

4DS MEMORY LIMITED

ACN 145 590 110

PROSPECTUS

For the offers of:

- (a) 52,083,333 Shares to raise up to \$2,500,000 at an issue price of \$0.048 per Share to Eligible Shareholders, with the ability to accept oversubscriptions of up to an additional \$1,000,000 (**SPP Offer**); and
- (b) 5,000,000 Options, exercisable at \$0.08 each on or before the date that is two years from the date of issue of the Options, to the Lead Manager (or its nominees) (**Lead Manager Options Offer**),

(together, the **Offers**).

Mac Equity Partners (International) Pty Ltd (ACN 606 342 910) (AFSL: 338731) has agreed to underwrite \$2,500,000 of the SPP and act as Lead Manager to the Placement. Refer to Section 4.5 for further details.

SECURITY PURCHASE PLAN INFORMATION

The SPP is currently scheduled to close at 5:00pm (WST) on 14 December 2021. Valid applications must be received by that time. Details of how to apply for Securities are set out in the SPP Application Form accompanying this Prospectus.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Securities offered under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Drs. Willibrordus G.M. van den Hoek
Non-Executive Chairman

Dr Guido Arnout
CEO and Managing Director

David McAuliffe
Executive Director

Howard Digby
Non-Executive Director

Company Secretary

Peter Webse

ASX Code

4DS

Registered Office

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46-50 Kings Park Road
WEST PERTH WA 6005

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Share Registry*

Automic Share Registry
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267 St Georges Terrace
PERTH WA 6000

Telephone: +61 2 9698 5414

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors

PKF Perth
Level 5
35 Havelock Street
WEST PERTH WA 6005

Underwriter

Mac Equity Partners (International)
Pty Ltd
Suite 7, 29 The Avenue
NEDLANDS WA 6009

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date*
Record Date of SPP	24 November 2021
Announcement of SPP	25 November 2021
Lodgement of Prospectus with the ASIC and ASX	25 November 2021
Opening Date of the Offers	25 November 2021
Closing Date of the Lead Manager Options Offer	1 December 2021
Issue of Shares under the Placement	3 December 2021
Issue of Lead Manager Options	3 December 2021
Closing Date of the SPP Offer	14 December 2021
Issue of Shares under the SPP Offer	16 December 2021

* These dates are indicative only and may change without prior notice.

2.2 Important Notes

This Prospectus is dated 25 November 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 ASIC Instrument

In certain circumstances, a listed company may undertake a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**). The ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12-month period.

The ASIC Instrument only applies to the offer of securities under a share purchase plan where a company's securities have not been suspended from quotation on ASX for more than a total of five days during the shorter of:

- (a) the period during which the class was quoted; and

(b) the period of 12 months before the day on which the offer is made.

As the Company's securities were suspended from quotation for more than five days in the previous 12 months, the Company is unable to rely on the relief granted by the ASIC Instrument and, therefore, is undertaking the security purchase plan (**SPP**) under this Prospectus.

2.4 Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Lead Manager Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.4dsmemory.com). By making an application for Lead Manager Options under the Lead Manager Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

2.5 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.4dsmemory.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.6 Risk Factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

2.8 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offers. You should rely only on information in this Prospectus.

2.9 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

3. BACKGROUND TO THE OFFERS

3.1 Overview

As announced on 25 November 2021, the Company is intending to raise \$5,000,000 (with the ability to raise up to \$6,000,000) to fund its development plans, working capital requirements and maintenance of intellectual property via:

- (a) a placement of 52,083,333 Shares to professional and sophisticated investors at an issue price of \$0.048 per Share (**Placement Shares**) to raise up to a total of \$2,500,000 (**Placement**); and
- (b) a security purchase plan, pursuant to which the Company will seek to raise up to \$2,500,000 (**SPP**), through the issue of 52,083,333 Shares at an issue price of \$0.048 per Share (**SPP Shares**) with the ability to accept oversubscriptions of up to an additional \$1,000,000 (**SPP Offer**).

As detailed in the announcement released on 25 November 2021, the Company has received firm commitments from investors for the full amount to be raised under the Placement. As set out in the timetable in Section 2, the Company intends to issue the Placement Shares on 3 December 2021.

In addition, the Company is seeking to issue 5,000,000 Options exercisable at \$0.08 each on or before the date that is two (2) years from the date of issue (**Lead Manager Options**) to the Lead Manager (defined below) (or its nominees) in part consideration for services provided in respect of the Placement (the **Lead Manager Options Offer**).

