

Weebit progressing to first commercial agreement; progresses embedded memory module and selector development

Q3 FY21 Activities Report

Key highlights for Q3 FY21

- Progressing discussions with multiple potential production partners and customers, targeting first commercial agreement by mid-year, subject to COVID-19 international travel restrictions
- Ongoing technology development with Leti on the embedded memory module and selector for the discrete market
- Appointed Ishai Naveh as Chief Technology Officer to drive ReRAM development
- Filed two new design-related patents, optimising ReRAM programming
- A\$2.03 million¹ received for French R&D incentive
- Included in the S&P/ASX All Ordinaries Index

30 April 2021 – Weebit Nano Ltd (**ASX: WBT, Weebit or Company**) is pleased to provide this activities report for the quarter ended 31 March 2021 (**Q3 FY21**), along with the Company's Appendix 4C cash flow report.

Commenting on Q3 FY21, Weebit Nano CEO Coby Hanoch said: "It has been a productive quarter for Weebit Nano and we continued to progress toward securing a first commercial agreement by mid-year. We are in discussions with multiple potential partners including customers and fabs, and are considering different types of commercial agreements. COVID-19 travel restrictions have the potential to cause a small delay in achieving our target and we are doing what we can to mitigate this.

"We are experiencing increased interest in our ReRAM technology from potential customers, looking to incorporate it in their future products. Such discussions are providing us with valuable market feedback, and we are using this information to improve the attractiveness of our technology.

"We are making good progress towards reaching an agreement and expect to commence the technology transfer, followed by the qualification process, over the coming months, despite the worldwide semiconductor shortages impacting the ability to transfer our technology to a production fab.

"Weebit Nano's addition to the S&P/ASX All Ordinaries Index is another great milestone and builds on the Company's recent inclusion in the S&P/ASX All Technology Index. We also strengthened our

¹ €1.3 million Government incentive; based on FX rate of 1 EUR = 1.56474 AUD

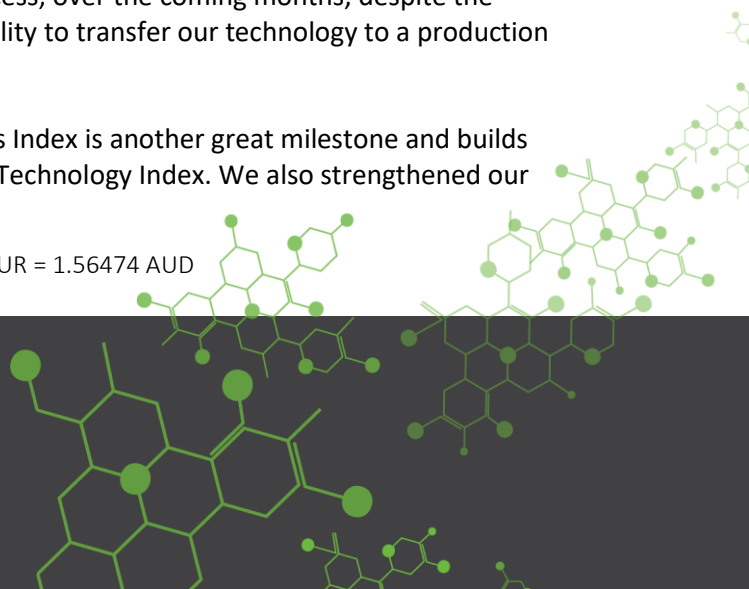


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strong cash position, receiving more than A\$2 million in French R&D incentive, further enhancing our ability to accelerate productisation and commercialisation activities across the embedded, discrete and neuromorphic domains.”

Development activities – embedded memory module on track; progressing the integration of Weebit Nano’s ReRAM with a selector for the discrete memory market

During Q3 FY21, Weebit Nano and its development partner Leti progressed development activities across both the embedded and discrete memory markets.

The embedded memory module is on track to complete the design stage in mid-2021. Featuring enhanced functionality, the memory module is one of the first in the world to be integrated into a sub-system consisting of a processor, Static Random-Access Memory (SRAM), the ReRAM array and peripherals. It will enable potential customers to use the module to fast-track their own development of low-power IoT devices and sensors.

Development work integrating Leti’s proprietary selector with Weebit Nano’s ReRAM for the discrete memory market continues to progress, and Weebit expects to meet the goal of demonstrating it by September as planned.

“Funds raised late last year have enabled us to significantly increase and accelerate our development activities, and we are now making more rapid technical progress with both our embedded and discrete memory technologies. While we are progressing discussions with potential production partners in multiple regions, we are also using this time to continue to enhance the baseline parameters of our ReRAM technology. We are leveraging the experience of both Ishai [CTO] and Ilan [VP R&D] to ensure our technology is as competitive, efficient and robust prior to commencing mass production,” said Mr Hanoch.

