4DS Memory Limited
Appendix 4E
Preliminary final report

1. Company Details

Name of entity:	4DS Memory Limited
ABN:	43 145 590 110
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

	30 June 2026 $	30 June 2025 $	Change $	Change %
Revenues from ordinary activities	339,555	305,160	34,395	11%
Loss from ordinary activities after tax attributable to the owners of 4DS Memory Limited	(1,593,894)	(9,678,176)	8,084,282	(84%)
Loss for the year attributable to the owners of 4DS Memory Limited	(1,593,894)	(9,678,176)	8,084,282	(84%)

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

Comments
The loss for the Group after providing for income tax amounted to $1,593,894 (30 June 2025: loss of $9,678,176).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.34	0.43

4. Dividends

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

5. Audit qualification or review

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

6. Attachments

The Annual Financial Report of 4DS Memory Limited for the year ended 30 June 2026 is attached.

4DS Memory Limited
Appendix 4E
Preliminary final report

7. Signed

Signed ___________________________ Date: 28 August 2026

David McAuliffe
Executive Chairman

Annual Financial Report

4DS Memory Limited

ABN 43 145 590 110
30 June 2026

General information

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

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

Registered office

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

Principal place of business

3155, Skyway Court,
Fremont CA 94539
UNITED STATES

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 August 2026.

4DS Memory Limited
Corporate directory
30 June 2026

Directors	Mr. David McAuliffe Dr. Guido Arnout Mr. Howard Digby
Company secretary	Mr. Peter Webse
Registered and Principal Office	Level 2, 50 Kings Park Road, West Perth WA 6005 PO Box 271 West Perth WA 6872
Share register	Automic Registry Services Level 5 191 St Georges Terrace, Perth WA 6000 Phone: +61 8 9324 2099 Fax: +61 8 9321 2337 Email: info@automic.com.au Web: www.automic.com.au
Auditor	PKF Perth Level 8, 905 Hay Street, Perth WA 6000
Solicitor	Steinepreis Paganin Level 14, QV1 Building 250 St Georges Terrace Perth WA 6000
Stock exchange listing	4DS Memory Limited shares are listed on the Australian Securities Exchange (ASX code: **4DS**)
Website	www.4dsmemory.com

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of 4DS Memory Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

1. Directors

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

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

Information on Directors

Name:	**Mr. David McAuliffe**
Title:	*Executive Chairman*
Appointed:	7 December 2015
Qualifications:	LLB (Hons), BPharm
Experience and expertise:	Mr. McAuliffe is an experienced Company Director and Entrepreneur who has had over 25 years' experience, mostly in the international biotechnology field. During that time, he was involved in numerous capital raisings and in licensing of technologies. He is a founder of several companies in Australia, France and the United Kingdom, many of which have become public companies.
Other current directorships:	-
Former directorships (last 3 years):	Non-Executive Chairman of Invex Therapeutics Limited (ASX: IXC) - resigned 7 November 2025
Interests in shares:	10,061,042 ordinary shares
Interests in options:	6,000,000 unlisted options exercisable at $0.037 each on or before 27 February 2028

Name:	**Dr. Guido Arnout**
Title:	*Non-Executive Director*
Appointed:	7 December 2015
Qualifications:	PhD Electrical Engineering
Experience and expertise:	Dr. Arnout has specific expertise with over 30 years in commercialising electronics technology from concept to product. He was the founding President and CEO of PowerEscape, which introduced the first tools for the development of low-power software executing on multicore devices. He was also founding President and CEO of CoWare, which pioneered system-level design tools for hardware-software co-design and the time-based licensing business model. Dr. Arnout co-founded the Open SystemC Initiative (OSCI), an industry consortium to standardise a language for system level design, and as its President submitted the SystemC language to IEEE. He served as VP of Engineering and later senior VP of marketing of CrossCheck Technology. He co-founded and later became VP of Engineering of Silvar-Lisco, the first commercial EDA (electronic design automation) company.
Other current directorships:	-
Former directorships (last 3 years):	-
Interests in shares:	8,000,000 ordinary shares
Interests in options:	-

Name:	**Mr. Howard Digby**
Title:	*Non-Executive Director*
Appointed:	7 December 2015
Qualifications:	BE (Mechanical, Hons)
Experience and expertise:	Mr. Digby began his career at IBM and has spent 25 years managing technology related businesses across the Asia Pacific region, of which 12 years were spent in Hong Kong ending with The Economist Group as Regional Managing Director. Prior to this he held senior management roles at Adobe and Gartner where his clients included major semiconductor players inclusive of Samsung, Hynix and TSMC. Upon returning to Perth, Howard served as Executive Editor of WA Business News and now spends his time as a company director, advisor and investor, having played key roles in several M&A and reverse takeover transactions.
Other current directorships:	Non-Executive Chairman of Singular Health Group Ltd (ASX: SHG) Non-Executive Director of Elsight Limited (ASX: ELS) Non-Executive Chairman of KTek Aerosystems Ltd (ASX: KTK) - appointed 20 March 2026
Former directorships (last 3 years):	Non-Executive Director of Spenda Limited (ASX: SPX) - resigned 21 November 2024
Interests in shares:	6,688,629 ordinary shares
Interests in options:	1,000,000 unlisted options exercisable at $0.037 each on or before 27 February 2028

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

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

2. Company secretary

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

3. Directors' meetings

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

	Attended	**Held**
Mr. David McAuliffe	8	8
Dr. Guido Arnout	8	8
Mr. Howard Digby	8	8

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

4. Principal activities

4DS Memory Limited (**ASX: 4DS**), with facilities located in Silicon Valley, is a semiconductor technology company bringing high bandwidth, high endurance, persistent non-volatile memory to advanced CMOS process nodes.

Established in 2007, 4DS owns a patented IP portfolio, comprising 34 USA patents, and is the first company to develop PCMO ReRAM, on an advanced CMOS processing node. Its technology, known as Interface Switching ReRAM, features tuneable persistence and low energy per bit for today’s most challenging compute intensive and AI processor applications.

