

Appendix 4E - Preliminary Financial Report for the year ended 30 June 2023



Weebit Nano Limited
ACN: 146 455 576

Details of the reporting period and previous reporting period

This preliminary financial report under ASX Listing Rule 4.3A covers Weebit Nano Limited and its controlled entities (the “Group”) and is based on the audited Financial Report.

Results for announcement to the market

Revenue from ordinary activities	\$NIL (100%)	\$NIL
Loss from ordinary activities after tax attributable to members	up \$27,696,595 (40.9%)	to \$38,038,124
Dividends	Amount per security	Franked amount per security
Final dividend	NIL	N/A
Interim dividend	NIL	N/A
Record date for determining entitlements to the dividend	N/A	

Net tangible assets per security with the comparative figure for the previous corresponding period

	30 June 2023	30 June 2022
Net tangible asset backing per share	45.234 cents	31.918 cents

Details of entities over which control has been gained or lost during the year

There were no entities over which control has been gained or lost during the year.

Dividend paid or reinvested.

No dividends have been declared or are payable for the year ended 30 June 2023.

Dividend reinvestment plan

No dividend or distribution reinvestment plan was in operation during the year ended 30 June 2023.

Accounting standard for foreign entities

The accounts of foreign entities within the Group have been prepared in accordance with International Financial Reporting Standards.

A commentary on the results and additional disclosure information required under ASX Listing Rule 4.3A is disclosed within the Directors’ Report within the audited full year report for the 2023 financial year.

2023 Annual General Meeting and Director Nominations

Weebit Nano Limited advises that its 2023 Annual General Meeting (“AGM”) will be held on 23 November 2023. Further details regarding the AGM will be provided in the Notice of Meeting which will be made available to shareholders and the ASX in October 2023.

In accordance with ASX Listing Rule 3.13.1, the closing date for receipt of nominations from persons wishing to be considered for election as a director is Thursday, 5 October 2023.

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Weebitnano

THE NEXT NVM IS HERE

ANNUAL REPORT 2023

WEEBIT NANO LIMITED
ACN: 146 455 576

Weebit Nano Key Targets for CY23

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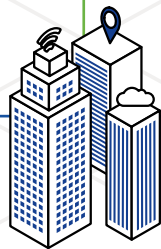


01



Initial Revenue
By end of CY 2023

02



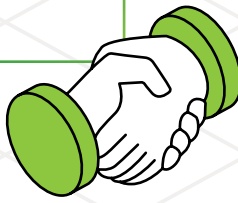
Fab Partners
Sign with a Tier-1 fab

03



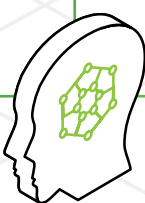
Qualification
Qualify technology for even higher endurance

04



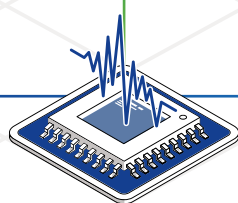
Customers
Close initial agreements

05



Continue R&D
Further technical enhancements to ReRAM cell and selector technologies

06



Scaling to 22nm & below
Continue scaling the technology

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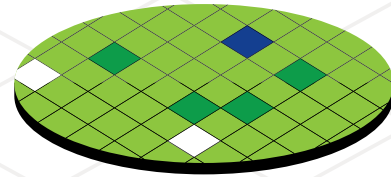
This Annual Report covers Weebit Nano Limited (“Weebit” or the “Company”) and its subsidiaries (collectively referred to as the “Group”).

The financial report is presented in Australian dollars (AUD).

Weebit is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

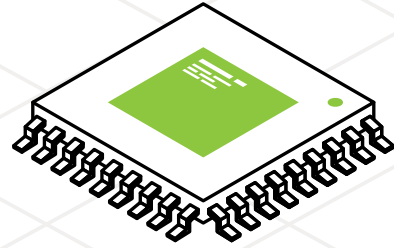
Weebit Nano Limited
 C/- Acclime Corporate Services Australia Pty Ltd
 Level 7
 330 Collins Street
 Melbourne VIC 3000

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First production Fab wafers integrating Weebit IP

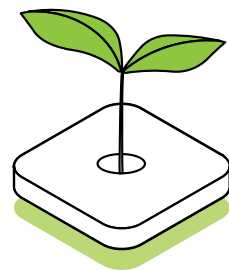
NOVEMBER 2022



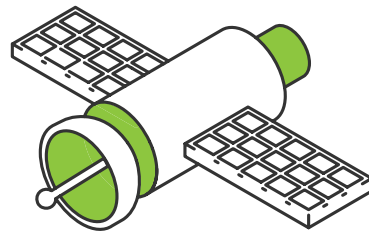
Taped out demo chip in GlobalFoundries 22nm FD-SOI process

JANUARY 2023

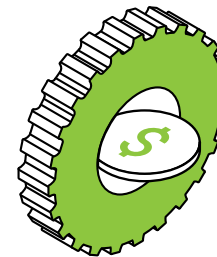
Weebit ReRAM shown to be more eco friendly than MRAM



Research shows Weebit ReRAM insensitive to ionizing radiation



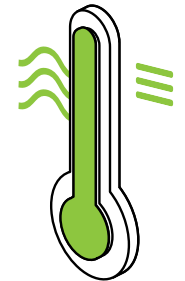
Raised further \$60M; Well funded for future growth



Weebit ReRAM fully qualified in SkyWater S130 process

JUNE 2023

Weebit ReRAM qualified at 125°C



JULY 2023

The Weebit ReRAM Advantage

Today we are seeing an explosion of innovation in electronic devices – with ever-more immersive and intelligent technologies fast becoming integral parts of our lives.

The industry needs a new type of NVM to support this new era of devices and applications.

NVM must be extremely low power to support IoT and battery-operated devices. It must have excellent endurance and retention – even at high temperatures and in harsh conditions – to support long-lifecycle automotive and industrial applications. And it must be scalable to advanced process nodes to support emerging applications such as AI and advanced IoT.

Our highly scalable ReRAM (also called RRAM) is an ideal successor to today's embedded NVM solutions such as flash. Weebit ReRAM beats embedded flash (eFlash) on key metrics including cost, power consumption, endurance, access time, and more. It also wins on these metrics when compared to other forms of emerging NVM.

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~100x

More efficient vs. eFlash

- ✓ Low voltage, low currents
- ✓ Zero standby power

53%

Less mineral and metal resource use vs. MRAM

- ✓ Greener technology
- ✓ No rare earth materials

100x

Better endurance vs. eFlash

- ✓ 10⁵-10⁶ P/E cycles

~350x

Better radiation tolerance vs. eFlash

- ✓ Also tolerant to EMI

150°C

Reliable at high temperatures

- ✓ Endures 9 SMT reflow cycle
- ✓ Automotive and industrial applications

~100x

Faster programming time vs. eFlash

- ✓ Bit/byte addressable

<28nm

Scales to process far below limits of eFlash

- ✓ Proven at 28nm
- ✓ Scaling to 22nm and below

3x-4x

Lower added wafer cost vs. eFlash

- ✓ 2-mask adder
- ✓ Standard materials

The End of the Road for Embedded Flash Memory

In discrete, or standalone, chips the industry has alleviated some flash scalability challenges by moving from planar (two dimensional) flash to 3D stacking of flash arrays. However, this adds a huge amount of complexity when the memory is embedded within a larger System-on-Chip (SoC), especially as the number of layers continues to increase, so it is not relevant in the embedded domain. Given the limitations of embedded flash, it is not commercially viable below 40nm, or 28nm in extreme cases.

What the industry needs is an embedded NVM technology that can be easily and cost-effectively manufactured at the most advanced process geometries. In this way, manufacturers can reap the cost and power benefits of continued scaling, while meeting ever-increasing performance requirements. ReRAM meets this need and presents a compelling successor to flash technology.

Weebit Nano ReRAM: The Next NVM is Here!



The industry needs a new Non-Volatile Memory solution

Lower-power, faster, cheaper, reliable in extreme conditions



Weebit ReRAM has unique advantages

Well positioned to replace flash in various markets



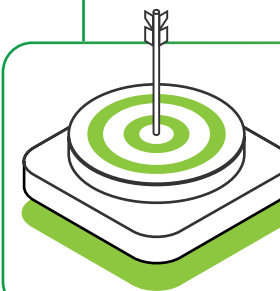
Strong tech progress

Completed 3 full qualifications including 125°C automotive grade temperature



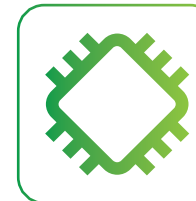
Board & management team have

extensive semiconductor commercialisation experience

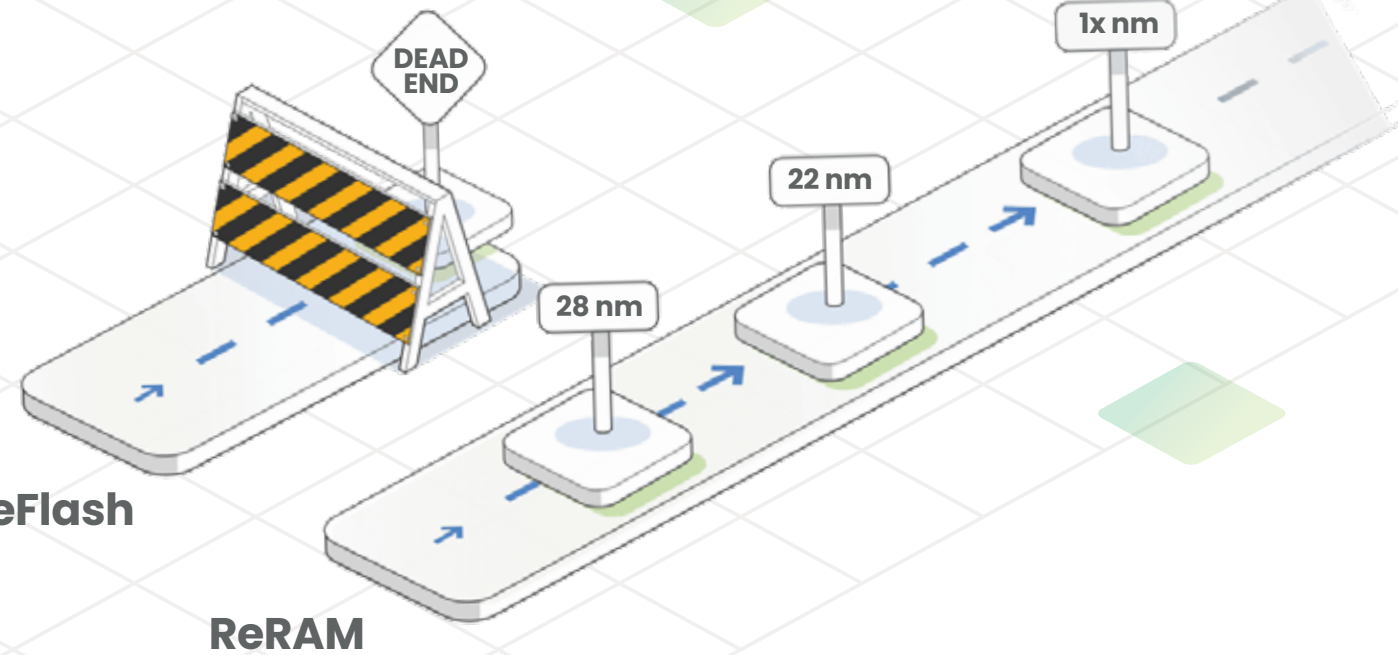


Multiple customer engagements underway

First agreements within 2023



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CORPORATE INFORMATION

Directors:

David Perlmutter	Chairman
Jacob Hanoch	Managing Director and CEO
Ashley Krongold	Non-Executive Director
Mark Licciardo	Non-Executive Director
Yoav Nissan-Cohen	Executive Director
Atiq Raza	Non-Executive Director

Company Secretary:

Mark Licciardo

Auditors:

Nexia Perth Audit Services Pty Ltd
Level 3, 88 William Street
PERTH WA 6000

Bankers:

Westpac Banking Corporation
108 Stirling Highway
NEDLANDS WA 6009

Solicitors – Sydney:

King & Wood Mallesons Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Registered & Principal Office:

C/- Acclime Corporate Services Australia Pty Ltd
Level 7
330 Collins Street
Melbourne VIC 3000
+61 3 8689 9997

Postal Address:

C/- Acclime Corporate Services Australia Pty Ltd
Level 7
330 Collins Street
Melbourne VIC 3000

Home Stock Exchange:

Australian Securities Exchange Limited
Level 40
152-158 St Georges Terrace
PERTH WA 6000

ASX Code:

WBT

Share Registry:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, WA 6000 Australia

Website:

www.weebit-nano.com

CHAIRMAN'S REPORT

Dear shareholders,

On behalf of the Board of Directors of Weebit Nano Limited, I'm proud to present the Company's Annual Report for the year ending 30 June 2023 (FY23).

Weebit Nano has had an exceptional FY23 and enters the new financial year on the cusp of first customer agreements and first revenues. Our proven embedded ReRAM intellectual property (IP) is now commercially available in SkyWater Technology's 130nm CMOS process, and we expect to be in design with at least one customer and generating revenues in the 2023 calendar year. SkyWater's S130 process is ideal for military, aerospace, industrial IoT, and medical applications, providing a large addressable market for our first ReRAM IP.

The commercial availability of our embedded ReRAM coincides with existing flash technology reaching its endurance limits for more advanced applications and process nodes. In FY23, we demonstrated our ability to scale our ReRAM to smaller geometries, including 22nm – the industry's most common process node. As embedded flash is not viable below 28nm, our ability to cater to demand at 22nm is a substantial opportunity for Weebit.

Our technical progress over the year has supported commercial discussions and we are close to securing licensing agreements with other leading foundries, Integrated Device Manufacturers (IDMs), and semiconductor companies, which will significantly increase the future availability of our embedded ReRAM.

While FY23 was a productive one for Weebit Nano, it marked a year of change for the industry. Increased demand for faster, better performing non-volatile memory (NVM) to replace embedded flash in next-generation designs saw ReRAM transition from a future technology to a present one.

Although MRAM entered the market earlier than ReRAM, and currently has a larger market share, in its annual report on emerging NVM, market research firm Yole Group estimated ReRAM volumes will account for 60% of emerging embedded NVM volume with leading foundries by 2028, outstripping MRAM (25%) and PCM (15%). The leading drivers of this growth will be applications such as microcontrollers (MCUs) and analog Integrated Circuits (ICs).

As the leading independent provider of ReRAM, Weebit is well-placed to address this growing



demand, offering customers a high-performing, reliable, and ultra-low power NVM. For foundries, our back-end-of-line (BEOL) technology using fab-friendly materials is relatively easy and cost-effective to adopt. Given its significant competitive advantages, the Board remains confident in Weebit's market opportunity. It is the right technology at the right time.

