

Rules 4.1, 4.3

# Appendix 4D

## Half yearly report

Introduced 1/1/2003.

|  |                     |
|--|---------------------|
| <b>Name of Entity</b>                          | Weebit Nano Limited |
| <b>ACN</b>                                     | 146 455 576         |
| <b>Financial Period Ended</b>                  | 31 DECEMBER 2020    |
| <b>Previous Corresponding Reporting Period</b> | 31 DECEMBER 2019    |

### Results for Announcement to the Market

Results for Announcement to the Market

|  |                     |  |
|--|---------------------|--|
|  | \$                  | Percentage increase<br>/(decrease) over<br>previous<br>corresponding<br>period |
| Revenue from ordinary activities   | Nil                 | -  |
| Loss from ordinary activities after tax attributable to members  | 9,367,308           | 184.41%  |
| Loss for the period attributable to members  | 9,367,308           | 184.41%  |
| 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.**

### 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 | 16.064c        | 2.701c                        |

### 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

|   |  |  |   |
|---|--|--|---|
| <b>This report is based on accounts to which one of the following applies:</b><br>(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 |   |
| <b>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:</b><br><br>Not applicable |  |  |   |
| <b>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</b><br><br>Not applicable                             |  |  |   |

## Attachments Forming Part of Appendix 4D

| Attachment # | Details                  |
|--------------|--------------------------|
| 1            | Interim Financial Report |
|              |                          |

|   |  |
|---|--|
| <b>Signed By (Director/Company Secretary)</b><br><br> |  |
| <b>Print Name</b>                                     | Mark Licciardo   |
| <b>Date</b>   | 26 February 2021   |

## INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020



ACN 146 455 576

## CONTENTS

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|  |    |
|--|----|
| CORPORATE INFORMATION .....  | 1  |
| DIRECTORS' REPORT .....  | 2  |
| AUDITOR'S INDEPENDENCE DECLARATION .....   | 6  |
| CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS<br>AND OTHER COMPREHENSIVE INCOME ..... | 7  |
| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....                               | 8  |
| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....                                | 9  |
| CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS .....                                       | 10 |
| NOTES TO THE FINANCIAL STATEMENTS .....  | 11 |
| DIRECTORS' DECLARATION .....   | 16 |
| INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS .....                                   | 17 |

## CORPORATE INFORMATION

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### 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*

### JOINT COMPANY SECRETARIES:

Mark Licciardo  
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  
MELBOURNE VIC 3000  
Telephone: + 61 3 8689 9997  
Facsimile: + 61 3 9602 4709

### POSTAL ADDRESS:

Level 7, 330 Collins Street  
MELBOURNE VIC 3000

### WEBSITE:

[www.weebit-nano.com](http://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 Weebit Nano Limited ("the Company") and its subsidiaries ("the Group"), for the half year ended 31 December 2020. 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:

|                          |                           |
|--------------------------|---------------------------|
| <b>David Perlmutter</b>  | Non-Executive Chairman    |
| <b>Jacob Hanoch</b>      | Managing Director and CEO |
| <b>Yoav Nissan Cohen</b> | Executive Director        |
| <b>Ashley Krongold</b>   | Non-Executive Director    |
| <b>Fred Bart</b>         | Non-Executive Director    |
| <b>Atiq Raza</b>         | Non-Executive Director    |

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

### Principal Activities

Weebit Nano Ltd ("WBT" or the "Company") develops a next generation Non-Volatile Memory using a Resistive RAM (ReRAM) technology based on Silicon Oxide (SiOx).

On 24 November 2017 Weebit Nano Israel, a wholly owned subsidiary, incorporated a 100% held R&D subsidiary in France- Weebit Nano France.

### Review of Operations

The net loss attributable to members of the Company for the half year ended 31 December 2020 was \$9,367,308 (H1 FY20: \$3,293,618). The increase in net loss compared to the prior corresponding period reflects an increase in research and development costs due to the Company's accelerated development process and progress towards first commercialisation.

