Developing next generation storage class memory

December 2016
Disclaimer and important notice

This presentation has been prepared by 4DS Memory Limited. ("4DS" or the "Company") based on information available to it as at the date of this presentation. The information in this presentation is provided in summary form and does not contain all information necessary to make an investment decision.

This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in 4DS, nor does it constitute financial product advice or take into account any individual’s investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this presentation but must make its own assessment of 4DS and conduct its own investigations. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. 4DS is not licensed to provide financial product advice in respect of its securities or any other financial products. Cooling off rights do not apply to the acquisition of 4DS securities.

Although reasonable care has been taken to ensure that the facts stated in this presentation are accurate and that the opinions expressed are fair and reasonable, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of 4DS, its officers, directors, employees and agents, nor any other person, accepts any responsibility and liability for the content of this presentation including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of or reliance on any of the information contained in this presentation or otherwise arising in connection with it.

The information presented in this presentation is subject to change without notice and 4DS does not have any responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of this presentation, which may affect any matter referred to in this presentation.

The distribution of this presentation may be restricted by law and you should observe any such restrictions.

Forward looking statements

This presentation 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 presentation (including, but not limited to, any assumptions or expectations set out in the presentation).
4DS Memory

We are a Silicon Valley memory technology developer listed on the ASX

We own 16 US patents developed over the past decade

We make Interface Switching (non-filamentary) ReRAM for next generation storage class memory

We enable higher-density memory to operate cooler, faster and longer

We have a strategic partnership with Western Digital subsidiary HGST, a global storage leader
Another First for 4DS - Significant Endurance Data

- Endurance was tested over a range of cell geometries from 50nm to 140 nm on two different wafers
- More than 1,000 cells tested
- In total nearly 1,000,000 cell states were changed
- The analysis of data indicates 4DS has functioning cells with correct memory operation, an essential feature for all memory manufacturers
- This significant milestone was achieved in collaboration with HGST, a subsidiary of Western Digital, the global leader in digital storage
- It is a first for the company and represents a significant and important step forward
- Additional individual cells were also tested and show endurance levels of well in excess of 10,000 cycles
Why is 97% significant?

To be relevant for Storage Class Memory endurance must have above 90% yield

- Memory manufacturers require yields in excess of 90%
- Above 90% is essential for mass market adoption of storage class memory
- Demonstrating the potential for ongoing and increasing levels of endurance is critical for a memory technology to be viable
- The current endurance results demonstrate that 4DS has consistently produced and tested working memory cells across a number of geometries from 50 nm to 140nm cells (and across separate wafers)
- The Company will continue to seek to replicate this endurance on smaller geometries and increase performance over all geometries to show statistically significant data trending
In October 4DS achieved a breakthrough 40nm milestone

• 4DS achieved working 40nm Interface Switching ReRAM cells for the first time in October 2016

• In the last 2 years, 4DS has consistently improved the scalability of cells from 800nm to 40nm

• 40nm represents a digital memory cell size which is smaller than existing non-volatile memory (NVM) technology, 3D Flash memory

• 40nm is vital for storage class memory – as the cells have no filaments, they are inherently scalable and do not have the same physical limitations as Flash or Filamentary ReRAM

• Patented technology demonstrates potential for 4DS to deliver memory cells which are significantly faster, cheaper and more energy efficient than existing Flash memory
Why is 40nm significant?

The biggest technical barrier for manufacturers of storage class memory is size

• Memory technology developers are in a race to achieve a resolution of 40nm
• Ability to scale down to 40nm is essential for mass market adoption of storage class memory
• Demonstrating the potential for ongoing scalability is critical for a memory technology to be viable
• 40nm is below the current size of conventional 3D Flash memory of between 45nm to 50nm
• The Flash market is estimated to be around US$40 billion
• 40nm represents the target cell size needed to prove the value of 4DS’ technology to memory makers
### Development timeline

<table>
<thead>
<tr>
<th>Today</th>
<th>Ongoing</th>
<th>2017 goals</th>
</tr>
</thead>
</table>
| - Produced 40nm cells, below 3D Flash geometries  
- Met endurance performance milestone  
- JDA with Western Digital subsidiary HGST renewed to 30 June 2017 | - Continue to test cells for cycling over well in excess of 10,000 cycles  
- Continue fabrication refinements, characterization and testing  
- Optimise scalability, endurance, access speed and retention | - Expect additional patents to be granted  
- Demonstrate viability of 4DS ReRAM for GB silicon storage  
- Attract a potential IP licensing deal or strategic acquisition to commercialise technology |
4DS Interface Switching ReRAM

Why is 4DS ReRAM the solution?