Successful partnerships with French research institute CEA-Leti and US foundry SkyWater Technology have been instrumental to our achievements over the past few years. Our long-term collaboration with CEA-Leti has accelerated our ReRAM development, and we are increasingly shifting our focus to mid- and longer-term roadmaps. SkyWater Technology has been the ideal first commercial partner for Weebit, taking our embedded ReRAM to production and supporting engagement, education, and commercial discussions with their customers. On behalf of my fellow Directors, I'd like to thank CEA-Leti and SkyWater for their collaboration in FY23 and look forward to continued success in the years to come.

Weebit's world-class management has been a key differentiator as we've commercialised our cutting-edge ReRAM. Our experienced team of industry veterans has enabled us to expertly navigate technical challenges as they have arisen, as well as facilitated introductions and discussions with many of the world's leading fabs, foundries and IDMs. The team's hard work and commitment has been crucial

Weebit's world-class management has been a key differentiator as we've commercialised our cutting-edge ReRAM.

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CHAIRMAN'S REPORT



to our commercialisation progress, and the Board and I thank them for their efforts in what has been a pivotal year for the Company.

Towards the end of the financial year, Non-Executive Director Fred Bart stepped down from his position on the Board. Fred has been a significant contributor to Weebit Nano's growth over the past five years, and we wish him well in his future endeavours. We have since welcomed Mark Licciardo and Naomi Simson (effective 1 September 2023) to the Board as independent Non-Executive Directors.

Finally, I'd like to acknowledge our highly engaged shareholders for your ongoing support. We have an exciting year ahead as we capitalise on the need for faster, more efficient memory, delivering value for

shareholders, partners, customers, and the broader industry.



Dadi Perlmutter
Chairman, Weebit Nano



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CEO'S REPORT

Dear fellow shareholders,

FY23 has been a defining year for Weebit Nano, marking our transition from a developer of memory technology to a leading provider of ReRAM intellectual property (IP).

Weebit Nano has a strong track record of delivering against its roadmaps, and over the year we achieved all technical milestones outlined for FY23. These included full qualification of our embedded ReRAM memory module at SkyWater Technology, which is now production-ready in SkyWater's 130nm CMOS process.

Other technical milestones included taping-out our ReRAM IP module at 22nm with leading foundry GlobalFoundries and qualifying our embedded ReRAM for automotive grade-1 temperatures with CEA-Leti. Automotive grade-1 qualification, at temperatures up to 125 degrees Celsius with 10 years' retention, is an important step towards integration in microcontrollers and other automotive components, as well as high-temperature industrial and IoT devices.

In addition to high temperatures, an independent study by the University of Florida's Nino Research Group confirmed Weebit's ReRAM is inherently tolerant to high levels of radiation, making it suitable for use in the high-radiation environments required for aerospace and medical applications. Our ReRAM is also more environmentally friendly than other emerging technologies, with a lifecycle analysis by CEA-Leti finding it uses 53% less minerals and metal resources than MRAM. And we have the added advantage of not using rare earth materials.

We are leveraging our technical achievements to progress commercial discussions, and our priority remains securing new licensing agreements with potential partners and product companies, including a Tier-1 manufacturer. We enter FY24 in various stages of discussion and technical evaluation with most of the world's leading foundries, integrated device manufacturers (IDMs), and fabless semiconductor companies, and expect to sign a licensing agreement with at least one of these before the end of the 2023 calendar year.

While these negotiations are moving forward, we have less control over timing given the size and complexity of these large corporates. However, despite taking longer than expected, we remain confident in our ability to secure these agreements and once customers start integrating our IP within their designs, additional agreements with production partners are expected to follow.



Our confidence stems from the quality of our embedded ReRAM and the growing demand for faster and more efficient NVM technology to power virtually every application and industry. In the race to replace existing embedded flash technology, ReRAM is emerging as a leader, and is expected to account for about 60% of all wafers manufactured with embedded emerging NVM by 2028.

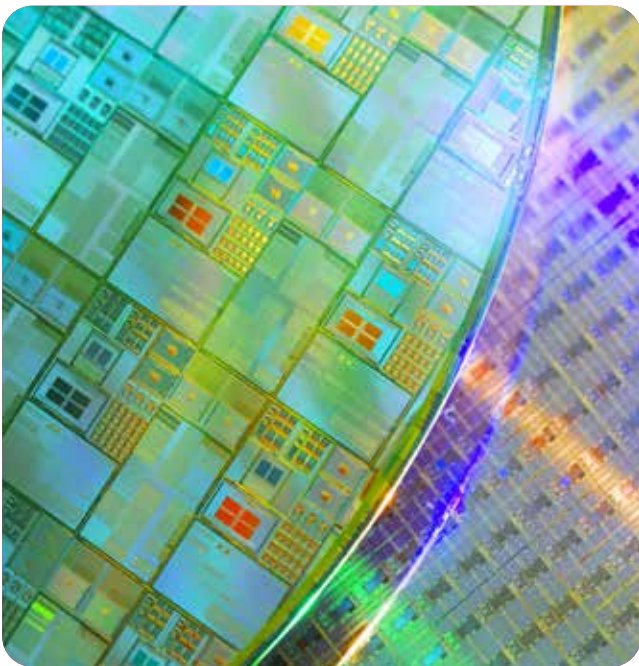
To the best of our knowledge, Weebit is the market's leading independent provider of ReRAM and has inherent advantages over the incumbent technology, offering a faster, lower cost, and more energy efficient NVM with better radiation tolerance. Weebit's demonstrated ability to scale to smaller geometries, where flash is not viable, provides clear opportunities for our technology at the common process node 22nm, and even smaller nodes that are becoming common nowadays.

Our increased market capitalisation reflects our progress in FY23, and we were proud to be added to the S&P/ASX 300 Index.

In parallel to our embedded progress, we continued to make in-roads in our development of an advanced selector for the discrete (stand-alone) memory market. In FY23, we demonstrated that the Weebit ReRAM selector has the potential to achieve the high-capacity arrays required for discrete chips using standard materials and tools.

CEO'S REPORT

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This achievement has cost and manufacturing benefits and the potential to keep size and power to a minimum while increasing densities. Progress has also broadened the applicability of the ReRAM selector to include future embedded applications such as edge AI and automotive. The discrete segment of the non-volatile memory market provides Weebit with the largest opportunity longer term, diversifying our business model to include product revenues.

Over the course of the year, we have carefully grown our executive team with the appointments of Ed McKernan as Director of North America Sales, Lilach Zinger as Director of Foundry/IDM Business

Development, and Gideon Intrater as a Business Strategy Advisor. I'm very proud of the quality of Weebit's team, which has been a key driver of our success to date.

We remain well-funded to execute on our immediate and longer-term growth plans, following a successful ~A\$60 million capital raise in March. Our strengthened balance sheet enables us to accelerate the commercial rollout of our ReRAM to new foundries and customers, as well as fund additional technology development. This includes extending qualification of our embedded ReRAM to higher levels of endurance and temperatures, scaling our embedded ReRAM to even smaller geometries, and progressing the development of a solution for the discrete market.

Our increased market capitalisation reflects our progress in FY23, and we were proud to be added to the S&P/ASX 300 Index. Weebit is very fortunate to have passionate and loyal shareholders. We do not take this support for granted, and I'd like to take this opportunity to thank our shareholders for continuing on this exciting journey with us.

We have laid the foundations for our future success, and I look forward to FY24 as we start design integration with SkyWater customers, secure first revenues, and sign new licensing agreements with partners and customers.



Coby Hanoch
CEO, Weebit Nano

REVIEW OF OPERATIONS

Overview

Weebit Nano is a leading developer of advanced semiconductor memory technology. Its Resistive RAM (ReRAM) technology addresses the growing need for significantly higher performance and lower power non-volatile memory (NVM) 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 is significantly faster, less expensive, more reliable and more energy efficient than existing embedded flash memory solutions. Based on fab-friendly materials, Weebit's ReRAM technology can be easily integrated with existing flows and processes without the need for special equipment or large investments.

The Company and its French R&D subsidiary have a collaboration agreement with leading French microelectronics research institute, CEA-Leti, for the development and prototyping of advanced ReRAM memories based on fab-friendly materials. A team of highly skilled scientists in a world-class facility are further developing the technology.

Weebit Nano continued to deliver against its technical roadmaps in FY23, de-risking its embedded ReRAM with successful technology qualification with commercial and R&D partners. The Company's strengthened balance sheet is enabling it to accelerate the commercialisation of its embedded technology while progressing mid- and longer-term development in the discrete memory market and smaller geometries.

Weebit ReRAM fully qualified & available in SkyWater's S130 process

In June 2023, Weebit Nano successfully qualified its embedded ReRAM intellectual property at industrial temperatures in SkyWater Technology's 130nm CMOS (S130) process. The achievement of this final key commercialisation milestone reaffirms Weebit's technology is proven in production and ready for use in customer applications. Weebit ReRAM is now commercially available in S130, offering SkyWater customers a fast, reliable, and ultra-low power NVM suitable for use in high-temperature and high-radiation environments.

Technology qualification was conducted on SkyWater-produced demo chips embedded with Weebit ReRAM, demonstrating compliance with JEDEC industry standards for endurance, retention, and SMT reflow. Multiple customer discussions are underway in conjunction with SkyWater, and the Company expects Weebit IP to be in design with one or more of these customers during 2023.

Qualification with SkyWater followed qualification of Weebit's embedded ReRAM memory module at industrial temperatures at CEA-Leti's state-of-the-art facility in October 2022.

Qualified at automotive grade temperatures

Post reporting period, Weebit Nano fully qualified its ReRAM module at automotive grade temperatures of up to 125 degrees Celsius for 10 years' retention with R&D partner CEA-Leti. Most chips for consumer and industrial applications require qualification up to 10 years' retention at temperatures between zero and 85 degrees Celsius. Advanced automotive component requirements are much more stringent, requiring qualification at higher temperatures for 10 years or longer, with zero failures.

Qualification for automotive level temperatures demonstrates the suitability of Weebit's embedded ReRAM IP for applications requiring high-temperature reliability, such as car engines or braking systems, and industrial components. Qualification was performed based on well-known JEDEC industry standards for NVMs, using Weebit's demo chips manufactured by CEA-Leti.



Engagement with Tier-1 fabs and customers

Securing new licensing agreements with partners and customers, including a Tier-1 foundry, has been a key focus for Weebit Nano over the past year. The Company enters FY24 in different stages of technical evaluation and negotiation with several of the world's leading foundries, integrated device manufacturers (IDMs), and fabless semiconductor companies, and expects to generate initial revenues from at least one of these agreements this calendar year. Engagement with these companies is being supported by Tier-1 foundries experiencing increased customer demand for advanced

REVIEW OF OPERATIONS

NVM technologies, combined with successful qualification of Weebit ReRAM at both SkyWater Technology and CEA-Leti.



Taped-out 22nm demo chip to GlobalFoundries

During the year, Weebit Nano continued to scale its embedded ReRAM to smaller, more advanced geometries. In January 2023, Weebit taped-out the demo chips integrating its embedded ReRAM module to GlobalFoundries' 22nm fully depleted silicon on insulator (FD-SOI) process, known as 22FDX™. One of the industry's most common process nodes, 22nm is commonly used in microcontrollers, IoT, 5G, automotive, and edge AI applications. This geometry provides significant opportunities for Weebit's NVM ReRAM as the incumbent technology, embedded flash, is not viable below 28nm.

ReRAM selector progress broadens target applications

Weebit Nano and CEA-Leti continued to make progress in the development of a ReRAM selector in FY23. While additional development is required, the innovation will enable the Weebit ReRAM selector to be easily integrated into any CMOS fab, reducing manufacturing complexity and costs. The ReRAM selector, a key component which enables denser memory arrays in much smaller chip areas, supports Weebit's development of a solution for the discrete (stand-alone) memory market and is also suitable for future embedded applications, such as edge AI and automotive.

Radiation & environmental impact studies

In FY23, several key studies were held, assessing the tolerance of Weebit's embedded ReRAM in high-radiation environments as well as its environmental impact.

A study conducted by the University of Florida's Nino Research Group (NRG) confirmed Weebit ReRAM is tolerant to high radiation levels, maintaining data integrity and memory functionality after being subjected to doses of gamma irradiation exceeding the most demanding requirements. The study confirms Weebit's technology is suitable for use in high-radiation environments such as aerospace and medical applications. The performance of the Weebit ReRAM module is now being tested under a mixed radiation environment in real time at the University of Florida Training Reactor (UFTR).

An environmental impact analysis by CEA-Leti found Weebit ReRAM was more eco-friendly than Magnetoresistive Random Access Memory (MRAM), another emerging non-volatile memory technology. The lifecycle analysis estimated the contribution of ReRAM and MRAM to climate change based on their production flows, including raw materials and manufacturing processes. The study found ReRAM outperformed MRAM on all measured parameters, including:

- 30% reduction in GHG emissions
- 41% reduction in water use
- 53% reduction in use of minerals and metals
- No rare earth materials

Three new patents granted

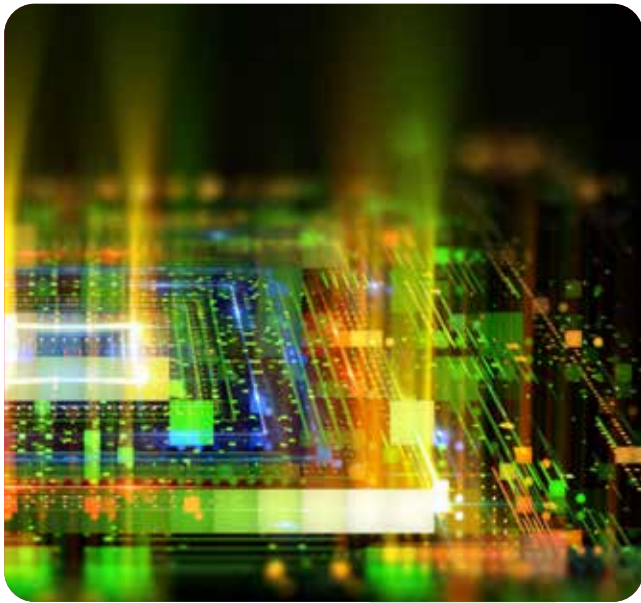
Weebit Nano's intellectual property portfolio continues to grow with three new patents relating to innovative ReRAM bit cell devices and manufacturing methods granted during the year.



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REVIEW OF OPERATIONS

The Company holds more than 50 patents and applications in key semiconductor jurisdictions including the United States of America, France, and member states of the European Patent Organisation.