Together, the SPP Offer and Lead Manager Options Offer are referred to as the **Offers**.

The Company intends to apply the funds raised under the Placement and the SPP towards its development plans, working capital requirements and maintenance of its intellectual property (refer to Section 5.1 for further detail).

3.2 Background to the Placement

As set out above, the Company has secured binding commitments under the Placement to raise \$2,500,000 through the issue of 52,083,333 Shares to sophisticated and professional investors. The Company expects to issue the Shares under the Placement on or around 3 December 2021 pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1.

3.3 Background to the SPP and the SPP Offer

As also set out above, the Company is offering Shareholders who were registered as holders of Shares at 5:00pm (WST) on 24 November 2021 (the **Record Date**) and whose registered address is in Australia and New Zealand (**Eligible Shareholders**) the opportunity to subscribe for a maximum of \$30,000 worth of new Shares at an issue price of \$0.048 per Share, to raise up to an aggregate of \$2,500,000 (before costs) under the Company's SPP. Oversubscriptions of up to an additional \$1,000,000 may be accepted under the SPP.

The SPP Shares offered under the SPP Offer are being offered pursuant to ASX Listing Rule 7.2, Exception 5. Further details in respect of the SPP Offer are set out in Sections 4.1 and 5.1.

3.4 Background to the Lead Manager Options Offer

As announced on 25 November 2021, the Company has engaged Mac Equity Partners (International) Pty Ltd (**Mac Equity**) (ACN 606 342 910) (AFSL: 338731) to act as the Lead Manager to the Placement and Lead Manager and underwriter to the SPP to the extent of \$2,500,000 (**Lead Manager** or **Underwriter**).

In consideration for its Lead Manager and underwriting services, the Company has agreed to pay/issue to Mac Equity:

- (a) a placement fee of 6% of the gross amount raised under the Placement (plus GST);
- (b) an underwriting fee of 6% of the total amount raised under the SPP (excluding any amount raised through oversubscriptions under the Share Purchase Plan) (plus GST); and
- (c) 5,000,000 options exercisable at \$0.08 each on or before the date that is two (2) years from the date of issue (being the **Lead Manager Options**).

Please refer to Sections 4.3 and 5.1 for further detail regarding the Lead Manager Options Offer.

4. DETAILS OF THE OFFERS

4.1 The SPP Offer

The SPP Offer is an offer to each Eligible Shareholder to subscribe for a maximum of \$30,000 worth of new Shares at an issue price of \$0.048 per Share to raise up to \$2,500,000, with the ability to accept oversubscriptions of up to an additional \$1,000,000. Fractional entitlements will be rounded up to the nearest whole number.

The Company will issue the SPP Shares pursuant to ASX Listing Rule 7.2, Exception 5 and, accordingly:

- (a) the total number of Shares issued under the SPP will not equate to more than 30% of Shares on issue at the issue date of the Shares; and
- (b) the issue price of the Shares is equal to or greater than 80% of the VWAP of Shares for the five days in which trading in the Shares occurred before the date of the announcement of the SPP Offer.

Any oversubscriptions to the SPP Offer will be deducted from the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

Two of the Directors intend to participate in the SPP as follows:

- (a) David McAuliffe for his full entitlement of \$30,000; and
- (b) Howard Digby for an amount up to \$15,000.

The other Directors are unable to participate on the basis that they reside overseas and are not eligible to participate in the Offer (refer to Section 4.2 for further details).

All of the Shares offered under the SPP Offer pursuant to this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the SPP Offer is set out in Section 5.1. The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Shares offered under the SPP Offer.

4.2 Eligibility to participate in SPP Offer

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was in Australia or New Zealand.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may only apply for one parcel of Shares with a value of up to \$30,000. The Company reserves the right to reject any application for Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

4.3 The Lead Manager Options Offer

The Lead Manager Options Offer is an offer of 5,000,000 Options to the Lead Manager (or its nominees) in part consideration for services provided to the Company in respect of the Placement.

The Lead Manager Options will be exercisable at \$0.08 each on or before the date that is two (2) years from the date of issue and otherwise on the terms set out in Section 6.1. All of the Shares issued upon exercise of the Lead Manager Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Lead Manager Options Offer is set out in Section 5.1.

