

Q2 FY2018 Activities Update

40nm working cell milestone achieved ahead of schedule

Key highlights for Q2

- **Successfully reached the 40nm working cell milestone one month ahead of schedule**
- **Preliminary data demonstrated successful reliability of data retention and endurance across 300nm 4Kb memory array cells**
- **Formation of wholly-owned subsidiary incorporated in France**
- **Hosted Annual General Meeting in Melbourne, and met with numerous Australian investors and financial media**
- **Undertook initial discussions with potential strategic partners**

31 Jan, 2018 – Weebit Nano Ltd (ASX: WBT) is pleased to provide an update for the quarter ending 31 December 2017, along with its Appendix 4C cash flow results.

40nm working cells successfully achieved

During the quarter Weebit Nano successfully reached the 40nm working cell milestone one month ahead of schedule. This was a significant achievement for Weebit as it verified that its memory technology can be scaled down to advanced geometries that are currently used in a wide variety of applications, whilst maintaining its important benefits over existing flash technology. The 40nm size is of particular importance as it is a common existing technology node used in many industrial applications and will help to progress potential co-operation with industry players.

The results were achieved ahead of schedule due to the excellent co-operation between Weebit Nano and Leti's Research & Development team, leveraging the very strong engineering integration capabilities of Leti's facilities in Grenoble, France. What took other companies up to ten years to achieve, took Weebit Nano less than two years due to the Company's unique approach of focusing on standard Silicon Oxide material which does not require any special equipment or processes.

Positive preliminary results for data retention and endurance

Weebit Nano reported promising preliminary evaluation results of endurance and data retention measurement on 4 Kilo Bit (Kb) arrays on 300nm cells.

The cell structures were placed under a variety of temperature and duration conditions, monitoring the ability of the ReRAM cells to maintain their resistivity levels within industry acceptable ranges. This was achieved on 4Kb array results on 300nm cells, with 100 per cent yield on selected arrays, signifying the health of the company's technology. Weebit Nano's 4Kb array maintained its programmed data after 30 minutes at 260°C, exceeding the soldering requirement of 15 minutes at the temperature and allowing several soldering cycles.



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In addition, data retention lifetime extrapolation demonstrated the ability to maintain written data for 10 years at above room temperature. Endurance characteristics were completed under various voltage levels and timing durations to assess the ability of the memory to endure multiple re-write cycles.

While this is only preliminary data, the Company is very encouraged with the results achieved as it provides additional data points for the Weebit Nano ReRAM manufacturability and product reliability potential that will be critical for possible commercialisation discussions.

Formation of new wholly-owned subsidiary incorporated in France

Collaboration since September 2016 between Leti, a French technology research institute of CEA Tech, and Weebit Nano at Leti's pre-industrialisation facility reinforced the potential of Weebit Nano's technology. Given this, and consistent with the project timeframe and milestones, a wholly-owned French subsidiary was formed to become the vehicle for identifying optimal industrialisation techniques and commercialising the SiOx project.

The French subsidiary will be able to access concessional treatment offered in France on a broad base of expenses, including research and development ("R&D") tax credits, innovation expenditure and depreciation allowances. The French subsidiary will be eligible to claim immediate tax credits in France on a proportion of its R&D expenses, as well as credits on certain employment costs including expenses on salaried staff, research scientists and technicians, freeing critical resources for further SiOx project development.

Other developments

Weebit Nano held its Annual General Meeting of Shareholders on Thursday, 30 November 2017 to receive and consider the Company's annual financial report, including the directors' report and auditor's report for the year ended 30 June 2017.

The AGM also allowed Weebit Nano to showcase to shareholders several milestones that had been achieved throughout the year, outline the plan heading into 2018, and also introduce CEO Coby Hanoch.

All resolutions were successfully passed on a show of hands.

In addition, there were a number of very productive meetings with shareholders, potential investors, and financial media that took place while Coby Hanoch was in Australia.

