

Weebit delivers its most successful quarter, achieving key business and technical milestones

*First commercial deal to take Weebit's ReRAM technology to volume production,
successful demonstration of ReRAM technology at 28nm,
expanded development partnership with CEA-Leti,*

Q1 FY22 Quarterly Activities Report

Key Q1 FY22 highlights

- Weebit secured its first commercial deal, licensing its ReRAM technology to volume production with US-based semiconductor foundry SkyWater Technology Inc.
- ReRAM technology successfully demonstrated at 28nm
- Expanded strategic development partnership with CEA-Leti to enhance ReRAM offering and support commercialisation
- Filed a new patent optimising ReRAM power consumption
- Progressing ongoing discussions with potential production partners and customers

29 October 2021 – Weebit Nano Ltd (ASX: WBT, Weebit or Company) is pleased to provide this activities report for the quarter ended 30 September 2021 (Q1 FY22), along with the Company's Appendix 4C cash flow report.

Commenting on Q1 FY22, Weebit Nano CEO Coby Hanoch said:

"Weebit Nano has had a strong start to FY22, delivering its most successful quarter with significant progress on both commercial and technical fronts. We secured our first commercial deal and successfully demonstrated our ReRAM technology at 28nm. We are now at an exciting junction in the Company's history, having signed our first licensing deal and significantly increasing the range of potential applications and industries for Weebit Nano's cutting-edge memory technology.

"Our first commercial deal with SkyWater Technology Inc. (SkyWater) is a major milestone for the Company, providing commercial validation of our innovative technology and enabling us to bring Weebit Nano's cutting-edge ReRAM technology to volume production. SkyWater is the ideal first partner for Weebit given their extensive customer base throughout the US defence, automotive, industrial, consumer and medical sectors, and their focus on innovative new technologies.

"Having a fab like SkyWater license our memory technology is a strong endorsement of Weebit Nano's ReRAM technology. Our agreement with SkyWater has also accelerated discussions with other fabs and potential customers.



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“The availability of our ReRAM technology at 28nm is the first step towards scaling to the most advanced nodes required for leading-edge applications such as AI and 5G. 28nm is one of the most popular geometries today and has been referred to as ‘the sweet spot for embedded memory applications’¹ by Mark Liu, the Chairman of the world’s largest fab TSMC. Since existing embedded Flash technology cannot scale economically below 40nm, and the world is looking for robust non-volatile memory solutions in smaller geometries, this achievement will enable Weebit Nano to offer a highly competitive alternative embedded memory solution.”

First commercial deal with US-based SkyWater

Weebit secured its first commercial deal to take its ReRAM technology to volume production with semiconductor foundry SkyWater. The deal incorporates a technology transfer and qualification agreement, as well as a non-exclusive licensing agreement.

Weebit and SkyWater are working together to transfer and qualify Weebit’s ReRAM technology in SkyWater’s US production fab, with the goal of having the technology qualified by the end of calendar year 2022. The technology transfer process with SkyWater has now commenced.

Following qualification, SkyWater has a non-exclusive license to manufacture Weebit’s ReRAM technology in its fab. SkyWater will add Weebit’s qualified memory module, as well as additional modules that will be developed over time, to its 130nm Process Design Kit, so that SkyWater customers who license Weebit’s technology will be able to embed it within new product designs they develop and mass-produce at SkyWater’s fab.

Excellent results of Weebit’s ReRAM technology at 28nm

Weebit and development partner CEA-Leti demonstrated excellent results of Weebit’s ReRAM technology at 28nm on 300mm wafers – a key step towards productisation of embedded Non-Volatile Memory (NVM) for AI, autonomous driving, 5G and advanced IoT.

Testing with CEA-Leti on Weebit’s one-transistor-one-resistor (1T1R) arrays embedded in 28nm Fully Depleted Silicon on Insulator (FDSOI), one of the most advanced semiconductor manufacturing techniques, showed very good endurance and data retention alongside other production-level parameters.

