss after income tax expense for the year	-	-	-	(5,450,713)	(5,450,713)
Other comprehensive income loss for the year, net of tax	-	-	(31,243)	-	(31,243)
Total comprehensive income loss for the year	-	-	(31,243)	(5,450,713)	(5,481,956)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of share capital, net of transaction costs (note 12)	(48,065)	-	-	-	(48,065)
Share-based payments (note 15)	(64,075)	715,273	-	-	651,198
Issue of shares on exercise of options (note 12)	7,177,873	-	-	-	7,177,873
<b>Balance at 30 June 2024</b>	<b>66,918,893</b>	<b>6,536,200</b>	<b>(61,773)</b>	<b>(65,435,431)</b>	<b>7,957,889</b>
	Issued capital \$	Share Based Payment Reserve \$	Foreign Exchange Reserve \$	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 year	-	-	-	(9,678,176)	(9,678,176)
Other comprehensive income for the year, net of tax	-	-	373	-	373
Total comprehensive income (loss) for the year	-	-	373	(9,678,176)	(9,677,803)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 12)	7,620,519	350,379	-	-	7,970,898
Share-based payments (note 15)	-	412,240	-	-	412,240
Issue of shares on exercise of options (note 12)	2,118,206	-	-	-	2,118,206
<b>Balance at 30 June 2025</b>	<b>76,657,618</b>	<b>7,298,819</b>	<b>(61,400)</b>	<b>(75,113,607)</b>	<b>8,781,430</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**4DS Memory Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2025**

	Note	30 June 2025 \$	30 June 2024 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,454,723)	(1,383,227)
Payments for research and development		(6,637,012)	(3,630,294)
Interest received		<u>309,920</u>	<u>306,157</u>
Net cash used in operating activities	7	<u>(7,781,815)</u>	<u>(4,707,364)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		<u>(39,152)</u>	<u>(8,081)</u>
Net cash used in investing activities		<u>(39,152)</u>	<u>(8,081)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	12	8,600,000	-
Payment of capital raising costs		(612,026)	(48,065)
Issue of shares on exercise of options		2,118,206	7,177,873
Unissued of shares on exercise of options		180,000	-
Interest and other finance costs paid		(20,083)	(17,902)
Principal elements of lease payments		<u>(127,091)</u>	<u>(111,332)</u>
Net cash from financing activities		<u>10,139,006</u>	<u>7,000,574</u>
Net increase in cash and cash equivalents		2,318,039	2,285,129
Cash and cash equivalents at the beginning of the financial year		7,884,294	5,599,537
Effects of exchange rate changes on cash and cash equivalents		<u>(3,760)</u>	<u>(372)</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>10,198,573</u></u>	<u><u>7,884,294</u></u>

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

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 1. Material Accounting Policy Information**

These are the consolidated financial statements and notes of the Company and controlled entities. 4DS Memory Limited and its subsidiaries together are referred to in these financial statements as the 'Group'. The Group is a company limited by shares, domiciled and incorporated in Australia.

The Group is a for-profit entity and is primarily involved in the semiconductor industry 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.

**Basis of accounting**

The consolidated financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). They were authorised by the Board of Directors on 29 August 2025.

*Reporting basis and conventions*

The financial statements have been prepared on accrual basis under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

**Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in **note 19**.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 1. Material Accounting Policy Information (continued)**

**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.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

The Group has adopted all 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.

**Going Concern**

The net assets of the Group totalled \$8,781,430 (30 June 2024: \$7,957,889). Cash on hand at 30 June 2025 totalled \$10,198,573 (30 June 2024: \$7,884,294) and net operating cash outflow was \$7,781,815 (30 June 2024: \$4,707,364) for the year ended 30 June 2025.

The Group's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on the Company's ability to raise sufficient working capital to ensure the continued implementation of the Group's business plan.

The financial report has been prepared on a 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.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Share-based payment transactions*

The grant date fair value of share-based payment is recognised as an expense with a corresponding increase in equity, over the period that the recipient unconditionally becomes entitled to the awards.

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

The Company follows the guidelines of **AASB 2** 'Share-based payments' and takes into account all performance conditions and estimates the probability and expected timing of achieving these performance conditions. Accordingly, the expense recognised over the vesting period may vary based upon information available and estimates made at each reporting period, until the expiry of the vesting period.

Further information about the assumptions made in measuring fair values is included in **note 15**.

