

## Weebit Nano signs Tier-1 licensing agreement; on track to generate first IP revenues in 2023

*Second technology transfer, to DB HiTek, now underway; partner and customer negotiations are ongoing*

### Q1 FY24 Quarterly Activities Report

#### Key highlights

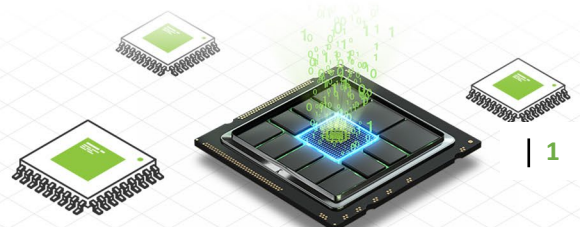
- Signed commercial agreement licensing Weebit's embedded ReRAM to global top-10 foundry DB HiTek
- Successfully qualified ReRAM module at automotive temperatures of up to 125° Celsius
- Progressed negotiations and product evaluations with leading foundries, integrated device manufacturers (IDMs) and semiconductor companies
- On track to achieve first revenues in calendar year 2023
- Appointed Naomi Simson to Board as Non-Executive Director
- Added to the S&P/ASX 200 Index
- Winner of the Electronics Industry Awards' Embedded Solution of the Year

27 October 2023 – Weebit Nano Ltd (**ASX: WBT, Weebit or Company**) is pleased to provide this activity report for the quarter ended 30 September 2023 (**Q1 FY24**), along with the Company's Appendix 4C cash flow report.

**Weebit CEO Coby Hanoch said:** "Despite an extremely challenging situation in Israel at present, Weebit's team and operations in the country continue to deliver against its plans. Unfortunately, this is not the first time we have faced a situation like this, and we have well-thought-out contingency plans in place to minimise disruptions to our operations.

"Weebit Nano has had an exceptional start to FY24, signing a commercial agreement with a Tier-1 foundry and qualifying our embedded ReRAM for automotive grade 1 temperatures. Importantly, we remain on track to receive initial revenues this calendar year. We are executing against both our technical and commercial roadmaps, and as the global leading independent provider of ReRAM, we are well positioned to sign new licensing agreements with partners and customers over the coming months.

"Our October licensing agreement with Tier-1 foundry DB HiTek in South Korea further validates the quality of our embedded ReRAM, which offers enhanced performance and power efficiency over existing flash technology with the added benefit of being easier and cheaper to manufacture. DB HiTek is a well-known leading foundry in the analog domain. The agreement will enable DB HiTek customers to embed a more advanced memory into their next generation consumer, industrial, and IoT products. We are moving quickly and have commenced transferring our ReRAM to a DB HiTek production facility, to be followed by qualification in its 130nm process.



“In addition to our agreement with DB HiTek, we are gaining momentum in our ongoing negotiations and evaluations with other leading foundries, integrated device manufacturers (IDMs) and semiconductor companies. Qualification at high temperatures and endurance levels caters to increased interest in our ReRAM for automotive applications; and is supporting our discussions with these companies. We are now working to qualify our technology at automotive temperatures in SkyWater’s US fab.

“We are incredibly proud of our addition to the ASX 200 Index, reflecting our increased market capitalisation and significant commercialisation progress over the past two years. While this achievement has temporarily increased instability on our register, as is common when stocks enter a new ASX index and a period of shorting ensues, we remain focused on delivering long-term value for shareholders by meeting our commercial roadmap milestones. We are as confident as ever about our ability to meet demand for fast, more efficient memory technology as ReRAM grows to account for about a third of the rapidly growing embedded emerging NVM market.

“Lastly, we welcomed highly experienced entrepreneur Naomi Simson to the Weebit Board, further strengthening our governance credentials. Naomi’s extensive corporate marketing expertise will be invaluable as we ramp-up our customer engagement.”