Additionally, in the prior period, a \$1,539,676 research and development incentive refund was received by Weebit Nano SARL (France). The refund was offset against prior's year research and development costs. This year's refund was received earlier and was included in the year ended 30 June 2020 financials.

Weebit Nano significantly progressed its growth strategy over the six months ended 31 December 2020, achieving all key milestones previously set for the half year, and also bringing forward future development milestones following the successful capital raisings undertaken.

### Completed stabilisation process

Weebit Nano continued to improve its silicon oxide (SiOx) ReRAM technology alongside the Company's long-term development partner CEA-Leti. In October 2020, Weebit Nano successfully verified that its production process is repeatable and consistent as part of the technology stabilisation process and is now ready to begin the transfer of its technology to a production fab.

Conducted at Leti's development facilities, the stabilisation process significantly improved the quality of Weebit Nano's memory functionality, bringing the level of functional cells to over 99 per cent – a key requirement when moving to production and in line with industry production standards.

During the stabilisation process, Weebit Nano also increased the wafer-to-wafer and die-to-die uniformity and ensured batch-to-batch repeatability. These critical improvements were required before Weebit Nano could commence manufacturing its technology in a production fab.

## DIRECTORS' REPORT

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### Review of Operations (continues):

#### Broadened strategic partnership with development partner, CEA-Leti

In November 2020, Weebit Nano broadened its strategic partnership with French development partner CEA-Leti to incorporate additional technical development. Under the expanded partnership, the joint Weebit Nano-Leti team is:

- further refining the efficiency and robustness of Weebit Nano's SiOx ReRAM technology
- enhancing the capability of the memory module for the embedded market
- progressing development work integrating Leti's proprietary selector with Weebit Nano's ReRAM.

The enhanced memory module will better address customer needs, meet production levels and significantly increase its attractiveness to potential customers. It will also be one of the first in the world to be integrated into a sub-system consisting of a processor, Static Random-Access Memory (SRAM), the ReRAM array and peripherals.

#### Strengthened senior management team

During the December-half, Weebit Nano strengthened its senior management team with key appointments as the Company moves closer to commercialisation:

- Ilan Sever was appointed Vice President Research & Development
- Eran Briman was appointed Vice President Marketing & Business Development
- In January, Ishai Naveh also joined the Company as Chief Technology Officer.

Ilan, Eran and Ishai are highly credentialed semiconductor industry specialists with a combined 80 years' experience in this industry, and specifically in the memory domain. Their expertise adds to Weebit Nano's existing capabilities at Board and management level, as Weebit Nano prepares for productisation and moves closer to first commercialisation.

#### 5 new patents filed to protect IP

Weebit Nano continues to protect its intellectual property, filing five new patents during the December-half. Three of these are joint patents with Weebit Nano's research partner CEA-Leti, relating to ReRAM optimisation and multi-level storage in ReRAM (for Which Weebit has exclusive rights to commercialisation). Weebit Nano's two patents define a novel selector suitable for embedded ReRAM memory applications using standard Silicon On Insulator (SOI) low-voltage transistors, reducing the size of the selector and enabling production of smaller, lower-cost embedded memory modules.

#### Significantly strengthened balance sheet

Weebit Nano completed a very strongly supported and oversubscribed \$15 million Placement and Share Purchase Plan (SPP) during the December-half. In addition, a further \$2.5 million in cash was added following shareholder approval of the June 2020 Placement and SPP. In addition, a further \$1.1 million was raised from the exercise of some of the Company's listed options.

The capital raised enables Weebit Nano to fast-track its technical activities, including:

- the transfer to a production fab
- initiating the shift to 300nm/28nm technology in the embedded memory market
- continuing to improve its ReRAM technology
- developing the next generation of the neuromorphic dem

## DIRECTORS' REPORT

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### Review of Operations (continues):

The funds will also be used to support Weebit Nano's commercialisation initiatives, including:

- further strengthening its sales team
- increasing marketing activities in the embedded memory market
- establishing partnership programs within the standalone segment.