5. Review of operations

Financial Review

The loss for the Group after providing for income tax amounted to $1,593,894 (30 June 2025: $9,678,176).

Operating Review

On 18 August 2025, the Company announced completion of a comprehensive root cause analysis of the 20nm Sixth Platform Lot. Using both physical and chemical analytical techniques, the analysis confirmed that etch residues introduced during manufacturing resulted in electrical shorting of the memory devices. As this represented the Company's first manufacturing process incorporating 20nm memory cells, further process optimisation was determined to be necessary before successful scaling from the previously demonstrated 60nm platform could be achieved. Following completion of the analysis, the Company commenced discussions with its development partners to review the findings and assess the most appropriate strategic and technical pathway for the technology.

On the same day, the Company announced that HGST had renewed the Joint Development Agreement for a twelfth consecutive term, reflecting the long-standing relationship between the parties and providing a framework for continued technical engagement while the Company evaluated future development pathways.

Following discussions with its development partners, the Board announced a Strategic Review on 5 September 2025. As part of this process, development activities were paused and the Company disengaged from its collaborations with imec and Infineon Technologies LLC, including termination of the Infineon design agreement. The Strategic Review was established to evaluate the impact of artificial intelligence and data-centric computing on the Company's technology, assess opportunities to realise value from the Company's ReRAM intellectual property and identify strategic options that could enhance the Company's commercial position and deliver long-term shareholder value.

During the review period, the Company implemented a number of initiatives to preserve capital and reduce operating expenditure. Effective from 1 November 2025, all Non-Executive Director fees were reduced to nil, consulting fees payable to Dr Guido Arnout were reduced, and Executive Chairman David McAuliffe voluntarily reduced his remuneration by 50%. These measures remained in place throughout the reporting period.

At the Annual General Meeting held on 20 November 2025, shareholders re-elected Mr Howard Digby as a Non-Executive Director, maintaining Board continuity while the Strategic Review progressed.

On 10 December 2025, the Company provided shareholders with an update on the Strategic Review. The Board and its advisers continued to assess a range of opportunities that may support the commercialisation of the Company's core memory technology, including opportunities within the broader AI-enablement ecosystem. During this process, the Company commenced preliminary confidential discussions with parties operating in complementary technology fields. At the reporting date, these discussions remained exploratory and no agreements, proposals or commitments had been entered into.

During the March 2026 quarter, the Company continued to progress its strategic initiatives while maintaining a disciplined approach to cost management. The Company also announced that its validated 60nm PCMO ReRAM platform would remain the foundation of its technology and development program as it evaluated commercial opportunities aligned with anticipated demand for mature-node semiconductor memory.

On 27 April 2026, the Company announced that it was progressing a proposed material acquisition and associated capital raising. ASX determined that the proposed transaction would require shareholder approval together with the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules. Accordingly, the Company's securities were placed into voluntary suspension while discussions with ASX regarding the proposed transaction continued.
During May 2026, the Company announced that it was advancing the commercialisation of its proven 60nm ReRAM platform within mature-node semiconductor markets, particularly India. The Board identified opportunities across industrial, automotive, aerospace, defence and embedded applications where reliability, manufacturability and operating stability remain critical. The Company also identified potential commercial pathways including semiconductor licensing, technology transfer, embedded memory applications, research and development collaborations and OEM integration opportunities.

On 26 May 2026, the Company confirmed payment of approximately A$755,000 to imec in respect of research and development services provided and accrued during the first half of 2025. The Company also advised that Executive Chairman David McAuliffe's planned business development visit to India would occur during June 2026.

During June 2026, the Executive Chairman completed a series of meetings with representatives of the India Semiconductor Mission, the Semiconductor Laboratory, leading research institutions including IIT Delhi, IIT Bombay and the Indian Institute of Science, together with major industrial organisations and potential commercial partners. These discussions confirmed strong alignment between the Company's validated 60nm ReRAM technology and India's expanding semiconductor manufacturing capability. The Company also explored opportunities in neuromorphic computing and Computing-in-Memory architectures and executed a number of non-disclosure agreements to support ongoing technical and commercial engagement.

At the end of the reporting period, the Company advised that discussions with HGST regarding a potential renewal of the Joint Development Agreement were expected to take place during July 2026, with shareholders to be updated following completion of those discussions.

Patent portfolio

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

Corporate and Management Changes

During the year, Mr Peter Himes (Chief Strategy Officer) and Mr Ting Yen (Chief Technology Officer) resigned from their respective positions.

Effective from 1 November 2025, the following adjustments to Board and Executive remuneration were implemented.

- **All Non-Executive Directors (NED)**: All NED fees reduced to $0.
- **Consulting fees**: Payment to Dr Guido Arnout reduced by 50% and with a further reduction to 32% effective from January 2026 onwards.
- **Executive Chairman**: Mr. David McAuliffe’s base salary reduced by 50%, from $200,000 per annum to $100,000 per annum, plus statutory superannuation.

Significant changes in the state of affairs

On 16 December 2024, the Company entered into an agreement with Infineon Technologies LLC to design a custom ReRAM memory test chip for 4DS. The agreement initially covered a 15-month scope of work valued at US$4.5 million, with an upfront payment of US$1.5 million due in January 2025 and the remaining balance payable in varying monthly instalments.

On 29 August 2025, the Company terminated the agreement. The termination brings the contractual relationship to an end, with no further payments contemplated at this time. For further information refer to the ASX announcement dated 5 September 2025.

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

6. Material business risks

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

(a) 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 technologies 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) Intellectual Property risk
A substantial part of the Company's commercial success will depend on its ability to establish and protect the Company’s intellectual property to maintain trade secret protection and to operate without infringing the proprietary rights of third parties.

The underlying technology on which the commercial value of the Company’s intellectual property assets is based is dependent on the availability, scope and effectiveness of any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome.