Board changes

In June 2023, Non-executive Director Fred Bart stepped down from his position after more than five years on the Board. Weebit Nano Company Secretary Mark Licciardo was appointed as an interim Director following Mr Bart's resignation. In August, Mark Licciardo became a permanent Board member and the Company will welcome Naomi Simson as an additional Non-executive Director (effective 1 September 2023). Ms Simson's extensive go-to-market knowledge and leadership in corporate marketing will complement the Board's existing technical expertise as the Company accelerates its commercialisation phase.

Strengthened executive team

In FY23, Weebit Nano added to its world-class management team with the appointment of three highly credentialed industry executives. Ed McKernan was appointed Director of North America Sales, Gideon Intrater joined as Business Strategy Advisor, and Lilach Zinger was named Director of Foundry/IDM Business Development. Mr McKernan spent more than a decade in Sales Director roles at ReRAM technology developer Adesto, Mr Intrater is the former CTO at Adesto and Chair of the NVM committee at JEDEC, and Ms Zinger was a fab manager with two decades' operations experience at Tower Semiconductor.

Well-funded to capitalise on market demand

Weebit Nano had a strong cash balance of ~A\$88 million at the end of the financial year, following a successful ~A\$60 million capital raise in challenging market conditions. The raise comprised of 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 high-quality institutional and sophisticated investors. Funds are being used to accelerate the commercial rollout of Weebit's embedded ReRAM and fund additional technology development.

S&P/ASX 300 Index inclusion

In March 2023, Weebit Nano was added to the S&P/ASX 300 Index, 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.



Sales & marketing activities

Weebit Nano continues to invest in sales and marketing activities to support commercial discussions. This includes engaging with potential partners and customers at multiple leading conferences throughout the year. In FY23 these events included Embedded World, ChipEx, Leti Innovation Days, Design & Reuse's IP-SoC Conference, the International Memory Workshop (IMW), and the Design Automation Conference (DAC).

At Embedded World, Weebit publicly demonstrated its SkyWater S130 demo chips for the first time, showcasing the performance and power savings of

REVIEW OF OPERATIONS

its ReRAM technology compared to flash memory. The demo chips generated significant interest with potential customers and partners and are available for prototyping in customer designs.

Participation at key industry conferences and events increases awareness of the availability of Weebit ReRAM IP, supports customer adoption, and enables discussions with other fabs and foundries.

The Company also continues to increase its profile and educate the financial markets about its unique value proposition, participating at several investment conferences including Canaccord Genuity's Annual Growth Conference, Oppenheimer's Annual Technology Internet & Communications Conference and the Jefferies Semiconductors, IT Hardware & Communications Technology Summit.



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LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company is currently engaged with multiple potential customers and partners as part of its move from development to commercialisation and productisation. It expects to reach its first customer agreement in the near future.

Other than as disclosed elsewhere in the report, no other likely developments, future prospects

or business strategies of the operations of the Company have been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

DIRECTORS' REPORT

Your Directors present their report on Weebit Nano Limited ("Weebit") and its subsidiaries ("the Group") for the year ended 30 June 2023.

BOARD OF DIRECTORS



**David 'Dadi'
Perlmutter**

Chairman
Appointed 1 August 2016

Experience and Expertise

Mr David (Dadi) Perlmutter is focused on investment in growing technology companies in Israel and Silicon Valley. Mr Perlmutter chairs Teramount (a privately owned company) in addition to various non-profit organisations, is a member of the Board of Governors of the Technion – Israel Institute of Technology and sits on the Board of Directors of various startups.

Mr Perlmutter served as Executive Vice President and General Manager of the Intel Architecture Group (IAG) and Chief Product Officer of Intel Corporation until early 2014. He was responsible for the business and development of Intel's platform solutions for all computing and communication segments including datacenters, desktops, laptops, handhelds, embedded devices, and computer electronics. In his tenure he grew the business from US\$35 billion in 2008 to more than US\$50 billion in 2013, managed 35,000 people worldwide and made investments and acquisitions exceeding US\$2.5 billion.

Other Current Directorships of Listed Companies

Massivit 3D (TASE:MSVT), since November 2020.



**Jacob 'Coby'
Hanoch**

Managing Director and CEO
Appointed 1 October 2017

Experience and Expertise

Mr Jacob (Coby) Hanoch has 15 years' experience in engineering and engineering management and 28 years' experience in sales management and executive roles. Coby was Vice President Worldwide Sales at Verisity where he was part of the founding team and grew the company to over US\$100 million in annual sales which facilitated its acquisition by Cadence Design Systems (NASDAQ: CDNS).

He was also Vice President Worldwide Sales at Jasper, doubling sales in three years before it was acquired by Cadence. As CEO of PacketLight, Coby helped steer the company away from bankruptcy. Coby founded a consulting company, EDAcon Partners, which helps startups define their corporate strategies, set up their worldwide sales channel and raise capital.

Coby holds a Bachelor of Science in Systems Design from Technion – Israel Institute of Technology.

Other Current Directorships of Listed Companies

No other current Directorships of listed companies.

BOARD OF DIRECTORS



**Dr. Yoav
Nissan-Cohen**
Executive Director
Appointed 15 February 2018

Experience and Expertise

Dr Yoav Nissan-Cohen's career covers nearly 40 years of scientific research, technology development and executive management in the high-tech industry.

Yoav received his PhD in Applied Physics with a focus on semiconductor device physics under the supervision of Professor Dov Frohman, the inventor of the first non-volatile memory technology. He started his illustrious career as a research scientist in GE's R&D center in New York where he studied the use of silicon dioxide in semiconductor memory devices. He then led the spin-off of National

Semiconductor's fabrication facility in Israel, establishing Tower Semiconductor, a Nasdaq-listed, global specialty semiconductor foundry leader with a market cap of US\$3.4 billion, where he served as CEO for nine years. Dr. Nissan-Cohen also played a key role in establishing a non-volatile technology startup, Saifun Semiconductor, which was subsequently sold to Spansion. After two years in the venture capital industry, he returned to his entrepreneurial origins taking up Chairman and CEO positions in Amimon which provides wireless transmissions of HD video at zero latency. He is currently leading three technology companies which provide innovative solutions for tele-operation applications, film productions and biological research, is serving as an executive Board member in Weebit, and as a Board member in Nano-Dimension.

Other Current Directorships of Listed Companies

No other current Directorships of listed companies.



**Atiq
Raza**
Non-Executive Director
Appointed 1 July 2019

Experience and Expertise

Atiq Raza is currently the Chairman of the Board at Virsec, a next generation Cybersecurity software company. He has served as Chairman of the Board at Validity, a biometric solutions company acquired by Synaptics and was also on the Board of Seeo, a next generation Li-ion battery company acquired by Bosch. He is also on the Boards of Arteris-IP, a Network-on-Chip company, Centriqe, a fintech company, CloudDefense, a cybersecurity company; and KlearNow which is automating transcontinental logistics. He is also Chairman of the Board of fintech company Peernova.

Atiq served on the Stanford University School of Engineering Advisory Council for eight years until 2016.

Atiq Raza is an industry veteran and has been working in engineering leadership and senior management positions for the past thirty-five years. He was Chairman and CEO of NexGen, the first company to challenge Intel in microprocessors. NexGen became a public company and subsequently was acquired by AMD

for approximately US\$850 million in AMD stock. Atiq became the President and COO of AMD and served on its Board of Directors. At AMD he laid the foundation of its processor business and brought the AMD-K6 and Athlon products to market and established the Opteron 64-bit instruction set architecture. Prior to NexGen, Atiq held various management positions at VLSI Technology Incorporated, most notably the president of Technology Centers.

Post AMD, Atiq founded Raza Microelectronics Incorporated (RMI). RMI was acquired by NetLogic in October 2009 and Atiq served as Chief Technology Advisor to NetLogic. NetLogic in turn was acquired by Broadcom on the strength of the RMI Processor.

Atiq has been on the boards of several successful start-ups including Mellanox (now a public company), SiByte (acquired by Broadcom for US\$2.2 billion), Siara (acquired by Redback for US\$4 billion), VxTel (acquired by Intel for US\$500 million) and Magma (acquired by Synopsys for US\$507 million). He has several degrees, including his Bachelor's degree with honors in Physics from Punjab University, with a double bachelor's degree in Philosophy, his Bachelor's degree in Electrical Engineering with honours from the University of London, and his Master's degree in Materials Science & Engineering from Stanford University.

Other Current Directorships of Listed Companies

Arteris IP (NASDAQ:AIP), since January 2014.

BOARD OF DIRECTORS



Ashley Krongold
Non-Executive Director
Appointed 30 September 2016

Experience and Expertise

Mr Ashley Krongold is the CEO of The Krongold Group, a third-generation, family-run group of companies based in Melbourne, Australia, with

businesses spanning various industries globally. Prior to Krongold Group, Ashley spent 15 years in the Investment Banking and Accounting industries. He was a founding member of Investec Bank Australia and worked at William Buck Chartered Accountants, ANZ Corporate Finance (London) and ANZ Private Bank (Australia). Ashley is a founding partner of OurCrowd, one of the world's leading global venture investing platforms.

Other Current Directorships of Listed Companies

No other current Directorships of listed companies.



Mark Licciardo
Non-Executive Director
Appointed 29 June 2023
Company Secretary
Appointed 1 February 2017

Experience and Expertise

Mark is the founder of Mertons Corporate Services (now part of Acclime Australia) and is responsible for Acclime Australia's Listed Services Division.

He is also an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, bio-technology and digital sectors. He currently serves as a director on a number of Australian company Boards including ASX listed Frontier Digital Ventures (ASX:FDV),

as well as foreign controlled entities and private companies.

During his executive career, Mark held roles in banking and finance, funds management, investment and infrastructure development businesses, including being the Company Secretary for ASX:100 companies Transurban Group and Australian Foundation Investment Company Limited.

Mark holds a Bachelor of Business degree in accounting, a Graduate Diploma in Governance and is a Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

Other Current Directorships of Listed Companies

Frontier Digital Ventures (ASX:FDV) - since 2016.



Fred Bart
Non-Executive Director
Appointed 5 March 2018
Resigned 27 June 2023

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DIRECTORS' REPORT

Dividends

No dividends were paid or declared during the year or in the period from the year end to the date of this report.

Results

As the group is in the research and development stage it does not yet generate revenue. The Loss for the year attributable to members of the Group for the year ended 30 June 2023 amounted to \$39,038,124 (2022: \$27,696,595). The loss mainly reflects the research and development activities of the Group as well as marketing, business development and administration costs.

Financial Position

The consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group reported a net loss for the period of \$39,038,124 (2022: \$27,696,595) and a cash outflow from operating activities of \$20,268,340 (2022: \$21,494,667). The Group had a net working capital surplus of \$84,315,004 (2022: \$54,605,575) including cash of \$87,957,503 at 30 June 2023 (June 2022: \$50,247,738). The loss mainly reflects the research and development activities of the Group.

Based on the Group's working capital surplus at 30 June 2023 and in particular its cash balance of \$87,957,503, the Directors are satisfied that the Group will have access to sufficient cash to fund its forecast expenditure for a period of at least twelve months from the date of signing this report. Accordingly, the Directors consider that the entity the going concern basis of preparation to be appropriate.

Financial Review

While Weebit is moving closer to commercialisation and first revenues, the 2023 financial year was a period significant research and development, and there was not any revenue. The loss for the year ended 30 June 2023 was \$39,038,124 (2022: \$27,696,595) reflecting the substantial increase in development activities, strengthened senior management team and marketing and business development activities ahead of commercialisation.

The loss for the year ended 30 June 2023 mainly comprised the following:

Financial Statement Line Item	\$	Commentary
Research and development (net)	26,694,786	<p>Research and Development costs increased as the Group accelerated its development projects and technology transfer, including qualification, as well as further strengthening its team in Israel and France .</p> <p>Weebit Nano France is entitled to receive Research and Development grants (tax refunds) from the French government. The 2021 grant totaled ~\$5.6 million and was received in July 2022 and R&D costs were reduced accordingly. The 2022 grant is expected to be received by December 2023.</p> <p>R&D expenses include ~\$4.6 million for share based compensation (2022: ~\$5.4 million).</p>
Sales and Marketing	3,555,631	<p>Reflects the significant increase in sales, marketing and business development activities during the year.</p> <p>Sales and Marketing expenses include ~\$1 million for share based payments (2022: ~\$0.7 million).</p>
General and Administrative	10,046,576	~\$5 million was for share based payments (2022: ~\$5 million)

DIRECTORS' REPORT

Financial Review continued

As at 30 June 2023, the total current assets of the Group were \$88,959,681 (2022: \$56,270,012) of which \$87,957,503 (2022: \$50,247,738) comprised cash and cash equivalents. Total assets were \$89,506,448 (2022: \$57,008,175).

Total liabilities, including lease liabilities, as at 30 June 2023 were \$4,710,953 (2022: \$2,012,438).

Total equity as at 30 June 2023 was \$84,795,495 (2022: \$54,995,737). The increase in equity despite the loss for the year is mainly due to a share issuance and options exercise, net of capital raising costs, of \$57,672,877.

Net cash used in operating activities for the year ended 2023 was \$20,268,578 (2022: \$21,494,667), mainly in respect of payments to suppliers, consultants and employees. Net cash flows provided by financing activities for the year ended 2023 were \$57,447,181 (2022: \$50,544,065) mainly from share issuance and options exercise, net of capital raising costs and repayments of lease liabilities.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Significant Events After The Balance Date

As announced on August 24, 2023, Ms. Naomi Simson will be appointed as an independent Non-executive Director, effective September 1, 2023.

Likely Developments and Expected Results

The Group is currently engaged with multiple potential customers and partners as part of its move from development to commercialisation and productisation. It expects to reach its first customer agreement in the near future.

Other than as disclosed elsewhere in the report, no other likely developments, future prospects and business strategies of the operations of the Company have been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Environmental Regulation

The Group's operations are not subject to environmental regulations in the jurisdictions in which it operates.