### Well placed to accelerate development of "selector" for the standalone memory market

The strengthened balance sheet is enabling Weebit Nano to accelerate development of the 'selector' for the standalone memory market. Beyond the current goal of demonstrating an operating ReRAM and selector bit by Q3 FY21, the Company is now targeting a working array by Q1 FY22.

### Navigating through COVID-19 market challenges

Despite the travel restrictions imposed by COVID-19, Weebit Nano continues to progress its growth strategy. While Company management has not been able to travel to meet potential partners, and its engineers can't work on-site with partner engineers in their labs, Weebit Nano is communicating with multiple production fabs, product companies and potential partners worldwide, discussing different types of potential commercial agreements, and Weebit Nano expects to progress with at least one of them over the coming months.

Almost all of the Company's Israeli team have now received both doses of the COVID-19 vaccine and are able to immediately return to a more normal operating rhythm and engagement with potential customers and partners once travel restrictions are lifted.

COVID-19 has impacted the semiconductor industry, which is now experiencing significant over-demand. Production fabs are struggling to meet this demand and this is impacting many sectors. For example, automotive manufacturers have been announcing delivery delays as new cars often include over 100 semiconductor components and supply of those components has been disrupted. Weebit Nano is progressing its discussions with production fabs on technology transfer, despite these manufacturing pressures, and finding creative solutions enabling it to proceed.

### Other notable activities during the reporting

Weebit Nano jointly presented the use of its ReRAM in brain-inspired artificial intelligence applications at two international industry conferences – IEEE International Conference on Artificial Intelligence Circuits, and Systems and the Symposia on VLSI Technology and Circuits.

Weebit Nano was also added to the S&P Dow Jones ASX All Technology Index in December 2020. This is a direct result of the Company's significant operational progress over the first half financial year, that has significantly increased its market capitalisation and trading liquidity

## DIRECTORS' REPORT

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### Subsequent Events

On January 2021 the Company announced the appointment of a non-volatile memory veteran Mr. Ishai Naveh as Chief Technology Officer (CTO).


After the period end the following options and performance rights were exercised:

- A total of 3,553,172 listed options were exercised at an exercise price of \$0.45 per option. This resulted in the issue of 2,666,918 shares.
- A total of 203,750 unlisted options were exercised at an exercise price of \$1.7175 per option. This resulted in the issue of 223,750 shares.
- A total of 180,000 unlisted options were exercised at an exercise price of \$1.3125 per option. This resulted in the issue of 180,000 shares.
- A total of 180,000 unlisted options were exercised at an exercise price of \$1.53125 per option. This resulted in the issue of 180,000 shares.
- A total of 70,313 unlisted options were exercised at an exercise price of \$0.54 per option. This resulted in the issue of 70,313 shares.
- A total of 60,000 unlisted options were exercised at an exercise price of \$0.4468 per option. This resulted in the issue of 60,000 shares.
- A total of 52,500 unlisted options were exercised at an exercise price of \$0.4286 per option. This resulted in the issue of 52,500 shares.
- A total of 31,250 unlisted options were exercised at an exercise price of \$0.74 per option. This resulted in the issue of 31,250 shares.
- A total of 113,000 performance rights were converted a nil value which resulted in the issue of 113,000 shares.

### 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 2020 has been received and can be found on page 5.

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  
25 February 2021

**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 half-year ended 31 December 2020 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, 25 February 2021