Additionally, securing rights to (or developing) technologies complementing the Company’s existing intellectual property will also play an important part in the commercial success of the Company. There is no guarantee that such rights can be secured, or that such technologies can be developed.

(c) Competition
The industry in which the Company will operate is subject to domestic and international competition. Current or future competitors develop new, superior or more cost-effective solutions for the coordination of autonomous systems. The Company’s competitors include both emerging technology enterprises and large, established corporations or multinationals with significantly greater financial, technical and marketing resources. Those competitors may decide to enter the Company’s target markets and be able to fund aggressive marketing strategies or offer competing products at lower price points, which may negatively affect the operating and financial performance of the business.

(d) New Market
The Company will look to expand its product offerings into new markets and domains. Any efforts to enter a new market space holds the risk that the product offering does not meet the needs of the market at an acceptable price point, the product does not meet the relevant regulatory or certification standards and or the underlying intellectual property is not registrable or protectable in the market. New markets usually cost substantially more to penetrate than a known market.

7. Dividends
No dividend has been declared or paid by the Company.

8. Placement and issue of securities
For the financial year ended 30 June 2026, a total of 4,800,000 options and 21,500,000 options lapsed as the vesting conditions attached to these options could no longer be satisfied.

9. Matters subsequent to the end of financial year
No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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

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

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

12. Share options
All options were granted in previous financial years. No options have been granted since the end of the previous financial year.

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

Grant Date	Expiry Date	Exercise Price	Number under option
31/05/2022	31/05/2027	$0.100	10,500,000
19/12/2022	19/12/2027	$0.037	11,700,000
27/02/2023	27/02/2028	$0.037	7,000,000
05/02/2024	05/02/2029	$0.073	5,500,000
08/01/2025	28/02/2028	$0.036	192,813,480
			227,513,480

All unissued shares are ordinary shares of the Company.

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

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

Shares issued as a result of the exercise of options
There were no ordinary shares of 4DS Memory Limited issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

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

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

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

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

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

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

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

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

Services other than audit and review of financial statements: **Other services**	**30 June 2026**
Taxation compliance (paid this financial year for 30 June 2025 service)	6,850
Taxation compliance (payable for financial year 30 June 2026 service)	7,000
	13,850

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

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

16. Rounding Off
The Company is of a kind referred to in the Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, in relation to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

17. Remuneration Report (audited)

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

17.1 Remuneration Policy

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

Remuneration packages may contain any or all of the following:

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

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

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

Remuneration structure

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

Non-Executive Director Remuneration

Objective

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

Structure

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

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

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

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

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

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

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

Structure
Executive remuneration may consist of both fixed and variable elements.

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

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

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

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

17.2 Details of remuneration
Directors' and executive officers' remuneration

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

Directors	Designation
Mr. David McAuliffe	Executive Chairman
Dr. Guido Arnout	Non-Executive Director
Mr. Howard Digby	Non-Executive Director
Key Management Personnel	
Mr. Ting Yen	Chief Technology Officer (resigned 4 December 2025)
Mr. Peter Himes	Chief Strategic Officer (resigned 5 September 2025)

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

Table 1: Remuneration for the year ended 30 June 2026

30 June 2026	Short-term benefits Cash salary and fees (including annual leave) $	Post-employment benefits Superannuation $	Long Service Leave $	Share-based payments Equity-settled $	Total $
Executive Directors:					
D McAuliffe	142,667	16,000	(15,084)	6,197	149,780
Non-Executive Directors:					
G Arnout **[A]**	127,305	-	-	-	127,305
H Digby **[B]**	16,667	-	-	1,032	17,699
Other Key Management Personnel:					
T Yen	168,488	-	-	(60,225)	108,263
P Himes	17,684	-	-	(153,060)	(135,376)
	472,811	**16,000**	**(15,084)**	**(206,056)**	**267,671**

Notes in relation to Directors' and Executive officers' remuneration table FY 2026
[A] Includes $117,305 of consultancy fees as advisor to the Chairman (FY 2025: $250,141) and $10,000 (FY 2025: $30,000) for the Non-Executive Director fees.

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

The fair value of the options is calculated at the date of grant using the Black Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense or reversal in expense in each reporting period. Refer to **Note 15 -** The reversal arose as a result of the forfeiture of rights following the departure of the KMP.

Table 2: Remuneration for the year ended 30 June 2025

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

Notes in relation to Directors' and Executive officers' remuneration table FY 2025
[A] Includes $250,141 of consultancy fees as advisor to the Chairman (FY 2024: $286,806) and $30,000 for the Non-Executive Director fees.

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

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

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

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

Mr. McAuliffe is subject to an employment contract with the following conditions:
- Remuneration salary of $200,000 per annum plus statutory superannuation. Effective from 1 November 2025, base salary reduced by 50%, from $200,000 per annum to $100,000 per annum, plus statutory superannuation.
- An equity package to be determined by the Board (subject to shareholder approval).
- Performance bonuses (if any) as may be approved by the Board from time to time.
- Entitlement to be reimbursed for all reasonable out-of-pocket expenses necessarily incurred in the performance of his duties.
- Remuneration reviewed annually on each review date or at any other time as the Board may determine (in its absolute discretion).

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

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

Dr. Arnout is subject to an employment contract with the following conditions:
- Handle the G&A function for 4DS Inc. for a total of 32 hours per month at a rate of US$125 per hour. Effective from 1 November 2025, fee reduced by 50% and with a further reduction to 32% effective from January 2026 onwards.
- Collection of test data for an extraction of data from 4DS Inc. test database for no more than 68 hours of work per month at a rate of US$125 per hour, unless more time is expressly authorised in writing by the Executive Chairman.

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

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

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

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

Termination

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

17.4. Equity Instruments

[A] Shareholdings of Key Management Personnel

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

	Balance at the start of the year	Granted as part of remuneration	On exercise of options	Net change other	Balance at the end of year or at date of ceasing as KMP
30 June 2026					
Executive Directors					
D McAuliffe	10,061,042	-	-	-	10,061,042
Non-Executive Directors					
G Arnout	8,000,000	-	-	-	8,000,000
H Digby	6,688,629	-	-	-	6,688,629
Other Key Management Personnel					
T Yen[1]	-	-	-	-	-
P Himes[2]	-	-	-	-	-
	24,749,671	**-**	**-**	**-**	**24,749,671**

There were no shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2026.

