

Weebit Nano ReRAM now commercially available; fab & customer agreements progressing

Well-funded to accelerate development & commercialisation activities

Q3 FY23 Quarterly Activities Report

Key highlights

- **First Weebit ReRAM module commercially available in SkyWater Technology's S130 process**
- **Taped-out first demo chip in Global Foundries' advanced 22nm FD-SOI process**
- **Raised approx. A\$60 million to accelerate development and commercial rollout of Weebit ReRAM**
- **Discussions and evaluations progressing with leading fabs, potential customers**
- **Study with University of Florida confirmed Weebit ReRAM is tolerant to high radiation levels**
- **Added to the S&P/ASX 300 and MSCI Australia Indices**

26 April 2023 – Weebit Nano Ltd (**ASX: WBT, Weebit or Company**) is pleased to provide this activity report for the quarter ended 31 March 2023 (**Q3 FY23**), along with the Company's Appendix 4C cash flow report.

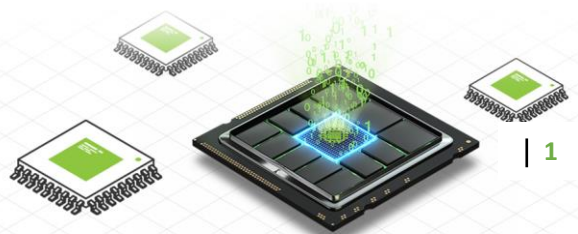
Commenting on Q3 FY23, Weebit CEO Coby Hanoch said: "It has been a productive quarter for Weebit Nano with significant progress delivered on all fronts. We enter Q4 on the cusp of commercialisation with our first ReRAM module now commercially available, qualification with SkyWater Technology on track for mid-year, a strong balance sheet, and discussions underway with the majority of the world's leading foundries and integrated device manufacturers (IDMs).

"Our engagement with these leading foundries, IDMs and product companies reflects Weebit's cutting-edge ReRAM at a time when there is significant demand for a high-performing, cost-effective non-volatile memory (NVM) technology to replace flash and other alternatives in more advanced applications and process nodes. Our proven embedded ReRAM is more energy efficient, and better performing than both flash and other emerging NVM technologies, and we have recently demonstrated its suitability for high-radiation environments.

"Weebit is the leading independent ReRAM provider in the market, and we are well-positioned to secure licensing agreements with several Tier-1 foundries/IDMs. Discussions and evaluations with most of the leading foundries and IDMs are progressing well, and we are working hard to sign our first agreement with these companies.

"Weebit's largest ever capital raise has further strengthened our balance sheet, and will enable us to accelerate the transfer and qualification of our embedded ReRAM to new Tier-1 foundries and IDMs who will manufacture products with it embedded. It enables us to capitalise on our competitive advantages to address growing customer demand for faster, more efficient NVM. At the same time, we're working to scale our ReRAM below 22nm for advanced applications.

"We also continue to invest in longer-term opportunities, including additional development of a solution for the discrete memory market. We are hearing from potential customers that our current technology, using a transistor rather than a selector, is already competitive with some discrete solutions available today. This



provides us with the ability to have our own products while we continue the longer-term development and commercialisation of the selector technology, which will open up a large market opportunity and further diversify our revenue streams.

“Finally, I’m incredibly proud of Weebit’s addition to the S&P/ASX 300 and MSCI Australia Indices, which are introducing new investors to the company and giving Australian investors the ability to be directly involved in the global semiconductor industry. The sector is expanding exponentially at present as the US, Europe, South Korea, India, Taiwan and Japan all look to reduce their sovereign risk and produce more of their semiconductor infrastructure locally.”

Weebit ReRAM IP now available in SkyWater’s S130 process

Weebit’s first ReRAM technology became available in commercial partner SkyWater Technology’s 130nm CMOS (S130) process in March. SkyWater customers can now easily integrate Weebit ReRAM IP in system-on-chip (SoC) designs for mixed-signal, IoT, automotive, industrial, medical, and aerospace applications.

Weebit’s proven NVM has significant advantages over existing flash technology, enabling semiconductor designs to be faster, lower cost, more energy efficient and more reliable, even in high-temperature or high radiation environments. Demo chips produced at SkyWater are currently being qualified, which is on track to be completed in the first half of CY23.