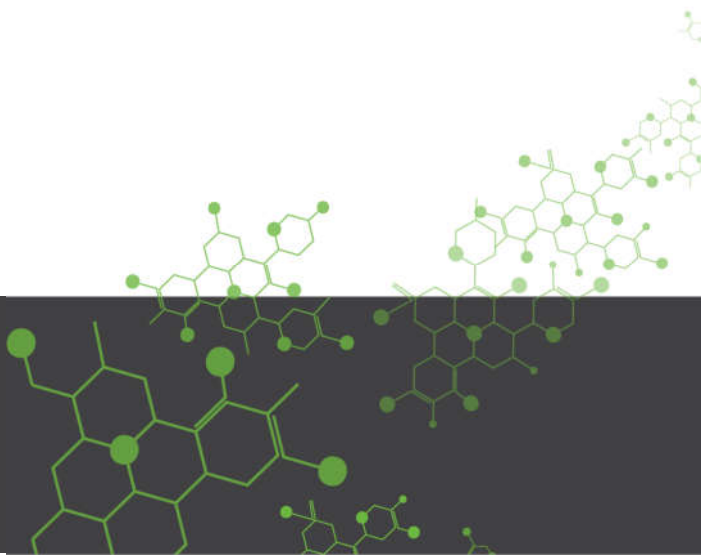


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Looking ahead

Over the next few months, Weebit Nano will continue the extensive characterisation of its 40nm SiOx ReRAM cells performance and will start scaling up its array capacity into Kb and Mb arrays structures during the first half of 2018.

Discussions with potential strategic partners will also continue with the aim of signing the Company's first cooperation agreement with a key industry player.

For further information, contact:

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About Weebit Nano Limited

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

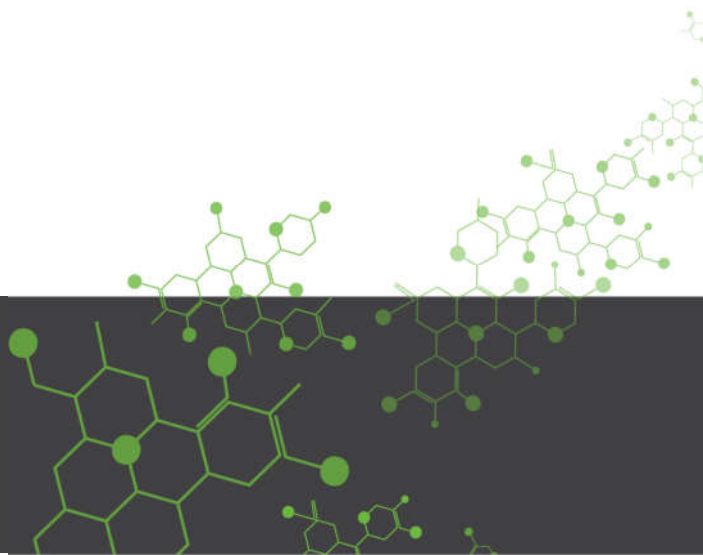
Weebit Nano's technology enables a quantum leap, allowing semiconductor memory elements to be significantly cheaper, faster, more reliable and more energy efficient than the existing Flash technology. Weebit Nano has signed an R&D agreement with Leti, an R&D institute that specialises in nanotechnologies,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

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



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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Weebit Nano Limited (asx:WBT)

ABN

15 146 455 576

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(660)	(716)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(19)	(70)
	(d) leased assets	(22)	(53)
	(e) staff costs	(288)	(473)
	(f) administration and corporate costs	(413)	(628)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other: Former activities (Exploration)	-	-
1.9	Net cash from / (used in) operating activities	(1,400)	(1,938)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,500	2,500
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	1,475	1,475
3.4	Transaction costs related to issues of shares, convertible notes or options	(331)	(331)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(4)	(4)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,640	3,640

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,176	1,695
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,400)	(1,937)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,640	3,640
4.5	Effect of movement in exchange rates on cash held	(26)	(8)
4.6	Cash and cash equivalents at end of quarter	3,390	3,390

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	3,390	1,176
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,390	1,176

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	257
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	392
9.2 Advertising and marketing	29
9.3 Leased assets	39
9.4 Staff costs	179
9.5 Administration and corporate costs	274
9.6 Other	-
9.7 Total estimated cash inflows	913

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

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.

Sign here:



 (Director/Company secretary)

Date: 31 January 2018

Print name: Mark Licciardo

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.