

Weebit Nano continuing to make progress with potential customers and qualifying its technology

Moving closer to finalisation of licensing agreements

Q1 FY25 Quarterly Activities Report

Key highlights

- **Progressing towards qualification of ReRAM demo chips at DB HiTek; remain on track to complete qualification mid 2025**
- **Advancing commercial discussions for licensing of Weebit Nano's ReRAM IP with leading industry companies**
- **Strengthened sales team across several key markets in response to high demand for Weebit's ReRAM**
- **Granted nine new patents related to Weebit's ReRAM technology, further protecting the significant research and development achieved so far**
- **Remain well-funded for technical and commercialisation activities, with \$57 million cash in the bank as of 30 September 2024**

30 October 2024 – Weebit Nano Ltd (ASX: WBT, Weebit or Company) provides this activity report for the quarter ended 30 September 2024 (Q1 FY25), along with the Company's Appendix 4C cash flow report.

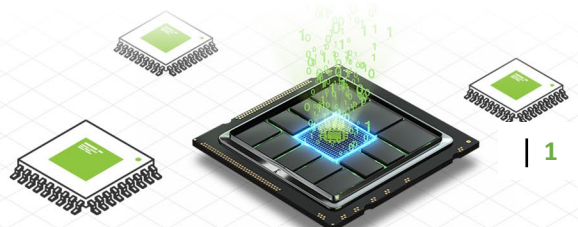
Weebit CEO Coby Hanoch said: "Weebit continues to make significant progress, on both the commercial and technical fronts. Whilst completing our next commercial agreement is taking longer than we would like, I can assure shareholders that we are engaged with over 20 leading foundries, integrated device manufacturers (IDMs) and product companies, and the evaluations and negotiations are progressing well.

"Deciding on a new non-volatile memory (NVM) technology is a strategic decision for these companies, including significant investment in both manpower and money, requiring top management involvement. For foundries and IDMs, signing such a license agreement is a commitment for decades, and as such, is not taken easily and requires time and patience. However, I am more optimistic than ever about the potential of Weebit's next generation memory technology.

"Signifying this level of confidence in our technology and the demand we are seeing from fabs, IDMs, and product companies, the Board of Weebit have tied the executive team's yearly equity grant for FY25 to performance targets that are largely centered around new revenue-generating agreements.

"Over the quarter, we released to manufacturing the first wafers at our foundry partner, DB HiTek, and remain on track for qualification around the middle of 2025. In addition, our R&D team successfully progressed with high-temperature automotive qualification tests, in addition to the ongoing testing of our 22nm FD-SOI silicon, which is demonstrating good reliability.

"The demand for Weebit's ReRAM technology has also meant that we have built out our sales team across our key markets. The team is well equipped and working with potential partners to expand Weebit's ReRAM across the industry, including with IDMs, foundries, and product companies.



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“Organisations across the world are increasingly realising that ReRAM is the best form of NVM for edge devices, particularly in IoT, automotive, and consumer electronics. The latest roadmap of the world’s leading foundry, TSMC, shows an increasing focus on ReRAM, and we have seen major consumer and automotive companies also indicating their focus on ReRAM.

“New electronic devices need memory that is cheaper, faster, consumes less power, can scale to small geometries, has strong endurance, and can operate at higher temperatures. Weebit’s ReRAM technology is an optimal solution for them and is well-placed as a frontrunner for NVM solutions.”

Advancing qualification through DB HiTek

During the quarter, Weebit advanced towards qualification of its ReRAM technology for mass production at DB HiTek, with its first demo chips currently being manufactured. Once they return from the fab, testing and qualification will start. Once qualified, DB HiTek’s customer base, which includes blue-chip technology companies, will be able to design Weebit ReRAM into their chips.

Qualification of Weebit ReRAM on DB HiTek’s 130nm BCD process is expected in the middle of 2025. This technology is used across consumer, industrial, and internet-of-things (IoT) applications.

Advancing discussions with new customers; building global sales infrastructure

Weebit Nano is not only strengthening its current partnerships, but is currently engaged with over 20 foundries, IDMs and product companies, who are in different stages of technical evaluations and business discussions. A license agreement with a foundry normally lasts decades, providing access to a wide range of product companies who will benefit from using Weebit ReRAM technology.

As a result of the increased business development activities, Weebit has expanded its global sales infrastructure by engaging several, well connected and experienced personnel across key markets, including the US, Europe, and Asia.

Showcasing ReRAM in key markets

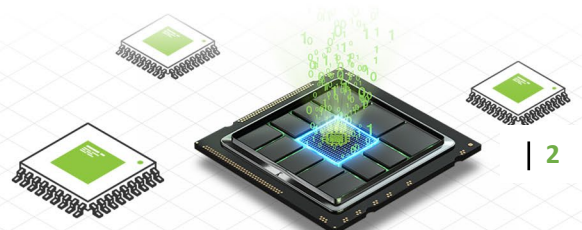
Weebit Nano presented at Semiconductor Australia 2024 on 24 October, where its CEO discussed the importance of semiconductors, and memory specifically, and the need for ReRAM as the next NVM solution. Semiconductor Australia 2024 brought together key industry players in Australia to discuss how Australia can become a leader in semiconductor technology. The Company also participated in the Leti Semicon Workshop in San Francisco, and the Future Memory Summit 2024 in the USA in July, where it educated the audience on its ReRAM technology. Later in the quarter the company also presented in IEEE-SOCC in Dresden, Germany.