ReRAM veteran Ishai Naveh appointed CTO

During the quarter, Weebit Nano appointed non-volatile memory veteran Ishai Naveh as Chief Technology Officer, with former CTO Amir Regev appointed VP Technology Development.

As CTO, Mr Naveh will be responsible for the strategic direction of the Company’s ReRAM development, adapting it for the embedded, discrete, and neuromorphic markets, and differentiating it from competing technologies. He will also support Weebit Nano’s engagement with manufacturing facilities and technology transfers.

Mr Naveh brings more than 35 years’ industry experience to the role, previously serving as VP Non-Volatile Memories at Tower Semiconductor before co-founding early ReRAM company Adesto in 2007. His extensive semiconductor experience, specifically within Non-Volatile Memory and ReRAM, covers process development and integration, silicon manufacturing, setting technology requirements and directing technical teams to address customer requirements.

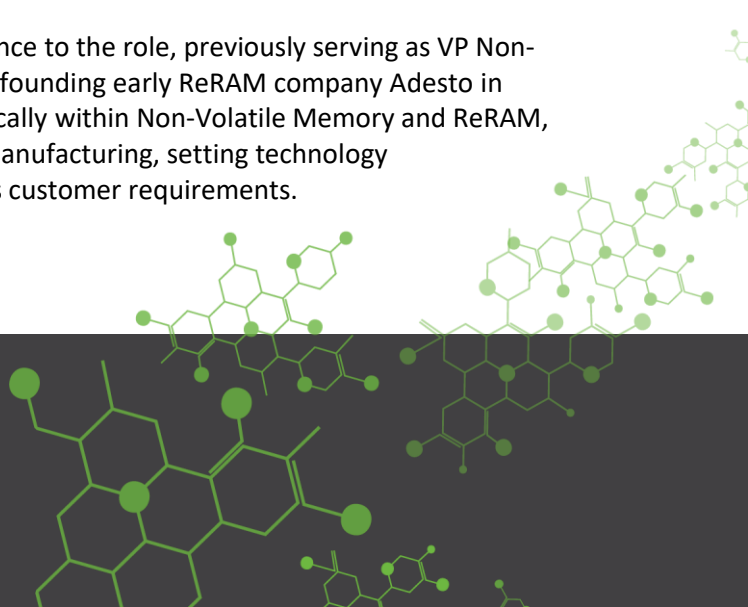


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Mr Regev, who established Weebit Nano's technology development, will focus on the continued enhancement of the Company's ReRAM technology and development of a solution for the discrete memory market.

Two new patents filed in relation to optimising ReRAM programming

Weebit Nano continues to protect its intellectual property, filing two new design-related patents that significantly improve ReRAM programming. Applicable to a wide range of ReRAM technologies, the patents use sophisticated analog circuits to increase memory endurance while reducing access times and power consumption.

The first patent describes unique chip circuitries that operate in tandem to optimise the access time and power associated with programming the memory module, while also enhancing bit performance. The second patent doubles memory access speed by expanding the concurrency of ReRAM programming beyond what emerging Non-Volatile Memories currently support.

Summary of Q3 FY21 cashflows

During the quarter, Weebit Nano received \$2,254,000 through the exercising of options. The number of outstanding (not yet exercised) listed options with a strike price of 45 cents is currently 38,480,492.

Notable operating cash flow items over the quarter included research and development expenses of \$142,000 (including a US\$20,000 payment to Rice University in line with the annual pre-commercialisation minimum royalties agreement), offset by a GST (R&D related) refund of \$594,000, resulting in a net cash inflow of \$452,000.

In April, Weebit received approximately A\$2 million (€1.3 million) in cash in relation to the French Government's R&D incentive, for research and development work carried out in France during 2020.

Payments to related parties over Q3 FY21 were \$475,000, which included fees paid to directors and CEO's cost of payroll for the period.

Looking forward

Weebit Nano remains focused on securing a first commercial agreement and is in advanced discussions with multiple potential production partners and first customers.

Additional priorities over the next six months include:

- Initiating the transfer of Weebit Nano's technology to a production fab. While ongoing semiconductor shortages are impacting the Company's ability to enter into a production agreement, Weebit is confident of securing an agreement in the coming months.