*Research costs*

All research costs during the year have been expensed. The research costs have not been recognized as intangible assets as they did not meet the criteria as set out in policy.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 3. Expenses**

	30 June 2025	30 June 2024
	\$	\$
Loss before income tax includes the following specific expenses:		
<b>Depreciation</b>		
Plant and equipment	56,138	59,404
Right-of-use assets	124,922	102,356
<b>Total depreciation</b>	<b>181,060</b>	<b>161,760</b>
Salary and wages (cash settled)	200,000	200,000
Superannuation (cash settled)	23,000	22,000
Annual leave	18,583	8,196
Long service leave	5,251	4,242
Directors' fees (cash settled)	75,000	60,000
<b>Total directors and employee benefits expense</b>	<b>321,834</b>	<b>294,438</b>
Investor relation expenses	119,366	127,672
Insurance expenses	147,974	143,917
Travel and accommodation	151,906	192,967
Office and other expenses	246,547	205,248
<b>Other expenses</b>	<b>665,793</b>	<b>669,804</b>
Consultants	481,410	33,418
Salary and wages	1,353,720	1,420,639
R&D partner	5,900,929	1,577,459
Other research expenses	149,031	559,032
<b>Total research expenses</b>	<b>7,885,090</b>	<b>3,590,548</b>

**Accounting policy for research costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 4. Remuneration of auditors**

During the financial year the following fees were paid or payable for services related to 30 June 2025 provided by PKF Perth, the auditor of the Company:

	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
<i>Audit services - PKF Perth</i>		
Audit or review of the financial statements	<u>50,250</u>	<u>51,500</u>
<i>Other services - PKF Perth</i>		
Tax Compliance	<u>7,000</u>	<u>4,000</u>
	<u><u>57,250</u></u>	<u><u>55,500</u></u>

**Note 5. Income tax**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(9,678,176)</u>	<u>(5,450,713)</u>
Tax at the statutory tax rate of 25%	<u>(2,419,544)</u>	<u>(1,362,678)</u>
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible amounts	<u>126,366</u>	<u>136,028</u>
	<u>(2,293,178)</u>	<u>(1,226,650)</u>
Deferred tax balances not recognised	<u>2,293,178</u>	<u>1,226,650</u>
Income tax expense	<u>-</u>	<u>-</u>
	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Transaction costs arising on shares issued	192,190	482,619
Carried forward revenue losses - Domestic	7,329,815	5,568,881
Other	38,790	22,984
<i>Deferred tax liabilities not recognised</i>		
Prepayments	<u>(28,171)</u>	<u>(9,593)</u>
Total net deferred tax assets not recognised	<u><u>7,532,624</u></u>	<u><u>6,064,891</u></u>

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 6. Cash and cash equivalents**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
<i>Current assets</i>		
Cash and cash equivalents	668,573	584,294
Cash on deposit	9,350,000	7,300,000
Cash - restricted*	180,000	-
	<u>10,198,573</u>	<u>7,884,294</u>

\*During the financial year, the Company received funds from investors relating to the exercise of share options. These funds were classified as restricted cash pending final issuance of shares. Subsequent to year-end, the investors elected to withdraw their option exercises, and the corresponding amounts were refunded. As a result, the restricted cash balance was adjusted accordingly.

**Note 7. Cash flow information**

*Reconciliation of loss after income tax to net cash used in operating activities*

	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Loss after income tax expense for the year	(9,678,176)	(5,450,713)
<i>Adjustments for:</i>		
Depreciation	181,060	161,760
Share-based payments	412,240	651,198
Foreign exchange differences	(14,534)	(36,606)
Interest on lease liabilities	20,083	17,902
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	6,316	(91,718)
Decrease/(increase) in prepayments	(2,219)	6,537
Increase in trade and other payables	1,269,581	21,838
Increase in employee benefits	23,834	12,438
Net cash used in operating activities	<u>(7,781,815)</u>	<u>(4,707,364)</u>

*Non-cash investing and financing activities*

	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Shares issued under employee share plan	<u>412,240</u>	<u>651,198</u>

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 8. Right-of-use assets**

	30 June 2025	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	<u>114,513</u>	<u>239,435</u>
	<u><u>114,513</u></u>	<u><u>239,435</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Total
	\$
<b>Balance at 1 July 2023</b>	<b>39,894</b>
Additions	301,897
Depreciation expense	<u>(102,356)</u>
<b>Balance at 30 June 2024</b>	<b>239,435</b>
Depreciation expense	<u>(124,922)</u>
<b>Balance at 30 June 2025</b>	<u><u>114,513</u></u>

**Note 9. Trade and other payables**

	30 June 2025	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	192,691	42,939
Other payables and accrued expenses	<u>1,341,339</u>	<u>48,272</u>
	<u><u>1,534,030</u></u>	<u><u>91,211</u></u>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

The 'Other Payables and accrued expenses' balance includes accrued expenses totaling \$1,091,968, which are payable to Imec for the service provided during the year ended 30 June 2025.