Indemnification and Insurance of Directors, Officers and Auditor

During the financial year, the Group has paid a premium of \$263,000 (2022: \$125,750) excluding GST to insure the Directors and officers of the Company for a 12-month period.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

The Group has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group, Nexia Perth Audit Services Pty Ltd or any related entity (Nexia) against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

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DIRECTORS' REPORT

Directors' Interests in Shares, Options and Performance Rights

Details of relevant interests of current Directors in Weebit ordinary shares, options and performance rights as at the date of this report are as follows:

Director	Shares		Performance Rights		Unlisted Options	
	Held Directly	Held Indirectly	Held Directly	Held Indirectly	Held Directly	Held Indirectly
Dadi Perlmutter	915,980	1,153,500	400,000	-	2,850,000	-
Coby Hanoch	585,045	270,000	480,000	-	4,580,000	-
Ashley Krongold	-	1,029,150	-	60,000	-	280,000
Mark Licciardo	-	-	-	-	-	-
Yoav Nissan-Cohen	-	-	80,000	-	510,000	160,000
Atiq Raza	286,237	-	76,000	-	258,750	-
TOTAL	1,787,262	2,452,650	1,036,000	60,000	8,198,750	440,000

Meetings of Directors

The number of meetings of the Company's Board of Directors (Board) and of each Board Committee held during the financial year ended 30 June 2023, and the number of meetings attended by each director are tabled below:

Director	Board		Remuneration Committee		Finance, Audit and Risk Committee	
	Held	Attended	Held	Attended	Held	Attended
Dadi Perlmutter	15	15	2	2		
Coby Hanoch	15	15				
Ashley Krongold	15	13	2	2	1	1
Mark Licciardo (1)	1	1				
Yoav Nissan-Cohen	15	13			1	1
Atiq Raza	15	15	2	2		
Fred Bart (2)	14	13			1	1

Director	Governance Committee		Strategy and Technology Committee	
	Held	Attended	Held	Attended
Dadi Perlmutter	2	2	1	1
Coby Hanoch			1	1
Ashley Krongold	2	2	1	1
Mark Licciardo (1)				
Yoav Nissan-Cohen			1	1
Atiq Raza	2	2	1	1
Fred Bart (2)				

(1) Mark Licciardo was appointed as a Non-Executive Director on 29 June 2023.

(2) Fred Bart resigned as a Non-Executive Director on 27 June 2023.

DIRECTORS' REPORT

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Directors and key management personnel (KMP) of the Company for the year ended 30 June 2023. The information contained in this report has been audited as required by section 308(3C) of the Corporations Act 2001.

This remuneration report details the remuneration arrangements for key management controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company, and includes those executives in the Company and the Group receiving the highest remuneration.

Key Management Personnel (KMP)

Directors:

- Mr David Perlmutter (Chairman)
- Mr Jacob Hanoch (CEO and Managing Director)
- Mr Fred Bart (Non-Executive Director, until 27 June 2023)
- Mr Ashley Krongold (Non-Executive Director)
- Dr Yoav Nissan-Cohen (Executive Director)
- Mr Atiq Raza (Non-Executive Director)
- Mr. Mark Licciardo (Non-Executive Director, starting 29 June 2023)

Remuneration Policy

The Group's performance relies heavily on the quality of its KMP which currently consists of Directors only. The Group has therefore designed a remuneration policy to align director and executive reward with business objectives and shareholder value.

We are committed to continuously analyse our competitive environment to assess our competitive compensation to attract the best management personnel and Directors to run and manage the Group.

Remuneration Committee

The Remuneration Committee, established this year, assists the Board in fulfilling its responsibilities in relation to remuneration practices. The Committee is responsible for among other things, reviewing and where appropriate making recommendations to the Board on:

- remuneration of Directors and executives;
- compensation arrangements for the Managing Director and executives, remuneration policies and practices, retirement, termination policies and practices, share schemes and other incentive schemes, superannuation arrangements and remuneration arrangements for members of the Board; and
- the Group's remuneration policies, packages and schemes, including issue of securities to Directors or their associates under any equity-based incentives, which should be subject to shareholder approval.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and any executive remuneration is separate and distinct.

Non-executive Director Remuneration

The Board policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of annual fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000).

Fees for Non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in employee incentive option plans that may exist from time to time.

DIRECTORS' REPORT

Remuneration Report (Audited) continued

Executive Remuneration

Executive remuneration currently consists of fixed and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

The Group's performance relies heavily on the quality of its KMP. The Group has therefore designed a remuneration policy to align non-executive director and executive reward with business objectives and shareholder value. The fixed remuneration of the Company's KMP is detailed in page 22.

Variable Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and KMP. Currently this is facilitated through bonus plans and through the issue of options and performance rights to KMP to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

Directors and executives may be issued options to encourage the alignment of personal and shareholder interests. Options and performance rights issued to Directors or executives may be subject to market-based price hurdles and vesting conditions and the exercise price of options is set at a level that encourages the Directors and executives to focus on share price appreciation. The Group believes this policy will be effective in increasing shareholder

The Board may exercise discretion in relation to approving incentives such as options. The policy is designed to reward KMP for performance that results in long-term growth in shareholder value.

Remuneration of Directors and Executives

Details of the remuneration of the Directors and the KMP (as defined in AASB 124 Related Party Disclosures) of Weebit are set out in the following tables.

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DIRECTORS' REPORT

Remuneration Report (Audited) continued

Key Management Personnel (KMP) of Weebit Nano Limited

FY2023:

	Short Term		Post Employment Benefits	Long Term	Total Remuneration	
	Salary and Fees	Non-Monetary		Share Based Payments	Total	Non-cash (options and performance rights)
KMP	\$	\$	\$	\$	\$	%
David Perlmutter	100,207	-	-	1,929,222	2,029,429	95
Jacob Hanoch (1)	1,303,929*	-	-	2,426,280	3,730,209	65
Fred Bart (3)	44,455	-	-	-	44,455	-
Ashley Krongold	45,000	-	-	208,931	253,931	82
Yoav Nissan-Cohen (2)	146,030	-	-	338,321	484,351	70
Atiq Raza	50,145	-	-	213,011	263,156	81
Mark Licciardo	-	-	-	-	-	-
Total	1,689,766	-	-	5,115,765	6,805,531	

* Salary includes bonuses of \$881,803 (2022: \$580,436).

FY2022:

	Short Term		Post Employment Benefits	Long Term	Total Remuneration	
	Salary and Fees	Non-Monetary		Share Based Payments	Total	Non-cash (options and performance rights)
KMP	\$	\$	\$	\$	\$	%
David Perlmutter	99,554	-	-	1,566,942	1,666,496	94
Jacob Hanoch (1)	965,809*	-	-	2,167,853	3,133,662	69
Fred Bart (3)	45,000	-	-	174,071	219,071	79
Ashley Krongold	45,000	-	-	164,993	209,993	79
Yoav Nissan-Cohen (2)	147,215	-	-	345,491	492,706	70
Atiq Raza	46,532	-	-	177,343	223,875	79
Total	1,349,109	-	-	4,596,693	5,945,802	

* Salary includes bonuses of \$580,436.

(1) The appointment of Jacob Hanoch may be terminated by giving not less than 6 months' notice. Jacob Hanoch shall disclose to the Company any specific issues that are or might reasonably create conflict of interest. In the event that the foregoing engagement shall raise a major conflict of interest, the Board may require the employee to resign from the respective companies or terminate his contract upon 60 day notice. Effective as of July 1, 2023 Jacob's employment agreement was amended so that his salary was modified and an \$800,000 recognition bonus was granted and paid.

(2) The appointment of Yoav Nissan-Cohen may be terminated by giving not less than 1 months' notice.

(3) Resigned on June 27, 2023. Accordingly, the cumulative share based payment was reversed.

(4) There is no notice period for Non-executive Directors.

DIRECTORS' REPORT

Remuneration Report (Audited) continued

a) Shareholdings of key management personnel

The number of ordinary shares of Weebit held directly, indirectly or beneficially, by each Director, including their personally-related entities, as at balance date:

FY 2023:

Director	Opening Balance (July 1)	Movement during the year	Closing Balance (June 30)
David Perlmutter	2,069,480	-	2,069,480
Jacob Hanoch	645,045	210,000	855,045
Ashley Krongold	1,229,150	(200,000)	1,029,150
Yoav Nissan-Cohen	-	-	-
Atiq Raza	137,877	148,360	286,237
Fred Bart Resigned 27/06/23	758,668	(758,668)	-
Mark Licciardo Appointed 29/06/23	-	-	-
Total	4,840,220	(600,308)	4,239,912

FY 2022:

Director	Opening Balance (July 1)	Movement during the year	Closing Balance (June 30)
David Perlmutter	1,813,746	255,734	2,069,480
Jacob Hanoch	532,672	112,373	645,045
Ashley Krongold	1,229,150	-	1,229,150
Yoav Nissan-Cohen	-	-	-
Atiq Raza	361,613	(223,736)	137,877
Fred Bart Resigned 27/06/23	596,237	162,431	758,668
Total	4,533,418	306,802	4,840,220

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DIRECTORS' REPORT

Remuneration Report (Audited) continued

b) Listed Options, Unlisted Options and Performance Rights holdings of Key Management Personnel

The number of unlisted options over ordinary shares in Weebit Nano Ltd held directly, indirectly or beneficially, by each specified Director and specified executive, including their personally-related entities, as at the balance date is as follows:

Unlisted Options

FY2023:

Director	Opening Balance (July 1)	Movement during the year	Closing Balance (June 30)	Vested and exercisable at 30 June
David Perlmutter	2,850,000	-	2,850,000	2,018,000
Jacob Hanoch	4,580,000	-	4,580,000	3,468,750
Ashley Krongold	280,000	-	280,000	197,500
Yoav Nissan-Cohen	1,090,000	(420,000)	670,000	499,375
Atiq Raza	348,750	(90,000)	258,750	166,250
Fred Bart Resigned 27/06/23	440,000	(440,000)	-	-
Mark Licciardo Appointed 29/06/23	-	-	-	-
Total	9,588,750	(950,000)	8,638,750	6,349,875

For movement during the year refer to (a) Shareholdings of key management personnel.

FY2022:

Director	Opening Balance (July 1)	Movement during the year	Closing Balance (June 30)	Vested and exercisable at 30 June
David Perlmutter	1,800,000	1,050,000	2,850,000	1,378,125
Jacob Hanoch	3,320,000	1,260,000	4,580,000	2,742,500
Ashley Krongold	200,000	80,000	280,000	122,500
Yoav Nissan-Cohen	970,000	120,000	1,090,000	739,381
Atiq Raza	268,750	80,000	348,750	141,250
Fred Bart Resigned 27/06/23	360,000	80,000	440,000	286,253
Total	6,918,750	2,670,000	9,588,750	5,410,009

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DIRECTORS' REPORT

Remuneration Report (Audited) continued

b) Listed option, Unlisted Options and Performance Rights holdings of Key Management Personnel continued

Performance Rights

FY2023:

Director	Opening Balance (July 1)	Movement during the year	Closing Balance (June 30)	Vested and exercisable at 30 June
David Perlmutter	-	400,000	400,000	-
Jacob Hanoch	210,000	270,000	480,000	-
Ashley Krongold	-	60,000	60,000	-
Yoav Nissan-Cohen	80,000	-	80,000	-
Atiq Raza	80,000	(4,000)	76,000	8,000
Fred Bart Resigned 27/06/23	128,000	(128,000)	-	-
Mark Licciardo Appointed 29/06/23	-	-	-	-
Total	498,000	598,000	1,096,000	8,000

FY2022:

Director	Opening Balance (July 1)	Movement during the year	Closing Balance (June 30)	Vested and exercisable at 30 June
David Perlmutter	-	-	-	-
Jacob Hanoch	210,000	-	210,000	150,000
Ashley Krongold	-	-	-	-
Yoav Nissan-Cohen	80,000	-	80,000	64,000
Atiq Raza	80,000	-	80,000	40,000
Fred Bart Resigned 27/06/23	128,000	-	128,000	128,000
Total	498,000	-	498,000	382,000

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DIRECTORS' REPORT

Remuneration Report (Audited) continued

b) Listed option, Unlisted Options and Performance Rights holdings of Key Management Personnel continued

Listed Options

FY2022:

Director	Opening Balance (July 1)	Movement during the year	Closing Balance (June 30)
David Perlmutter	357,143	(357,143)	-
Jacob Hanoch	178,571	(178,571)	-
Ashley Krongold	-	-	-
Yoav Nissan-Cohen	-	-	-
Atiq Raza	89,286	(89,286)	-
Fred Bart Resigned 27/06/23	196,428	(196,428)	-
Total	821,428	(821,428)	-

During the current financial year, 860,000 performance rights were granted to Directors and issued on September 28, 2022. In addition, 280,000 conditional performance rights were granted to the Chairman and CEO. The conditional performance rights will be issued once the underlying conditions are met. Shareholders approved the grant of these performance rights at the Company's AGM on 16 November 2022.

The performance rights shall be vested and be exercisable during a four year period (Vesting Period) based on the following:

- 25% of the Options shall vest on the first anniversary of the date of issue; and
- thereafter for a period of three years, 6.25% of the Options shall vest at the end of each quarter.

These performance rights will expire 10 years from the date of grant. For further details refer to the table below:

Date of Grant	Grantee	Number of Options	Exercise Price	Expiry Date	Underlying Share Price	Fair Value
			\$		\$	\$
16/11/2022	Chairman	400,000	Nil	16/11/2032	3.29	3.29
16/11/2022	CEO	480,000	Nil	16/11/2032	3.29	3.29
16/11/2022	Directors	260,000	Nil	16/11/2032	3.29	3.29

* Out of which 180,000 performance rights for CEO and 100,000 performance rights for Chairman are conditional upon milestone achievement.

End of Remuneration Report

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DIRECTORS' REPORT

Share Options/Performance Rights

Shares under Option and Performance Rights

At the date of this report there are 13,814,107 unlisted options and 2,367,250 performance rights outstanding as summarised below:

Date Granted	Security Type	Expiry Date	Exercise Price	Number of shares under option
24-Dec-18	Unlisted Options	01-Jan-28	\$1.44500	160,000
24-Dec-18	Unlisted Options	15-Feb-28	\$1.56500	160,000
24-Dec-18	Unlisted Options	05-Mar-28	\$1.27250	160,000
24-Dec-18	Unlisted Options	16-Oct-28	\$0.84750	800,000
24-Dec-18	Unlisted Options	01-Oct-27	\$0.43875	1,520,000
24-Dec-18	Performance Rights	29-Jan-28	Nil	32,000
26-Sep-19	Unlisted Options	14-Aug-29	\$0.4468	10,000
26-Sep-19	Unlisted Options	14-Aug-29	\$0.74	712,500
26-Sep-19	Unlisted Options	14-Aug-29	\$0.54	978,125
26-Sep-19	Unlisted Options	16-Oct-29	\$0.39	25,000
26-Sep-19	Performance Rights	25-Sep-29	Nil	32,000
26-Sep-19	Performance Rights	14-Aug-29	Nil	16,000
30-Jul-20	Unlisted Options	26-Mar-30	A\$0.2312	42,500
30-Jul-20	Unlisted Options	25-Jun-30	A\$0.27	15,625
30-Jul-20	Performance Rights	26-Mar-30	Nil	10,000
13-Sep-20	Unlisted Options	13-Sep-30	A\$0.286	496,150
17-Sep-20	Unlisted Options	17-Sep-30	A\$0.823	2,398,750
24-Nov-20	Unlisted Options	24-Nov-30	A\$0.286	595,379
3-Feb-21	Performance Rights	3-Feb-31	Nil	37,000
4-Feb-21	Unlisted Options	4-Feb-31	A\$2.82	65,625
17-Mar-21	Unlisted Options	17-Mar-31	A\$2.82	100,000
25-Mar-21	Performance Rights	25-Mar-31	Nil	4,000
25-Mar-21	Unlisted Options	25-Mar-31	A\$2.63	112,500
16-Jul-21	Unlisted Options	3-Jun-31	A\$1.90	250,000
29-Sep-21	Performance Rights	29-Sep-25	Nil	6,000
27-Jan-22	Performance Rights	27-Jan-26	Nil	68,750
29-Sep-21	Unlisted Options	29-Sep-31	A\$2.68	641,250
29-Sep-21	Unlisted Options	25-Oct-31	A\$2.82	1,500,703
29-Sep-21	Unlisted Options	16-Nov-31	A\$2.68	2,120,000
1-Dec-21	Unlisted Options	1-Dec-31	A\$3.04	50,000
1-Dec-21	Unlisted Options	1-Dec-31	A\$3.04	50,000
1-Jan-22	Unlisted Options	1-Jan-32	A\$3.04	100,000
1-Feb-22	Unlisted Options	1-Feb-32	A\$3.27	150,000
1-Apr-22	Unlisted Options	20-Feb-32	A\$3.27	450,000
1-Apr-22	Unlisted Options	1-Apr-32	A\$3.27	150,000
16-Nov-22	Performance Rights	1-Oct-26	Nil	1,080,000
6-Feb-23	Performance Rights	31-Dec-32	Nil	1,001,500
23-Feb-23	Performance Rights	23-Feb-33	Nil	70,000
22-Mar-23	Performance Rights	22-Mar-33	Nil	10,000

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DIRECTORS' REPORT

Share Options/Performance Rights continued

Shares under Option and Performance Rights continued

These unlisted options and performance rights do not entitle the holders to participate in any share issue of the Company or any other body corporate.