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2020

|   | Note | Consolidated<br>31 December 2020<br>\$ | Consolidated<br>31 December 2019<br>\$ |
|---|------|--|--|
| Research and Development expenses (net)                         | 2    | (4,887,565)                            | (996,696)                              |
| Sales and Marketing expenses                                    |      | (458,661)                              | (165,187)                              |
| General and Administrative expenses                             |      | (2,096,140)                            | (2,070,164)                            |
| Loss from operations for the period                             |      | (7,442,366)                            | (3,232,047)                            |
| Financial income (expenses)                                     |      | (1,924,942)                            | (61,571)                               |
| Loss before tax for the period                                  |      | (9,367,308)                            | (3,293,618)                            |
| Income tax expense  |      | -                                      | -                                      |
| Net loss for the period   |      | (9,367,308)                            | (3,293,618)                            |
| <b>Other comprehensive income</b>                               |      |  |  |
| Foreign currency translation differences for foreign operations |      | 2,128,516                              | 52,107                                 |
| <b>Total comprehensive loss for the period</b>                  |      | <b>(7,238,792)</b>                     | <b>(3,241,511)</b>                     |
| <br>Total comprehensive loss for the period                     |      | <br>(7,238,792)                        | <br>(3,241,511)                        |
| <br>Basic and diluted loss per share<br>- cents per share       |      | <br>(0.091)                            | <br>(0.048)                            |

*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 2020

|                                      | Note | Consolidated<br>31 December 2020<br>\$ | Consolidated<br>30 June 2020<br>\$ |
|--------------------------------------|------|--|------------------------------------|
| <b>ASSETS</b>                        |      |  |                                    |
| <b>Current assets</b>                |      |  |                                    |
| Cash and cash equivalents            |      | 18,855,714                             | 4,115,275                          |
| Trade and other Receivables          |      | 883,200                                | 199,593                            |
| <b>Total current assets</b>          |      | <b>19,738,914</b>                      | <b>4,314,868</b>                   |
| <b>Non-current assets</b>            |      |  |                                    |
| Long term deposit                    |      | 12,902                                 | 13,506                             |
| Right of use assets                  |      | 57,523                                 | 113,914                            |
| Plant and equipment                  |      | 62,032                                 | 65,905                             |
| <b>Total non-current assets</b>      |      | <b>132,457</b>                         | <b>193,325</b>                     |
| <b>TOTAL ASSETS</b>                  |      | <b>19,871,371</b>                      | <b>4,508,193</b>                   |
| <b>LIABILITIES</b>                   |      |  |                                    |
| <b>Current liabilities</b>           |      |  |                                    |
| Trade and other payables             |      | 1,085,294                              | 1,041,342                          |
| Lease liabilities                    |      | 41,347                                 | 99,894                             |
| <b>Total current liabilities</b>     |      | <b>1,126,641</b>                       | <b>1,141,236</b>                   |
| <b>Non-current liabilities</b>       |      |  |                                    |
| Lease liabilities                    |      | 23,374                                 | 24,445                             |
| <b>Total non-current liabilities</b> |      | <b>23,374</b>                          | <b>24,445</b>                      |
| <b>TOTAL LIABILITIES</b>             |      | <b>1,150,015</b>                       | <b>1,165,681</b>                   |
| <b>NET ASSETS</b>                    |      | <b>18,721,356</b>                      | <b>3,342,512</b>                   |
| <b>EQUITY</b>                        |      |  |                                    |
| Issued capital                       | 3    | 56,761,405                             | 36,133,657                         |
| Reserves                             |      | 10,881,705                             | 6,763,301                          |
| Accumulated losses                   |      | (48,921,754)                           | (39,554,446)                       |
| <b>TOTAL EQUITY</b>                  |      | <b>18,721,356</b>                      | <b>3,342,512</b>                   |