### **Weebit licenses ReRAM to DB HiTek**

In October, Weebit Nano signed a non-exclusive licensing agreement with global top-10 foundry DB HiTek. The commercial agreement also includes technology transfer and qualification, which has already commenced.

Under the licensing agreement, DB HiTek can manufacture Weebit ReRAM as embedded non-volatile memory (NVM) in designs from its global customers. Weebit ReRAM will be available in DB HiTek’s 130nm Bipolar-CMOS-DMOS (BCD) process, used for analog, mixed-signal and power designs in consumer, industrial, and other IoT devices. DB HiTek has the option to extend the agreement to other process nodes.

Headquartered in South Korea, DB HiTek generated annual revenue of \$2 billion last year.

### **Qualification at automotive grade temperatures with CEA-Leti**

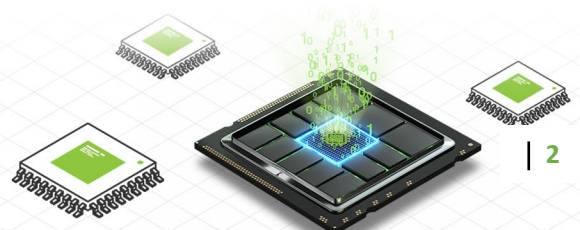
During the quarter, Weebit Nano successfully qualified its embedded ReRAM module at higher temperatures on recent Leti wafers, demonstrating the suitability of its technology for automotive grade temperatures. Automotive grade 1 non-volatile memories have significantly more stringent standards than industrial and consumer applications, requiring qualification at temperatures of up to 125 degrees Celsius for 10 years or more.

This qualification, based on well-known JEDEC industry standards for NVMs, used Weebit’s demo chips manufactured by CEA-Leti in its state-of-the-art fab. It broadens applicability for Weebit ReRAM to include use in microcontrollers and other automotive components, as well as high-temperature industrial and IoT applications.

Weebit’s embedded ReRAM is ideal for automotive applications, offering the temperature range combined with fast access and programming, low power consumption, and the ability to cost-effectively scale to advanced process nodes.

### **Agreements with partners & customers**

Weebit Nano continues to progress technical evaluations and negotiations with multiple leading foundries, IDMs, and semiconductor companies. These discussions are in various stages of maturity and are being supported by recent qualification data. Engagement with SkyWater customers is also moving forward.



## Board changes

In September, highly credentialed Australian executive Ms Naomi Simson joined the Weebit Board as an independent Non-Executive Director. Ms Simson is an experienced corporate marketer and entrepreneur, founding online marketplace for experiences, RedBalloon, and co-founding Big Red Group – a services platform and consumer brand company. Ms Simson serves as director on five company Boards, including Colonial First State, Australian Payments Plus and the University of Melbourne Economics and Business Faculty.

In early October, interim Australian Non-Executive Director Mr Mark Licciardo stepped down from the Board. He remains involved in Weebit as its Company Secretary.

## Market engagement

During the quarter, Weebit Nano presented at several leading industry conferences, including the Flash Memory Summit in California, Non-Volatile Memory Technology Symposium in Belgium, and the 2023 International Workshop on Characterization and Modeling of Memory Devices (IWCM) in Milan. Industry conferences increase awareness of Weebit’s innovative ReRAM, support commercial negotiations with potential partners and customers, and highlight the high calibre of the Company’s technical team.

Weebit’s management team also participated at a number of investment conferences during the quarter, including Canaccord Genuity Annual Growth Conference in Boston, Oppenheimer’s Annual Technology, Internet & Communications Conference, Jefferies Annual Semiconductors, IT Hardware & Communications Infrastructure Conference in Chicago, and Jefferies Israel Tech Trek.

Weebit’s ReRAM technology and team have been recognised at several prestigious industry awards, recently winning the Electronics Industry Awards’ Embedded Solution of the Year and being named a finalist in Elektra Awards’ Design Team of the Year.