In addition to the above, the Company has granted 687,000 options and performance rights to employees which have not yet been issued on the ASX as at the date of this report.

Proceedings on Behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Group, or intervened in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Audit Services

During the year the following fees were paid or payable for services provided by the auditor.

	Consolidated 2023	Consolidated 2022
	\$	\$
Amounts received or due and receivable by Nexia Perth:		
An audit and review of the financial report of the parent and any other entity in the Group	53,000	52,600
Other services in relation to the parent and any other entity in the Group	6,000	27,700
Amounts received or due and receivable by BDO Israel:		
Audit and review of the subsidiary Weebit Nano Ltd (Israel)*	83,862	86,058
Other Services	10,077	-
Total	152,939	166,358

*The fee for BDO Israel includes the audit of statutory financial statements for Weebit Nano Limited (Israel) and Weebit Nano SARL (France), as well as the audit of the tax return for Weebit Nano Ltd (Israel).

Officers of the Company who are Former Audit Partners of Nexia

There are no officers of the Company who are former partners of Nexia Perth.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2023 has been received and can be found on page 38.

Auditor

Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Directors



David Perlmutter
Chairman

Melbourne
24 August 2023

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations. The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The Company's governance-related documents can be found on its website at www.weebit-nano.com under the section marked Corporate Governance.

Principle 1 – Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its Board and management and regularly review their performance

Recommendation 1.1

A listed entity should have and disclose a Board charter setting out:

- (a) the respective roles and responsibilities of its Board and management; and
- (b) those matters expressly reserved to the Board and those delegated to management.

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- a. Provide strategic direction for the Company and directing and monitoring the Company's performance against strategies;
- b. Establish goals for management and monitor the achievement of those goals;
- c. Review and oversee the operation of systems of risk management;
- d. Ensuring the overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions between management and the Board remain appropriate to the needs of the Company; and
- e. Formation and monitoring of corporate governance policies, codes of conduct and committees.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

A copy of the Board Charter is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>.

Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director

The term of appointment for each Non-Executive Director of the Company shall be the period commencing on appointment and expiring when the Director is next required to stand for election by the shareholders or a period of 3 years, whichever is the lesser. At each Annual General Meeting of the Company, subject to ASX Listing Rule 14.4, at least one Director must retire from office, excluding a Director who is a managing director.

Board support for a Director's re-election is not automatic and is subject to satisfactory Director performance (in accordance with the evaluation process described for Principle 1.6).

Weebit undertakes appropriate background and screening checks prior to nominating a Director for election by shareholders, and provides to shareholders all material information in its possession concerning the Director standing for election or re-election in the explanatory notes accompanying the notice of meeting.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has a written agreement with each of the Directors. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its Directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its Directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Contract details of senior executives who are KMP are summarised in the Remuneration Report in the Company's Annual Report.

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CORPORATE GOVERNANCE STATEMENT

Principle 1 continued

Recommendation 1.4

The Company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

The Company Secretary is accountable to the Board for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.

In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out in the Annual Report.

Recommendation 1.5

A listed entity should:

- (a) have and disclose a diversity policy;
- (b) through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and
- (c) disclose in relation to each reporting period:
 - (1) the measurable objectives set for that period to achieve gender diversity;
 - (2) the entity's progress towards achieving those objectives; and
 - (3) either:
 - (A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
 - (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its Board should be to have not less than 30% of its Directors of each gender within a specified period.

The Company is committed to creating a diverse working environment and promoting a culture which embraces diversity. Given the size of the Company and scale of its operations, however, the Board is of the view that a written diversity policy with measurable objectives for achieving gender diversity is not required at this time. Further, as the Company has not established measurable objectives for achieving gender diversity, the Company has not reported on progress towards achieving them.

Recommendations 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and
- (b) disclose for each reporting period whether performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Chairman conducts a review of Board and Committee performance at least once each calendar year. It is planned to undertake this year's review after allowing some time for the new Board appointees to spend a period of time in their respective roles. The process usually involves the preparation of a questionnaire, to which Directors and Committee members respond anonymously, addressing matters relating to the conduct of meeting, the content of Board/Committee papers and other matters relevant to Board/Committee performance.

Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for evaluating the performance of its Senior Executives at least once every reporting period;
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The performance of the Company's Senior Executives, including the CEO, is reviewed regularly to ensure that Senior Executive members continue to perform effectively in their roles. Performance is measured against the goals and Company performance set at the beginning of the financial year and reviewed throughout the year. A performance evaluation for Senior Executives has occurred during the year in accordance with this process.

CORPORATE GOVERNANCE STATEMENT

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Principle 2 – Structure the Board to be effective and add value

The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Recommendation 2.1

The Board of a listed entity should:

(a) have a Nomination Committee which:

- (i) has at least three members, a majority of whom are independent; and
- (ii) is chaired by an Independent Director.

And disclose:

- (iii) the Charter of the Committee;
- (iv) the members of the Committee; and
- (v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The functions of a Nomination Committee are outlined in the Company's Governance Committee Charter, with a copy of the Charter published on the Company's website.

The Committee comprised independent Directors during the financial year Atiq Raza (Chairman), Ashley Krongold and Dadi Perlmutter. The Committee met during the financial year, as disclosed in the Directors' Report.

The procedure for the selection and appointment of new Directors or the re-election of incumbent Directors, other than as outlined in the Company's Constitution or the Governance Committee Charter is detailed at Principle 1.2.

The Board may seek independent external advice in regard to its composition, when there is a required change (such as retirement or resignation).

Recommendation 2.2

A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.

The details of the skill set of the current Board members are set out in the description of each Director in the Annual Report. The Board has adopted the following Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The Board Skills Matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board.

Skills and experience	Number of Directors/ Board representations (out of 6)
<u>Executive leadership</u> - Senior executive experience including international experience.	6
<u>Board experience</u> - Experience as a Board member or member of a governance body.	6
<u>Financial acumen</u> - Senior executive or equivalent experience in financial accounting and reporting, corporate finance, risk and internal controls.	6
<u>Semiconductor</u> - Experience related to the Semiconductor market, connections to key companies in the domain.	4
<u>ASX and Australian public market</u> - Experience in raising capital in Australia, knowledge of the Australian regulations.	4
<u>Strategy</u> - Experience in developing, implementing and challenging a plan of action designed to achieve the long-term goals of an organisation, including information technology and digital experience.	6
<u>Capital management</u> - Experience in capital management strategies, including capital partnerships, debt financing and capital raisings.	6

Recommendation 2.3

A listed entity should disclose:

- (a) the names of the Directors considered by the Board to be Independent Directors;
- (b) if a Director has an interest, position or relationship that might raise issues about the independence of a Director but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and
- (c) the length of service of each Director.

As at 30 June 2023, the Board consisted of six Directors, four of whom are Independent Non-executive Directors. The Board considers David Perlmutter (Non-executive Chairman), Ashley Krongold (Non-executive Director), Mark Licciardo (Non-executive Director) and Atiq Raza (Non-executive Director) to be Independent Directors. The length of service of each Director has been disclosed in the Annual Report.

CORPORATE GOVERNANCE STATEMENT

Principle 2 continued

Recommendation 2.4

The majority of the Board of a listed entity should be independent Directors.

As noted under Recommendation 2.3, the Board comprises six Directors of whom four are considered Independent Directors. The Board comprises a majority of independent Directors and is satisfied that its current composition is suitable for the Company given its resources, size and operations. The current structure and composition of the Board has been determined having regard to the nature and size of the Company, the skill set of the Company's Directors both individually and collectively, and the best interests of shareholders. The Board believes that independent judgment is achieved and maintained in respect of its decision-making processes. Furthermore, all Directors are entitled to seek independent professional advice as and when required. The Directors believe that they are able to objectively analyse the issues before them in the best interests of all shareholders and in accordance with their duties as Directors.

Recommendation 2.5

The Chair of the Board of a listed entity should be an independent Director, and in particular, should not be the same person as the CEO of the entity.

The Chairman, Mr David (Dadi) Perlmutter, is an Independent Director. His role as Chairman of the Board is separate from that of the Managing Director (who is responsible for the day-to-day management of the Company) and is in compliance with the ASX recommendation that these roles not be exercised by the same individual.

Recommendation 2.6

A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.

The Board recognises that as a result of the Company's size and the stage of the entity's life, the Board has not put in place a formal program for inducting new Directors. However, it does provide a package of background information on commencement and provides ready interaction with the Company's personnel to gain a stronger understanding of the business. The Board will define a specific training for new Directors based on their background.

Principle 3 – Instill a culture of acting lawfully, ethically and responsibly

A listed entity should instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Recommendation 3.1

A listed entity should articulate and disclose its values.

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company's values have been communicated across the Company and disclosed on the Company's website at <https://weebit-nano.com/company-values/>.

Recommendation 3.2

A listed entity should:

- (a) have and disclose a code of conduct for its Directors, Senior Executives and employees; and
- (b) ensure that the Board or a committee of the Board is informed of any material breaches of the code.

The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders and ensures that the Board is informed of material breaches of the Code. It may be amended from time to time by the Board and is disclosed on the Company's website. The Code applies to all Directors, employees, contractors and officers of the Company.

A copy of the Company's Code of Conduct is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>.

Recommendation 3.3

A listed entity should:

- (a) have and disclose a whistleblower policy; and
- (b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.

The Board has developed a whistleblower policy, which applies to all Directors, employees, contractors and officers. Investigation findings under the whistleblower Policy and material breaches will be reported to the Board.

A copy of the Company's whistleblower policy is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>.

Recommendation 3.4

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.

The Board has adopted an anti-bribery and corruption policy, which applies to all Directors, employees, contractors and officers. Material breaches of the policy will be reported to the Board.

A copy of the Company's anti-bribery and corruption policy is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>.

CORPORATE GOVERNANCE STATEMENT

Principle 4 – Safeguard the Integrity of Corporate Reports

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Recommendation 4.1

The Board of a listed entity should:

(a) have an Audit Committee which:

- (i) has at least three members, all of whom are Non- Executive Directors and a majority of whom are independent Directors; and
- (ii) is chaired by an independent Director, who is not the Chair of the Board.

and disclose:

- (iii) the Charter of the Committee;
- (iv) the relevant qualifications and experience of the members of the Committee; and
- (v) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendance of the members at those meetings.

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company has established a Finance, Audit and Risk Committee.

The Committee comprised Independent Directors during the financial year Ashley Krongold (Chairman), Fred Bart (resigned 26 June 2023) and Executive Director, Yoav Nissan-Cohen. The Committee met during the financial year, with the meeting attended by Committee members as disclosed in the Directors Report.

The responsibilities of the Committee include but are not limited to:

- Monitoring quarterly and annual financial statements.
- Review of annual capital/asset and operating budgets and recommending approval to the Board.
- Oversight and review of the external audit process including assessment of the terms of engagement and remuneration of the auditor; recommending to the Board the appointment of the auditor; considering the scope and quality of external audits; and review of audit reports.
- Review the effectiveness of internal audits, internal financial reports and control systems.
- Oversight of Weebit's risk management framework and practices including periodic review of key risks to the organisation.
- Periodic review of Weebit's Risk Management Plan, Insurances, Delegations Policy.
- External Procurement Policy, Business Continuity Plan and other high-level policies relevant to the Committee's purpose.
- Setting and adhering to any relevant KPI's to assist the committee in fulfilling its purpose.

A copy of the Finance, Audit and Risk Committee Charter is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>.

Recommendation 4.2

The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Before approval of the financial statements the Board received assurance from the CEO and the CFO that the declaration provided in accordance with section 295A of the Corporations Act. Further, that it is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has also received from the CEO and the CFO written affirmations concerning the Company's financial statements as set out in the Directors' Declaration.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Board and relevant Senior Management review any periodic corporate report that is released to the market that has not been audited or reviewed by an external auditor.

Principle 5 – Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company has adopted a Continuous Disclosure Policy which sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. A copy of the Continuous Disclosure Policy is available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>.

Recommendation 5.2

A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.

The Board has received confirmation of release from the ASX Market Announcements Office whenever there has been a market release by the Company.

CORPORATE GOVERNANCE STATEMENT

Principle 5 continued

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Company ensures that all investor presentations are lodged with the ASX ahead of the presentation.

Principle 6 – Respect the rights of security holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

The Company keeps investors informed of its corporate governance, financial performance and prospects via its website – www.weebit-nano.com. Investors can access copies of all announcements to the ASX, notices of meetings, annual reports and financial statements via <https://weebit-nano.com/asx-announcements/>, and Investor presentations via <https://weebit-nano.com/presentations-and-webcasts/>. Investors can access general information regarding the Company and the structure of its business by accessing the Company's website at <https://weebit-nano.com/about/>.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's. In accordance with the ASX Recommendations, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the quarterly cash flow and activities report and half yearly financial report lodged with the Australian Securities Exchange (ASX);
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material, made available on the Company's website at www.weebit-nano.com;
- disclosure of the Company's Corporate Governance practices on the entity's website; and,
- email and other electronic means.

In addition to the above-mentioned communication methods, the Company has maintained an active investor relations program to facilitate effective two-way communication with relevant equity market stakeholders. This program includes face-to-face meetings with investors, broker analysts and proxy firms as well as responding to shareholder enquiries as appropriate. The Company utilises public investor webcasts and conference calls for key announcements such as the full year and half year financial results. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available an email address and relevant contact for shareholders to make their enquiries.