4.4 Minimum subscription

There is no minimum subscription to the Offers.

4.5 Underwriting

The SPP Offer is underwritten up to an amount of \$2,500,000 by Mac Equity. The terms of the Underwriting Agreement with Mac Equity are summarised in Section 8.4.

4.6 Lead Manager

As set out above, the Company has appointed Mac Equity as Lead Manager to the Placement and SPP.

Further details in respect of the appointment of the Lead Manager and the fees payable to the Lead Manager are set out in Section 3.4 above.

4.7 Applications

SPP Shares under the SPP Offer

Eligible Shareholders may apply under the SPP Offer by making payment in accordance with the instructions outlined below so that the payment is received by **no later than 5.00pm (WST) on the SPP Closing Date**.

An electronic copy of your personalised SPP Application Form is accessible at <https://investor.automic.com.au/#/home>. You will need to provide your Security Holder Reference Number or Holder Identification Number and postcode to access the Single Holding Access Portal.

Eligible Shareholders will need to follow the instructions provided including making payment via BPAY®.

If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (a) return your application monies and not issue any Shares to you; or

- (b) issue to you the number of Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application monies to you by cheque as soon as possible, without interest.

The Company confirms that if the amount to be refunded is less than the issue price of one Share, being \$0.048, it will not be refunded and will be retained by the Company.

Once an application has been made it cannot be revoked.

Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of \$30,000 worth of Shares. Eligible Shareholders may participate by selecting one of the following options to purchase Shares under the SPP Offer:

	SPP Application Amount	Number of Shares which may be purchased
Offer A	\$2,000	41,667
Offer B	\$5,000	104,167
Offer C	\$10,000	208,334
Offer D	\$15,000	312,500
Offer E	\$20,000	416,667
Offer F	\$30,000	625,000

Where the amount applied for results in a fraction of a Share the number of Shares issued will be rounded up to the nearest whole Security.

If you require assistance in completing a SPP Application Form, please contact the Company on +61 8 6377 8043 or the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Lead Manager Options under the Lead Manager Options Offer

The Lead Manager Options Offer will only be extended to the Lead Manager (or its nominees). Accordingly, the Lead Manager Options Offer Application Form will only be provided to the Lead Manager (or its nominees) and must be received by **no later than 5.00pm (WST) on the Lead Manager Options Offer Closing Date**.

No subscription monies are payable for the Lead Manager Options offered pursuant to this Prospectus as the Lead Manager Options are being issued in part consideration for services provided to the Company (refer to Section 3.4 for further detail).

4.8 Scale Back and Oversubscriptions

In the event that the Company receives applications for in excess of \$2,500,000 under the SPP, the Company reserves the absolute discretion to scale back applications or accept oversubscriptions up to a further \$1,000,000 under the SPP Offer to the extent and in the manner it sees fit. If the Company undertakes a scale back, you will receive the number of SPP Shares determined by the Company in its absolute discretion which may be less than the number of Shares applied for. In this case, the difference between the application monies received

and the number of SPP Shares allocated to you multiplied by the issue price per SPP Share will be refunded to you by direct credit (to your nominated account recorded on the Company's share register) or by cheque as soon as practicable, without interest.

If the Company elects to accept oversubscriptions, the Company will notify the market of this decision when it announces the results of the SPP.

4.9 Issue of Securities

Issue of Securities under the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus. Application monies will be held in a separate subscription account until the Securities are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any Securities are issued and each Applicant waives the right to claim any interest.

4.10 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of this Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company will not apply for Official Quotation of any of the Options issued pursuant to this Prospectus.

4.11 Enquiries

Any questions concerning the Offers should be directed to Peter Webse, Company Secretary, on +61 8 6377 8043.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Placement and the Offers

Placement and SPP Offer

The primary purpose of the SPP Offer and the Placement is to raise \$5,000,000 (before costs and assuming full subscription), with the ability to raise up to \$6,000,000.

The funds raised from the SPP Offer together with the Placement are planned to be used in accordance with the table set out below:

Proceeds of the SPP Offer and Placement ¹	Minimum Subscription (\$5,000,000)	%	Maximum Subscription (\$6,000,000)	%
Research and Development ²	3,740,670	74.81%	4,504,823	75.08%
Working capital	889,933	17.80%	1,124,092	18.74%
Expenses of the Offers (including the Lead Manager Fees) ¹	369,397	7.39%	371,085	6.18%
Total	\$5,000,000	100.0%	\$6,000,000	100.00%

Notes:

1. Refer to Sections 3.4 and 8.9 for further details relating to the fees payable to the Lead Manager and the estimated expenses of the Offers (respectively).
2. Research and development includes the development of the Company's Interface Switching ReRAM, including the 2022 work to be performed at imec and maintenance of intellectual property.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the Placement and SPP Offer, the Board believes the Company will have sufficient working capital to achieve the above objectives.

