Rules 4.1, 4.3

Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of Entity	Weebit Nano Limited
ACN	146 455 576
Financial Period Ended	31 DECEMBER 2019
Previous Corresponding Reporting Period	31 DECEMBER 2018

Results for Announcement to the Market

	$	**Percentage increase /(decrease) over previous corresponding period**
Revenue from ordinary activities	-	
Loss from ordinary activities after tax attributable to members	3,293,618	23.86%
Loss for the period attributable to members	3,293,618	23.86%

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	-
Interim Dividend	Nil	-
Previous corresponding period	Nil	-

Record date for determining entitlements to the dividends (if any)	N/A

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The company is a start up technology company with no sales and significant research and development costs.

The half-yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	NIL
Total dividend	NIL
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security	2.701c	5.772c*

*Comparative adjusted to reflect the 25:1 share consolidation effected during the previous Financial Year.

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Not applicable
Date control gained	Not applicable
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	Not applicable
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Not applicable -

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Not applicable
Date control lost	-
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	-
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	-

Details of Associates and Joint Venture Entities

Name of Entity	**Percentage Held**		**Share of Net Profit**	
	Current Period	**Previous Period**	**Current Period**	**Previous Period**
Not applicable	-	-	-	-

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	X
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Not applicable			

Attachments Forming Part of Appendix 4D

Attachment #	**Details**
1	Interim Financial Report

Signed By (~~Director~~/Company Secretary)	
Print Name	Mark Licciardo
Date	27 February 2020

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

ACN 146 455 576

CONTENTS

CORPORATE INFORMATION

DIRECTORS:
David Perlmutter
Chairman

Jacob Hanoch
Managing Director and CEO

Fred Bart
Non-Executive Director

Atiq Raza
Non-Executive Director

Ashley Krongold
Non-Executive Director

Yoav Nissan-Cohen
Executive Director

COMPANY SECRETARIES:
Mark Licciardo
Tamara Barr (resigned 20 December 2019)
Priyamvada Rasal (appointed 23 January 2020)

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

SOLICITORS - SYDNEY:
King & Wood Mallesons
Level 61 Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

BANKERS:
Westpac Banking Corporation
108 Stirling Highway
NEDLANDS WA 6009

REGISTERED & PRINCIPAL OFFICE:
Level 7, 330 Collins Street
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Telephone: + 61 3 8689 9997
Facsimile: + 61 3 9602 4709

POSTAL ADDRESS:
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MELBOURNE VIC 3000

WEBSITE:
www.weebit-nano.com

HOME STOCK EXCHANGE:
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

ASX CODE:

WBT

SHARE REGISTRY:
Computershare Investor Services Pty Ltd
452 Johnston Street
ABBOTSFORD VIC 3067

DIRECTORS' REPORT

Your Directors have pleasure in submitting their report on the Group, being the Company and its subsidiaries, for the half year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and details of Directors in office at any time during the period were:

David Perlmutter	Non-Executive Chairman
Jacob Hanoch	Managing Director and CEO
Yossi Keret	Non-Executive Director (resigned 26 September 2019)
Yoav Nissan Cohen	Executive Director
Ashley Krongold	Non-Executive Director
Fred Bart	Non-Executive Director
Atiq Raza	Non-Executive Director (appointed 1 July 2019)

Directors have been in office since the date of appointment to the date of this report unless otherwise stated.

Significant Events During the Period

On 1 July 2019 Atiq Raza was appointed to the Board of directors as a non-executive director. Independently, Yossi Keret retired from the board of directors at the annual general meeting held on 26 September 2019.

On 12 August 2019 the company signed a letter of intent with XTX technology (a Chinese provider of high quality memory solutions for consumer electronics, industrial embedded system, telecom and networking markets), to cooperate in investigating ways in which XTX can use Weebit's technology in its products.

On 14 August 2019 the Board of directors approved the grant of 160,000 options and 128,000 performance rights to Mr. Atiq Raza. This grant was approved at the annual general meeting held on 26 September 2019.

On 14 August 2019 the Board of directors approved the grant of options to directors and employees. The options granted to directors was approved at the annual general meeting held on 26 September 2019.

During August and September 2019 the company raised a total amount of $3,138,232 by means of a private placement and an entitlement offer. The cost to raise these funds totaled $459,000.

Review of Operations

The net loss attributable to members of the Company for the half year ended 31 December 2019 amounted to $3,293,618 (2018: $4,325,784). The decrease in net loss compared to the prior period is mainly due to a $1,539,676 research and development incentive refund received by Weebit Nano SARL (France). The refund was offset against the R&D expenses incurred during the half year.

DIRECTORS' REPORT

Subsequent Events

In February 2020, the Company launched a program to address the needs of discrete memory components based on its ReRam memory technology. The program will be performed by the Company in co-operation with its partner Leti, the French research institute recognized as a global leader in the field of micro-electronics.