**Note 10. Lease liabilities**

	30 June 2025	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>131,312</u>	<u>122,829</u>
<i>Non-current liabilities</i>		
Lease liability	<u>-</u>	<u>128,403</u>
	<u><u>131,312</u></u>	<u><u>251,232</u></u>

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
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**Note 10. Lease liabilities (continued)**

*Maturity analysis - contractual undiscounted cash flows*

Less than one year	137,160	142,239
One to five years	-	134,122
More than five years	-	-
<b>Total undiscounted lease payables</b>	<b>137,160</b>	<b>276,361</b>

*i. AASB 16 related amounts recognised in the statement of profit or loss*

Interest on lease liabilities	20,083	17,902
Depreciation charged related to right-of-use assets	124,922	102,356
	<b>145,005</b>	<b>120,258</b>

*ii. AASB 16 related amount recognised in the statement of cash flow*

Annual cash outflows for leases	127,091	(111,332)
Finance cost on lease liability	(20,083)	(17,902)

Refer to **note 16** for further information on financial instruments.

**Note 11. Employee benefits**

	30 June 2025	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Provision for annual leave	62,906	44,323
Provision for Long service leave	17,852	11,615
	<b>80,758</b>	<b>55,938</b>
<i>Non-current liabilities</i>		
Provision for Long service leave	13,652	14,637
	<b>94,410</b>	<b>70,575</b>

**Note 12. Issued capital**

	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Shares	Shares	\$	\$
Issued capital	2,060,898,718	1,763,434,918	81,185,006	70,466,802
Capital raising costs	-	-	(4,527,388)	(3,547,909)
	<b>2,060,898,718</b>	<b>1,763,434,918</b>	<b>76,657,618</b>	<b>66,918,893</b>

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
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**Note 12. Issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	1,632,543,220		59,853,160
Exercise of unlisted options	30 August 2023	1,500,000	\$0.080	120,000
Exercise of unlisted options	30 August 2023	13,596,971	\$0.055	747,833
Exercise of unlisted options	25 August 2023	43,852,572	\$0.055	2,411,891
Exercise of unlisted options	8 September 2023	2,000,000	\$0.055	110,000
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	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)
<b>Balance</b>	<b>30 June 2024</b>	<b>1,763,434,918</b>		<b>66,918,893</b>
Placement shares	23 January 2025	152,777,777	\$0.036	5,500,000
Placement shares	10 February 2025	13,888,889	\$0.036	500,000
Share Purchase Plan shares	21 February 2025	72,221,974	\$0.036	2,600,000
Exercise of unlisted options	29 May 2025	29,260,645	\$0.036	1,053,383
Exercise of unlisted options	3 June 2025	7,569,692	\$0.036	272,509
Exercise of unlisted options	6 June 2025	3,789,017	\$0.036	136,405
Exercise of unlisted options	6 June 2025	500,000	\$0.055	27,500
Exercise of unlisted options	10 June 2025	17,383,332	\$0.036	625,800
Exercise of unlisted options	23 June 2025	72,474	\$0.036	2,609
Issue of options related to capital raising cost		-		(350,379)
Capital raising cost		-		(629,102)
<b>Balance</b>	<b>30 June 2025</b>	<b>2,060,898,718</b>		<b>76,657,618</b>

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
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**Note 12. Issued capital (continued)**

*Movements in options*

Details	Date	Options	\$
Balance beginning of the year	1 July 2023	170,298,882	5,820,927
Share based payment, employees' options		10,000,000	222,426
Share based payment, broker's options		3,000,000	64,074
Options exercised, employees'/consultants' options		(46,710,000)	-
Options expired		(2,800,000)	-
Amortisation of previously issued employee options		-	428,773
Free attaching options exercised		(70,781,698)	-
Option exercised, brokers' options		(13,400,000)	-
<b>Balance</b>	<b>30 June 2024</b>	<b>49,607,184</b>	<b>6,536,200</b>
Share based payment, KMP's options		20,000,000	33,096
Share based payment, broker's options		12,000,000	350,379
Amortisation of previously issued employee options		-	379,144
Free attaching options exercised		(58,575,160)	-
Options expired		(3,000,000)	-
Free attaching options issued		238,888,640	-
<b>Balance end of the year</b>	<b>30 June 2025</b>	<b>258,920,664</b>	<b>7,298,819</b>