Lead Manager Options Offer

The Lead Manager Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Lead Manager Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Lead Manager Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised under the Lead Manager Options Offer as the Lead Manager Options are being issued for nil cash consideration in part consideration for services provided to the Company by the Lead Manager.

5.2 Effect of the SPP Offer and the Placement

The principal effect of the Offers and the Placement, assuming the Company issues the maximum number of Securities under the Offers will be to:

- (a) increase the cash reserves by \$6,000,000 (before deducting the estimated expenses of the Placement and the SPP Offer) immediately after completion of the Placement and the SPP Offer;
- (b) increase the number of Shares on issue from 1,322,074,841 to 1,447,074,841 Shares; and
- (c) increase the number of Options on issue from 79,360,600 to 84,360,600 Options following completion of the Lead Manager Options Offer.

5.3 Effect on capital structure

The effect of the Offers and the Placement on the Company's capital structure is set out below.

Shares ¹	Minimum Subscription (\$5,000,000)	Maximum Subscription (\$6,000,000)
Shares currently on issue ¹	1,322,074,841	1,322,074,841
Shares offered under the Placement ²	52,083,333	52,083,333
Shares offered under the SPP Offer	52,083,333	72,916,667
Total Shares on issue on completion of the Placement and Offers	1,426,241,507	1,447,074,841

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 6.2.
2. These Shares will be issued on or around 3 December 2021, after the date of this Prospectus but while the SPP Offer is open.

Options	Minimum Subscription (\$5,000,000)	Maximum Subscription (\$6,000,000)
Options exercisable at \$0.052 each on or before 22 January 2024	25,780,000	25,780,000
Options exercisable at \$0.052 each on or before 28 August 2024	2,600,000	2,600,000
Options exercisable at \$0.064 each on or before 29 November 2025	20,000,000	20,000,000
Options exercisable at \$0.042 each on or before 27 October 2022	30,980,600	30,980,600
Options offered under the Lead Manager Offer ¹	5,000,000	5,000,000

Total Options on issue on completion of the Placement and Offers⁴	84,360,600	84,360,600
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Notes:

- The terms of the Lead Manager Options are summarised in Section 6.1. Refer to Section 3.4 for further detail regarding the terms of engagement of the Lead Manager.

5.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2021 and the pro-forma balance sheet as at 30 June 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

	4DS Audited 30 June 2021	Capital raise (no oversubscriptions)	Expenses of the offer	United Proforma of completion of capital raise (no oversubscriptions)
CURRENT ASSETS				
Cash and cash equivalents	4,298,794	5,000,000	(369,397)	8,929,397
Trade and other receivables	11,376			11,376
Other assets	4,628			4,628
Prepayment	46,723			46,723
TOTAL CURRENT ASSETS	4,361,521	5,000,000	(369,397)	8,992,124
NON-CURRENT ASSETS				
Plant and equipment	377,851			377,851
Right-Of-Use Asset	237,502			237,502
TOTAL NON-CURRENT ASSETS	615,353			615,353
TOTAL ASSETS	4,976,874	5,000,000	(369,397)	9,607,477
CURRENT LIABILITIES				
Trade and other payables	735,108			735,108
Provisions	38,611			38,611
Finance Lease Liabilities	100,911			100,911
TOTAL CURRENT LIABILITIES	874,630			874,630
NON-CURRENT LIABILITIES				
Finance Lease Liabilities	158,187			158,187

	4DS Audited 30 June 2021	Capital raise (no oversubscriptions)	Expenses of the offer	United Proforma of completion of capital raise (no oversubscriptions)
TOTAL NON-CURRENT LIABILITIES	158,187			158,187
NET ASSETS	3,944,057	5,000,000	(369,397)	8,574,660
EQUITY				
Issued capital	50,332,485	5,000,000		55,332,485
Cost of Capital	(2,407,199)		(369,397)	(2,776,596)
Reserves	4,326,280			4,326,280
Accumulated losses	(48,307,509)			(48,307,509)
TOTAL EQUITY	3,944,057	5,000,000	(369,397)	8,574,660