Weebit publicly demonstrated these SkyWater demo chips for the first time at Embedded World 2023 in March, showcasing the performance and power savings of its technology compared to flash memory. The demo chips generated significant interest and awareness with potential customers and partners throughout the industry. The same demo chips are now available for customers to prototype their designs ahead of mass production.

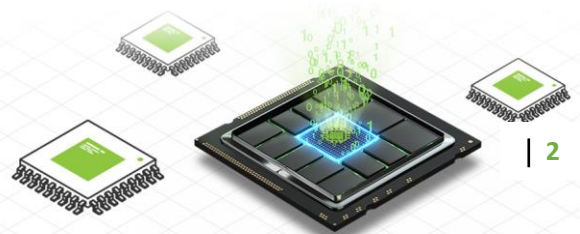
Taped-out 22nm demo chip to Global Foundries

During the quarter, Weebit taped-out the first demo chips integrating its embedded ReRAM module to Global Foundries’ 22nm fully depleted silicon on insulator (FD-SOI) process, also known as 22FDX™. This manufacturing process is one of the industry’s most common process nodes, known for its fine balance between power consumption, performance and cost, and is broadly used for IoT, automotive, AI, MCU and mixed-signal designs. These applications require new embedded NVM technologies as existing embedded flash is not available at this process node.

GlobalFoundries’ Chief Business Officer Mike Hogan said, “The work Weebit and CEA-Leti are doing to make Weebit ReRAM available on GlobalFoundries’ 22FDX is a welcome development as we continue to expand the ecosystem around this platform. Embedded NVM is a key element of our customers’ designs, but since embedded flash is difficult to scale below 28nm, many customers are looking to NVM solutions such as embedded ReRAM.”

Negotiations with Tier-1 foundries, customers

Weebit is in various stages of discussion and technical evaluation with most of the world’s leading foundries and IDMs. Evaluations are highly complex with these companies having many technical requirements. Overall, the negotiations are progressing well and Weebit is working hard towards securing a licensing agreement with a Tier-1 foundry/IDM.



Raised approx. A\$60m via strongly supported Placement and SPP

Weebit secured approximately A\$60 million in challenging market conditions to accelerate the commercial rollout of its embedded ReRAM and fund additional technology development. The raise comprised approx. A\$45 million from an institutional Placement at A\$5 per new share and an upsized and strongly supported A\$15 million Share Purchase Plan (SPP) on the same terms. The Placement was supported by new and existing high-quality Australian and international institutional and sophisticated investors.

Radiation impact study

During the quarter, Weebit confirmed its ReRAM arrays are tolerant to high radiation levels as part of a study with the University of Florida's Nino Research Group (NRG) and CEA-Leti. The study showed Weebit ReRAM maintained data integrity and memory functionality after being subjected to doses of gamma irradiation exceeding the most demanding requirements, making it suitable for aerospace and medical applications in high-radiation environments.

Established in 2003, the NRG is focused on the development of advanced functional materials for sustainable energy solutions. Weebit, NRG and Leti are now measuring the performance of Weebit ReRAM module under a mixed radiation environment in real time at the University of Florida Training Reactor (UFTR).

S&P/ASX 300 Index inclusion

Weebit was added to the S&P/ASX 300 Index in March, reflecting the company's increased market capitalisation. The milestone followed Weebit's inclusion to the MSCI Australia Index, which measures the performance of large and mid-cap segments of the Australian market.

Market engagement

During the quarter, Weebit also met with potential customers and partners at the industry's leading conference - Embedded World in Germany. This event plays an important role in updating the market on Weebit's progress and informing potential customers about the availability of its first ReRAM product through SkyWater.