• Operates without filaments
  – allows the switching current to scale in line with cell size
• Scales well to smaller geometries
  – well suited for GB silicon storage required for mobile and cloud
• Demonstrates ongoing scalability potential
  – critical to meet the growing demands for storage class memory

The benefits of 4DS ReRAM

• Higher density / scalability
• Lower power consumption
• Greater endurance and reliability
• Faster access speed and performance
• Simpler manufacturing steps

With higher density memory that runs cooler, faster, longer, 4DS is well positioned to target the fast growing multi-billion-dollar NVM market
Joint development agreement with HGST

- HGST is a subsidiary of Western Digital Corporation, the leader in digital storage
- Strategic player in emerging high growth technologies
- Commenced in 2014 and renewed for the 2nd time in July 2016
- Goal is to optimise 4DS memory technology for storage class memory
- Collaboration provides access to HGST’s expertise
- Accelerates the evolution of 4DS’ Interface Switching ReRAM
- Cost effective way to demonstrate commercial viability of 4DS’ unique ReRAM technology
- Only known non-filamentary ReRAM technology with a JDA partner
Our strategy

- Deliver higher density memory that operates with lower power consumption, increased reliability and improved performance
- Develop and own all IP
- Leverage strategic partnership with HGST
- Focus on storage class memory for next generation mobile and cloud
- Demonstrate commercial viability and prove the value of our ReRAM solution
- Create significant shareholder value by continuing to achieve all critical technical milestones and potentially commercialise the technology in 2017
Summary

• 4DS is developing a next generation Interface Switching ReRAM memory solution which can store more data and can operate cooler, faster and longer compared to traditional storage memory
• Unique, patented IP, wholly owned and developed in-house over the past 10 years
• Development accelerating through strategic partnership with the leader in digital storage
• Low cash burn rate for an emerging memory technology developer
• World-class team of memory specialists, material scientists and test engineers
• Consistently achieves stated milestones
• Board experienced in founding, building and exiting high tech companies
• 4DS is well positioned to target a memory market that requires a storage class memory solution

We are addressing the massive memory storage demands of tomorrow
Appendix
Penetration of mobile devices, generation of digital content, proliferation of cloud storage, the emergence of the Internet of Things and the growth of connected devices drive the need for memory storage solutions.

NAND Flash (Flash) is a 30 year old non volatile memory (NVM) technology with diminishing ability to reliably scale to meet the exponential growth of data demands.

Industry experts cite resistive random access memory (ReRAM) as the leading emerging memory candidate to overcome the limitations of Flash, creating a multi-billion-dollar emerging NVM market.

4DS is developing breakthrough ReRAM technology for storage class memory— it enables higher density memory to run cooler, faster and longer than traditional technologies.

With a scalable 40nm cell, 4DS is demonstrating the potential for ongoing scalability, critical for a memory technology to be viable.

Unique, patented IP, wholly owned and developed in-house over the last 10 years.

A strategic partnership with HGST a subsidiary of Western Digital, a world leader in digital storage, is now into its 3rd year.

Experienced management team and industry respected memory specialists.
Board and management team
Global expertise founding and building high-tech companies

Jim Dorrian
Non-Executive Chairman
Served as CEO and director of several Silicon Valley companies. M&A and IPO experience gained through founding and managing successful technology exits as a partner at Crosspoint Venture Partners, a venture capital firm for early stage companies.

Dr Guido Arnout
CEO & Managing Director
Specific expertise with over 30 years in commercialising electronics technology from concept to product including Power-Escape, CoWare, CrossCheck Technology and Silvar-Lisco.

Howard Digby
Non-Executive Director
Former senior roles at IBM, Adobe, Gartner and the Economist Group. Non-Executive Director of Estrella Resources (ASX:ESR) and an advisor to a number of early stage technology companies.

