

ASX RELEASE

24 April 2017

MARCH QUARTER REPORT

4DS Memory Limited (ASX: 4DS) (**4DS**) (the **Company**) is pleased to attach its Appendix 4C Quarterly Report for the quarter ended 31 March 2017.

In addition, as previously disclosed to the market in a presentation dated 17 March 2017, the Company continues working towards the goal of providing latency (speed) data in May 2017.

-END-

Investors: David McAuliffe
Executive Director
+61 408 994 313
david@4dsmemory.com

About 4DS

4DS Memory Limited (ASX: 4DS), with facilities located in Silicon Valley, is a semiconductor development company of non-volatile memory technology, pioneering Interface Switching ReRAM (Non-Filamentary ReRAM), for next generation gigabyte storage in mobile and cloud. Established in 2007, 4DS owns a patented IP portfolio, comprising 17 US patents granted and 6 patents pending, which has been developed in-house to create high density storage class memory. 4DS has a joint development agreement with Western Digital subsidiary HGST, a global storage leader, which accelerates the evolution of 4DS' technology.

For more information, please visit www.4dsmemory.com.

Disclaimer

This release contains certain forward looking statements that are based on the Company's management's beliefs, assumptions and expectations and on information currently available to management. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results or performance of 4DS to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which 4DS will operate in the future, which are subject to change without notice. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast. To the full extent permitted by law, 4DS and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this release (including, but not limited to, any assumptions or expectations set out in the release).

You should not place undue reliance on these forward- looking statements. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward- looking statements.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

4DS MEMORY LIMITED (4DS)

ABN

43 145 590 100

Quarter ended ("current quarter")

31 March 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) research and development | (319) | (964) |
| (b) business development | (42) | (224) |
| (c) advertising and marketing | - | - |
| (d) leased assets | - | - |
| (e) staff and board remuneration | (32) | (321) |
| (f) administration and corporate costs | (104) | (410) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 3 | 7 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash (used in) operating activities | (494) | (1,912) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (8) | (27) |
| (b) businesses (see item 10) | - | - |
| (c) investments | - | 112 |
| (d) intellectual property | - | - |
| (e) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) businesses (see item 10) | - | - |
| | (c) investments - shares | | |
| | (d) intellectual property | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from investing activities | (8) | 85 |

| | | | |
|-------------|---|-------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | 4,000 |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | (234) |
| 3.5 | Proceeds from borrowings | - | 27 |
| 3.6 | Repayment of borrowings | (10) | (22) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | (10) | 3,771 |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase/(decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of quarter/year to date | 3,788 | 1,243 |
| 4.2 | Net cash (used in) operating activities (item 1.9 above) | (494) | (1,912) |
| 4.3 | Net cash from investing activities (item 2.6 above) | (8) | 85 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (10) | 3,771 |
| 4.5 | Effect of movement in exchange rates on cash held | (108) | (19) |
| 4.6 | Cash and cash equivalents at end of quarter | 3,168 | 3,168 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Bank balances | 3,168 | 3,788 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,168 | 3,788 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter \$A'000 |
|----------------------------|
| 93 |
| - |

Payment to Directors for Managing Director and the Chief Executive Officer.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter \$A'000 |
|----------------------------|
| - |
| - |

None

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|--|---|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |


None

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|------------|
| 9.1 Research and development | 372 |
| 9.2 Product manufacturing and operating costs | - |
| 9.3 Advertising and marketing | - |
| 9.4 Leased assets | - |
| 9.5 Staff board remuneration | 69 |
| 9.6 Administration and corporate costs | 140 |
| 9.7 Other (provide details if material) | - |
| 9.8 Total estimated cash outflows | 581 |

| 10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions | Disposals |
|--|--------------|-----------|
| 10.1 Name of entity | - | - |
| 10.2 Place of incorporation or registration | - | - |
| 10.3 Consideration for acquisition or disposal | - | - |
| 10.4 Total net assets | - | - |
| 10.5 Nature of business | - | - |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 24 April 2017

Print name: Peter Webse

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.