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 2020

|   | Note | Issued<br>Capital<br>\$ | Foreign<br>currency<br>translation<br>differences<br>for foreign<br>operations<br>\$ | Option<br>Reserve<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>Equity<br>\$ |
|---|------|-------------------------|--|-------------------------|-----------------------------|-----------------------|
| <b>2020 CONSOLIDATED</b>                                      |      |                         |  |                         |                             |                       |
| Total equity at 1 July 2020                                   |      | 36,133,657              | (875,708)  | 7,639,009               | (39,554,446)                | 3,342,512             |
| Net loss for the period                                       |      | -                       | -  | -                       | (9,367,308)                 | (9,367,308)           |
| Other comprehensive income                                    |      | -                       | 2,128,516  | -                       | -                           | 2,128,516             |
| <b>Total comprehensive income / (loss)<br/>for the period</b> |      | -                       | <b>2,128,516</b>   | -                       | <b>(9,305,655)</b>          | <b>(7,238,792)</b>    |
| <b>Transactions with equity holders:</b>                      |      |                         |  |                         |                             |                       |
| Contributions of capital                                      | 3    | 21,888,241              | -  | -                       | -                           | 21,888,241            |
| Capital raising costs   | 3    | (2,425,803)             | -  | -                       | -                           | (2,425,803)           |
| Exercise of options   | 3    | 1,165,310               | -  | -                       | -                           | 1,165,310             |
| Share-based payments  | 6    | -                       | -  | 1,989,888               | -                           | 1,989,888             |
| <b>Total equity at 31 December 2020</b>                       |      | <b>56,761,405</b>       | <b>1,252,808</b>   | <b>9,628,897</b>        | <b>(48,921,754)</b>         | <b>18,721,356</b>     |
| <b>2019 CONSOLIDATED</b>                                      |      |                         |  |                         |                             |                       |
| 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 income                                    |      | -                       | 52,107   | -                       | -                           | 52,107                |
| <b>Total comprehensive income / (loss)<br/>for the period</b> |      | -                       | <b>52,107</b>  | -                       | <b>(3,293,618)</b>          | <b>(3,241,511)</b>    |
| <b>Transactions with equity holders:</b>                      |      |                         |  |                         |                             |                       |
| <b>Shares issued during the year:</b>                         |      |                         |  |                         |                             |                       |
| Contributions of capital                                      |      | 3,138,232               | -  | -                       | -                           | 3,138,232             |
| Capital raising costs   |      | (459,000)               | -  | -                       | -                           | (459,000)             |
| Share-based payments  |      | 50,000                  | -  | 851,146                 | -                           | 901,146               |
| <b>Total equity at 31 December 2019</b>                       |      | <b>34,281,267</b>       | <b>(538,587)</b>   | <b>7,027,229</b>        | <b>(38,826,607)</b>         | <b>1,943,302</b>      |

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 2020

|   | Note | Consolidated<br>31 December<br>2020<br>\$ | Consolidated<br>31 December<br>2019<br>\$ |
|---|------|---|---|
| <i>Cash flows from operating activities</i>               |      |   |   |
| Payments to suppliers and employees                       |      | (6,738,823)                               | (2,215,157)                               |
| Interest paid   |      | (68)                                      | (9,151)                                   |
| <b>Net cash used in operating activities</b>              |      | <b>(6,738,891)</b>                        | <b>(2,224,308)</b>                        |
| <i>Cash flows from investing activities</i>               |      |   |   |
| Payments for fixed assets                                 |      | (3,119)                                   | (12,544)                                  |
| Investments in deposits and restricted cash               |      | 604                                       | (409)                                     |
| <b>Net cash used in investing activities</b>              |      | <b>(2,515)</b>                            | <b>(12,953)</b>                           |
| <i>Cash flows from financing activities</i>               |      |   |   |
| Proceeds from the issue of shares                         | 3    | 21,888,241                                | 3,138,232                                 |
| Capital raising costs                                     | 3    | (1,517,803)                               | (459,000)                                 |
| Proceeds from exercise of options                         |      | 1,165,311                                 | -   |
| Repayment of lease liabilities                            |      | (53,904)                                  | (41,858)                                  |
| <b>Net cash provided by financing activities</b>          |      | <b>21,481,844</b>                         | <b>2,637,374</b>                          |
| Net increase in cash and cash equivalents                 |      | 14,740,440                                | 400,113                                   |
| Cash and cash equivalents at the beginning of the period  |      | 4,115,275                                 | 1,670,912                                 |
| <b>Cash and cash equivalents at the end of the period</b> |      | <b>18,855,714</b>                         | <b>2,071,025</b>                          |

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

Wee-bit Nano Limited (the “Company”) is a company domiciled in Australia. The consolidated interim financial report of the Group as at and for the half year ended 31 December 2020 comprises the Company and its subsidiaries – Wee-bit Nano Israel and Wee-bit 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 2020 and any public announcements made by Wee-bit 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 25 February 2021.