[B] Options holdings of Key Management Personnel

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

	Balance at the start of the year	Granted as part of remuneration	On exercise of options	Net change other	Balance at the end of year or at date of ceasing as KMP
30 June 2026					
Executive Director					
D McAuliffe	6,000,000	-	-	-	6,000,000
Non-Executive Director					
H Digby	1,000,000	-	-	-	1,000,000
Other key management personnel					
T Yen[1]	40,000,000	-	-	(21,500,000)	18,500,000
P Himes[2]	10,000,000	-	-	(4,500,000)	5,500,000
	57,000,000	**-**	**-**	**(26,000,000)**	**31,000,000**

[1] Resigned on 4 December 2025

[2] Resigned on 5 September 2025

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

[C] Options over equity instruments granted as compensation

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2026.

[D] Performance rights

There were no performance rights over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026.

18. Key Management Personnel Transactions

Loans to KMP and their related parties

There are no loans between the Group and KMP.

Other transactions with KMP and their related parties

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

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

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

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

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

As at 30 June 2026, the approved Sales Bonus Pool structure had expired.

Participants	%
David McAuliffe	17.50%
Howard Digby	7.50%
Guido Arnout	15.00%
Peter Webse	5.00%

19. Voting of shareholders at last year's annual general meeting
At the Company's last Annual General Meeting (AGM), 41.67% of votes cast by poll at the meeting rejected the adoption of the remuneration report.

This concludes the remuneration report, which has been audited.

Auditor's independence declaration

A copy of the auditor's independence declaration for the year ended 30 June 2026 as required under section 307C of the *Corporations Act 2001* has been received and can be found after this Directors' report.

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

On behalf of the Directors

____

David McAuliffe
Executive Chairman

28 August 2026

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF 4DS MEMORY LIMITED

In relation to our audit of the financial report of 4DS Memory Limited for the year ended 30 June 2026, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

28 August 2026
PERTH,
WESTERN AUSTRALIA

4DS Memory Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
Other income			
Gain on disposal of plant and equipment		147,654	-
Interest Income		339,555	305,160
Expenses			
Compliance and regulatory expenses		(129,304)	(167,723)
Consulting and professional fees		(448,290)	(315,603)
Directors and employee benefit expenses		(141,866)	(321,834)
Depreciation and amortisation expense		(136,528)	(181,060)
Research expenses		(415,387)	(7,885,090)
Share-based payments	15	212,533	(412,240)
Transaction costs		(461,623)	-
Unrealised / realised foreign exchange		(802)	(13,910)
Other expenses	3	(554,190)	(665,793)
Operating loss		(1,588,248)	(9,658,093)
Interest on lease liabilities		(5,646)	(20,083)
Loss before income tax expense		(1,593,894)	(9,678,176)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of 4DS Memory Limited		**(1,593,894)**	**(9,678,176)**
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	14	(17,637)	373
Other comprehensive income (loss) for the year, net of tax		(17,637)	373
Total comprehensive income loss for the year attributable to the owners of 4DS Memory Limited		**(1,611,531)**	**(9,677,803)**
		Cents	**Cents**
Basic loss per share	13	(0.08)	(0.52)
Diluted loss per share	13	(0.08)	(0.52)

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

4DS Memory Limited
Consolidated statement of financial position
As at 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
Assets			
Current assets			
Cash and cash equivalents	6	432,191	848,573
Investment in financial assets	7	6,550,000	9,350,000
Trade and other receivables		138,666	85,894
Other assets		4,101	56,729
Total current assets		7,124,958	10,341,196
Non-current assets			
Right-of-use assets	9	-	114,513
Plant and equipment		6,626	85,473
Total non-current assets		6,626	199,986
Total assets		7,131,584	10,541,182
Liabilities			
Current liabilities			
Trade and other payables	10	113,940	1,534,030
Lease liabilities	11	-	131,312
Employee benefits		53,364	80,758
Total current liabilities		167,304	1,746,100
Non-current liabilities			
Employee benefits		6,914	13,652
Total non-current liabilities		6,914	13,652
Total liabilities		174,218	1,759,752
Net assets		6,957,366	8,781,430
Equity			
Issued capital	12	76,657,618	76,657,618
Reserves	14	7,007,249	7,237,419
Accumulated losses		(76,707,501)	(75,113,607)
Total equity		6,957,366	8,781,430

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

4DS Memory Limited
Consolidated statement of changes in equity
For the year ended 30 June 2026

	Issued capital $	Share-based Payment Reserve $	Foreign Exchange Reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2024	66,918,893	6,536,200	(61,773)	(65,435,431)	7,957,889
Loss after income tax expense for the year	-	-	-	(9,678,176)	(9,678,176)
Other comprehensive income for the year, net of tax	-	-	373	-	373
Total comprehensive income (loss) for the year	-	-	373	(9,678,176)	(9,677,803)
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs **(note 12)**	7,620,519	350,379	-	-	7,970,898
Share-based payments **(note 15)**	-	412,240	-	-	412,240
Issue of shares on exercise of options (**note 12**)	2,118,206	-	-	-	2,118,206
Balance at 30 June 2025	**76,657,618**	**7,298,819**	**(61,400)**	**(75,113,607)**	**8,781,430**

	Issued capital $	Share-based Payment Reserve $	Foreign Exchange Reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2025	76,657,618	7,298,819	(61,400)	(75,113,607)	8,781,430
Loss after income tax expense for the year	-	-	-	(1,593,894)	(1,593,894)
Other comprehensive income loss for the year, net of tax	-	-	(17,637)	-	(17,637)
Total comprehensive income loss for the year	-	-	(17,637)	(1,593,894)	(1,611,531)
Transactions with owners in their capacity as owners:					
Share-based payments (**note 15**)	-	16,282	-	-	16,282
Options lapsed (**note 12**)	-	(228,815)	-	-	(228,815)
Balance at 30 June 2026	**76,657,618**	**7,086,286**	**(79,037)**	**(76,707,501)**	**6,957,366**