The 28nm geometry is very popular and widely used in a range of advanced embedded applications. Existing embedded Flash technology has scaling challenges below 40nm and is not a viable option in these geometries. Weebit’s ability to support smaller geometries expands its range of potential industries and applications for its embedded ReRAM technology as embedded Flash memory reaches its limits.

¹ Source: <https://investor.tsmc.com/english/quarterly-results/2021/q2>



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Expanded strategic development partnership with CEA-Leti

Weebit expanded its ongoing strategic partnership with French research institute CEA-Leti in Q1 FY22, signing a new agreement to broaden the scope of the IP co-operation between the two companies. Under the new agreement, Weebit is licensing additional IP from CEA-Leti to continue to improve the endurance, retention and robustness of its ReRAM technology. The integration of CEA-Leti's IP has improved Weebit's array-level endurance by an order of magnitude while data retention increased 2x compared to previous results under the same conditions.

These improvements enable Weebit to address new high-volume markets such as automotive and smart cards that require high-temperature reliability up to 175°C and high-temperature compatibility for wafer level packaging.

"Our successful development partnership with CEA-Leti has enabled us to achieve key technical milestones much faster than competitors. Our expanded strategic partnership agreement leverages CEA-Leti's extensive memory research and know-how to further enhance the technical parameters of Weebit's cutting-edge ReRAM technology. It also supports Weebit's commercialisation activities, increases our target market, and ensures we continue to develop innovative future memory solutions across the embedded, discrete and neuromorphic sectors," Mr Hanoch said.

Filed new patent optimising ReRAM power consumption

During the quarter, Weebit filed a new patent outlining a process to optimise ReRAM cells for power consumption.

Summary of Q1 FY22 cashflows

During the quarter, Weebit Nano received \$859K through the exercising of options. This brings the number of not-yet exercised listed options with an exercise price of 45 cents per share to 34,630,967 as of 30 September 2021.

Notable operating cash flow items over the quarter included research and development expenses of \$2 million. Payments to related parties over Q1 FY22 were \$187K, which included fees paid to directors and the CEO's cost of payroll for the period.

Looking forward

Weebit plans to achieve the following milestones by the end of CY22:

- Complete the transfer of its embedded ReRAM technology to SkyWater's US production fab
- Run the qualification process at SkyWater
- Provide functional test results of its embedded ReRAM module
- Sign new licensing agreements with customers.

Continued development of a solution for the discrete memory market is another key technical priority.



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“Weebit Nano has made significant inroads on its path to productisation and commercialisation of our next-generation memory technology. Our agreement with SkyWater will take Weebit Nano’s embedded memory technology to volume production, and we are already connecting potential customers with SkyWater. We are now very focused on actively introducing our technology to potential customers and finding the right ones to engage with on actual products that will use our ReRAM,” said Mr. Hanoch.

Investor briefing details

Coby Hanoch (CEO) will participate in Market Eye’s “Meet the CEO” event at **3:00pm AEDT on Friday, 29 October 2021**. Following the presentation, participants will have an opportunity to ask questions.

To attend the webinar, please pre-register at:

https://us02web.zoom.us/webinar/register/WN_YTCK-v0PStm4fl7GIiViEw

Upcoming investor events

Coby Hanoch will present at the following upcoming investment conferences:

- 11 November 2021: Market Eye *TechOpps 2021* conference
- 17 November 2021: Macquarie Emerging Leaders conference
- 30 November 2021: Pitt Street Research conference.

- ENDS -

This announcement has been authorised for release by the Board of Weebit Nano Limited.

