Q4 FY2019 Activities Update

Progress with first potential customer; demonstrates technical parameters at forefront of industry

Key highlights for Q4 FY19

- **Commenced detailed work with first potential customer; Kitec Design appointed as Korean market representative**
- **ReRAM technical parameters demonstrated results at forefront of industry**
- **Semiconductor veteran Atiq Raza appointed to Board of Directors**
- **Filed two new patents optimising ReRAM performance with partner Leti**
- **Block trade completed for largest escrowed shareholders**

24 July, 2019 – Weebit Nano Ltd (ASX: WBT) is pleased to provide the following operational update for the quarter ending 30 June 2019, along with its Appendix 4C cash flow results.

Discussions with Tier-2 company progress; Korean market representative appointed
In May, leading semiconductor distributor Kitec Design Co Ltd was appointed as Weebit's representative in South Korea to progress ongoing discussions with potential customers and partners in this market.

Korea is the world's largest memory chip manufacturer, producing 57 per cent of the global supply, and is a key target for Weebit's Silicon Oxide (SiOx) ReRAM technology. It is also the second largest semiconductor industry in the world, accounting for more than 16 per cent of the global market.

Weebit is already engaging with potential customers in Korea and is in advanced discussions with a Tier-2 company, where Weebit is adapting its technology to meet their unique memory module requirements.

Kitec Design is well connected with the major companies in the South Korean market and is a leading provider of System on a Chip (SoC) development tools and services. An established semiconductor representative for nearly 20 years, Kitec Design will assist in progressing discussions with strategic customers and partners.

"As Weebit is targeting the embedded memory market, where its memory will be combined with other modules into a System on a Chip (SoC), each customer has their own specific requirements for how the module fits into their system including size and shape and number of read/write ports. This customisation requires intensive design work that can take six to nine months," said Mr Hanoch.

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"Identifying a suitable customer to progress to productisation is crucial to our future success. Working with a Tier-1, while very appealing, can kill a startup as it is very difficult to satisfy all their requirements. Finding the right Tier-2 company, which is the right size and has a real need for our technology, is critical, and we are confident that we are working with the ideal partner for this development. In parallel, we are also progressing discussions with other potential customers in other markets."

As this first potential customer does not require 28nm/300mm wafers, Weebit is now focused on implementing the solution based on their specifications. The work on 28nm/300mm is continuing, but at a lower priority.

Technical parameters at forefront of ReRAM market

Weebit continued to build on its market competitive retention, endurance and voltage levels over the quarter with its Silicon Oxide (SiOx) ReRAM technical parameters demonstrating results at the forefront of the industry. Retention and endurance parameters are key measures for use in non-volatile memory.

Tests conducted on the latest batch of wafers by Leti, the French research institute recognised as a global leader in the field of micro-electronics, showed significant improvement on previous results and demonstrated retention of over 10 years at 130-150°C – at the forefront of ReRAM technologies. These results at very high temperatures broaden the range of potential commercial applications for Weebit's technology, including automotive applications.

The latest batch showed single cells demonstrating endurance of a million cycles, significantly exceeding state-of-the-art flash performance. Weebit is continuing to optimise its technology.

"Weebit is continuing to make substantial technical and commercial advancements as we move closer to productisation and commercialisation of our SiOx ReRAM technology. We have now achieved industry-leading technical parameters at a rate that is significantly faster than any other company in the ReRAM domain," said Weebit Nano CEO Coby Hanoch.

"It is important to understand that achieving the initial 1Mb array and demonstrating these advanced technical results were a high-risk technical challenge. By contrast, moving from 200mm to 300mm mostly requires hard work and money."

Atiq Raza appointed to Board of Directors

Post reporting period end, Weebit appointed semiconductor veteran Mr Atiq Raza to its Board as a Non-Executive Director.

Atiq brings a wealth of experience in the semiconductor industry to Weebit with a career that spans over 40 years and includes numerous high-profile leadership positions. Most notably he was Chairman and CEO of NexGen Inc., which revolutionised the design of x86 processors before being acquired by Advanced Micro Devices (AMD) in 1996. He went on to become President and COO of

AMD and led its transition from running behind Intel processors to a direct competitor gaining significant market share in PCs and the Cloud.

He has also held CEO and Chairman positions at a number of semiconductor companies, including RMI, Calient Technologies, and served on the Board of Mellanox, Magma Design Automation, Matrix and Solantro Semiconductor Corporation.