The Board encourages effective participation at the Company's General Meetings by providing opportunities for shareholders to ask questions of the Company's Directors and auditors.

The Company encourages shareholders to receive Company information electronically by registering their email address online with the Company's shareholder registry. The Company also allows shareholders to communicate electronically with the Company and share registry including providing shareholders the ability to submit proxy voting instructions online.

Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Board encourages full participation of security holders at its General Meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Before and during the General Meetings, the security holders are invited to raise questions regarding the operations and performance of the Company.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

All resolutions put to security holders at a meeting of security holders are decided by a poll.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company provides its security holders the option to receive communications from and send communications to, the Company and the share registry electronically.

CORPORATE GOVERNANCE STATEMENT

Principle 7 – Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1

The Board of a listed entity should:

- (a) have a committee(s) to oversee risk, each of which:
 - (i) has at least three members, a majority of whom are independent Directors; and
 - (ii) is chaired by an independent Director.
 and disclose
 - (iii) the Charter of the Committee;
 - (iv) the members of the Committee; and
 - (v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company has established a Finance, Audit and Risk Committee.

The Committee comprises Independent Directors during the financial year Ashley Krongold (Chairman) and Executive Director, Yoav Nissan-Cohen. The Committee met during the financial year as disclosed in the Directors Report. The responsibilities of the Committee include but are not limited to:

- Monitoring quarterly and annual financial statements.
- Review of annual capital/asset and operating budgets and recommending approval to the Board.
- Oversight and review of the external audit process including assessment of the terms of engagement and remuneration of the auditor; recommending to the Board the appointment of the auditor; considering the scope and quality of external audits; and review of audit reports.
- Review the effectiveness of internal audits, internal financial reports and control systems.
- Oversight of Weebit's risk management framework and practices including periodic review of key risks to the organisation.
- Periodic review of Weebit's Risk Management Plan, Insurances, Delegations Policy,
- External Procurement Policy, Business Continuity Plan and other high-level policies relevant to the Committee's purpose.
- Setting and adhering to any relevant KPI's to assist the committee in fulfilling its purpose.

A copy of the Finance, Audit and Risk Committee Charter is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>.

Recommendation 7.2

The Board or a committee of the Board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board recognises that there are inherent risks associated with the Company's operations including technological, legal and other operational risks. The Board endeavors to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. No formal report in relation to the Company's management of its material business risks was presented to the Board this financial year. The Board reviewed the risk profile of the Company and monitored risk informally throughout the year. However it is intended to be presented formally to the Board, after being reviewed by the Finance, Audit and Risk Committee in the upcoming financial year and moving forward.

Recommendation 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

Due to the Company's scale, it does not have a formal Internal Audit function. However, responsibility for risk management and maintenance of internal controls lies with several executives including the Chief Executive Officer and Chief Financial Officer, the Finance, Audit and Risk Committee and the Governance Committee, who monitor and report on compliance with the Company's policies and procedures and its legal and regulatory obligations and oversee any required remedial activities.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Company constantly monitors and reviews the key risks that affect the Company and the management of those risks. They include economic, environment and social risks.

At the time of reporting, the Company has no material exposure to risks to our environmental and social sustainability profile.

CORPORATE GOVERNANCE STATEMENT

Principle 8 – Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

Recommendation 8.1

The Board of a listed entity should:

(a) have a remuneration committee which:

- (i) has at least three members, a majority of whom are Independent Directors; and
- (ii) is chaired by an Independent Director, and disclose:
- (iii) the charter of the committee;
- (iv) the members of the committee; and
- (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and Senior Executives and ensuring that such remuneration is appropriate and not excessive.

The Board has established a Remuneration Committee to assist in the discharge of its responsibilities. The role of the Remuneration Committee is to review and make recommendations to the Board on remuneration packages and policies related to the Directors and Senior Executives. The Remuneration Committee is also charged with ensuring that the remuneration policies and practices are consistent with the Company's strategic goals and objectives.

The Committee comprised of Independent Directors during the financial year being Dadi Perlmutter, S. Atiq Raza and Ashley Krongold. The Remuneration Committee meets on an as-needed basis. The number of Remuneration Committee meetings held during the year is set out in the Directors' Report under Directors' Meetings.

Following each meeting, the Remuneration Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Remuneration Committee that requires Board approval. The Board has adopted a Remuneration Committee Charter, which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website at <https://weebit-nano.com/corporate-governance/>.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.

Details of the Company's policies on remuneration are set out in the Company's 'Remuneration Report' in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or claw-back of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

The Company's Security Trading Policy includes a statement prohibiting Directors, officers and employees entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of their security holding in the Company or of participating in unvested entitlements under any equity based remuneration schemes.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- closed periods in which Directors, employees and contractors of the Company must not deal in the Company's securities;
- trading in the Company's securities which is not subject to the Company's trading policy; and
- the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy forms part of the Company's corporate policies and procedures and is available to all staff and on the Company's website at <https://weebit-nano.com/corporate-governance/>.

CORPORATE GOVERNANCE STATEMENT

9 – Additional recommendations that apply only in certain cases

The following additional recommendations apply to the entities described within them.

Recommendation 9.1

A listed entity with a director who does not speak the language in which Board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.

All Directors speak the language that the meetings are held in.

Recommendation 9.2

A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.

The Company ensures that meetings of security holders are held at a reasonable place and time.

Recommendation 9.3

A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

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AUDITOR'S INDEPENDENCE DECLARATION



Nexia Perth Audit Services Pty Ltd

Level 3, 88 William St

Perth WA 6000

GPO Box 2570

Perth WA 6001

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P: +61 8 9463 2465

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Lead auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Weebit Nano Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Perth Audit Services Pty Ltd



M. Janse Van Nieuwenhuizen
Director

Perth
24 August 2023

Advisory. Tax. Audit

ACN 145 447 305

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 305) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information, please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	Consolidated 2023	Consolidated 2022
		\$	\$
Research and Development expenses (net)	8	(26,694,786)	(16,776,687)
Sales and Marketing expenses		(3,555,631)	(2,350,508)
General and Administrative expenses	8	(10,046,576)	(8,371,598)
Finance income (costs)		1,258,869	(197,802)
Loss before tax		(39,038,124)	(27,696,595)
Income tax expense	5	-	-
Loss for the year		(39,038,124)	(27,696,595)
Other Comprehensive Income potentially reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operation		(581,729)	(321,309)
Total Comprehensive Loss for the year		(38,456,395)	(28,017,904)
Total Comprehensive Loss attributable to:			
Owners of the parent entity		(38,456,395)	(28,017,904)
Basic and Diluted Loss per share	4	(0.222)	(0.185)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

For the year ended 30 June 2023

	Note	Consolidated 2023	Consolidated 2022
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	10	87,957,503	50,247,738
Trade and other receivables	6	1,002,178	6,022,274
Total current assets		88,959,681	56,270,012
Non-current assets			
Plant and equipment		253,859	288,205
Right of use assets		265,765	428,778
Long term deposit		27,143	21,180
Total non-current assets		546,767	738,163
TOTAL ASSETS		89,506,448	57,008,175
LIABILITIES			
Current liabilities			
Trade and other payables	7	4,426,217	1,597,613
Lease liability – current		218,460	66,824
Total current liabilities		4,644,677	1,664,437
Non-current liabilities			
Lease liability – non-current		66,276	348,001
Total non-current liabilities		66,276	348,001
TOTAL LIABILITIES		4,710,953	2,012,438
NET ASSETS		84,795,495	54,995,737
EQUITY			
Share capital	9	168,492,222	110,818,345
Reserves		33,825,340	22,661,335
Accumulated losses		(117,522,067)	(78,483,943)
TOTAL EQUITY		84,795,495	54,995,737

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

Consolidated 2023

	Note	Issued Capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
Balance at 1 July 2022		110,818,345	(1,020,710)	23,682,045	(78,483,943)	54,995,737
Loss for the year		-	-	-	(39,038,124)	(39,038,124)
Other comprehensive income		-	581,729	-	-	581,729
Total comprehensive loss for the year		-	581,729	-	(39,038,124)	(38,456,395)
Transactions with equity holders:						
Contributions of capital	10	60,005,260	-	-	-	60,005,260
Capital raising costs	10	(2,846,848)	-	-	-	(2,846,848)
Exercise of options	10	515,465	-	-	-	515,465
Share-based payments	14	-	-	10,582,276	-	10,582,276
Balance at 30 June 2023		168,492,222	(438,981)	34,264,321	(117,522,067)	84,795,495

Consolidated 2022

	Note	Issued Capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
Balance at 1 July 2021		60,061,746	(699,401)	12,591,558	(50,787,348)	21,166,555
Loss for the year		-	-	-	(27,696,595)	(27,696,595)
Other comprehensive income		-	(321,309)	-	-	(321,309)
Total comprehensive loss for the year		-	(321,309)	-	(27,696,595)	(28,017,904)
Transactions with equity holders:						
Contributions of capital	10	35,443,051	-	-	-	35,443,051
Capital raising costs	10	(1,215,556)	-	-	-	(1,215,556)
Exercise of options	10	340,756	-	-	-	340,756
Exercise of listed options	10	16,188,348	-	-	-	16,188,348
Share-based payments	14	-	-	11,090,487	-	11,090,487
Balance at 30 June 2022		110,818,345	(1,020,710)	23,682,045	(78,483,943)	54,995,737

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	Consolidated 2023	Consolidated 2022
		\$	\$
Cash flows from operating activities			
Interest received (Paid), net		1,350,000	(36,202)
Payments to suppliers and employees		(21,618,340)	(21,458,465)
Net cash used in operating activities	10	(20,268,340)	(21,494,667)
Cash flows from investing activities			
Payments for Property, Plant and Equipment		(44,841)	(236,293)
(Increase) decrease in deposits and restricted cash		(5,964)	29,769
Net cash used in investing activities		(50,805)	(206,524)
Cash flows from financing activities			
Proceeds from issues of share capital	9	60,005,260	35,443,051
Proceeds from options exercise	9	515,465	16,529,104
Capital Raising Costs	9	(2,846,848)	(1,215,556)
Repayment of lease liabilities		(226,697)	(212,535)
Net cash flows provided by financing activities		57,447,181	50,544,065
Net increase in cash and cash equivalents		37,128,036	28,842,874
Foreign exchange movements on cash balances		581,729	(321,309)
Cash and cash equivalents at the beginning of the year		50,247,738	21,726,173
Cash and cash equivalents at the end of the year	10	87,957,503	50,247,738

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 1: REPORTING ENTITY

Weebit Nano Ltd (the “Company” or “Weebit Nano”) is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (collectively referred to as the “Group”).

A description of the nature of the Group’s operations and its principal activities is included in the review of operations and activities in the Directors’ Report on page 10, which does not form part of this financial report.

NOTE 2: BASIS OF PREPARATION

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The Consolidated Financial Statements and Notes of the Group comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

Weebit Nano Ltd is a company limited by shares. The financial report is presented in Australian Dollars which is the Group’s reporting currency and monetary amounts are rounded to the nearest dollar. Refer to Note 3(p) for the functional currencies of the Group.

This Consolidated Financial Report was approved and authorised for issue by the Board of Directors on 24 August 2023.

Financial Position

The consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group reported a net loss for the period of \$39,038,124 (2022: \$27,696,595) and a cash outflow from operating activities of \$20,268,340 (2022: \$21,494,667). The Group had a net working capital surplus of \$84,315,004 (2022: \$54,605,575) including cash of \$87,957,503 at 30 June 2023 (June 2022: \$50,247,738). The loss mainly reflects the research and development activities of the Group.

Based on the Group’s working capital surplus at 30 June 2023 and in particular its cash balance of \$87,957,503, the Directors are satisfied that the Group will have access to sufficient cash to fund its forecast expenditure for a period of at least twelve months from the date of signing this report. Accordingly, the Directors consider that the entity the going concern basis of preparation to be appropriate.

Historical cost convention

These financial statements have been prepared on an accruals basis and under the historical cost convention.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Principles of Consolidation

Subsidiaries

The consolidated financial statements comprise the assets and liabilities of Weebit Nano Ltd and its subsidiaries at 30 June 2023 and the results of the subsidiaries for the year ended. A subsidiary is any entity controlled by Weebit Nano Ltd.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES continued

All inter-company balances and transactions, including unrealised profits arising from intra- entity transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Investments in subsidiaries are accounted for at cost in the individual financial statements of Weebit Nano Ltd. Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period which Weebit Nano Ltd has control.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values (see note 3(h)).

(b) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes startup operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision maker – being the Board of Directors.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in nature.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(c) Income Tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES continued

(c) Income Tax (continued)

the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable, and receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(e) Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to another party with no intention of selling the receivables. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less any impairment losses.

(f) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the items. Repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate asset costs over their estimated useful lives, as follows:

- Computer equipment 3 years
- Software 3 years
- Plant & equipment 5 years

Each asset's residual value and useful life is reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES continued

(g) Leases

Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(h) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, securities issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs, other than those associated with the issue of equity instruments, that the Group incurs in connection with a Business Combination are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the Statement of Profit or Loss and Other Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES continued

(i) Impairment of Non-Financial Assets

Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets or groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of combination.

(j) Share-Based Payments

The Group has provided payment to service providers and related parties in the form of share-based compensation whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option valuation model for services provided by employees or where the fair value of the goods and services received cannot be reliably estimated.

For goods and services received where the fair value can be determined reliably, the goods and services and the corresponding increase in equity are measured at that fair value. The fair value of the options granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance date, the entity revises its estimates of the number of options that are expected to become exercisable subject to non-market vesting conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

(k) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES continued

(l) Finance Income and Expense

Finance income comprises interest income on funds invested, gains on disposal of financial assets and changes in fair value of financial assets held at fair value through profit or loss. Finance expenses comprise changes in the fair value of financial assets held at fair value through profit or loss and impairment losses on financial assets.

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

(m) Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(n) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) Trade and other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are stated at amortised cost, using the effective interest method.

(p) Foreign Currency Translation

Functional and presentation currency

The functional currency of Weebit Nano Ltd (Israel) (Weebit Israel) is US dollars. The functional currency of Weebit Nano Ltd is Australian Dollars. The functional currency of Weebit France (SARL) is Euro. The presentation currency of the Group is Australian Dollars.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(q) Significant Accounting Estimates and Assumptions

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES continued

(q) Significant Accounting Estimates and Assumptions (continued)

process of applying the Group's accounting policies. The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are Share-based payment transactions.

The Company measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the Board of Directors using either the Binomial or the Black-Scholes valuation methods, taking into account the terms and conditions upon which the equity instruments were granted. The assumptions in relation to the valuation of the equity instruments are detailed in Note 14. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(r) Comparative Information

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Interest Income

Interest income is recognised as interest is earned.