### Basis of Preparation

The interim financial 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.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 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 \$9,367,308 (2019: \$3,293,618) and a cash outflow from operating activities of \$6,738,891 (2019: \$2,224,308). The Group had a net working capital surplus of \$18,612,273 (June 2020: \$3,173,632) including cash of \$18,855,714 at 31 December 2020 (June 2020: \$4,115,275). The loss mainly reflects the research and development activities of the Group.

Based on a cash flow forecast prepared by management, the Group's working capital surplus at 31 December 2020 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.

## Notes to the Financial Statements

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 2020.

### NOTE 2 – RESEARCH AND DEVELOPMENT EXPENSES (NET)

|                                       | 31 December 2020<br>\$ | 31 December 2019<br>\$ |
|---------------------------------------|------------------------|------------------------|
| Research and development expenses     | 4,887,565              | 2,536,372              |
| Research tax credit incentive refund* | -                      | (1,539,676)            |
|                                       | <b>4,887,565</b>       | <b>996,696</b>         |

\* Research and Development grants (incentive refunds) are recognised as and when the receipts are virtually certain. The refund in respect of 2018 R&D costs was recognized in the 6 months period ended December 31, 2019. The refund in respect of 2019 R&D costs was recognized in June 30, 2020 annual report.

### NOTE 3 – ISSUED CAPITAL

#### CONSOLIDATED AND PARENT ENTITY

|  | December 2020<br>No. | December 2020<br>\$ | June 2020<br>No.  | June 2020<br>\$   |
|--|----------------------|---------------------|-------------------|-------------------|
| <i>(a) Issued and Paid Up Capital</i>              |                      |                     |                   |                   |
| Fully paid ordinary shares                         | 116,541,625          | 56,761,405          | 80,388,947        | 36,133,657        |
| <i>(b) Movements in fully paid shares on issue</i> |                      |                     |                   |                   |
| Balance at the start of the period                 | 80,388,947           | 36,133,657          | 63,648,648        | 31,552,035        |
| <i>Shares issued in the period:</i>                |                      |                     |                   |                   |
| Capital Raising (a)                                | 33,545,099           | 21,888,241          | 15,918,699        | 5,340,000         |
| Options and performance rights converted to shares | 2,607,579            | 1,165,310           | 693,350           | -                 |
| Shares granted in lieu of services rendered (b)    | -                    | -                   | 128,250           | 50,000            |
| Capital Raisings Costs                             | -                    | (2,425,803)         | -                 | (808,378)         |
| <b>Balance at end of period</b>                    | <b>116,541,625</b>   | <b>56,761,405</b>   | <b>80,388,947</b> | <b>36,133,657</b> |

- (a) During the period, the Company raised a total amount of \$21,288,241 by means of private placements and a share purchase plan.

The cost of the fund raising totaled \$2,425,803. \$908,000 of this related to share based payments for 11,350,000 listed options granted to brokers and advisors.

## Notes to the Financial Statements

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### NOTE 4 – RELATED PARTY TRANSACTIONS

- A. As part of the shares issued during the period, 767,857 shares and 767,857 listed options were issued to directors of the Company who participated in the fund raising at \$0.28 per share. Total directors' participation in the fund raising amounted to \$215,000.
- 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 2020, 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<br>31 December 2020<br>\$ | Options<br>31 December 2019<br>\$ |
|--|-----------------------------------|-----------------------------------|
| Expense of options granted in previous periods (i.e. expensed over the vesting period) | 440,477                           | 675,760                           |
| 500,000 options granted to Chairman  | -                                 | 22,966                            |
| 900,000 options granted to CEO   | -                                 | 47,245                            |
| 860,000 options granted to directors   | -                                 | 46,486                            |
| 200,000 options granted to advisors  | -                                 | 7,369                             |
| 450,000 options granted to employees   | -                                 | 28,544                            |
| 64,000 performance rights granted to an employee                                       | -                                 | 6,226                             |
| 128,000 performance rights granted to a director                                       | -                                 | 16,550                            |
| 3,175,354 options granted to employees   | 398,354                           | -                                 |
| 550,000 options granted to directors   | 79,587                            | -                                 |
| 500,000 options granted to Chairman  | 72,352                            | -                                 |
| 900,000 options granted to CEO   | 130,234                           | -                                 |
|  | <b>1,121,004</b>                  | <b>851,146</b>                    |