***Accounting policy for issued capital***

***Ordinary shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

***Capital risk management***

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

**4DS Memory Limited**  
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**Note 13. Earnings per share**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of 4DS Memory Limited	<u>(9,678,176)</u>	<u>(5,450,713)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,864,782,317</u>	<u>1,733,138,815</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,864,782,317</u>	<u>1,733,138,815</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.52)	(0.31)
Diluted loss per share	(0.52)	(0.31)

**Note 14. Reserves**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	(61,400)	(61,773)
Share-based payment reserve	<u>7,298,819</u>	<u>6,536,200</u>
	<u>7,237,419</u>	<u>6,474,427</u>

*Movements in foreign currency reserve*

Movements in foreign currency translation reserve during the current and previous financial year are set out below:

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	(61,773)	(30,530)
Foreign exchange movement on translation of foreign operations	<u>373</u>	<u>(31,243)</u>
Balance at end of the year	<u>(61,400)</u>	<u>(61,773)</u>

**Accounting Policy for foreign currency reserve**

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

**4DS Memory Limited**  
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**Note 14. Reserves (continued)**

*Movements in share-based payment reserve*

Movements in share-based payment reserve during the current and previous financial year are set out below:

	\$
Balance at 1 July 2023	5,820,927
Share-based payment	651,198
Capital raising cost - share based payment	<u>64,075</u>
<b>Balance at 30 June 2024</b>	<b>6,536,200</b>
Share-based payment	412,240
Capital raising cost - share based payment	<u>350,379</u>
<b>Balance at 30 June 2025</b>	<b><u>7,298,819</u></b>

***Accounting policy for share-based payments reserve***

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

**Note 15. Share-based payment**

At 30 June 2025, the Group has the following share-based payment arrangements:

An Incentive Option Plan has been established by the Group, whereby the Group may grant options over ordinary shares in the Company to certain key management personnel and employees of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Group.

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

	Number of options 30 June 2025	Weighted average exercise price 30 June 2025	Number of options 30 June 2024	Weighted average exercise price 30 June 2024
Outstanding at the beginning of the financial year	44,000,000	\$0.058	93,910,000	\$0.034
Granted	32,000,000	\$0.036	13,000,000	\$0.137
Exercised	-	\$0.036	(60,110,000)	\$0.055
Expired	<u>(3,000,000)</u>	\$0.000	<u>(2,800,000)</u>	\$0.066
<b>Outstanding at the end of the financial year</b>	<b><u>73,000,000</u></b>	<b>\$0.000</b>	<b><u>44,000,000</u></b>	<b>\$0.058</b>

Set out below the reconciliation of outstanding share options during the 30 June 2025 :

4DS Memory Limited  
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Note 15. Share-based payment (continued)

30 June 2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
31/05/2022	31/05/2027	\$0.100	10,500,000	-	-	-	10,500,000
19/12/2022	18/12/2027	\$0.037	13,500,000	-	-	-	13,500,000
05/02/2024	05/02/2029	\$0.073	10,000,000	-	-	-	10,000,000
27/02/2023	27/02/2028	\$0.037	7,000,000	-	-	-	7,000,000
02/04/2024	30/06/2025	\$0.200	3,000,000	-	-	(3,000,000)	-
08/01/2025	28/02/2028	\$0.036	-	12,000,000	-	-	12,000,000
17/04/2025	30/12/2027	\$0.036	-	20,000,000	-	-	20,000,000
			<b>44,000,000</b>	<b>32,000,000</b>	-	<b>(3,000,000)</b>	<b>73,000,000</b>

Weighted average exercise price \$0.058 \$0.036 \$0.000 \$0.200 \$0.023

The weighted average share price during the financial year was \$0.059 (30 June 2024: \$0.073).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.5 years (30 June 2024: 3.07 years).

**A. Description of share-based payment arrangements**

The Group established share option programmes that entitle key management personnel, technical employees and consultant to purchase shares in the Company. Under these programmes, holders of vested options are entitled to purchase shares at the market price of the shares at grant date.