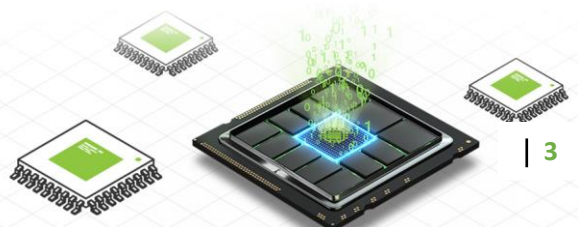
Upcoming events include:

- 9 May 2023: ChipEx, Israel – the leading semiconductor conference in Israel
- 21 May 2023: International Memory Workshop (IMW), California – the leading R&D conference for memory developers and users
- 7 June 2023: Leti Innovation Days, France – the annual gathering of Leti's partners and potential customers looking to embed advanced technologies in products
- 10 July 2023: Design Automation Conference (DAC), California – the industry's go-to event for design engineers and engineering management

For more info visit www.weebit-nano.com/events

Financials

Notable operating cash flow items during Q3 FY23 included R&D expenses of A\$6.9 million, comprising a A\$6 million payment to Leti after achieving key milestones. Payments to related parties were A\$258,000, inclusive of fees paid to Directors and the CEO's cost of payroll. At the end of Q3 FY23, Weebit had a strong cash balance of A\$79 million (excluding A\$15 million in SPP proceeds which were finalised during April 2023).



Looking forward

Weebit Nano is on track to achieve the following milestones over the coming months:

- Complete technology qualification with SkyWater;
- Complete technology qualification at 125C for automotive applications;
- Sign new agreements with partners and customers, including a Tier-1 foundry/IDM; and
- Commence scaling embedded ReRAM technology below 22nm.

Investor briefing details

CEO Coby Hanoch will participate in a “Meet the CEO” interview covering the Company’s quarterly update at 2pm AEST on Thursday, 27 April 2023. Participants will have an opportunity to ask questions at the end of the webinar.

To attend, please pre-register at:

https://us02web.zoom.us/webinar/register/WN_xgERNPb0S-K6VNjP-PswQw

- ENDS -

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

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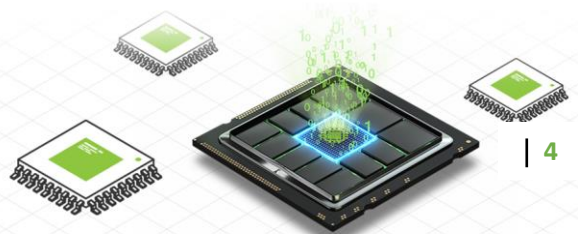
About Weebit Nano Limited

Weebit Nano Ltd. is a leading developer of advanced 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.

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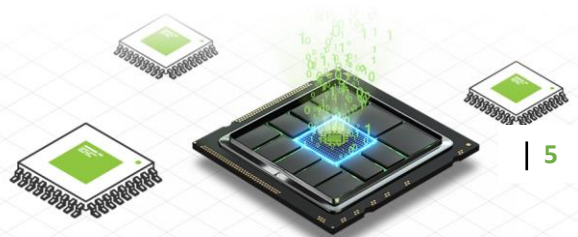
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Weebit's ReRAM allows semiconductor memory elements to be significantly faster, less expensive, more reliable and more energy efficient than those using existing Flash memory solutions. As it is based on fab-friendly materials, Weebit ReRAM can be integrated within existing flows and processes faster and easier than other emerging technologies, without requiring special equipment or large investments.

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

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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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(6,937)	(7,835)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(203)	(645)
(d) leased assets	(75)	(223)
(e) staff costs	(2,128)	(4,997)
(f) administration and corporate costs	(482)	(1,398)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	166	553
1.5 Interest and other costs of finance paid	(5)	(18)
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	(9,664)	(14,563)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(6)	(19)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) 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	(6)	(19)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	45,000	45,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	79	143
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,070)	(2,071)
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	43,009	43,072

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	45,629	50,211
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9,664)	(14,563)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(19)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	43,009	43,072
4.5	Effect of movement in exchange rates on cash held	275	542
4.6	Cash and cash equivalents at end of period	79,243	79,243

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	64,243	45,629
5.2	Call deposits	15,000	-
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)	79,243	45,629

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	258
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

The payments at 6.1 relate to salaries of management and directors' fees for entities of the group.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(9,664)
8.2 Cash and cash equivalents at quarter end (item 4.6)	79,243
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	79,243
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	8
<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: 26 April 2023

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.