During the half year ended 31 December 2020 the Company issued the following unlisted options:

| 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 \$ |
|---------------|----------|-------------------|-------------------|--------------------|-------------|---------------------------|------------------------|-------------------------|---------------|
| 13/09/2020    | Employee | 1,587,677         | 0.286             | *                  | 12/09/2030  | 0.87                      | 87.73%-90.09%          | 0.33%-0.95%             | 0.75          |
| 24/11/2020    | Employee | 1,587,677         | 0.286             | *                  | 23/11/2030  | 2.26                      | 87.73%-90.09%          | 0.33%-0.95%             | 2.10          |
| 17/11/2020    | Director | 100,000           | 0.823             | *                  | 17/09/2030  | 2.29                      | 87.73%-90.09%          | 0.33%-0.95%             | 2.09          |
| 17/11/2020    | Director | 100,000           | 0.823             | *                  | 17/09/2030  | 2.29                      | 87.73%-90.09%          | 0.33%-0.95%             | 2.09          |
| 17/11/2020    | Director | 100,000           | 0.823             | *                  | 17/09/2030  | 2.29                      | 87.73%-90.09%          | 0.33%-0.95%             | 2.09          |
| 17/11/2020    | Director | 250,000           | 0.823             | *                  | 17/09/2030  | 2.29                      | 87.73%-90.09%          | 0.33%-0.95%             | 2.09          |
| 17/11/2020    | Chairman | 500,000           | 0.823             | *                  | 17/09/2030  | 2.29                      | 87.73%-90.09%          | 0.33%-0.95%             | 2.09          |
| 17/11/2020    | CEO      | 900,000           | 0.823             | *                  | 17/09/2030  | 2.29                      | 87.73%-90.09%          | 0.33%-0.95%             | 2.09          |

\* 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.

## Notes to the Financial Statements

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### NOTE 7 – SUBSEQUENT EVENTS

On January 2021 the Company announced the appointment of a non-volatile memory veteran Mr. Ishai Naveh as Chief Technology Officer (CTO).

After period end the following options and performance rights were exercised:

- A total of 3,553,172 listed options were exercised at an exercise price of \$0.45 per option. This resulted in the issue of 2,666,918 shares.
- A total of 203,750 unlisted options were exercised at an exercise price of \$1.7175 per option. This resulted in the issue of 223,750 shares.
- A total of 180,000 unlisted options were exercised at an exercise price of \$1.3125 per option. This resulted in the issue of 180,000 shares.
- A total of 180,000 unlisted options were exercised at an exercise price of \$1.53125 per option. This resulted in the issue of 180,000 shares.
- A total of 70,313 unlisted options were exercised at an exercise price of \$0.54 per option. This resulted in the issue of 70,313 shares.
- A total of 60,000 unlisted options were exercised at an exercise price of \$0.4468 per option. This resulted in the issue of 60,000 shares.
- A total of 52,500 unlisted options were exercised at an exercise price of \$0.4286 per option. This resulted in the issue of 52,500 shares.
- A total of 31,250 unlisted options were exercised at an exercise price of \$0.74 per option. This resulted in the issue of 31,250 shares.
- A total of 113,000 performance rights were converted at nil value which resulted in the issue of 113,000 shares.

## Directors' Declaration

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In the opinion of the directors:

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

- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year period then ended.

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.

On behalf of the Board



**Jacob Hanoch**  
**Director**  
Israel

25 February 2021

## **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 (the Company) and its controlled entities (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2020, 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 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Australian 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* (ASRE 2410), 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 2020 and its performance for the period ended on that date; and complying with Australian 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, 25 February 2021