Grant date/Employees or Consultants	Number of options	Vesting conditions	Contractual life of options
On 8 January 2025/ Bell & Potter (Broker)	12,000,000	None	3 years
		(a) 50% of the options will vest on the date which is 12 months from date of issue	
		(b) 50% of the options will vest on the date which is 24 months from date of issue	
On 17 April 2025/Mr. Ting Yen	20,000,000	which is 24 months from date of issue	3 years
<b>Total share options granted during the year</b>	<b>32,000,000</b>		

**B. Measurement of fair values - equity settled share-based payment arrangements**

The fair value of the employee and consultant share options have been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring the fair value.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
08/01/2025	28/02/2028	\$0.043	\$0.036	100.000%	3.910%	\$0.0292
17/04/2025	30/12/2027	\$0.029	\$0.036	100.000%	3.340%	\$0.0163

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 15. Share-based payment (continued)**

The Company cannot estimate reliably the fair value of the brokerage or placement services, therefore measures using the Black & Scholes model with the expected volatility based on evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

On 8 January 2025, the Company issued 12,000,000 unlisted options exercisable at \$0.036 expiring 28 February 2028 to Bell and Potter valued at \$350,379 for the placement and share purchase plan. This amount has been capitalised to capital raising cost for the financial year ended 30 June 2025.

On 17 April 2025, the Company issued 20,000,000 unlisted options exercisable at \$0.036 expiring on 30 December 2027 to Mr. Ting Yen valued at \$326,484. Of which \$33,096 vested and recognised in profit or loss in financial year ended 30 June 2025.

**Accounting policy for share-based payment**

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 15. Share-based payment (continued)**

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Note 16. Financial instruments**

**Financial Risk Management Policies**

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables and lease liabilities.

The main purpose of non-derivative financial instruments is to raise finance for the Group's operations. The Group does not speculate in the trading of derivative instruments.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits as well as producing Finance reports to the Board on a monthly basis.

**Specific Financial Risk Exposures and Management**

The main risks the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group has determined that its exposure to commodity price risk would not have a material impact on its operating results.

**Market risk**

**Foreign currency risk**

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Group's financial results. The Group's exposure to foreign exchange risk is monitored by the Board. The majority of the Group's funds are held in Australian and United States dollars.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	\$	\$	\$	\$
US dollars	733,704	204,787	153,905	254,945
Euros	19,702	17,666	1,091,968	-
	<u>753,406</u>	<u>222,453</u>	<u>1,245,873</u>	<u>254,945</u>

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 16. Financial instruments (continued)**

The Group had net liabilities denominated in foreign currencies of \$492,467 (assets of \$753,406 less liabilities of \$1,245,873) as of 30 June 2025 (30 June 2024: net liabilities of \$32,492 (assets of \$222,453 less liabilities of \$254,945)). Based on this exposure, had the Australian dollars strengthened by 5% (30 June 2024: strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been \$24,623 higher (30 June 2024: loss before tax of \$1,625 higher) and equity would have been \$24,623 lower (30 June 2024: \$1,625 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2025 was \$ 13,910 (30 June 2024: loss of \$15,605).

**Price risk**

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to securities price risk on investments classified as available for sale. The investment in listed equities has been valued at the market price prevailing at reporting date. Management of this investment's price risk is by ongoing monitoring of the value with respect to any impairment. The Group is not exposed to any significant price risk.

**Interest rate risk**

Exposure to interest rate risk arises on financial assets and liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no interest-bearing debt arrangements have been entered into.

As at the reporting date, the Group had the following variable rate interest rate:

	30 June 2025		30 June 2024	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	3.38%	10,198,573	5.67%	7,884,294
Trade and other receivables	-	14,586	-	15,652
Interest receivable	4.51%	71,308	5.00%	76,068
Trade and other payables	-	(1,534,030)	-	(91,211)
Lease liabilities	10.51%	(131,312)	10.51%	(122,829)
Net exposure to cash flow interest rate risk		<u>8,619,125</u>		<u>7,761,974</u>

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk.

Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 16. Financial instruments (continued)**

The credit quality of the financial assets was high during the year. The table below details the credit quality of the financial assets at the end of the year:

	30 June 2025	30 June 2024
	\$	\$
Cash and cash equivalents held with financial institutions	<u>10,198,573</u>	<u>7,884,294</u>

**Liquidity risk**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Remaining contractual maturities**

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 June 2025	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	192,691	-	-	-	192,691
Other payables	-	1,341,339	-	-	-	1,341,339
<i>Interest-bearing - fixed rate</i>						
Lease liability	10.51%	131,312	-	-	-	131,312
Total non-derivatives		<u>1,665,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,665,342</u>

30 June 2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	91,211	-	-	-	91,211
<i>Interest-bearing - fixed rate</i>						
Lease liability	10.51%	122,829	128,403	-	-	251,232
Total non-derivatives		<u>214,040</u>	<u>128,403</u>	<u>-</u>	<u>-</u>	<u>342,443</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 16. Financial instruments (continued)**

***Fair value of financial instruments***

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 17. Key management personnel disclosures**

***Compensation***

The aggregate compensation made to Directors and other members of KMP of the Group is set out below:

	30 June 2025	30 June 2024
	\$	\$
Short-term employee benefits	1,220,990	1,025,466
Post-employment benefits	23,000	22,000
Long-term benefits	5,251	4,242
Share-based payments	397,697	604,083
	<u>1,646,938</u>	<u>1,655,791</u>

**Note 18. Related party transactions**

***Parent entity***

4DS Memory Limited is the parent entity.

***Subsidiaries***

Interests in subsidiaries are set out in **note 20**.

***Key management personnel compensation***

Disclosures relating to KMP remuneration are set out in **note 17** and **note 15**.

***Other transactions with related parties***

Purchases from and sales to KMP and their related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's KMP.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transaction	KMP and their related parties	Payable			
			Total expense	Total expense		
			30 June 2025	30 June 2025	30 June 2024	30 June 2024
Ignite Communications	Consultancy fee	Margie Livingston (Spouse of David McAuliffe)	23,500	-	29,000	-

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 18. Related party transactions (continued)**

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Sales Bonus Pool*

Refer to **note 21** for information on the sales bonus pool.

**Note 19. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Loss after income tax	<u>(9,646,915)</u>	<u>(5,624,433)</u>
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income loss	<u>(9,646,915)</u>	<u>(5,624,433)</u>

*Statement of financial position*

	<b>30 June 2025</b>	<b>30 June 2024</b>
	\$	\$
Total current assets	<u>10,161,753</u>	<u>7,815,667</u>
Total assets	<u>10,207,520</u>	<u>7,905,315</u>
Total current liabilities	<u>1,592,193</u>	<u>143,435</u>
Total liabilities	<u>1,605,844</u>	<u>158,072</u>
Equity		
Issued capital	83,244,593	73,505,866
Share-based payment reserve	7,298,819	6,536,200
Accumulated losses	<u>(81,941,736)</u>	<u>(72,294,823)</u>
Total equity	<u><u>8,601,676</u></u>	<u><u>7,747,243</u></u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2025.

*Contingent assets and liabilities*

The parent entity had no contingent assets and liabilities as at 30 June 2024 and 30 June 2025.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 20. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in **note 1**:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2025 %	30 June 2024 %
4DS Inc.	United States of America	100.00%	100.00%
4D-S Pty Limited (Dormant)*	Australia	100.00%	100.00%
Fitzroy Copper Pty Limited (Dormant) *	Australia	100.00%	100.00%
Fitzroy Employee Share Plan Pty Limited (Dormant) *	Australia	100.00%	100.00%

\*The Companies ABN were inactive.

**Note 21. Commitments and Contingent**

***Infineon Commitments***

On 8 January 2025, Infineon technologies LLC (“Infineon”) (a USA based subsidiary of Infineon Technologies AG) and the Company entered into a Design Agreement whereby Infineon will assign resources to design a custom ReRAM memory test chip for the Company, based on the Company’s 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. The remaining of US\$2.5 million commitment is to be payable within the next 12 months.

***Sales Bonus Pool Commitments***

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, 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:

	<b>Sale Bonus Pool</b>
Sale Value of US\$120m to US\$350m	5% of the sale value
Sale Value of US\$350m to US\$550m	US\$17.5m plus 6.25% of the excess above US\$350m
Sale Value above US\$550m	US\$30m plus 7.5% of the excess above US\$550m

As at 30 June 2025, the following structure all participation in the Sales Bonus Pool.

**4DS Memory Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 21. Commitments and Contingent (continued)**

**Participants**

**%**

David McAuliffe	17.50%
Howard Digby	7.50%
Guido Arnout	15.00%
Ting Yen	25.00%
Joseph Tzou	15.00%
Michael Hawran	5.00%
Peter Webse	5.00%

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

The Group has no contingent assets and liabilities as at 30 June 2025 and 30 June 2024.