David McAuliffe
Executive Director
Experienced company director. Involved in numerous capital raisings and in-licensing of technologies and founder of several companies in Australia, France and the UK, many of which are now publicly listed.

Michael Van Buskirk
Chief Engineering Officer
Executive roles with a number of leading memory companies in Silicon Valley including Adesto Technologies Corporation, Innovative Silicon Inc and Spansion Inc.
## Capital structure post placement

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASX Code</td>
<td>4DS</td>
</tr>
<tr>
<td>Market capitalisation (fully diluted)(^1)</td>
<td>$32.2 million</td>
</tr>
<tr>
<td>Ordinary shares on issue(^2)</td>
<td>777.9 million</td>
</tr>
<tr>
<td>Performance shares(^3)</td>
<td>67.6 million</td>
</tr>
<tr>
<td>Unlisted options(^4)</td>
<td>101.6 million</td>
</tr>
<tr>
<td>Pro forma cash (at 30 June 2016)(^5)</td>
<td>$5.2 million</td>
</tr>
</tbody>
</table>

1. Based on the placement share price of 3.4 cents and including 777.9 million ordinary shares, 67.6 million performance shares and 101.6 million unlisted options.
2. Including 117.6 million placement shares and 113.4 million escrowed shares on issue.
3. Escrowed 12 months and 24 months from relisting with expiry 31/12/18.
4. Including 66.5 million escrowed unlisted options.
5. Includes gross proceeds from the placement.
90% of the data in the world today was created in the last two years
Every 24 hours...

- 250 billion emails are sent
- 1 million video hours are uploaded
- 700 million tweets are posted
- 1.3 billion photos are uploaded
## Silicon storage facts

<table>
<thead>
<tr>
<th>Apple is the <strong>biggest buyer of Flash</strong> in the world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microsoft <strong>trialled an underwater data centre</strong> for 90 days to test its cooling benefits</td>
</tr>
<tr>
<td>Data centre space will grow to almost <strong>200 million square metres</strong> in 2018</td>
</tr>
<tr>
<td>In 2020, demand for silicon storage capacity will outstrip production by <strong>6 zettabytes</strong> (or nearly double the demand of 2013 alone)</td>
</tr>
<tr>
<td>Amazon Web Services <strong>adds more server capacity in a day than Amazon.com had a decade ago</strong></td>
</tr>
<tr>
<td>Consumers spend over <strong>US$2 trillion</strong> on content, devices and services every year</td>
</tr>
<tr>
<td>Household digital content is forecast to grow by <strong>150%</strong> in the next 5 years</td>
</tr>
<tr>
<td>The world is home to <strong>7.2 billion</strong> mobile devices which are multiplying <strong>five times</strong> faster than we are</td>
</tr>
</tbody>
</table>
The Looming Storage Crisis

The world is facing an impending crisis in memory storage as technology struggles to keep up with demand.

By 2020 demand for storage capacity will reach breaking point as the level of data created, replicated and consumed reaches 50 zettabytes – which is the equivalent of 12,500 billion DVD’s.¹

Flash memory, the incumbent technology, used in billions of mobile devices, tablets, laptops and data centres cannot scale smaller and cannot forever keep up with these levels of data generation.

Innovation is needed to meet the future demands for higher density storage that is faster, has greater endurance and is smaller than current technology.

¹ Source: International Data Corporation.
2D Flash versus 3D Flash

Flash currently dominates the silicon storage market

**2D Flash**
- 16nm to 20nm cell size
- Limits are # of electrons

**3D Flash**
- 45nm to 50nm cell size
- Limits are structural
Flash cannot scale forever

- It’s time for a memory innovation for GB silicon storage
- What is ReRAM?
  - resistive random access memory
  - non volatile: retains data when power is switched off
  - changes in material resistance works as the storage mechanism
- Scalability and low currents are essential for GB silicon storage
# ReRAM landscape