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

4DS Memory Limited
Consolidated statement of cash flows
For the year ended 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,699,674)	(1,454,723)
Payments for research and development		(1,699,970)	(6,637,012)
Interest received		305,671	309,920
Net cash used in operating activities	8	(3,093,973)	(7,781,815)
Cash flows from investing activities			
Payments for investments		-	(2,050,000)
Payments for plant and equipment		-	(39,152)
Proceeds from disposal of investments		2,800,000	-
Proceeds from disposal of plant and equipment		192,841	-
Net cash from/(used in) investing activities		2,992,841	(2,089,152)
Cash flows from financing activities			
Proceeds from issue of shares		-	8,600,000
Payment of capital raising costs		-	(612,026)
Issue of shares on exercise of options		-	2,118,206
Unissued of shares on exercise of options		(180,000)	180,000
Proceeds from borrowings		176,856	-
Interest and other finance costs paid		(11,676)	(20,083)
Repayment of borrowings		(170,825)	-
Principal elements of lease payments		(131,312)	(127,091)
Net cash from/(used in) financing activities		(316,957)	10,139,006
Net increase/(decrease) in cash and cash equivalents		(418,089)	268,039
Cash and cash equivalents at the beginning of the financial year		848,573	584,294
Effects of exchange rate changes on cash and cash equivalents		1,707	(3,760)
Cash and cash equivalents at the end of the financial year	6	432,191	848,573

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

Note 1. Material Accounting Policy Information

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

The Group is a for-profit entity and is primarily involved in the semiconductor industry bringing high bandwidth, high endurance, persistent non-volatile memory to advanced CMOS process nodes. Its technology, known as Interface Switching ReRAM, features tunable persistence and low energy per bit for today's most challenging compute intensive and AI processor applications.

Basis of accounting

The consolidated financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('**AASB**') and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('**IASB**'). They were authorised by the Board of Directors on 28 August 2026.

Reporting basis and conventions

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

Parent entity information

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2026 and the results of all subsidiaries for the year then ended.

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

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

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

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

Note 1. Material Accounting Policy Information (continued)

Operating Segments

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('**AASB**') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There has been no financial reporting impact on the adoption of any new accounting standards.

Going Concern

The net assets of the Group totalled $6,957,366 (30 June 2025: $8,781,430). Cash on hand at 30 June 2026 totalled $432,191 (30 June 2025: $848,573) and net operating cash outflow was $3,093,973 (30 June 2025: $7,781,815) for the year ended 30 June 2026.

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.

Note 2. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

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

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

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

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

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

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

Note 3. Other Expenses

	30 June 2026 $	30 June 2025 $
Investor relation expenses	129,800	119,366
Insurance expenses	192,505	147,974
Travel and accommodation	81,850	151,906
Office and other expenses	150,035	246,547
Other expenses	**554,190**	**665,793**

Note 4. Remuneration of auditors

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

	30 June 2026 $	30 June 2025 $
Audit services - PKF Perth		
Audit or review of the financial statements	46,825	50,250
Other services - PKF Perth		
Preparation of the tax return	6,850	7,000
	53,675	57,250

Note 5. Income tax

	30 June 2026 $	30 June 2025 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,593,894)	(9,678,176)
Tax at the statutory tax rate of 25%	(398,474)	(2,419,544)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible amounts	98,080	126,366
	(300,394)	(2,293,178)
Deferred tax balances not recognised	300,394	2,293,178
Income tax expense	-	-

Note 5. Income tax (continued)

	30 June 2026 $	30 June 2025 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Transaction costs arising on shares issued	118,030	192,190
Carried forward revenue losses - Domestic	7,547,763	7,329,815
Other	34,813	38,790
Deferred tax liabilities not recognised		
Prepayments	(29,584)	(28,171)
Total net deferred tax assets not recognised	7,671,022	7,532,624

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

Note 6. Cash and cash equivalents

	30 June 2026 $	30 June 2025 $
Current assets		
Cash and cash equivalents	432,191	668,573
Cash - restricted*	-	180,000
	432,191	848,573

*During the financial year 2025, the Company received funds from investors relating to the exercise of share options. These funds were classified as restricted cash pending final issuance of shares. Subsequent to year-end, the investors elected to withdraw their option exercises, and the corresponding amounts were refunded. As a result, the restricted cash balance was adjusted accordingly.

Note 7. Investment in financial assets

	30 June 2026 $	30 June 2025 $
Current assets		
Term deposit	6,550,000	9,350,000

Term deposits with original maturities exceeding three months are classified as financial investments rather than cash equivalents. These deposits are not held for the purpose of meeting short-term cash commitments and are subject to a higher risk of changes in value due to interest rate fluctuations or withdrawal penalties. Accordingly, they are presented as part of financial assets in the statement of financial position and reported under investing activities in the statement of cash flows.

Note 8. Cash flow information

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

	30 June 2026 $	30 June 2025 $
Loss after income tax expense for the year	(1,593,894)	(9,678,176)
Adjustments for:		
Depreciation	136,528	181,060
Write off of asset	1,914	-
Share-based payments	(212,533)	412,240
Foreign exchange differences	16,701	(14,534)
Interest on lease liabilities	5,646	20,083
Interest and other finance costs	6,030	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(81,864)	6,316
Decrease/(increase) in prepayments	52,628	(2,219)
Increase/(decrease) in trade and other payables	(1,390,998)	1,269,581
Increase/(decrease) in employee benefits	(34,131)	23,834
Net cash used in operating activities	(3,093,973)	(7,781,815)

Non-cash investing and financing activities

	30 June 2026 $	30 June 2025 $
Shares issued under employee share plan	(212,533)	412,240

Note 9. Right-of-use assets

	30 June 2026 $	30 June 2025 $
Non-current assets		
Land and buildings - right-of-use	-	114,513
	-	114,513

The lease agreement expired on 31 May 2026 and was not renewed. Accordingly, the related right-of-use asset and lease liability were fully derecognised upon expiry of the lease term. No right-of-use asset or lease liability remained outstanding as at 30 June 2026.