"The fact that an industry icon such as Atiq agreed to join Weebit's Board of Directors is a huge vote of confidence and improves a very strong board even further. Atiq is known to be active in the companies he is involved in and I am sure he will make a significant contribution to Weebit" said Mr Hanoch.

Independently, Mr Yossi Keret will retire from the Board of Directors at the next Annual General Meeting to pursue other opportunities. Yossi has made a significant contribution to Weebit since joining the board in 2015, including his time as CEO which saw the listing of Weebit Nano on the ASX and agreement with Leti put in place.

Two new patents filed for optimising ReRAM performance

During the quarter, Weebit and its development partner Leti filed two new patents relating to methods for optimising the performance of ReRAM memory cells by adjusting the manufacturability based on electrical measurements.

One patent outlines a general methodology used to achieve the highest electrical performance of ReRAM cells while the other is the specification of that methodology. Identifying the unique SiOx device specification and manufacturing method enhances the commercial viability of Weebit's technology, thereby reducing manufacturing costs and allowing for more flexible manufacturing capability.

While these are joint patents, only Weebit can commercialise them according to the agreement between the companies.

Weebit's arrangement with Leti has allowed the company to utilise the French Government's R&D rebate system, enabling technical progress at a much lower cost to shareholders.

University collaborations

During the quarter, Weebit partnered with the Institute of Nanoscience and Nanotechnology at the National Centre for Scientific Research 'Demokritos' (INN-NCSRD) in Greece to conduct a reliability study of its SiOx ReRAM cells in harsh environments.

Led by Prof. Panagiotis Dimitrakis of the Materials and Devices for Information Storage and Emerging Electronics Group, the study aims to test Weebit's ReRAM memory array in packaged and wafer-level devices under various stress conditions and harsh environments, including Total Ionized Dose effects induced from x-ray radiation.

This research will provide a comprehensive picture of the effect of radiation on array mechanisms and serve as a guide for the design of next-generation ReRAM, paving the way for device usage in the medical, aviation and automotive markets.

This collaboration is in addition to Weebit's work with leading research institutes on neuromorphic computing. As a ReRAM cell operates very similar to a synapse in the brain, many research institutes are looking for ways to emulate human memory using ReRAM (as opposed to simulating it like most AI applications do today).

"While Weebit remains focused on productising its technology and reaching first revenues, we believe we should not neglect our future, especially when there is such a huge opportunity for our technology in the fast-growing Artificial Intelligence (AI) domain," said Mr Hanoch.

Block trade completed

During the reporting period, block trade sales of the remaining 6.5 million shares held by three large escrowed shareholders were completed, removing the significant market overhang associated with their holdings and providing a more stable environment to support share price growth going forward.

The majority of these shares were sold to sophisticated, long-term Weebit shareholders.

Looking ahead

Weebit is focused on developing the memory module to meet the unique specifications of its first potential customer. This is the clear priority for the company. As part of this, Weebit continues to improve its technology. The move towards the production of 300mm wafers at 28nm is continuing, but as this is not a requirement of the customer, it is a lower priority.

The appointment of Mr Atiq Raza to the Board further strengthens the caliber of board and management in place. His technical and industry experience, as well as vast semiconductor contacts, will assist Weebit's commercialisation strategy.

"There continues to be a sizeable need in the market for a new memory technology given speed and capacity requirements are increasing rapidly. We are confident that Weebit's ReRAM technology has a long-term future given its attractive characteristics and lower production costs," said Mr Hanoch.

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About Weebit Nano Limited

Weebit Nano is a leader in the development of next generation computer memory technology, and plans to become the new industry standard in this space. Its goal is to address the growing need for a significantly higher performance and lower power computer memory technology. Weebit Nano's ReRAM technology is based on fab-friendly Silicon Oxide, allowing the company to rapidly execute, without the need for special equipment or preparations. The company secured several patents to ensure optimal commercial and legal protection for its ground-breaking technology.

Weebit Nano's technology enables a quantum leap, allowing semiconductor memory elements to be significantly cheaper, faster, more reliable and more energy efficient than the existing Flash technology. Weebit Nano has signed an R&D agreement with Leti, an R&D institute that specialises in nanotechnologies, to further develop SiOx ReRAM technology.

For more information please visit: http://www.weebit-nano.com/