**Note 22. Events after the reporting period**

On 18 August 2025, the Company announced the completion of a comprehensive root cause analysis of the 20nm Sixth Platform Lot, employing both physical and chemical techniques. The analysis confirmed that etch residues introduced during manufacturing led to electrical shorting of the memory devices. The Company is now engaging with its partners to review these findings and jointly assess the most effective strategic and technical development pathways and shareholders will be updated as these initiatives progress.

Also on the same day, the Company announced that Hitachi Global Storage Technologies (**HSGT**) had signed the 12<sup>th</sup> consecutive renewal of its Joint Development Agreement with the Company.

On 28 August 2025, the Company entered into a trading halt pending the release of an announcement in relation to the outcome of the engagement with the Company's development partners to jointly assess the most effective pathway forward for the Company's technology for 2025 and beyond.

No other matter or circumstance has arisen since 30 June 2025 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.

**4DS Memory Limited**  
**Consolidated entity disclosure statement**  
**As at 30 June 2025**

<b>Entity name</b>	<b>Entity type</b>	<b>Place formed / Country of incorporation</b>	<b>Ownership interest  %</b>	<b>Australian or Foreign  Tax resident</b>	<b>Jurisdiction for Foreign  tax residency</b>
4DS Memory Limited	Body Corporate	Australia	100%	Australian	N/A
4DS Inc.	Body Corporate	United States	100%	Foreign	United States
4D-S Pty Limited (Dormant)	Body Corporate	Australia	100%	Australian	N/A
Fitzroy Copper Pty Limited (Dormant)	Body Corporate	Australia	100%	Australian	N/A
Fitzroy Employee Share Plan Pty Limited (Dormant)	Body Corporate	Australia	100%	Australian	N/A

\* 4DS Memory Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

**4DS Memory Limited**  
**Directors' declaration**  
**30 June 2025**

In the Directors' opinion:

- the attached financial statements, notes and remuneration report comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in **note 1** to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



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David McAuliffe  
Executive Chairman

29 August 2025



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 4DS MEMORY LIMITED

### Report on the Financial Report

#### Opinion

We have audited the financial report of 4DS Memory Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2025, 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 year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of 4DS Memory Limited is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the consolidated entity 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## Key Audit Matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

### Share-based payments

#### Why significant

For the year ended 30 June 2025 the value of share-based payments totalled \$762,619 as disclosed in Notes 14 and 15. A total of \$412,240 has been expensed to the profit or loss statement, and \$350,379 has been recognised as a cost associated with the capital raising.

The consolidated entity's accounting judgement and estimates in respect of share-based payments is outlined in Note 15. We consider this to be a key audit matter due to significant judgement required in relation to:

- The significance of the share-based payment expense to the consolidated entity's financial position as at balance date and its financial performance of the year then ended;
- The valuation method used;
- The assumptions and inputs used within the model; and
- Application of vesting.

#### How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewed the valuations of options issued, including:
  - assessing the appropriateness of the valuation method used; and
  - assessing the reasonableness of the assumptions and inputs used within the valuation model.
- Reviewed Board meeting minutes and ASX announcements as well as enquired of relevant personnel to ensure all share-based payments had been recognised;
- Assessed the allocation and recognition to ensure reasonable; and
- Assessed the appropriateness of the related disclosures.

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the Directors determine is necessary to enable the preparation of:

- i) the financial report (other than the consolidated entity disclosure statements) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on the Remuneration Report

##### Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of 4DS Memory Limited for the year ended 30 June 2025, complies with section 300A of the Corporations Act 2001.

##### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*PKF Perth*

PKF PERTH

*Simon Fermanis*

SIMON FERMANIS  
PARTNER

29 August 2025  
PERTH, WESTERN AUSTRALIA

**4DS Memory Limited**  
**Shareholder information**  
**30 June 2025**

The shareholder information set out below was applicable as at 5 August 2025

As at 5 August 2025 there were 8,475 holders of Ordinary Fully Paid Shares

**VOTING RIGHTS**

The voting rights of the fully paid ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held. There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