Note 9. Right-of-use assets (continued)

Reconciliations

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

	Total $
Balance at 1 July 2024	**239,435**
Depreciation expense	(124,922)
Balance at 30 June 2025	**114,513**
Depreciation expense	(114,513)
Balance at 30 June 2026	**-**

Note 10. Trade and other payables

	30 June 2026 $	30 June 2025 $
Current liabilities		
Trade payables	65,828	192,691
Other payables and accrued expenses	48,112	1,341,339
	113,940	1,534,030

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

Included within Other Payables and Accrued Expenses is an amount of $1,091,968 accrued for services provided by imec during the year ended 30 June 2025. Subsequent to year-end, during the year ended 30 June 2026, the Company and imec executed a Settlement Agreement and Release, resulting in a full and final settlement of the outstanding obligation for EUR 463,500 (AUD 754,631).

Note 11. Lease liabilities

	30 June 2026 $	30 June 2025 $
Current liabilities		
Lease liability	-	131,312
Maturity analysis - contractual undiscounted cash flows		
Less than one year	-	137,160
More than five years	-	-
Total undiscounted lease payables	**-**	**137,160**
i. AASB 16 related amounts recognised in the statement of profit or loss		
Interest on lease liabilities	5,646	20,083
Depreciation charged related to right-of-use assets	114,513	124,922
	120,159	145,005

Note 11. Lease liabilities (continued)

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

Annual cash outflows for leases	(131,312)	(127,091)
Finance cost on lease liability	(5,646)	(20,083)

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

The lease agreement expired on 31 May 2026 and was not renewed. Accordingly, the related right-of-use asset and lease liability were fully derecognised upon expiry of the lease term. No right-of-use asset or lease liability remained outstanding as at 30 June 2026.

Note 12. Issued capital

	30 June 2026 Shares	30 June 2025 Shares	30 June 2026 $	30 June 2025 $
Issued capital	2,060,898,718	2,060,898,718	81,185,006	81,185,006
Capital raising costs	-	-	(4,527,388)	(4,527,388)
	2,060,898,718	2,060,898,718	76,657,618	76,657,618

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2024	1,763,434,918		66,918,893
Share Purchase Plan shares	21 February 2025	72,221,974	$0.036	2,600,000
Placement shares	10 February 2025	13,888,889	$0.036	500,000
Placement shares	23 January 2025	152,777,777	$0.036	5,500,000
Exercise of unlisted options	6 June 2025	3,789,017	$0.036	136,405
Exercise of unlisted options	29 May 2025	29,260,645	$0.036	1,053,383
Exercise of unlisted options	3 June 2025	7,569,692	$0.036	272,509
Exercise of unlisted options	6 June 2025	500,000	$0.055	27,500
Exercise of unlisted options	10 June 2025	17,383,332	$0.036	625,800
Exercise of unlisted options	23 June 2025	72,474	$0.036	2,609
Issue of options related to capital raising cost		-		(350,379)
Capital raising cost		-		(629,102)
Balance	**30 June 2025**	**2,060,898,718**		**76,657,618**
Balance	**30 June 2026**	**2,060,898,718**		**76,657,618**

Note 12. Issued capital (continued)

Movements in options

Details	Date	Options	$
Balance beginning of the year	1 July 2024	49,607,184	6,536,200
Share-based payment, KMP's options		20,000,000	33,096
Share-based payment, broker's options		12,000,000	350,379
Free attaching options issued		238,888,640	-
Options expired		(3,000,000)	-
Amortisation of previously issued employee options		-	379,144
Free attaching options exercised		(58,575,160)	-
Balance	**30 June 2025**	**258,920,664**	**7,298,819**
Amortisation of previously issued employees and consultant options		-	16,282
Options forfeited		(26,300,000)	(228,815)
Free attaching options expired		(5,107,184)	-
Balance	**30 June 2026**	**227,513,480**	**7,086,286**

Capital risk management

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

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

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

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

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

The capital risk management policy remains unchanged from the 30 June 2025 Annual Report.

Note 13. Earnings per share

	30 June 2026 $	30 June 2025 $
Loss after income tax attributable to the owners of 4DS Memory Limited	(1,593,894)	(9,678,176)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	2,060,898,718	1,864,782,317
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,060,898,718	1,864,782,317

Note 13. Earnings per share (continued)

	Cents	Cents
Basic loss per share	(0.08)	(0.52)
Diluted loss per share	(0.08)	(0.52)

Note 14. Reserves

	30 June 2026 $	30 June 2025 $
Foreign currency reserve	(79,037)	(61,400)
Share-based payment reserve	7,086,286	7,298,819
	7,007,249	7,237,419

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

	30 June 2026 $	30 June 2025 $
Balance at beginning of the year	(61,400)	(61,773)
Foreign exchange movement on translation of foreign operations	(17,637)	373
Balance at end of the year	**(79,037)**	**(61,400)**

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

	30 June 2026 $	30 June 2025 $
Balance at beginning of the year	7,298,819	6,536,200
Capital raising cost – share-based payment	-	350,379
Share-based payment expense	16,282	412,240
Options lapsed	(228,815)	-
Balance at end of the year	**7,086,286**	**7,298,819**

Note 15. Share-based payment

At 30 June 2026, the Group has no share-based payment arrangements.

