

Weebit Nano delivering on productisation and commercialisation plans

Successfully completed technology transfer; taped-out demo chips to Skywater's production fab; first public demonstration of ReRAM module

Q4 FY22 Quarterly Activities Report

Key highlights

- **Successfully completed technology transfer to SkyWater, taped-out demo chips**
- **Demonstration chips completed functional testing**
- **Publicly demonstrated its ReRAM IP module for the first time**
- **Commenced technology qualification at Leti with very good initial results**
- **Bolstering marketing and sales activities**

29 July 2022 – Weebit Nano Ltd (**ASX: WBT, Weebit or Company**) is pleased to provide this activity report for the quarter ended 30 June 2022 (**Q4 FY22**), along with the Company's Appendix 4C cash flow report.

Commenting on Q4 FY22, Weebit CEO Coby Hanoch said:

"Weebit Nano achieved several significant technical milestones during the quarter and is steadily progressing towards volume production at SkyWater and first customer orders. We successfully completed the technology transfer to SkyWater, taping-out our first System-on-a-Chip (SoC) demo chips to a production fab. These integrated chips allow potential customers to evaluate the functionality of our embedded technology, using it to analyse our ReRAM with the goal of integrating it within their new product designs. Technology qualification with SkyWater will commence once we get the wafers back from the fab towards the end of 2022. This will be the final technical step before customers can commence volume production.

"We've also started conducting a qualification process on the wafers we received from Leti in their state-of-the-art fab. The initial results are very good, and the qualification results will help us with other fabs.

"Weebit is in discussions with several potential customers who need the faster and more energy efficient memory technology and integration flexibility our ReRAM provides. While our embedded ReRAM is suitable for a diverse range of industries and products, we are initially targeting IoT, industrial, aerospace and defense applications. These are domains where our technology has significant competitive advantages over existing flash technology and other emerging non-volatile memories, offering excellent endurance and retention at high temperatures. Robustness, reliability, and longevity in harsh environmental conditions are key requirements for these applications, combined with ultra-low power consumption.

"Our ReRAM will first be available on SkyWater's 130nm CMOS process and discussions with additional fabs are ongoing. Our technology also has the capability to scale to smaller geometries for more advanced



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applications, having already demonstrated production level parameters at 28nm. We continue to work on scaling to 22nm as well as other development priorities that include a solution for the discrete memory market.”

Taped-out ReRAM demo chip to SkyWater’s fab

In June, Weebit successfully completed the transfer of its technology to SkyWater’s US production fab, taping-out (releasing to manufacturing) demonstration (demo) chips integrating its embedded ReRAM module. As the first tape-out of Weebit’s ReRAM technology to a production fab, this is a major milestone towards commercialisation. Once the chips are back from manufacturing, technology qualification will commence, ensuring the readiness of Weebit’s embedded ReRAM for mass production on SkyWater’s 130nm CMOS process, which is ideal for analog, power management, automotive, IoT and medical applications.

First public demonstration of ReRAM IP module

In April, Weebit successfully completed functional testing of its demo chips integrating its embedded ReRAM module. The silicon wafers containing the demo chips were sliced into chips, packaged, and extensively tested by Weebit and CEA-Leti. Testing has confirmed the chips perform as expected. Demo chips enable potential customers to prototype Weebit’s ReRAM into their SoCs.

Weebit publicly demonstrated its ReRAM IP module for the first time at a key industry event, Leti Innovation Days. [The interactive demonstration](#) showed Weebit ReRAM embedded in silicon being fed live images, retaining this data while powered-off, and then displaying the data separately. The demo also shows how the Direct Program/Erase capability and bit addressability of Weebit ReRAM delivers a significantly faster write speed compared to typical flash memory technology, which needs to access entire data sectors every time it erases/writes.

Commenced tech qualification at Leti

During the quarter, Weebit commenced technology qualification of its ReRAM memory module produced at Leti. While Leti is not a production fab, it has a state-of-the-art facility, and the qualification data will be relevant for other production fabs and customers. Initial results are very good and Weebit expects to have full qualification results by the end of CY22.

Bolstering marketing and sales activities

During the quarter, Weebit’s executive team participated at several leading industry conferences and events, including Leti Innovation Days in France, International Memory Workshop in Germany, ChipEx in Israel, and CIMTEC in Italy. CEO Coby Hanoach also participated in the Global Semiconductor Alliance European Executive Forum in Germany.



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In August 2022, Weebit will exhibit at Flash Memory Summit (FMS) 2022 in California, USA, showing both the new demonstration of its demo chip as well as its compelling neuromorphic demo, first shared in 2019. At Flash Memory Summit, Weebit's VP Technology Development Amir Regev will present new test results of its ReRAM memory module, scheduled for Wednesday August 3rd. Weebit will be meeting potential customers and partners at FMS - the largest global conference for the Non-Volatile Memory ecosystem.

Conferences and other marketing activities are important tools to strengthen Weebit's sales funnel and to secure first early adopter customers for its ReRAM technology. They provide Weebit with significant exposure to potential customers and partners and drive interest in its ReRAM technology.

In May, Weebit launched a new corporate website with new resources to help partners and investors gain a better understanding of the market need for ReRAM, and the competitive advantages of Weebit's technology for a broad range of applications.

Details about upcoming events and conferences are listed on Weebit's website at www.weebit-nano.com/events.

Summary of Q4 FY22 cash flows

Notable operating cashflow items over the quarter included research and development expenses of \$1.78 million. Payments to related parties over Q4 FY22 were \$202,000, which included fees paid to directors and the CEO's cost of payroll.

Looking forward

Weebit is on track to achieve the following milestones in the embedded memory market by the end of CY22:

- Receiving the wafers from SkyWater and progressing technology qualification there;
- Signing new licensing agreements with partners and customers; and
- Continuing to scale its embedded ReRAM to 22nm.

At the same time, Weebit continues to develop a solution for the discrete memory market with CEA-Leti.

Investor briefing details

CEO Coby Hanoch will participate in a "Meet the CEO" interview covering the Company's quarterly update at **9:00am AEST on Monday, 1 August 2022**. Participants will have an opportunity to ask questions.

To attend, please pre-register at:

https://us02web.zoom.us/webinar/register/WN_Kd8Ypr1sSOWJpAxdzP2yaw

- ENDS -



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

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About Weebit Nano Limited

Weebit Nano Ltd. is a leading developer of next-generation 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, the technology can be quickly and easily integrated with existing flows and processes, without the need for special equipment or large investments.

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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 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,178)	(14,255)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(139)	(668)
(d) leased assets	(69)	(288)
(e) staff costs	(1,363)	(5,873)
(f) administration and corporate costs	(406)	(1,349)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	13
1.5 Interest and other costs of finance paid	(2)	(26)
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	(3,151)	(22,446)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(65)	(281)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(65)	(281)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	35,476
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	16,531
3.4	Transaction costs related to issues of equity securities or convertible debt securities	5	(1,215)
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)	-	579
3.10	Net cash from / (used in) financing activities	5	51,371

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	53,193	21,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,151)	(22,446)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(281)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5	51,371
4.5	Effect of movement in exchange rates on cash held	229	(158)
4.6	Cash and cash equivalents at end of period	50,211	50,211

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	50,211	53,193
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)	50,211	53,193

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	202
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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> The payments at 6.1 relate to salaries of management and directors' fees for entities of the group.		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,151)
8.2	Cash and cash equivalents at quarter end (item 4.6)	50,211
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	50,211
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	16
<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: 29/07/2022

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

Notes

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