**Equity security holders**

**TWENTY LARGEST SHAREHOLDERS**

The names of the twenty largest security holders of quoted equity securities are listed below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
Citicorp Nominees Pty Limited	64,344,815	3.12
BNP Paribas Nominees Pty Ltd IB AU Noms Retailclient	34,368,004	1.67
Mr Sam Huu Hai Nguyen	33,406,000	1.62
KZ 3 Pty Ltd	31,548,200	1.53
James Dorrian	26,434,570	1.28
Mr John Clement Cowie Love The JCC Love Family A/C	22,029,692	1.07
Vicex Holdings Proprietary Limited Vicex Super A/C	19,555,556	0.95
HSBC Custody Nominees (Australia) Limited	17,005,285	0.83
Mr John Love	16,424,775	0.80
Mr Kelland Munro MacCulloch	16,063,494	0.78
Fynaa Pty Ltd	15,473,677	0.75
Mr Peter Allan Learmont	12,610,027	0.61
Mr Anton De Silva Gunawardena & Mrs Therese Sasha Mariette Fernando Serotutor Superfund A/C	11,990,423	0.58
Mr Nathan Han Chan Nathan Chan Family A/C	11,377,379	0.55
Mr Brenton Charles Speechly & Mrs Margaret Mary Speechly Brenthill Super Fund A/C	10,556,505	0.51
Dr Thien Quang Nguyen Vanien Hybrid A/C	10,349,637	0.50
Eymard Holdings Pty Ltd Bartels Super Fund A/C	9,980,483	0.48
Finclear Services Pty Ltd Superhero Securities A/C	9,745,140	0.47
Dr Rohan Vanden Driesen	9,318,477	0.45
Mr Richard Stanley De Ravin	9,000,000	0.44
<b>Total Top 20</b>	<b><u>391,582,139</u></b>	<b><u>18.99</u></b>

**SUBSTANTIAL HOLDERS**

The Company has no substantial shareholders as at 5 August 2025.

**4DS Memory Limited**  
**Shareholder information**  
**30 June 2025**

**DISTRIBUTION OF EQUITY SECURITIES**

Analysis of number of equitable security holders by size of holding:

<b>Ordinary Fully Paid Shares</b>	<b>Number of holders</b>	<b>Total units</b>	<b>% Issued shares capital</b>
1 to 1,000	149	25,998	-
1,001 to 5,000	754	2,737,103	0.13
5,001 to 10,000	1,277	10,208,858	0.50
10,001 to 100,000	3,986	163,044,721	7.91
100,001 and over	2,309	1,884,882,038	91.46
	<u>8,475</u>	<u>2,060,898,718</u>	<u>100.00</u>
Number of shareholders holding less than a marketable parcel	<u>3,152</u>	<u>-</u>	<u>-</u>

**UMARKETABLE PARCELS**

The number of shareholders holding less than a marketable parcel is 3,152.

**UNQUOTED SECURITIES**

As at 5 August 2025, the following unquoted securities are on issue:

The following person(s) holds 20% or more of unquoted equity securities:

**5,107,184 Options expiring 31/3/2026 @ \$0.055 – 8 Holders**

<b>Holder Name</b>	<b>Holding</b>	<b>%</b>
HSBC Custody Nominees (Australia) Limited – A/C 2	3,500,000	68.53%

**10,500,000 Options expiring 31/05/2027 @ \$0.10 - 2 Holders**

<b>Holder Name</b>	<b>Holding</b>	<b>%</b>
Ting Yen	8,000,000	76.19%
Theng Kiat Tan	2,500,000	23.81%

**13,500,000 Options expiring 19/12/2027 @ \$0.037 - 3 Holders**

<b>Holder Name</b>	<b>Holding</b>	<b>%</b>
Ting Yen	12,000,000	88.89%

**20,000,000 Options expiring 30/12/2027 @ \$0.036 - 1 Holder**

<b>Holder Name</b>	<b>Holding</b>	<b>%</b>
Ting Yen	20,000,000	100.00%

**7,000,000 Options expiring 27/02/2028 @ \$0.037 – 2 Holders**

<b>Holder Name</b>	<b>Holding</b>	<b>%</b>
Ms Margaret Elizabeth Livingston	6,000,000	85.71%

**10,000,000 Options expiring 5/02/2029 @ \$0.073 - 1 Holder**

<b>Holder Name</b>	<b>Holding</b>	<b>%</b>
Mr Peter Himes	10,000,000	100.00%

**4DS Memory Limited**  
**Shareholder information**  
**30 June 2025**

**192,813,480 Options expiring 28/02/2028 @ \$0.036 – 398 Holders**  
**Holder Name**

**Holding**                      **%**

No holders holding 20% or more

-                                      -

**On Market Buy Back**

There is currently no on-market buyback program.

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