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted for the maximum number of Securities offered, no oversubscriptions are received, no existing Options are exercised prior to the Record Date and including expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to the Options and Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Securityholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 Terms and conditions of the Lead Manager Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.08 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before the date that is two (2) years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6.2 Rights and liabilities attaching to Shares

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain,

be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Going Concern

The Company's audited annual financial report for the year ended 30 June 2021 includes an explanatory note in the Company's accounts to the following effect:

"The net assets of the Group totalled \$3,944,057 (2020: \$1,616,707). Cash on hand at 30 June 2021 totalled \$4,298,794 (2020: \$2,509,785) and net operating cash outflow of \$5,558,208 (2020: \$3,766,897) for the year ended 30 June 2021.

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.

In the event that the Group does not achieve the above actions, there exists a material uncertainty as to whether the Group will be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business."

(b) **Development risk**

The Company's products are the subject of continuous development and need 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 Company 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 Company's results and viability.

(c) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The effects of COVID-19 on the Company's share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(d) **Competition**

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

(e) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary

structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(f) **Intellectual property risk**

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

(g) **Data loss, theft or corruption**

The Company stores data in its own systems and networks and also with a variety of third party service providers. Corruption, theft or loss of the data as a result of misuse, exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure, which may lead to a decrease in the number of customers.

(h) **Personal information collection risk**

The Company collects, stores and processes highly sensitive, highly regulated and confidential information. The provision of secure and reliable information storage and processing services is integral to the businesses and operations of the Company in the semiconductor memory industry.

While the Company has in place strict policies and procedures when collecting data, if the Company's systems or data is compromised for any reason there is a risk that the Company may become involved in legal action due to breaching data confidentiality agreements.

(i) **Product quality risks**

The Company is dependent on the effective performance, reliability and availability of its technology platforms, software, third party data centres and communication systems. Therefore, there is a risk that the infrastructure and technology solutions supplied by the Company may not be functional, faulty, or not meet customers' expectations. This may lead to requirements for the Company to repair or improve its products after sale and or installation, which may diminish operating margins or lead to losses.

For those systems which the Company retains in ownership and operates on behalf of the customer under long term agreements, or which the Company maintains under long term maintenance agreements, the Company may be made responsible as well if such systems are not

functional or faulty. The Company may also face claims from customers if the product does not meet standards contractually agreed upon.

(j) **Security**

As with all technology companies, the Company is reliant on the security of its products and associated technologies. Breaches of security could impact user satisfaction and confidence in its products, and some breaches, including cyber-attacks, could render the services and related products unavailable through a disrupted denial of service or other disruption. Unavailability of the Company's services could impact the Company's financial performance. Further, it could hinder the Company's ability to retain existing customers.

(k) **Technology risk**

The Company's market involves rapidly evolving products and technological change. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. The Company 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 Company's products and services obsolete or non-competitive.

(l) **Legal proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company including enforcing or defending its intellectual property rights against infringement and unauthorised use by the competitors or in relation to a contract dispute. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

7.3 Industry specific

(a) **Development and commercialisation of technologies**

While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Company's memory technology not being differentiated to other similar offerings.

The size and financial strength of some of the Company's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, the Company's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

(b) **Product liability**

As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.

(c) **Information technology risk**

With any technical project there are risks with the chosen technology, vendors and employees and in execution. Whilst the Company has employed and engaged subject-matter experts, employs experienced persons, standard security technologies and approaches there are risks that delivery will fail to meet expectations or deadlines, that technologies become obsolete, natural disasters occur, the Company is the subject of a fraud or malicious attack or platforms are compromised resulting in a negative impact on the Company's performance.

(d) **Loss of customers**

The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.

7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the

Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its technical programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Market acceptance**

The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns.

Accordingly, there is a risk that the Company may not be able to commercialise its products, which could adversely impact the Company's operations.

(e) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
25/11/2021	Successful \$2.5 Million Placement and Launch of SPP
23/11/2021	Trading Halt
23/11/2021	Cancel – Proposed Issue of Securities
04/11/2021	Reinstatement to Official Quotation
04/11/2021	4DS Technical Update
01/11/2021	Extension of Voluntary Suspension
01/11/2021	Quarterly Activity Report & Appendix 4C

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website: www.4dsmemory.com.