## Investor briefing details

CEO Coby Hanoch will participate in a “Meet the CEO” interview covering the Company’s quarterly update at 4:30pm AEDT on Monday, 30 October 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\\_FTDPzPvmShah\\_7SKz2rV2A](https://us02web.zoom.us/webinar/register/WN_FTDPzPvmShah_7SKz2rV2A)

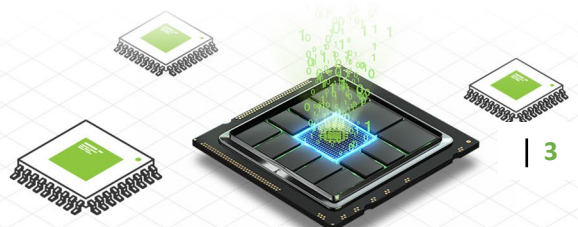
Chairman Dadi Perlmutter and CEO Coby Hanoch will be in Australia next month for the Company’s Annual General Meeting, being held in Melbourne on Thursday, 23 November 2023. Retail investor briefings will be held that week in Perth (20 Nov) and Sydney (22 Nov).

Coby will also be presenting at the Automic Markets Investment Conference on 5-6 December.

More information on these events can be found at [www.weebit-nano.com/investors/ir-events](http://www.weebit-nano.com/investors/ir-events).

## Financials

Notable operating cash flow items in Q1 FY24 included R&D expenses of A\$0.9 million. Payments to related parties, including fees paid to Directors and the CEO’s cost of payroll, were A\$205K. Weebit remains well-funded to execute on its growth strategy with a strong cash balance of A\$84 million as at 30 September 2023.



## Looking forward

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

- Generate initial revenues;
- Sign additional customer agreements with IDMs/foundries/product companies;
- Progress technology transfer in DB-HiTek's production fab;
- Qualify embedded ReRAM at automotive grade 1 temperatures at SkyWater; and
- Commence testing of its 22nm GlobalFoundries wafers.

## Commentary on material risks

Identifying and mitigating material business risks that could have an adverse impact on Weebit Nano's strategy and financial performance is a significant part of the Company's corporate governance framework. This section outlines some of the material risks identified by the Company. They are not listed in any particular order.

### *Existing technology risks*

Current memory storage technologies like DRAM, NAND Flash and NOR Flash face technological barriers to meet long term customer requirements and demands. These barriers include the ability to reduce costs, improve power consumption and improve reliability. Existing memory technologies may however be able to overcome these barriers and remain as the leading and customer preferred technology.

### *Termination of SkyWater or DB HiTek Agreements or agreements to be entered into with major foundries and independent device manufacturers*

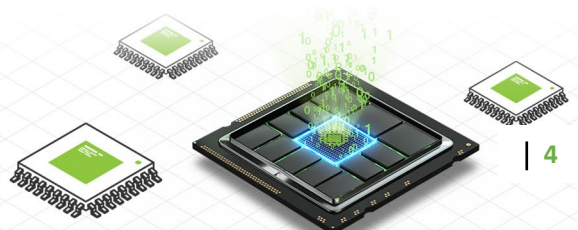
The Company is party to technology licensing agreements with SkyWater Technology Inc. and DB Hitek Co., Ltd ('Foundry Agreements'). The Foundry Agreements contain customary termination events. Early termination of a Foundry Agreement, for any reason, may mean that the Company will not realise the full value of the contracts, which may adversely affect the growth prospects, operating results and financial performance of the Company's projects and business.

In addition, the Company is currently engaged in commercial discussions with a number of major foundries and Independent Device Manufacturers (IDMs) ('Foundry and IDM Agreements'), although there is no guarantee any Foundry and IDM Agreements will be entered into (either in the time expected or at all). The unexpected termination of one or more of the anticipated Foundry and IDM Agreements would adversely affect its future financial performance.

The ability to rapidly scale the Company's business is dependent on its ability to sign new agreements with foundries and IDMs and successfully complete the technology transfer with the counterparties. Failure to expand in this way may materially and adversely impact the Company's ability to increase revenue, achieve economies of scale, optimise its systems and expand its operations, all of which may have a negative impact on the Company's profitability.