The Group recognised a net reversal of share-based payment expense of $212,533 for the year ended 30 June 2026 (30 June 2025: $412,240). This amount includes:

Note 15. Share-based payment (continued)

	30 June 2026 $	30 June 2025 $
Options vested	16,282	412,240
Options lapsed	(228,815)	-
	(212,533)	412,240

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

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

	Number of options 30 June 2026	Weighted average exercise price 30 June 2026	Number of options 30 June 2025	Weighted average exercise price 30 June 2025
Outstanding at the beginning of the financial year	73,000,000	$0.051	44,000,000	$0.058
Granted	-	$0.000	32,000,000	$0.036
Expired	(26,300,000)	$0.042	(3,000,000)	$0.036
Outstanding at the end of the financial year	**46,700,000**	**$0.055**	**73,000,000**	**$0.051**

Set out below is the reconciliation of outstanding share options during the 30 June 2026 :

30 June 2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
31/05/2022	31/05/2027	$0.100	10,500,000	-	-	-	10,500,000
19/12/2022	18/12/2027	$0.037	13,500,000	-	-	(1,800,000)	11,700,000
05/02/2024	05/02/2029	$0.073	10,000,000	-	-	(4,500,000)	5,500,000
27/02/2023	27/02/2028	$0.037	7,000,000	-	-	-	7,000,000
08/01/2025	28/02/2028	$0.036	12,000,000	-	-	-	12,000,000
17/04/2025	30/12/2027	$0.036	20,000,000	-	-	(20,000,000)	-
			73,000,000	**-**	**-**	**(26,300,000)**	**46,700,000**
Weighted average exercise price			$0.051	$0.000	$0.000	$0.042	$0.055

Note 15. Share-based payment (continued)

30 June 2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
05/02/2024	05/02/2029	$0.073	10,000,000	-	-	-	10,000,000
02/04/2024	30/06/2025	$0.200	3,000,000	-	-	(3,000,000)	-
17/04/2025	30/12/2027	$0.036	-	20,000,000	-	-	20,000,000
31/05/2022	31/05/2027	$0.100	10,500,000	-	-	-	10,500,000
19/12/2022	18/12/2027	$0.037	13,500,000	-	-	-	13,500,000
27/02/2023	27/02/2028	$0.037	7,000,000	-	-	-	7,000,000
08/01/2025	28/02/2028	$0.036	-	12,000,000	-	-	12,000,000
			44,000,000	**32,000,000**	**-**	**(3,000,000)**	**73,000,000**
Weighted average exercise price			$0.058	$0.036	$0.000	$0.200	$0.051

The weighted average share price during the financial year was $0.014 (30 June 2025: $0.073).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.56 years (30 June 2025: 2.5 years).

Note 16. Financial instruments

Financial Risk Management Policies

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

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

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

Specific Financial Risk Exposures and Management

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

Market risk

Foreign currency risk

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

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

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

Note 16. Financial instruments (continued)

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

	Assets		Liabilities	
	30 June 2026 $	30 June 2025 $	30 June 2026 $	30 June 2025 $
US dollars	28,625	733,704	3,192	153,905
Euros	-	19,702	-	1,091,968
	28,625	753,406	3,192	1,245,873

The Group had net assets denominated in foreign currencies of $25,433 (assets of $28,625 less liabilities of $3,192) as of 30 June 2026 (30 June 2025: net liabilities of $492,467 (assets of $753,406 less liabilities of $1,245,873)). Based on this exposure, had the Australian dollars strengthened by 5% (30 June 2025: strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been $1,115 higher (30 June 2025: loss before tax of $1,625 higher) and equity would have been $1,115 lower (30 June 2025: $1,625 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2026 was $802 (30 June 2025: loss of $13,910).

Price risk

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

Interest rate risk

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

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

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

	30 June 2026		30 June 2025	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Cash and cash equivalents	0.13%	432,191	3.38%	848,573
Trade and other receivables	-	33,475	-	14,586
Term deposit	4.61%	6,550,000	4.51%	9,350,000
Lease liabilities	-	-	10.51%	(131,312)
Net exposure to cash flow interest rate risk		7,015,666		10,081,847

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

Note 16. Financial instruments (continued)

Credit risk

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

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

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

	30 June 2026 $	30 June 2025 $
Cash and cash equivalents held with financial institutions	432,191	848,573
Term deposits held with financial institutions	6,550,000	9,350,000
	6,982,191	10,198,573

Liquidity risk

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

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

Remaining contractual maturities

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

30 June 2026	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	65,828	-	-	-	65,828
Other payables	-	48,112	-	-	-	48,112
Total non-derivatives		113,940	-	-	-	113,940

Note 16. Financial instruments (continued)

30 June 2025	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,534,030	-	-	-	1,534,030
Interest-bearing - fixed rate						
Lease liability	10.51%	131,312	-	-	-	131,312
Total non-derivatives		1,665,342	-	-	-	1,665,342

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

Fair value of financial instruments

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

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

Note 17. Key management personnel disclosures

Directors

The following persons were Directors of 4DS Memory Limited during the financial year:

Name of Directors	Position
Mr. David McAuliffe	Executive Chairman
Dr. Guido Arnout	Non-Executive Director
Mr. Howard Digby	Non-Executive Director

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Mr. Ting Yen	Chief Technology Officer (resigned 4 December 2025)
Mr. Peter Himes	Chief Strategic Officer (resigned 5 September 2025)

Note 17. Key management personnel disclosures (continued)

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

	30 June 2026 $	30 June 2025 $
Short-term employee benefits	472,811	1,220,990
Post-employment benefits	16,000	23,000
Long-term benefits	(15,084)	5,251
Share-based payments	(206,056)	397,697
	267,671	1,646,938

Note 18. Related party transactions

Parent entity
4DS Memory Limited is the parent entity.

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

Key management personnel compensation
Disclosures relating to KMP remuneration are set out in **note 17** and **note 15**.

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

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

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

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

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

Note 19. Parent entity information

Set out below is the supplementary information about the parent entity. The parent entity financial information shown below has been prepared using accounting policies consistent with those applied in the consolidated financial statements, except those investments in subsidiaries are accounted for at cost.