8.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.1775	25 August 2021
Lowest	\$0.056	10 November 2021 and 11 November 2021
Last	\$0.059	22 November 2021

8.4 Underwriting Agreement

On 22 November 2021, the Company entered into an underwriting agreement with Mac Equity pursuant to which Mac Equity agreed to underwrite the SPP Offer for an amount equal to up to \$2,500,000 worth of Shares (**Underwriting Agreement**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay Mac Equity an underwriting of 6% of the total amount raised under the SPP (excluding any amount raised through oversubscriptions under the Share Purchase Plan) (plus GST).

The Underwriter may appoint one or more sub-underwriters to sub-underwrite the Offer.

Mac Equity may terminate its obligations under the Underwriting Agreement if any of the following events occur:

- (a) **(Certificate)** a Certificate which is required to be furnished by the Company is not furnished by the time specified or any statement in a Certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect;
- (b) **(Indices fall)** the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7.5% or more or more below its respective level as at the close of business on the Business Day prior to the date of the agreement;
- (c) **(ASIC action)** either:
 - (i) an application is made by ASIC for an order under Part 9.5 in relation to the Offers or this Prospectus;
 - (ii) ASIC issues or threatens to issue proceedings in relation to the Offers, or commences any hearing, inquiry or investigation in relation to the Offers; or
 - (iii) ASIC commences or gives notice of an intention to commence a prosecution of the Issuer or investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Offers or this Prospectus;
- (d) **(Regulatory action)** any regulatory body withdraws, revokes or amends any regulatory approval or there is an application to a Government Agency for an order, declaration or other remedy, or a Government Agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Offers (or any part of them) or any agreement entered into in respect of the Offers (or any part of them);

- (e) **(ASX approval)** ASX makes an official statement to any person, or indicates to the Company or any Underwriter (whether or not by official statement) that:
 - (i) official quotation of all of the Shares will not be granted by ASX or will be granted subject to conditions that are not reasonably acceptable to Mac Equity or such approvals will not be given by the Trading Date (or such later date agreed in writing by Mac Equity in its absolute discretion) or is withdrawn, qualified or withheld on or before the Trading Date;
 - (ii) any Shares of the Company will be suspended from quotation by the ASX; or
 - (iii) the Company will be removed from the official list of the ASX;
- (f) **(New circumstances)** a new circumstance that would be adverse from the point of view of an investor arises that would have been required to be disclosed in this Prospectus had it arisen before this Prospectus was lodged with ASX;
- (g) **(Securityholder approval)** the Company is or becomes required to obtain the approval of any class of security holder pursuant to the Listing Rules, the Act or any other applicable law in order to issue the Shares;
- (h) **(Disclosures in Company Information)** the Company Information includes:
 - (i) a statement which is or becomes misleading or deceptive or likely to mislead or deceive; or
 - (ii) any forecasts, expressions of opinion, intention or expectation which are not based on reasonable grounds;
- (i) **(Capital structure)** there is an alteration to the Company's capital structure or Constitution, without the prior consent of Mac Equity or as otherwise provided in this agreement, or a breach of the Constitution occurs;
- (j) **(Compliance with regulatory requirements)** the Company commits a material breach of the Corporations Act, Listing Rules, the Constitution, or other applicable laws, or has failed to comply with its continuous disclosure obligations or its Constitution;
- (k) **(Offences by directors)** any of the following occurs:
 - (i) a director or officer (as that term is defined in the Corporations Act) of the Company is charged with an indictable offence;
 - (ii) any administrative, regulatory, self-regulating body, court or other judicial body commences any public action against any such person in their capacity as such in relation to any fraudulent conduct or activity whether or not in connection with the Offers or the Company engages in fraudulent activity; or
 - (iii) any director of the Company is disqualified from managing a corporation under the Corporations Act;