For further information, please contact:

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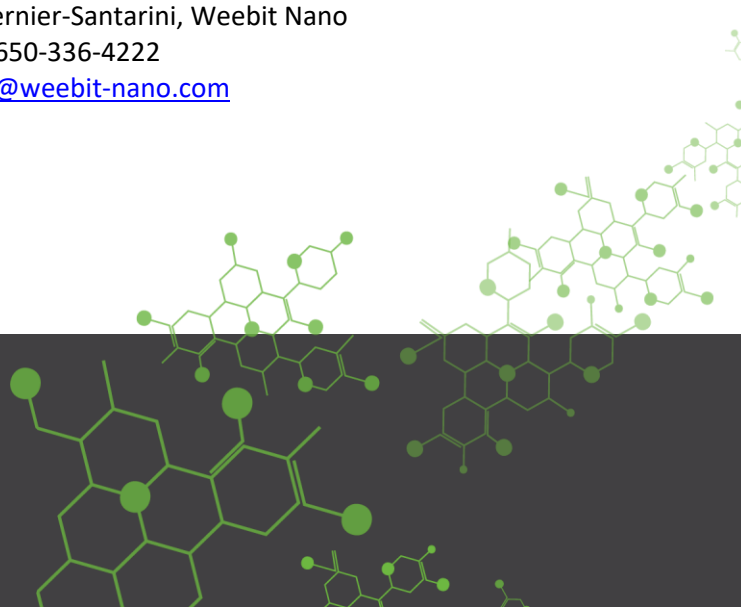


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About Weebit Nano Limited

Weebit Nano Ltd. is a leading developer of next-generation semiconductor memory technology. The company's ground-breaking Resistive RAM (ReRAM) addresses the growing need for significantly higher performance and lower power memory solutions in a range of new electronic products such as Internet of Things (IoT) devices, smartphones, robotics, autonomous vehicles, 5G communications and artificial intelligence.

Weebit's ReRAM allows semiconductor memory elements to be significantly faster, less expensive, more reliable and more energy efficient than those using existing Flash memory solutions. Because it is based on fab-friendly materials, the technology can be quickly and easily integrated with existing flows and processes, without the need for special equipment or large investments.

See: www.weebit-nano.com or follow us on <https://twitter.com/WeebitNano>

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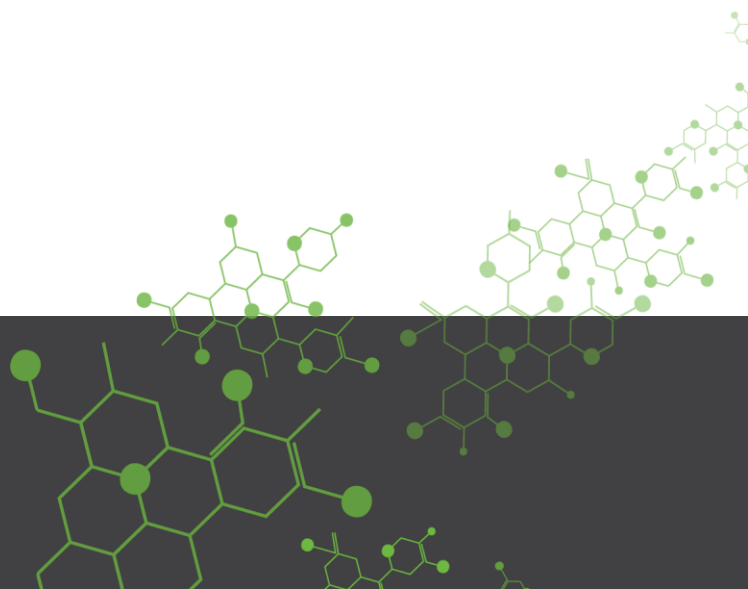


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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Weebit Nano Limited (ASX: WBT)

ABN

15 146 455 576

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(2,062)	(2,062)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(132)	(132)
(d) leased assets	(71)	(71)
(e) staff costs	(913)	(913)
(f) administration and corporate costs	(402)	(402)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,582)	(3,582)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(34)	(34)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(34)	(34)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	859	859
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(12)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	847	847

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	21,725	21,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,582)	(3,582)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(34)	(34)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	847	847

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	34	34
4.6	Cash and cash equivalents at end of period	18,990	18,990

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	18,990	21,725
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	18,990	21,725

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	187
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>The payments at 6.1 relate to salaries of management and directors' fees for entities of the group.</p>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end	-	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,582)
8.2 Cash and cash equivalents at quarter end (item 4.6)	18,990
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	18,990
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 29 October 2021

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.