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Group that were not finalised at the date of this report. Further information as to the likely developments in the operations of the Group would, in the opinion of the directors, be likely to result in unreasonable prejudice to the Group.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the half year ended 31 December 2019 has been received and can be found on page 4.

Auditor

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

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

David Perlmutter
Chairman
Hod Hasharon, Israel
27 February 2020

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 review for the period ended 31 December 2019 there have been:

(i) no contraventions of the auditors independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd

M. Janse Van Nieuwenhuizen
Director

Perth, 27 February 2020

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2019

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Research and Development expenses (net)	2	(996,696)	(2,566,239)
Sales and Marketing expenses		(165,187)	(76,691)
General and Administrative expenses		(2,070,164)	(1,866,066)
Loss from operations for the period		(3,232,047)	(4,508,996)
Financial income (expenses)		(61,571)	183,212
Loss before tax for the period		(3,293,618)	(4,325,784)
Income tax expense		-	-
Net loss for the period		(3,293,618)	(4,325,784)
Other comprehensive income (loss)			
Foreign currency translation differences for foreign operations		52,107	(206,115)
Total comprehensive loss for the period		**(3,241,511)**	**(4,531,899)**
Total comprehensive loss for the period attributable to owners of the parent		(3,241,511)	(4,531,899)
Basic and diluted loss per share - cents per share		(0.048)	(0.075)

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2019

	Note	Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
ASSETS			
Current assets			
Cash and cash equivalents		2,071,025	1,670,912
Trade and other Receivables		370,387	221,021
Total current assets		**2,441,412**	**1,891,933**
Non-current assets			
Long term deposit		13,223	12,814
Right of use assets	7a	159,033	-
Plant and equipment		68,425	68,854
Total non-current assets		**240,681**	**81,668**
TOTAL ASSETS		**2,682,093**	**1,973,601**
LIABILITIES			
Current liabilities			
Trade and other payables		574,007	369,166
Lease liability – current	7b	94,644	-
Total current liabilities		**668,651**	**369,166**
Non-current liabilities			
Lease liability – non current	7b	70,140	-
Total non-current liabilities		**70,140**	-
TOTAL LIABILITIES		**738,791**	**369,166**
NET ASSETS		**1,943,302**	**1,604,435**
EQUITY			
Issued capital	3	34,281,267	31,552,035
Reserves		6,488,642	5,585,389
Accumulated losses		(38,826,607)	(35,532,989)
TOTAL EQUITY		**1,943,302**	**1,604,435**

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

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2019

2019 CONSOLIDATED	Note	Issued Capital $	Foreign currency translation differences for foreign operations $	Option Reserve $	Accumulated Losses $	Total Equity $
Total equity at 1 July 2019		31,552,035	(590,694)	6,176,083	(35,532,989)	1,604,435
Net loss for the period		-	-	-	(3,293,618)	(3,293,618)
Other comprehensive loss		-	52,107	-	-	52,107
Total comprehensive loss for the period		-	**52,107**	-	**(3,293,618)**	**(3,241,511)**
Transactions with equity holders:						
Contributions of capital	3	3,138,232	-	-	-	3,138,232
Capital raising costs	3	(459,000)	-	-	-	(459,000)
Share-based payments	6	50,000	-	851,146	-	901,146
Total equity at 31 December 2019		**34,281,267**	**(538,587)**	**7,027,229**	**(38,826,607)**	**1,943,302**

Total equity at 1 July 2018		27,269,973	(219,069)	5,282,646	(28,839,186)	3,494,364
Net loss for the period		-	-	-	(4,325,784)	(4,325,784)
Other comprehensive loss		-	(206,115)	-	-	(206,115)
Total comprehensive loss for the period		-	**(206,115)**	-	(4,325,784)	**(4,531,899)**
Transactions with equity holders:						
Shares issued during the year:						
Contributions of capital		4,819,550	-	-	-	4,819,550
Capital raising costs		(520,697)	-	-	-	(520,697)
Share-based payments		-	-	412,537	-	412,537
Total equity at 31 December 2018		**31,568,826**	**(425,184)**	**5,695,183**	**(33,164,970)**	**3,673,855**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2019

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,215,157)	(3,907,567)
Interest paid	7b	(9,151)	-
Net cash used in operating activities		**(2,224,308)**	**(3,907,567)**
Cash flows from investing activities			
Payments for fixed assets		(12,544)	(45,601)
Investments in deposits and restricted cash		(409)	(7,856)
Net cash used in investing activities		**(12,953)**	**(53,457)**
Cash flows from financing activities			
Proceeds from the issue of shares	3	3,138,232	4,350,000
Capital raising costs	3	(459,000)	(370,697)
Repayment of lease liabilities	7b	(41,858)	-
Net cash provided by financing activities		**2,637,374**	**3,979,303**
Net increase in cash and cash equivalents		400,113	18,279
Cash and cash equivalents at the beginning of the period		1,670,912	3,356,748
Cash and cash equivalents at the end of the period		**2,071,025**	**3,375,027**

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

Notes to the Financial Statements

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Weebit Nano Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2019 comprises the Company and its subsidiaries – Weebit Nano Israel and Weebit Nano France, together referred to as the Group.

Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in a full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Weebit Nano Ltd during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

This consolidated interim financial report was approved by the Board of Directors on 27 February 2020.

New Accounting Standards

The following new accounting standard came into effect on 1 July 2019:

AASB 16 *Leases*

AASB 16 replaces AASB 117 *Leases* and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 *Statement of Cash Flows*. Under AASB 16, right of use assets will be tested for impairment in accordance with AASB 136 *Impairment of Assets*. This will replace the previous requirement to recognise a provision for onerous lease contracts.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases.

The Group has applied the new standard using the modified retrospective approach, in which the opening balance of the right of use asset equals the opening lease liability. Refer to note 7 for further details regarding the application of the standard.

Notes to the Financial Statements

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Financial Position

The 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 $3,293,618 (2018: $4,325,784) and a cash outflow from operating activities of $2,224,308 (2018: $3,907,567). The Group had a net working capital surplus of $1,772,761 (June 2019: $1,522,767) including cash of $2,071,025 at 31 December 2019 (June 2019: $1,670,912). The loss mainly reflects the research and development activities of the Group, as well as administration costs.

Management has prepared a cash flow forecast for 14 months from the commencement of the 2020 calendar year. The directors are confident that the Group will be able to continue its operations as a going concern. The directors also carefully manage discretionary expenditure in line with the Group's cash flow.

Based on a cash flow forecast prepared by management, the Group's working capital surplus at 31 December 2019 and the Group's ability to raise funds and to reduce costs if necessary, the Directors consider the going concern basis of preparation to be appropriate.

Significant Accounting Judgements and Key Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgements made by management in applying the Group's and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2019, except for those in relation to leases. See Note 7 for further details.

NOTE 2 – RESEARCH AND DEVELOPMENT EXPENSES (NET)

	31 December 2019 $	31 December 2018 $
Research and development expenses	2,536,372	2,566,239
Research tax credit incentive refund	(1,539,676)	-
	996,696	**2,566,239**

Notes to the Financial Statements

NOTE 3 – ISSUED CAPITAL

CONSOLIDATED AND PARENT ENTITY	December 2019 No.	December 2019 $	June 2019 No.	June 2019 $
(a) Issued and Paid Up Capital				
Fully paid ordinary shares	71,934,734	34,281,267	63,648,648	31,552,035
(b) Movements in fully paid shares on issue				
Balance at the start of the period	63,648,648	31,552,035	1,442,815,483	27,269,973
Shares issued in the period:				
Capital Raising (a)	8,042,486	3,138,232	139,748,449	4,819,550
Options and performance rights converted to shares	115,350	-	8,652,274	-
Shares granted in lieu of services rendered (b)	128,250	50,000	-	-
Capital Raisings Costs	-	(459,000)	-	(537,488)
Share consolidation (c)	-	-	(1,527,567,558)	-
Balance at end of period	**71,934,734**	**34,281,267**	**63,648,648**	**31,552,035**

(a) During the period, the Company raised by a private placement and an entitlement offer a total amount of $3,138,232. The cost of the fund raising totaled $459,000.
(b) During the period, the Company paid for research services by issuing shares to the value of $50,000.
(c) In February 2019 the General Meeting of the company approved a share consolidation so that every 25 ordinary shares were consolidated into one share.

NOTE 4 – RELATED PARTY TRANSACTIONS

A. As part of the shares issued during the period, 581,789 shares were issued to directors of the company who participated in the fund raising at $0.39 per share. Total directors' participation in the fund raising amounted to $226,898.
B. Refer to Note 6 for share options and performance rights granted to directors and key management personnel.

NOTE 5 – SEGMENT REPORTING

Description of segments

As at 31 December 2019 the Group only had one operating segment namely memory and semiconductor technology development.