- (l) **(Withdrawal)** the Company withdraws the Offers, or it does not proceed in accordance with this agreement;
- (m) **(Insolvency)** any member of the Group becomes Insolvent or there is an act or omission which is reasonably likely to result in any member of the Group becoming Insolvent;
- (n) **(Material adverse change)** any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Issuer, or the Group including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company, and the Group from those respectively disclosed in the ASX Materials or any adverse information arises or is released to ASX after the date of this agreement that can reasonably be expected to have a material adverse effect on the market price of the Shares;
- (o) **(Timetable)** any event specified in the Timetable is delayed for 3 or more Business Days without the prior written consent of Mac Equity (such consent not to be unreasonably withheld or delayed);
- (p) **(Disclosures)** the Due Diligence Questionnaire or any other information supplied by or on behalf of the Company to Mac Equity in relation to the Group, the Offers or this Prospectus is or becomes misleading or deceptive, including by way of omission;
- (q) **(Market or trading disruption):** there is
 - (i) a suspension or material limitation in trading in securities on ASX, the New York Stock Exchange, NASDAQ, the London Stock Exchange or the Hong Kong Stock Exchange or any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom, the United States of America, a member state of the European Union or the international financial markets; or
 - (ii) a general moratorium on commercial banking activities is declared by the relevant central banking authority in any of those countries;
- (r) **(Change in law)** there is introduced into the Parliament of Australia or any State of Australia, a law or prospective law, or any new regulation is made under any statute, or a Government Agency adopts a policy, or there is any announcement that such a law, prospective law or regulation may be introduced or policy may be adopted (except where such law is announced or generally known to the market prior to the date of this agreement), any of which does or is likely to prohibit or restrict the Offers;
- (s) **(Hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the United States, Australia, New Zealand, the United Kingdom, France, Germany, Russia, North Korea, South Korea, China, Japan or a member state of the European Union or the declaration by any of these countries of a national emergency or war or a major terrorist act is perpetrated in any of these countries;

- (t) **(Misrepresentation)** a representation, warranty or undertaking made or given by the Company under this agreement proves to be or becomes, untrue or incorrect;
- (u) **(Breach)** the Company fails to perform or observe any of its obligations or breaches any term or condition under this agreement;
- (v) **(Legal proceedings)** legal proceedings against the Company or against any director of the Company in that capacity is commenced or any regulatory body commences any enquiry or public action against a group member;
- (w) **(Licences)** any licence, permit, authorisation or consent held by any group member that is necessary to conduct its business is revoked, withdrawn, rescinded, breached, terminated, altered or amended (other than with the consent of Mac Equity);
- (x) **(Change in management)** a change in the senior management of the Company or in the board of directors of the Company is announced or occurs, other than one which has already been disclosed to ASX before the date of this agreement;
- (y) **(Force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request compliance with which is in accordance with the general practice of persons to whom the request is addressed of any Governmental Agency which makes it illegal for Mac Equity to satisfy an obligation under this agreement, or to market or promote the Offers; or
- (z) **(Unauthorised public statements)** the Company issues a public statement concerning the Offers which has not been approved by Mac Equity in breach of the Underwriting Agreement.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to Mac Equity that are considered standard for an agreement of this type.

8.5 Details of substantial holders

Based on publicly available information as at 24 November 2021, the Company has no substantial shareholders.

The Company has confirmed that no existing Shareholder will increase its Shareholding to above 19.9% as a result of the Placement or the Offers. Mac Equity may procure any person to sub underwrite such portion of the SPP Shares as Mac Equity in its absolute discretion, thinks fit. Notwithstanding this right Mac Equity will use its best endeavours so that no person will acquire, through participation in sub-underwriting the SPP Offer, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the SPP Offer.

8.6 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
David McAuliffe	6,975,647 ¹	7,000,000 ²
Drs. Willibrordus van den Hoek	Nil	20,000,000 ³
Guido Arnout	3,030,053	21,380,000 ⁴
Howard Andrew Digby	6,211,954 ⁵	1,250,000 ⁶

Notes:

1. Consisting of 2,767,740 held directly by David McAuliffe and 4,207,907 Shares held indirectly by David Jeremiah McAuliffe ATF The Lazy D9M Investment Trust.
2. Held by Margaret Elizabeth Livingston, exercisable at \$0.052 on or before 22 January 2024.
3. Exercisable at \$0.064 each on or before 29 November 2025 with 5,000,000 vesting following the completion of 6 months service to the Company and the remaining 15,000,000 options vesting quarterly over the following 10 quarters subject to the holder remaining a Director of the Company.
4. Consisting of 14,000,000 options exercisable at \$0.042 each on or before 27 October 2022 and 7,380,000 options exercisable at \$0.052 each on or before 22 January 2024.
5. Consisting of 1,737,004 Shares held directly by Howard Digby and 4,474,950 Shares held indirectly by Lamma Nominees Pty Ltd ATF XL Middleton A/C.
6. Exercisable at \$0.052 each on or before 22 January 2024.