Statement of profit or loss and other comprehensive income

	30 June 2026 $	30 June 2025 $
Loss after income tax	(1,454,079)	(9,646,915)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income loss	(1,454,079)	(9,646,915)

Statement of financial position

	30 June 2026 $	30 June 2025 $
Total current assets	7,103,076	10,161,753
Total assets	7,106,087	10,207,520
Total current liabilities	164,112	1,592,193
Total liabilities	171,025	1,605,844
Equity		
Issued capital	83,244,591	83,244,593
Share-based payment reserve	7,086,285	7,298,819
Accumulated losses	(83,395,815)	(81,941,736)
Total equity	6,935,061	8,601,676

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2026.

Contingent assets and liabilities

Refer to **Note 21** for the contingent disclosure.

Note 20. Interests in subsidiaries

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

		Ownership interest	
Name	Principal place of business / Country of incorporation	30 June 2026 %	30 June 2025 %
4DS Inc.	United States of America	100.00%	100.00%
4D-S Pty Limited (Dormant)*	Australia	100.00%	100.00%
Fitzroy Copper Pty Limited (Dormant) *	Australia	100.00%	100.00%
Fitzroy Employee Share Plan Pty Limited (Dormant) *	Australia	100.00%	100.00%

Note 20. Interests in subsidiaries (continued)

*The Companies ABNs were inactive.

Note 21. Commitments and Contingent

Sales Bonus Pool Commitments

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

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

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

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

Participants

	%
David McAuliffe	17.50%
Howard Digby	7.50%
Guido Arnout	15.00%
Peter Webse	5.00%

As at 30 June 2026, the approved Sales Bonus Pool had expired.

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

Note 22. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

4DS Memory Limited
Consolidated entity disclosure statement
As at 30 June 2026

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

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

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (**CEDS**) be disclosed. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is:

(a) an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or
(b) a partnership, with at least one partner being an Australian resident (within the meaning of the Income Tax Assessment Act 1997) at that time; or
(c) a resident trust estate (within the meaning of Division 6 of Part III of the Income Tax Assessment Act 1936) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

* **Australian tax residency**
The Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

** **Foreign tax residency**
The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

4DS Memory Limited
Directors' declaration
30 June 2026

In the Directors' opinion:

- the attached financial statements, notes and remuneration report comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in **note 1** to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the Directors

David McAuliffe

____

David McAuliffe
Executive Chairman

28 August 2026

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 4DS MEMORY LIMITED

Report on the Financial Report

Opinion

We have audited the financial report of 4DS Memory Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Directors' for the Financial Report

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

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

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

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

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

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of 4DS Memory Limited for the year ended 30 June 2026, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

PKF Perth

PKF PERTH

S Fermanis

SIMON FERMANIS
PARTNER

28 August 2026
PERTH,
WESTERN AUSTRALIA

The shareholder information set out below was applicable as at 3 August 2026

As at 3 August 2026 there were 7,667 holders of Ordinary Fully Paid Shares

VOTING RIGHTS

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

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

Equity security holders

TWENTY LARGEST SHAREHOLDERS

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

	Ordinary shares	
	Number held	**% of total shares issued**
Mr Aslam Mohammad	100,044,936	4.85
Mr Damen Diamantopoulos	54,400,000	2.64
Citicorp Nominees Pty Limited	36,592,300	1.78
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient >	34,818,995	1.69
Mr Sam Huu-Hai Nguyen	31,500,000	1.53
James Dorrian	26,286,004	1.28
Fynaa Pty Ltd	25,473,677	1.24
Mrs Sue Balagiannis	25,150,951	1.22
Mr John Clement Cowie Love <The JCC Love Family A/C>	20,451,692	0.99
Vicex Holdings Proprietary Limited <Vicex Super A/C>	20,000,000	0.97
Ms Thao Uyen Kha	17,364,963	0.84
Mr John Love	16,424,775	0.80
HSBC Custody Nominees (Australia) Limited	16,422,978	0.80
Mr Nathan Han Chan <Nathan Chan Family A/C>	15,522,785	0.75
Miss Thi Hue Nguyen	13,817,960	0.67
Mr Anthony Stephen Zec	13,080,013	0.63
Mr Anton De Silva Gunawardena & Mrs Therese Sasha Mariette Fernando <Serotutor Superfund A/C>	11,050,000	0.54
Mr Anton De Silva Gunawardena & Mrs Therese Sasha Mariette Fernando	11,000,000	0.53
Dr Thien Quang Nguyen <Vanien Hybrid A/C>	10,802,017	0.52
Mrs Margaret Mary Speechley <Brenthill Super Fund A/C>	10,556,505	0.51
Total Top 20	**510,760,551**	**24.78**

SUBSTANTIAL HOLDERS

As at 3 August 2026, the Company has one substantial shareholder, being Sue Balagiannis, who holds 104,624,628 shares representing 5.1%.

DISTRIBUTION OF EQUITY SECURITIES

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

Ordinary Fully Paid Shares	Number of holders	Total units	% Issued shares capital
1 to 1,000	154	27,890	0.01
1,001 to 5,000	710	2,569,138	0.12
5,001 to 10,000	1,185	9,476,045	0.46
10,001 to 100,000	3,528	146,358,886	7.10
100,001 and over	2,090	1,902,466,759	92.31
	7,667	2,060,898,718	100.00

UNMARKETABLE PARCELS

The number of shareholders holding less than a marketable parcel is 4,259.

UNQUOTED SECURITIES

As at 3 August 2026, the following unquoted securities are on issue:

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

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

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

11,700,000 Options expiring 19/12/2027 @ $0.037 - 3 Holders

Holder Name	Holding	%
Ting Yen	10,500,000	89.74%

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

Holder Name	Holding	%
Ms Margaret Elizabeth Livingston	6,000,000	85.71%

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

Holder Name	Holding	%
No holders holding 20% or more	-	-

5,500,000 Options expiring 5/02/2029 @ $0.073 - 1 Holder

Holder Name	Holding	%
Mr Peter Himes	5,500,000	100.00%

On Market Buy Back

There is currently no on-market buyback program.