### *Competition and new technologies*

The industry in which the Company is involved is subject to increasing domestic and global competition, which is fast-paced and fast-changing. There are various companies working to develop alternative data storage solutions, including the development of technologies that are based on the concept of ReRAM.



While Weebit Nano 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 technology not being differentiated from other similar offerings.

#### *Sales and marketing success*

The Company is seeking to develop and market the ReRAM technology. By its nature, there is no guarantee that the ReRAM technology development and marketing campaign will be successful. In the event that it is not successful, the Company may encounter difficulty creating market awareness of the ReRAM technology. This would likely have an adverse impact on the Company's potential profitability.

Even if the Company does successfully commercialise the ReRAM technology, there is a risk the Company will not achieve an acceptable commercial return. For example, new technology may overtake the Company's technology.

#### *Currency exchange rate risk*

The Company expects to derive a majority of its revenue in US dollars, whereas its current and expected costs are denominated mainly in ILS, USD, EURO and Australian Dollar. Accordingly, the Company is exposed to the risk inherent in currency exchange rate fluctuations.

#### *Situation in Israel*

Weebit Nano's Israel operations remain unaffected by military activities and attacks on Israel. The Company's lab is operating in a protected location inclusive of a bomb shelter, uninterruptible power supply, and constant software and data backup to the server. All of the Company's employees have a home office setup in which they can work remotely if needed. Most employees have access to a bomb shelter at home or in a nearby location in the event of an attack. If the situation continues to intensify and Weebit Nano can no longer operate out of Israel, the Company is set up to relocate to France and continue to operate. However, any continuance and escalation of military activities in and attacks on Israel could adversely affect the Company's Israel operations and negatively impact its financial performance.

- ENDS -

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

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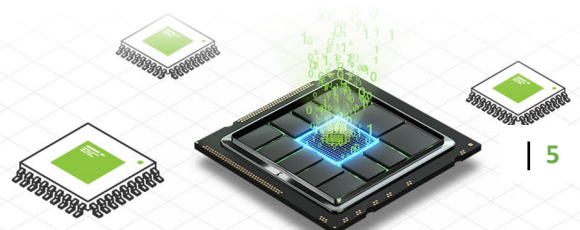
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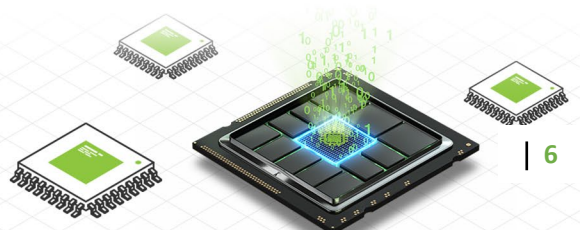
## About Weebit Nano Limited

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.

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](http://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")**

30 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(856)	(856)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(411)	(411)
(d) leased assets	(82)	(82)
(e) staff costs	(3,292)	(3,292)
(f) administration and corporate costs	(719)	(719)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	736	736
1.5 Interest and other costs of finance paid	(10)	(10)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,634)</b>	<b>(4,634)</b>

Note - Staff costs include a timing difference in payments between the current and previous quarter. There was no increase in staff costs in the current quarter

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(33)	(33)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(33)</b>	<b>(33)</b>

<b>3. Cash flows from financing activities</b>		
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	126	126
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(32)	(32)
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>94</b>	<b>94</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	87,957	87,957
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,634)	(4,634)



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 (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(33)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	94	94
4.5	Effect of movement in exchange rates on cash held	535	535
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>83,919</b>	<b>83,919</b>

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	5,200	7,463
5.2	Call deposits	78,719	80,494
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>83,919</b>	<b>87,957</b>

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	205
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, bonuses and consulting/director fees for directors' within the group.

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(4,634)
8.2 Cash and cash equivalents at quarter end (item 4.6)	83,919
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	83,919
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	18
<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: 27 October 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.