In December, Weebit will further engage the industry by attending the SemIsrael Expo 2024 in Israel and CSIA-ICCAD 2024 in Shanghai, China.

Granted nine new patents

During the quarter, Weebit Nano was granted a total of nine new patents describing different inventions related to its ReRAM technology. These include programming circuits, smart algorithms and differential cells that lower the overall stress on the ReRAM bitcell and enhance its reliability and power efficiency. Other patents are related to innovative BEOL ReRAM selector architecture and operation modes, enabling small device footprint and enhancing technology performance.

Annual General Meeting



Weebit Nano will be holding its Annual General Meeting on Wednesday 27 November 2024. As detailed in the Notice of Meeting released on the ASX on 24 October 2024, no allocation of equity to non-executive directors is proposed. This will only be done if Weebit meets specific performance milestones over 2025. Further details on the 2025 performance milestones are listed in the “looking forward” section below.

Financials

Notable operating cash flow items during Q1 FY25 include R&D expenses of A\$1.7 million. Payments to related parties, including fees paid to Directors and the CEO’s cost of payroll, were A\$309,000. Weebit is well-funded to execute on its commercialisation plans with a strong cash balance of A\$57 million as at 30 September 2024.

Looking forward – new targets unveiled until end of 2025

As listed in the Notice of Meeting, the Board of Weebit Nano have defined some key milestones for the Company to achieve over the 2025 calendar year. These milestones will also be the key measure of success for Weebit’s Performance Rights payable to management. The new milestones are:

- Three new licensing agreements with fabs;
- Three new agreements with product companies; and
- Complete qualification with DB HiTek.

Commenting on these new milestones, Mr Hanoch said: “Whilst these are ambitious goals to be achieved over 2025, they highlight the level of confidence we have in our technology and the demand we are seeing from fabs, IDMs, and product companies. Tying 100% of my yearly equity grant to performance targets is not standard practice in the high-tech industry, but it shows the belief that both the Board and I believe these goals will be achieved. We look forward to delivering on these milestones to continue to cement Weebit’s position as the leading independent provider of ReRAM technology, and continuing to grow the Company’s revenue.”

- ENDS -

Authorised for release by the Board of Weebit Nano Limited.

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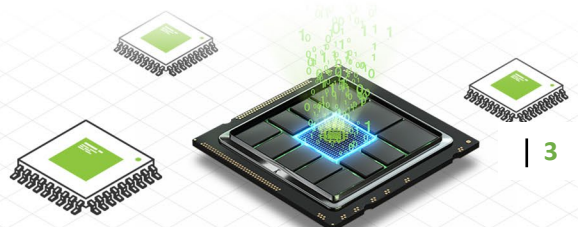
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About Weebit Nano Limited

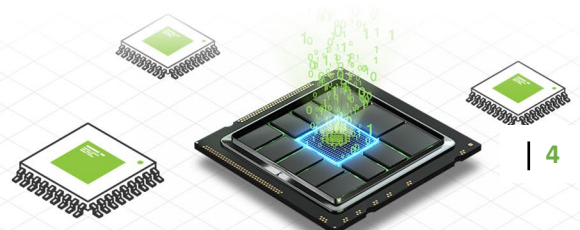
Weebit Nano Ltd. is a leading developer and licensor of advanced semiconductor memory technology. The company's ground-breaking Resistive RAM (ReRAM) addresses the growing need for significantly higher performance and lower power memory solutions in a range of new electronic products such as Internet of Things (IoT) devices, smartphones, robotics, autonomous vehicles, 5G communications and artificial intelligence.

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

See: www.weebit-nano.com

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Appendix 4C

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

Name of entity

Weebit Nano Limited (ASX: WBT)

ABN

15 146 455 576

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,923)	(1,923)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(412)	(412)
(d) leased assets	(114)	(114)
(e) staff costs	(2,471)	(2,471)
(f) administration and corporate costs	(938)	(938)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	314	314
1.5 Interest and other costs of finance paid	(9)	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(5,553)	(5,553)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(91)	(91)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(91)	(91)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	11	11
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	11	11

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	62,833	62,833
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,553)	(5,553)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(91)	(91)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11	11
4.5	Effect of movement in exchange rates on cash held	(14)	(14)
4.6	Cash and cash equivalents at end of period	57,186	57,186

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,543	5,885
5.2	Call deposits	52,643	56,948
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	57,186	62,833

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	309
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>The payments at 6.1 relate to salaries, bonuses and consulting/director fees for directors' within the group.</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,553)
8.2 Cash and cash equivalents at quarter end (item 4.6)	57,186
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	57,186
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	10
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2024

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.