Notes to the Financial Statements

NOTE 6 – SHARE BASED PAYMENTS

Share-based payment transactions

The Company has completed the following share-based payment transactions:

	Options 31 December 2019 $	Options 31 December 2018 $
Expense of options granted in previous periods (i.e. expensed over the vesting period)	675,760	306,894
500,000 options granted to Chairman	22,966	26,677
900,000 options granted to CEO	47,245	70,274
860,000 options granted to directors	46,486	104,942
200,000 options granted to advisors	7,369	148,750
450,000 options granted to employees	28,544	-
64,000 performance rights granted to an employee	6,226	(245,000)
128,000 performance rights granted to a director	16,550	-
	851,146	**412,537**

During the period of six months ended December 31, 2019 the Company issued the following options:

Date of Grant	Grantee	Number of options/ performance rights	Exercise price $	Vesting Conditions	Expiry date	Under-lying share price $	Share price volatility	Risk free interest rate	Fair Value $
9.7.2019	Employee	64,000	Nil	25% annually	9.7.2029	0.39	n/a	n/a	0.39
14.8.2019	Employees	450,000	0.54	*	14.8.2029	0.45	76.09%	0.76%	0.29
26.9.2019	CEO	900,000	0.54	*	14.8.2029	0.39	76.55%	0.79%	0.24
26.9.2019	Chairman	500,000	0.74	*	14.8.2029	0.39	76.55%	0.79%	0.21
26.9.2019	Director	400,000	0.54	*	14.8.2029	0.39	70.47%	0.97%	0.27
26.9.2019	Directors	300,000	0.74	*	14.8.2029	0.39	76.55%	0.79%	0.21
26.9.2019	Director	160,000	0.45	*	26.9.2029	0.39	76.55%	0.79%	0.25
26.9.2019	Advisor	100,000	0.74	*	14.8.2029	0.39	76.55%	0.79%	0.21
26.9.2019	Director	128,000	Nil	*	14.8.2029	0.45	n/a	n/a	0.45
1.10.2019	Advisor	100,000	0.39	*	16.10.2029	0.39	73.07%	1.04%	0.30

* 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.

NOTE 7 – LEASES

The Group has adopted AASB 16 Leases retrospectively from 1 July 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

The Group did not have any finance leases prior to 1 July 2019.

Notes to the Financial Statements

NOTE 7 – LEASES (CONTINUED)

	2019 $
Operating lease commitments disclosed as at 30 June 2019	240,924
Discounted using the lessee's incremental borrowing rate of at the date of initial application	10.26% - 10.61%
Lease liability recognised as at 1 July 2019	162,540
Of which are:	
Current lease liabilities	83,956
Non-current lease liabilities	78,585
	162,540

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

NOTE 7A – RIGHT OF USE ASSETS

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Carrying value

	Properties $	Motor Vehicles $	Total $
Cost	104,600	102,042	206,642
Accumulated amortisation	(26,867)	(20,742)	(47,609)
Accumulated impairment	-	-	-
As at 31 December 2019	**77,733**	**81,300**	**159,033**

Movement for the period

31 December 2019	Properties $	Motor Vehicles $	Total $
Recognised on 1 July 2019	104,600	57,940	162,540
New leases entered	-	44,102	44,102
Leases terminated	-	-	-
Impairment expense	-	-	-
Amortisation expense	(26,867)	(20,742)	(47,609)
Closing balance	**77,733**	**81,300**	**159,033**

NOTE 7B – LEASE LIABILITY

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 ranged between 10.26% and 10.61%. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Notes to the Financial Statements

NOTE 7B – LEASE LIABILITY (CONTINUED)

Carrying value

	Properties	Motor Vehicles	Total
	$	$	$
Current liabilities	51,765	42,879	94,644
Non-current liabilities	30,786	39,354	70,140
As at 31 December 2019	**82,551**	**82,233**	**164,784**

Movement for the period

31 December 2019	Properties	Motor Vehicles	Total
	$	$	$
Recognised on 1 July 2019	104,600	57,940	162,540
New leases entered	-	44,102	44,102
Principal repayments	(24,555)	(17,303)	(41,858)
- Repayments	(29,409)	(21,600)	(51,009)
- Interest	4,854	4,297	9,151
Leases terminated	-	-	-
Closing balance	**80,045**	**84,739**	**164,784**

Interest payments and principal repayments relating to the lease liability have been disclosed in the statement of cash flows as, either, cash flows from operating activities or cash flows from financing activities.

NOTE 8 – SUBSEQUENT EVENTS

On February 2020, the Company launched a program to address the needs of discrete memory components based on its ReRam memory technology. The program will be performed by the Company in co-operation with its partner Leti, the French research institute recognized as a global leader in the field of micro-electronics.

Directors' Declaration

In the opinion of the directors of Weebit Nano Limited ("the Company"):

1. The condensed financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:

    a. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year period then ended.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Board

Jacob Hanoch
Director
Israel

27 February 2020

Nexia Australia

Independent Auditor's Review Report to the members of Weebit Nano Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Weebit Nano Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of accounting policies, other explanatory notes, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the the interim financial report of Weebit Nano Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Directors' Responsibility for the Interim Financial Report

The directors of the Group are responsible for the preparation of the interim 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 are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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As the auditor of Weebit Nano Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report. A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Weebit Nano Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

NPAS

Nexia Perth Audit Services Pty Ltd

M. Janse Van Nieuwenhuizen
Director

Perth, 27 February 2020