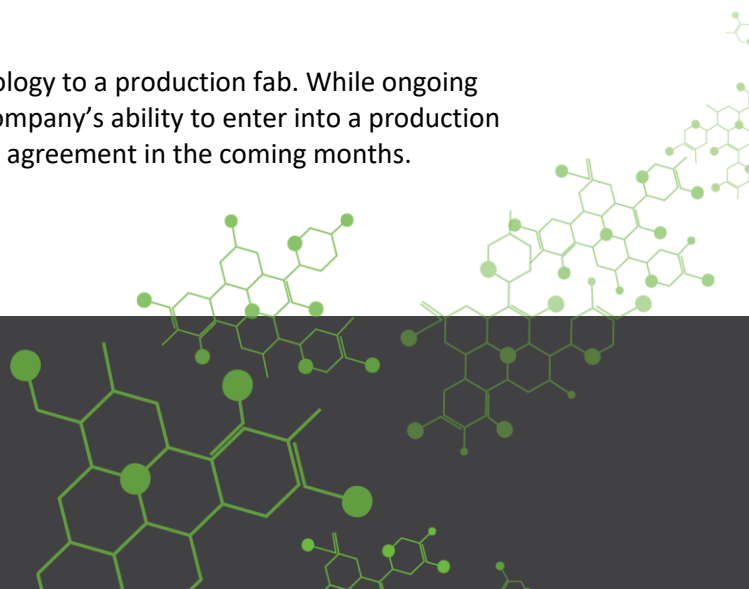


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- Completing the development of the embedded memory module with enhanced functionality by mid-2021.
- Demonstrating a working combined cell integrating Leti's proprietary selector with Weebit's ReRAM before the planned September 2021 milestone.

"Global semiconductor demand is currently at a record high, outpacing supply and expected to continue increasing. This demand is being driven by increased digitisation with semiconductors now used in almost every device and gadget, everything from phones through to cars and wearable technology.

"Weebit's next generation ReRAM technology is well-placed to capitalise on this demand, offering a faster and more energy efficient memory than existing Flash technology. Tesla recently recalled 160,000 vehicles because their Flash memory had reached its endurance limit. With Weebit Nano's ReRAM memory technology having 100 times better endurance than Flash, the market potential of Weebit Nano's ReRAM technology is significant. Our development activities with Leti continue in both the embedded and discrete segments, and despite challenging macro conditions, we are nearing a first commercial agreement," said Mr Hanoch.

Investor briefing details

David Perlmutter (Chairman) and Coby Hanoch (CEO) will host an investor webinar at **3:00pm AEST on Friday, 30 April 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_Xwc4oeITTOwBwyvM_r6_g

- ENDS -

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

For further information, please contact:

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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/>

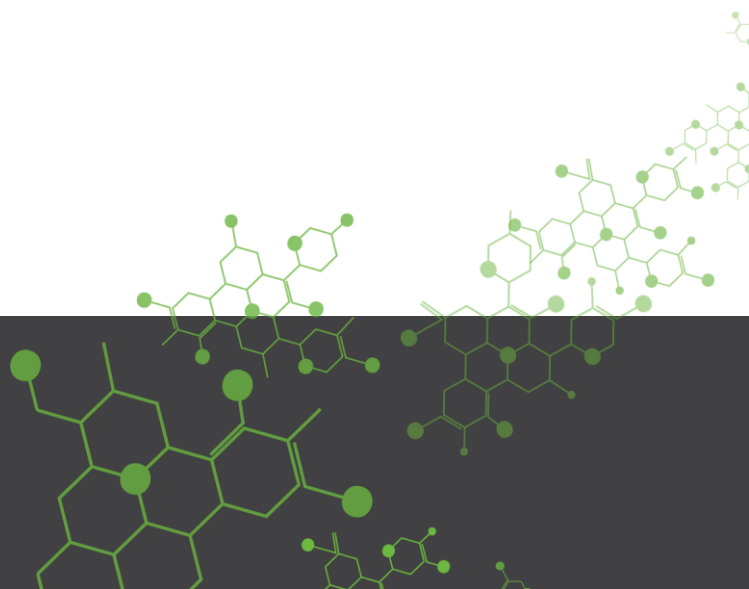


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Appendix 4C

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 2021

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	452	(4,109)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(26)	(108)
(d) leased assets	(31)	(106)
(e) staff costs	(816)	(1,847)
(f) administration and corporate costs	(559)	(1,397)
1.3 Dividends received (see note 3)		-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	(7)	(10)
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	(986)	(7,574)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(13)
(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	(3)	(13)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		21,887
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2,254	3,420
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(135)	(1,774)
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	2,119	23,533

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	18,855	4,115
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(986)	(7,574)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(13)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,119	23,533

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(25)	(101)
4.6	Cash and cash equivalents at end of period	19,960	19,960

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	19,960	18,855
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)	19,960	18,855

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	475
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)	(986)
8.2	Cash and cash equivalents at quarter end (item 4.6)	19,960
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	19,960
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <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>	20
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: 30 April 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.