<table>
<thead>
<tr>
<th>Company</th>
<th>Exchange : Code</th>
<th>Market Cap</th>
<th>Type</th>
<th>Target Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crossbar</td>
<td>Private</td>
<td>n/a(^1)</td>
<td>Filamentary ReRAM</td>
<td>Internet of Things, wearables, SSDs</td>
</tr>
<tr>
<td>Weebit Nano</td>
<td>ASX : WBT</td>
<td>A$50.3 million(^2)</td>
<td>Filamentary ReRAM</td>
<td>Internet of Things, wearables</td>
</tr>
<tr>
<td>Adesto Technologies</td>
<td>NASDAQ : IOTS</td>
<td>US$33.6 million(^2)</td>
<td>Filamentary ReRAM</td>
<td>Internet of Things</td>
</tr>
<tr>
<td>Strategic Elements</td>
<td>ASX : SOR</td>
<td>A$26.9 million(^2)</td>
<td>Nano cube ReRAM</td>
<td>Printable memory</td>
</tr>
<tr>
<td>4DS Memory</td>
<td>ASX : 4DS</td>
<td>A$34.3 million(^3)</td>
<td>Non-filamentary ReRAM</td>
<td>Storage class memory - mobile, cloud</td>
</tr>
</tbody>
</table>

## Recent transactions

<table>
<thead>
<tr>
<th>Acquirer</th>
<th>Transaction</th>
<th>Date</th>
<th>Value</th>
<th>Technology</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Digital</td>
<td>Acquired startup Virident</td>
<td>2013</td>
<td>US$685 million</td>
<td>Flash controllers</td>
<td>Cloud</td>
</tr>
<tr>
<td>Western Digital</td>
<td>Acquired sTec</td>
<td>2013</td>
<td>US$340 million</td>
<td>Solid state drives</td>
<td>Cloud</td>
</tr>
<tr>
<td>Seagate</td>
<td>Acquired LSI</td>
<td>2014</td>
<td>US$540 million</td>
<td>Flash controllers</td>
<td>Mobile</td>
</tr>
<tr>
<td>Cypress</td>
<td>Merger with Spansion</td>
<td>2015</td>
<td>US$5 billion</td>
<td>Flash memory</td>
<td>Flash systems</td>
</tr>
<tr>
<td>Western Digital</td>
<td>Acquired Sandisk</td>
<td>2016</td>
<td>US$19 billion</td>
<td>Flash memory</td>
<td>Cloud</td>
</tr>
</tbody>
</table>

1. Raised US$85 million to date.
2. Fully diluted and based on last close at 28 November 2016.
3. Fully diluted and based on placement price of 3.4 cents.
# Two approaches to ReRAM

The 4DS memory cell uses no filament to switch therefore no scaling issues

<table>
<thead>
<tr>
<th>Filamentary ReRAM</th>
<th>4DS Interface Switching (Non-Filamentary) ReRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Switching currents</strong></td>
<td>High and don’t scale with cell size</td>
</tr>
<tr>
<td><strong>On-off current ratios</strong></td>
<td>Must be high due to widely fluctuating currents</td>
</tr>
<tr>
<td><strong>Scalability</strong></td>
<td>Limited by wire current densities due to constant switching currents</td>
</tr>
<tr>
<td><strong>Cycling endurance</strong></td>
<td>Constant filament formation and destruction results in eventual cell breakdown</td>
</tr>
<tr>
<td><strong>Data retention</strong></td>
<td>High switching currents needed for long data retention</td>
</tr>
<tr>
<td><strong>Market sweet spot</strong></td>
<td>Low density: IoT devices, small embedded memories</td>
</tr>
</tbody>
</table>
Why is 4DS ReRAM better placed?

4DS ReRAM technology is non-filamentary therefore has no filamentary scaling issues

4DS MOHJO™
- Metal Oxide Hetero Junction – patented cell structure and operation
- Oxygen exchange across hetero-junction
- A voltage pulse reversibly changes resistance
- Reversing voltage polarity switches resistance
- Non-filamentary switching mechanism

4DS patented ReRAM
- Inherently scales well beyond mainstream memories
- Ideal candidate to replace Flash as dominant future non volatile memory
## Corporate directory

**4DS Memory Limited**  
ABN 43 145 590 110  
ASX Code: 4DS  
www.4dsmemory.com  
david@4dsmemory.com

### Registered office
- Level 2, 50 Kings Park Road  
- West Perth WA 6005  
- AUSTRALIA  
- PO Box 271,  
- West Perth WA 6872  
- AUSTRALIA  
- +61 8 6377 8043

### US office
- 3155 Skyway Court  
- Fremont CA 94539  
- UNITED STATES