(t) Intangible Assets

An intangible asset is recognised, whether purchased or self-created (at cost) if, and only if:

- It is probable that the future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably

Initial recognition: research and development costs:

- All research costs are expensed as incurred;
- Development costs are capitalised only after technical and commercial feasibility of the asset for sale or use have been established. This means that the Company must intend and be able to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits.

(u) Adoption of New and Revised Accounting Standards

The following accounting standards and interpretations are applicable for the first time in the year ending 30 June 2023:

- AASB 2020-3 Annual Improvements to IFRS Standards 2018–2020 and Other Amendments
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules

The Group has reviewed the new and revised Standards and Interpretations in issue for the year ended 30 June 2023. As a result of this review the Group has determined that there is no material impact of the Standards and Interpretations in issue not yet adopted by the Group; therefore, no change is necessary to the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES continued

(v) New accounting standards issued but not yet effective

The following accounting standards and interpretations have been issued but are not yet effective for the financial year ending 30 June 2023:

- AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5: Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2020-1 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
- AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 10 and AASB 128).

The Group has reviewed the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2023. As a result of this review the Group has determined that there is no material impact of the Standards and Interpretations in issue not yet adopted by the Group; therefore, no change is necessary to the Group's accounting policies.

NOTE 4: LOSS PER SHARE

	Consolidated 2023	Consolidated 2022
	\$	\$
Basic and diluted loss per share	(0.222)	(0.185)
Loss used in the calculation of basic and diluted loss per share	(39,038,124)	(27,696,595)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	176,051,687	150,072,195
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share	176,051,687	150,072,195

Options outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 5: INCOME TAX

	Consolidated 2023	Consolidated 2022
	\$	\$
Numerical reconciliation between aggregate tax expenses recognised in the Statement of Profit or Loss and Other comprehensive Income and tax expense calculated per the statutory income tax rate		
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting loss before income tax	(39,038,124)	(27,696,595)
Income tax (benefit) using the domestic corporation tax rate of 30% (2022: 30%)	(11,711,437)	(8,308,979)
Effect of tax rates in foreign jurisdictions	1,574,271	2,678,117
Prior year under and over in income tax	-	-
Effect of change in tax rate	-	-
Non-deductible expenses	-	82
Non-assessable income	-	(51)
Share based payments	3,174,683	3,327,146
Adjustment recognized in the current year in relation to the current tax of previous year	4,186	272,400
Capital raising costs deductible	(59,783)	(437,413)
Unrecognised temporary differences	14,625,454	(205,494)
Unrecognised tax losses	(7,607,374)	2,674,192
Income tax (expense)/benefit	-	-

Weebit Nano Ltd has unrecognised tax losses arising in Australia & Israel which are available indefinitely to offset against future profits of the Group on the condition that the tests for deductibility against future profits are met.

(a) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated 2023	Consolidated 2022
	\$	\$
Deductible temporary differences	13,996,479	6,900,126
Tax losses	5,785,408	5,983,247
	19,781,887	12,883,373

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated 2023	Consolidated 2022
	\$	\$
Current		
RTC receivable in France (a)	-	5,566,703
GST Recoverable	578,754	188,326
Other receivables and prepayments	423,424	267,245
Total	1,002,178	6,022,274

The above amounts do not bear interest and their carrying amounts are equivalent to their fair value.

(a) Weebit Nano SARL (France) participates in a French government R&D incentive plan ("RTC"). According to this plan, Weebit Nano SARL (France) may claim each calendar year a partial refund on its R&D expenses. During 2022, Weebit Nano SARL (France) filed its request for a refund on 2021 R&D costs. The refund was received in July 2022 and was recorded as receivable in the 2022 report. During 2023, Weebit Nano SARL (France) filed its request for a refund on 2022 R&D costs. The refund is expected to be received by December 31, 2023.

NOTE 7: TRADE AND OTHER PAYABLES

	Consolidated 2023	Consolidated 2022
	\$	\$
Trade payables (a)	829,549	253,210
Accruals & accrued employee entitlements	2,520,408	699,349
Other payables (b)	1,076,260	645,054
Total	4,426,217	1,597,613

(a) Trade payables are non-interest bearing and are normally settled on 30-day terms.

(b) Other payables are non-trade payables, are non-interest bearing and have an average term of 3 months.

NOTE 8: EXPENSES

General and Administrative

	Consolidated 2023	Consolidated 2022
	\$	\$
Administration, insurance and compliance costs	422,227	365,000
Consultants and contractors	1,023,525	799,647
Amortisation and depreciation	191,271	133,942
Employee benefits expenses (a)	6,952,996	6,723,996
Other expenses	1,456,557	349,013
Total	10,046,576	8,371,598

(a) Included in employee benefits expenses is \$4,937,597 for share based compensation (2022: \$4,964,757).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 8: EXPENSES continued

Research and Development

Research and Development (R&D) costs are shown net of R&D grants and comprise remuneration paid to staff and contractors, as well as ~\$4.6 million (2022: ~\$5.4 million) in share-based payments.

Research and Development grants are recognised as and when the receipts are virtually certain. Weebit Nano SARL (France) recognised grants of ~\$5.7 million during the year ended 30 June 2022 which offsets the R&D expenses in the Statement of Comprehensive Income. The 2022 grant is expected to be received by December 31, 2023 and was not recognised in 2023 report (also refer to note 6).

NOTE 9: ISSUED CAPITAL & RESERVES

Consolidated and Parent Entity

	June 2023		June 2022	
	#	\$	#	\$
(a) Issued and Paid up Capital				
Fully paid ordinary shares	187,460,439	168,492,222	172,303,933	110,818,345
(b) Movements in fully paid shares on issue				
Balance at the start of the year	172,303,933	110,818,345	122,702,514	60,061,746
Shares issued during the year:				
Capital Raising	12,001,052	60,005,260	12,479,880	35,443,051
Capital Raising Costs	-	(2,846,848)	-	(1,215,556)
Listed options exercised	-	-	35,974,108	16,188,348
Unlisted options and performance rights exercised	3,155,454	515,465	1,147,431	340,756
Balance at end of year	187,460,439	168,492,222	172,303,933	110,818,345

NOTE 10: CASH AND CASH EQUIVALENTS

	Consolidated 2023	Consolidated 2022
	\$	\$
Cash at Bank	72,806,081	50,247,738
Term Deposit (3 months)	15,151,422	-
Total	87,957,503	50,247,738

Reconciliation of cash

	Consolidated 2023	Consolidated 2022
	\$	\$
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	87,957,503	50,247,738
	87,957,503	50,247,738

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 10: CASH AND CASH EQUIVALENTS continued

Reconciliation of cash flows from operating activities

	Note	Consolidated 2023	Consolidated 2022
		\$	\$
Reconciliation of cash flows from operations with loss after income tax:			
Loss for the year		(39,038,124)	(27,696,595)
Adjusted for – Non-cash items:			
Amortisation		229,403	156,588
Depreciation		79,187	15,977
Share-based payments	13	10,582,276	11,090,487
Changes in assets and liabilities			
Increase/(Decrease) in trade creditors and accruals		2,858,821	666,738
Decrease/(Increase) in other debtors		5,020,097	(5,727,862)
Cash flows used in operations		(20,268,340)	(21,494,667)

NOTE 11: INTEREST IN CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Weebit Nano Ltd and the subsidiaries listed in the following table:

	Country of Incorporation	Equity Interest 2023	% Investment 2023	Equity Interest 2022	% Investment 2022
Weebit Nano Ltd (Israel)	Israel	100%	100%	100%	100%
Weebit Nano SARL (France)*	France	100%	100%	100%	100%

* held by Weebit Nano Ltd (Israel).

NOTE 12: RELATED PARTY TRANSACTIONS

Related party compensation and Equity Interests of Key Management Personnel Information on remuneration of Directors and Key Management Personnel including details of shares and option holdings is contained in the Remuneration Report within the Directors' Report.

Other related party transactions

Weebit Nano had entered into agreements with Acclime Corporate Services Australia Pty Ltd, a company associated with Non-Executive Director Mark Licciardo, for company secretarial services. The fees were set at a rate which was an arms-length commercial rate for comparable services.

	Consolidated 2023
	\$
Fees for Company Secretarial work	60,876
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:	
Current payables	12,600

No other related party transactions occurred during the year ending 30 June 2023 or the year ending 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 13: SHARE BASED PAYMENTS

Share-based payment transactions

The Company completed the following share-based payment transactions during the year:

Date of Grant	Grantee	Number of Options	Exercise Price	Vesting Conditions	Expiry Date	Underlying Share Price	Share Price Volatility	Risk Free Interest Rate	Fair Value
			\$			\$	%	%	\$
Unlisted Options									
25/05/2023	Advisor	200,000	5.43	*	25/05/2033	5.23	86.78%	3.44%	3.91
Performance Rights									
01/01/2023	Employees	1,329,000	Nil	*, ***	01/01/2033	3.48	-	-	3.48
01/01/2023	Advisor	10,000	Nil	*	01/01/2033	3.48	-	-	3.48
01/01/2023	Employees	65,000	Nil	**	01/01/2033	3.48	-	-	3.48
23/02/2023	Employees	70,000	Nil	*	23/02/2033	6.59	-	-	6.59
16/11/2022	Chairman	400,000	Nil	****	16/11/2032	3.29	-	-	3.29
16/11/2022	CEO	480,000	Nil	****	16/11/2032	3.29	-	-	3.29
16/11/2022	Directors	260,000	Nil		16/11/203	3.29	-	-	3.29
22/03/2023	Employees	10,000	Nil	*	22/03/2033	5.54	-	-	5.54
25/05/2023	Advisor	140,000	Nil	*	25/5/2033	5.35	-	-	5.35
25/05/2023	Employees	187,000	Nil	*	25/5/2033	5.35	-	-	5.35
25/05/2023	Employees	60,000	Nil	**	25/5/2033	5.35	-	-	5.35

* 25% shall vest upon the completion of the first 12-month period following the grant and then 6.25% shall vest every 3 months thereafter.

** 25% shall vest each year, with the first tranche lock up for 12 months.

*** Out of which 400,000 performance rights granted to an employee are conditional upon milestone achievement.

**** Out of which 180,000 performance rights for CEO and 100,000 performance rights for Chairman are conditional upon milestone achievement.

Share based payments expenses

	Consolidated 2023	Consolidated 2022
	\$	\$
Research and Development Expense	4,559,905	5,364,153
Sales and Marketing Expense	1,084,774	761,577
General and Administrative Expense	4,937,597	4,964,757
Total Share Based Payments for the Period	10,582,276	11,090,487

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 13: SHARE BASED PAYMENTS continued

In addition to the options and performance rights detailed above, the options and performance rights granted in a previous year which existed and vested during the year were:

Date Granted	Security Type	Expiry Date	Exercise Price	Number of shares under option
			\$	
24-Dec-18	Unlisted Options	01-Jan-28	\$1.44500	160,000
24-Dec-18	Unlisted Options	15-Feb-28	\$1.56500	160,000
24-Dec-18	Unlisted Options	05-Mar-28	\$1.27250	160,000
24-Dec-18	Unlisted Options	16-Oct-28	\$0.84750	800,000
24-Dec-18	Unlisted Options	01-Oct-27	\$0.43875	1,520,000
24-Dec-18	Performance Rights	29-Jan-28	Nil	32,000
26-Sep-19	Unlisted Options	14-Aug-29	\$0.4468	10,000
26-Sep-19	Unlisted Options	14-Aug-29	\$0.74	712,500
26-Sep-19	Unlisted Options	14-Aug-29	\$0.54	978,125
26-Sep-19	Unlisted Options	16-Oct-29	\$0.39	25,000
26-Sep-19	Performance Rights	25-Sep-29	Nil	32,000
26-Sep-19	Performance Rights	25-Sep-29	Nil	16,000
30-Jul-20	Unlisted Options	26-Mar-30	A\$0.2312	42,500
30-Jul-20	Unlisted Options	25-Jun-30	A\$0.27	15,625
30-Jul-20	Performance Rights	26-Mar-30	Nil	10,000
13-Sep-20	Unlisted Options	13-Sep-30	A\$0.286	496,150
17-Sep-20	Unlisted Options	17-Sep-30	A\$0.823	2,398,750
24-Nov-20	Unlisted Options	24-Nov-30	A\$0.286	595,379
3-Feb-21	Performance Rights	3-Feb-31	Nil	37,000
4-Feb-21	Unlisted Options	4-Feb-31	A\$2.82	65,625
17-Mar-21	Unlisted Options	17-Mar-31	A\$2.82	100,000
25-Mar-21	Performance Rights	25-Mar-31	Nil	4,000
25-Mar-21	Unlisted Options	25-Mar-31	A\$2.63	112,500
16-Jul-21	Unlisted Options	3-Jun-31	A\$1.90	250,000
29-Sep-21	Performance Rights	29-Sep-25	Nil	6,000
27-Jan-22	Performance Rights	27-Jan-26	Nil	68,750
29-Sep-21	Unlisted Options	29-Sep-31	A\$2.68	641,250
29-Sep-21	Unlisted Options	25-Oct-31	A\$2.82	1,500,703
29-Sep-21	Unlisted Options	16-Nov-31	A\$2.68	2,120,000
1-Dec-21	Unlisted Options	1-Dec-31	A\$3.04	50,000
1-Dec-21	Unlisted Options	1-Dec-31	A\$3.04	50,000
1-Jan-22	Unlisted Options	1-Jan-32	A\$3.04	100,000
1-Feb-22	Unlisted Options	1-Feb-32	A\$3.27	150,000
1-Apr-22	Unlisted Options	20-Feb-32	A\$3.27	450,000
1-Apr-22	Unlisted Options	1-Apr-32	A\$3.27	150,000

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 13: SHARE BASED PAYMENTS continued

A summary of the movements of all Company options issued as share-based payments is as follows:

	2023 Number	Weighted Average Price
		\$
Outstanding at the beginning of the year	16,902,092	1.421
Granted	200,00	5.43
Forfeited	(92,250)	1.853
Exercised	(2,967,217)	0.851
Outstanding at year-end	14,042,625	1.595

Included in the options granted are 150,000 options which have performance conditions. These options have not yet been issued on the ASX as at 30 June 2023.