Remuneration

The remuneration of an Executive Director is decided by the Board, without the affected Executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise

performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Remuneration for the year ended 30 June 2019	Remuneration for the year ended 30 June 2020	Remuneration for the year ended 30 June 2021
David McAuliffe ¹	\$654,926	\$311,445	\$335,379 ³
Drs Willibrordus van den Hoek ²	-	-	\$1,085,507 ⁴
Guido Arnout ¹	\$697,836	\$524,396	\$435,086 ⁵
Howard Andrew Digby ¹	\$44,976	\$48,785	\$36,908 ⁶

Notes:

1. Appointed as a Director on 7 December 2015.
2. Appointed as a Director on 30 November 2020.
3. Comprising of \$275,000 in fees and salary, superannuation of \$21,694 and share-based payments of \$38,685.
4. Comprising of \$29,167 in fees and salary and share-based payments of \$1,056,340.
5. Comprising of \$394,301 in fees and salary and share-based payments of \$40,785.
6. Comprising of \$30,000 in fees and salary and share-based payments of \$6,908.

8.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$14,821.91 (excluding GST and disbursements) for legal services provided to the Company.

Mac Equity Partners (International) Pty Ltd (ACN 606 342 910) (AFSL:338731) has acted as the Lead Manager and Underwriter to the Company in relation to the Placement and the SPP Offer. The fees the Lead Manager will receive for these services are set out in Section 3.4. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mac Equity has not received any fees from the Company.

8.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in this Prospectus with their consent as Proposed Directors, any underwriters, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Mac Equity Partners (International) Pty Ltd (ACN 606 342 910) (AFSL:338731) has given its written consent to being named as the Lead Manager and Underwriter to the Company in this Prospectus. Mac Equity has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

PKF Perth has given its written consent to being named as the auditors to the Company in this Prospectus and to the inclusion of the Company's audited balance sheet as at 30 June 2021. PKF Perth has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.9 Estimated expenses of Offers

The total expenses of the Placement and Offers are estimated to be approximately \$371,085 (excluding GST) and are expected to be applied towards the items set out in the table below:

Expense	With no Oversubscriptions (\$5,000,000) (\$)	With Oversubscriptions (\$6,000,000) (\$)
ASIC Fees	3,206	3,206
ASX Fees	14,191	15,879
Mac Equity Fees	600,000	600,000
Legal Fees	25,000	25,000
Miscellaneous, printing and other expenses	27,000	27,000
Total	669,397	671,085

8.10 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 6377 8043 and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

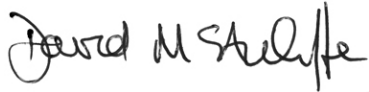
You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



David McAuliffe
Director
For and on behalf of
4DS Memory Limited

10. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares or Lead Manager Options pursuant to either of the Offers.

Application Form means an application form either attached to or accompanying this Prospectus in respect of either of the Offers.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Company means 4DS Memory Limited (ACN 145 590 110).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder has the meaning given to that term in Section 3.3.

Entitlement means the entitlement of an Eligible Shareholder to participate in the SPP Offer.

Lead Manager means Mac Equity Partners (International) Pty Ltd (ACN 606 342 910) AFSL: 338731.

Lead Manager Options Offer has the meaning given to that term on the cover page of this Prospectus.

Lead Manager Options Offer Application Form means the Application form for the Lead Manager Options Offer.

Lead Manager Options Offer Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Mac Equity means Mac Equity Partners (International) Pty Ltd (ACN 606 342 910) AFSL: 338731.

Offers means the SPP Offer and the Lead Manager Options Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Placement has the meaning given to that term in Section 3.1.

Placement Shares has the meaning given to that term in Section 3.1.

Prospectus means this prospectus.

Record Date means the record date of the SPP, being 5.00pm (WST) on 24 November 2021.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Registry means Advanced Share Registry (ACN 127 175 946).

SPP means security purchase plan.

SPP Application Form means the Application Form for the SPP.

SPP Closing Date means the closing date of the SPP Offer specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

SPP Offer has the meaning given to that term on the cover page of this Prospectus.

Underwriting Agreement has the meaning given to that term in Section 8.4.

VWAP means volume weighted average market price.

WST means western standard time as observed in Perth, Western Australia.