The outstanding options have a weighted average contractual life of 7.08 years (2022: 8.07 years)

A summary of the movements of all Company performance rights issued as share-based payments is as follows:

	2023 Number	2022 Number
Outstanding at the beginning of the year	808,000	838,391
Granted	3,011,000	112,000
Exercised	(602,250)	(27,000)
Forfeited	(62,500)	-
Expired	-	(115,391)
Outstanding at year-end	3,154,250	808,000

NOTE 14: AUDITORS' REMUNERATION

	Consolidated 2023	Consolidated 2022
	\$	\$
Amounts received or due and receivable by Nexia Perth:		
An audit and review of the financial report of the parent and any other entity in the Group	53,000	52,600
Other services in relation to the parent and any other entity in the Group	6,000	27,700
Amounts received or due and receivable by BDO Israel		
*Audit and review of the subsidiaries Weebit Nano Ltd (Israel)	83,862	86,058
Other Services	10,077	-
Total	152,939	166,358

*The fee for BDO Israel includes the audit of statutory financial statements for Weebit Nano Ltd (Israel) and audit of tax return for Weebit Nano Ltd (Israel).

NOTE 15: FINANCIAL RISK MANAGEMENT

Risk management is carried out by the CEO.

Foreign Currency Risk

As a result of significant operations in Israel and France, the Group's statement of financial position can be affected significantly by movements in the NIS/USD, EURO/AUD and USD/AUD exchange rates. As at the end of the reporting period, the Group's exposure to foreign currency risk was considered immaterial by the Company and therefore no sensitivity analysis has been disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 15: FINANCIAL RISK MANAGEMENT continued

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

Price risk

The Group is not directly exposed to any price risk.

Interest rate risk

The Group's cash balances are subject to changes in interest rates.

(a) Credit Risk

The Group has no significant concentrations of credit risk except cash at bank with various banks

(b) Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained for the coming months. Upcoming capital needs and the timing of raisings are assessed by the Board at each Meeting of Directors.

The following are the contractual maturities of the financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

Nature of financial liabilities	Carrying Amount	Contractual cash flows	< 1year	1 - 5 years	> 5 years
	\$	\$	\$	\$	\$
Trade and other payables					
At 30 June 2023	4,425,979	4,425,979	-	-	-
At 30 June 2022	1,597,613	1,597,613	-	-	-
Lease liability					
At 30 June 2023	284,736	284,736	66,276	218,460	-
At 30 June 2022	414,825	414,825	66,824	341,599	6,402

(c) Cash flow and Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result in changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, only cash is affected by interest rate risk as cash is the Group's only financial asset exposed to fluctuating interest rates.

In accordance with AASB 9 the following sensitivity analysis has been performed for the Group's Interest Rate risk:

Consolidated Risk Variable	Sensitivity	Effect On: Profit 2023	Effect On: Equity 2023	Effect On: Profit 2022	Effect On: Equity 2022
		\$	\$	\$	\$
Interest Rate	1%	879,575	879,575	502,477	502,477
	-1%	(879,575)	(879,575)	(502,477)	(502,477)

* It is considered that 100 basis points is a 'reasonably possible' estimate of the sensitivity in the interest rate.

The fair values of all financial assets and liabilities of the Group approximate their carrying values.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital includes ordinary share capital and share options, supported by financial assets.

There were no changes in the Group's approach to capital management during the year ended 30 June 2023. Neither the Company nor the Group are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 16: SIGNIFICANT EVENTS AFTER THE BALANCE DATE

As announced on August 24, 2023, Ms. Naomi Simson will be appointed as an independent Non-executive Director, effective September 1, 2023.

NOTE 17: COMMITMENTS

As at 30 June 2023, the Group had a total of ~\$11 million commitments, all of which will be payable within 1 year.

NOTE 18: SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

During the year the Group has only operated in one segment and that was the development of the next generation of Non-Volatile Memory using a Resistive RAM (ReRAM) technology based on fab-friendly materials.

NOTE 19: PARENT COMPANY DISCLOSURES

	2023	2022
	\$	\$
Results of the parent entity		
Loss for the year	(38,456,394)	(28,017,902)
Financial position of the parent entity at year end		
Current assets	84,500,170	47,072,574
Non-Current Assets	64,755,445	44,043,892
Provision for non-recovery of loans	(64,212,079)	(36,071,215)
Total assets	85,043,536	55,045,251
Current liabilities	248,041	49,514
Total liabilities	248,041	49,514
Total equity of the parent entity comprising:		
Share capital	168,492,222	110,818,346
Reserves	34,264,321	23,682,045
Accumulated losses	(117,961,048)	(79,504,654)
Total equity	84,795,495	54,995,737

Parent Entity Contingencies

The Directors are not aware of any contingent liabilities that may arise from the Company's operations as at 30 June 2023 apart from as disclosed elsewhere in this report.

DIRECTORS' DECLARATION

In the Directors' opinion:

- a. The financial statements and notes set out on pages 39 to 59 and the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and
 - ii. Complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements.
- b. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- c. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



David Perlmutter
Chairman

24 August 2023
Melbourne

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INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's Report to the Members of Weebit Nano Limited

nexia.com.au

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Weebit Nano Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Advisory. Tax. Audit.

AFSL 289 358

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INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the key audit matter
<p>Future Funding <i>(Refer to Note 2 Financial Position)</i></p> <p>The Group's primary activity is research and development, which is funded through equity raising as the Group does not yet have revenue generating activities.</p> <p>As disclosed in Note 2, the Group reported a net loss for the period of \$39,038,124 (2022: \$27,696,595) and a cash outflow from operating activities of \$20,268,340 (2022: \$21,494,667). The Group had a net working capital surplus of \$84,315,004 (2022: \$54,605,575) including cash of \$87,957,503 at 30 June 2023 (June 2022: \$50,247,738). The loss mainly reflects the research and development activities of the Group.</p> <p>The adequacy of funding and liquidity, as well as the relevant impact on the going concern assessment, is a key audit matter due to the significance of management's judgments and estimates in respect of this assessment.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessing the Group's working capital position as at 30 June 2023; Vouching the cash and cash equivalents to supporting documentation; Checking the mathematical accuracy of the cash analysis prepared by management; Evaluating the reliability and completeness of management's assumptions by comparing them to our understanding of the Group's future plans and operating conditions; Obtaining an understanding of management's cash analysis and evaluating the sensitivity of assumptions made by management; and Considering events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The directors of the Company are responsible for the preparation of the consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 26 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Weebit Nano Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Nexia Perth Audit Services Pty Ltd



M. Janse Van Nieuwenhuizen

Director

Perth

24 August 2023

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ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below. This information is dated as at 3 August 2023.

ADDITIONAL INFORMATION

CAPITAL

- a. Ordinary Share Capital
187,460,439 ordinary fully paid shares. All ordinary shares carry one vote per share.
- b. Unlisted Options over Unissued Shares
13,814,107 unlisted options.

Number	Exercise Price	Expiry Date
160,000	\$1.45	1-Jan-28
160,000	\$1.57	15-Feb-28
160,000	\$1.27	5-Mar-28
800,000	\$0.85	16-Oct-28
1,520,000	\$0.44	1-Oct-27
10,000	\$0.45	14-Aug-29
712,500	\$0.74	14-Aug-29
978,125	\$0.54	14-Aug-29
25,000	\$0.39	16-Oct-29
42,500	A\$0.2312	26-Mar-30
15,625	A\$0.27	25-Jun-30
496,150	A\$0.286	13-Sep-30
2,398,750	A\$0.823	17-Sep-30
595,379	A\$0.286	24-Nov-30
65,625	A\$2.82	4-Feb-31
100,000	A\$2.82	17-Mar-31
112,500	A\$2.63	25-Mar-31
250,000	A\$1.90	3-Jun-31
641,250	A\$2.68	29-Sep-31
1,500,703	A\$2.82	25-Oct-31
2,120,000	A\$2.68	16-Nov-31
50,000	A\$3.04	1-Dec-25
50,000	A\$3.04	1-Dec-31
100,000	A\$3.04	1-Jan-32
150,000	A\$3.27	1-Feb-32
450,000	A\$3.27	20-Feb-32
150,000	A\$3.27	1-Apr-32

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ADDITIONAL INFORMATION

CAPITAL continued

- c. Performance Rights
d. 2,367,250 Performance Rights with an exercise price of \$NIL.

Number	Expiry Date
32,000	29-Jan-28
32,000	25-Sep-29
16,000	14-Aug-29
10,000	26-Mar-30
37,000	3-Feb-31
4,000	25-Mar-31
6,000	29-Sep-25
68,750	27-Jan-26
1,080,000	1-Oct-26
1,001,500	31-Dec-32
70,000	23-Feb-33
10,000	22-Mar-33

TOP 20 SHAREHOLDERS AS AT 3 AUGUST 2023

Rank	Name	Number of Ordinary Shares Held	% of Issued Capital
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,618,439	5.66
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,578,049	5.64
3	CITICORP NOMINEES PTY LIMITED	5,044,347	2.69
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,761,802	1.47
5	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	2,201,249	1.17
6	ARVADA PTY LTD	2,170,000	1.16
7	BNP PARIBAS NOMS PTY LTD <DRP>	2,065,040	1.10
8	BEARAY PTY LIMITED <BRIAN CLAYTON S/F A/C>	1,650,827	0.88
9	ARVADA PTY LTD	1,600,000	0.85
9	KETOM PTY LTD <BECHLER FAMILY A/C>	1,600,000	0.85
11	IBI TRUST MANAGEMENT <JAMES TOUR A/C>	1,234,462	0.66
12	IBI TRUST MANAGEMENT <DAVID PERLMUTTER A/C>	1,153,500	0.62
13	DR SHAYNE ANDREW HATELEY <MT CASSELL INVESTMENT A/C>	1,086,000	0.58
14	DROXFORD INTERNATIONAL LIMITED	1,044,000	0.56
15	SILVER HORIZON PTY LTD	1,029,150	0.55
16	MR ERIC MARK CASPARY	960,505	0.51
17	MR DAVID DEWAR JOHNSON + MRS LUCY JULIA JOHNSON <CAZSAM SUPER FUND A/C>	934,500	0.50
18	MR DAVID ELIMELECH PERLMUTTER	915,980	0.49
19	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	842,000	0.45
20	MR ELI STAUB	810,000	0.43
Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		50,299,850	26.83
Total Remaining Holders Balance		137,160,589	73.17

ADDITIONAL INFORMATION

DISTRIBUTION OF SHAREHOLDERS AS AT 3 AUGUST 2023

Range	Total Holders	Units	% Unit
1 - 1,000	5,713	2,554,617	1.36
1,001 - 5,000	4,368	10,869,766	5.80
5,001 - 10,000	1,279	9,498,647	5.07
10,001 - 100,000	1,870	55,218,814	29.46
100,001 Over	285	109,318,595	58.32
Total	13,515	187,460,439	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcels at \$ 5.4800 per unit	92	416	18,171

There is no current on-market buy-back.

SUBSTANTIAL SHAREHOLDERS AS AT 3 AUGUST 2023

There are no substantial shareholders of the Company as at 3 August 2023.

RESTRICTED SECURITIES

The Company has no shares subject to voluntary escrow as at 3 August 2023.

PRINCIPAL REGISTERED OFFICE

As disclosed in the Corporate directory on page 5 of this Annual Report.

REGISTERS OF SECURITIES

As disclosed in the Corporate directory on page 5 of this Annual Report.

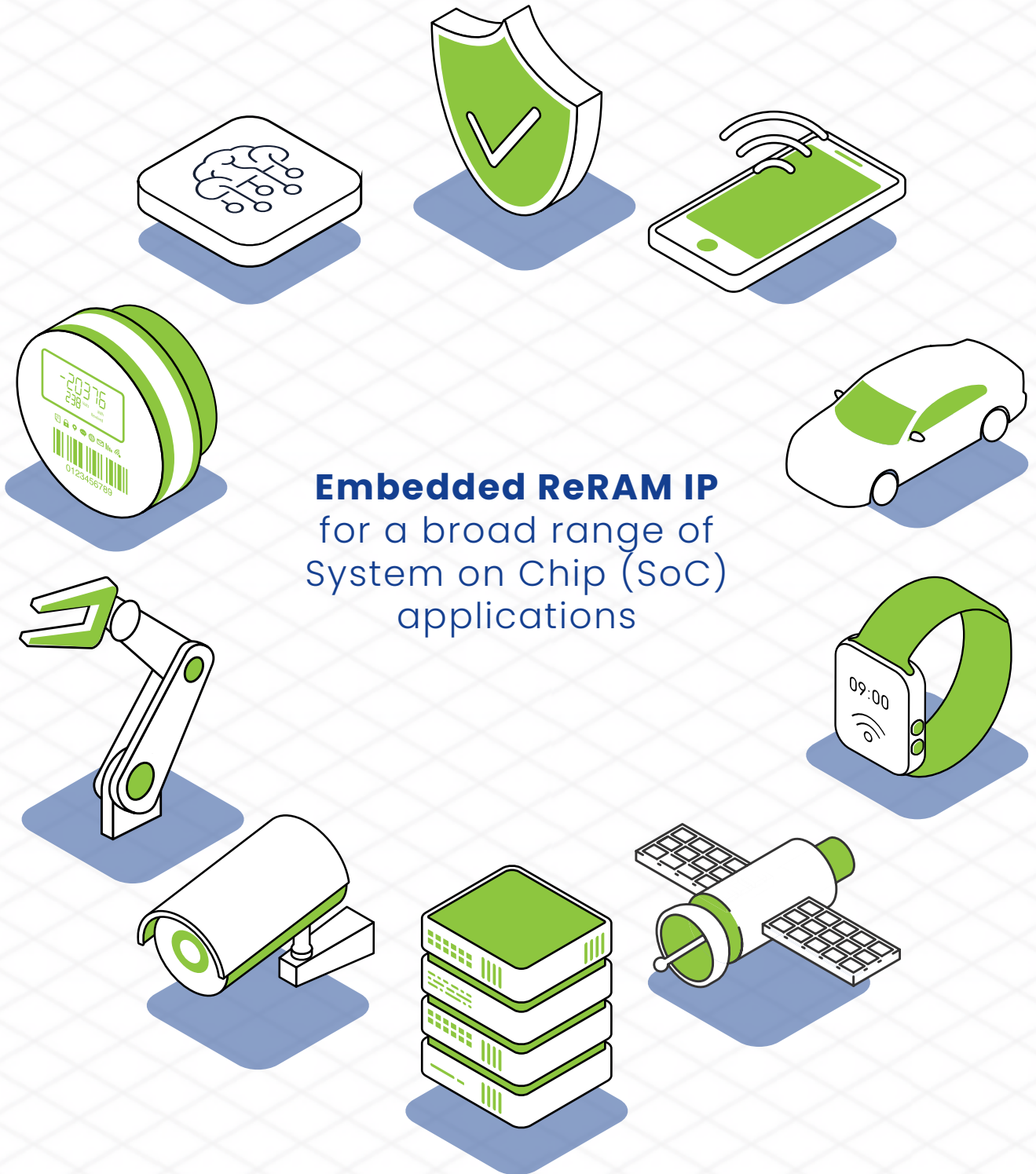
STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange, as disclosed in the Corporate directory on page 5 of this Annual Report.

USE OF FUNDS

The Company has used its funds in accordance with its initial business objectives.

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