PITT STREET RESEARCH

Weebit Nano

Successfully crossed the Chasm

Share Price: A$4.97

ASX: WBT

Sector: Technology

28 October 2025

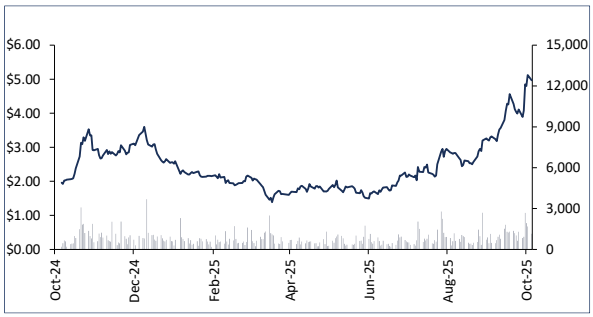
Weebit Nano (ASX:WBT) is commercialising its ReRAM technology at a perfect time – the time of the Artificial Intelligence (AI) revolution. AI, and Edge AI in particular, offers groundbreaking potential to fulfil tasks today's technologies can really only dream of, such as providing real-time insights for a host of applications, including medical, drones, robotics, autonomous vehicles etc. But AI can only work with computer chips that have memory capabilities that are up to the task, i.e. fast, lower power, secure and long-lasting. This is where ReRAM (Resistive Random Access Memory) comes in, specifically Weebit Nano's ReRAM, which fulfils the same tasks as older memory technologies, like flash memory, but at vastly superior performance levels and at a significantly smaller process geometry.

Weebit Nano is the only independent ReRAM provider in the world – i.e. the only company not tied to a major semiconductor foundry that has qualified its technology. This enables Weebit Nano to offer its ReRAM to a diverse range of chip manufacturers and product companies that don't want to be dependent on a competitor or dominant player.

Market cap. (A$ m)	1,037.7
# shares outstanding (m)	208.8
# shares fully diluted (m)	233.6
Market cap ful. dil. (A$ m)	1,160.9
Free float	89.4%
52-week high/low (A$)	5.25 / 1.38
Avg. 12M daily volume ('1000)	814.3
Website	www.weebit-nano.com

Source: Company, Pitt Street Research

Share price (A$) and avg. daily volume (k, r.h.s.)



Source: Refinitiv Eikon, Pitt Street Research

Commercial ramp up accelerating

Weebit Nano has done what no other semiconductor stock on the ASX has yet been able to accomplish in bringing its technology to market and generating material revenues (A$4.4m in FY25). It currently has six commercial partners, i.e. 3 foundries/IDMs and 3 product companies. In its 1Q26 quarterly report (September quarter) the company disclosed A$7.3m in cash receipts; that's 62% higher in one single quarter than in the whole of FY25 (A$4.55m)! This jump in cash receipts is driven by the signing of onsemi in early January 2025 and 3 product companies after that, which has started the flow of license fees. In our view, this highlights that Weebit Nano has now successfully crossed the chasm, i.e. from being a development company to having a commercially viable product that is rapidly gaining traction in the market. We believe it is highly likely that the company will see a rapid acceleration in the rate of new customer signups from here on out, especially product companies.

Valuation of $9.74 per share reiterated

Because of the many uncertainties around the speed at which Weebit Nano's IP may be commercialised, especially the rate of licensee growth, we believe it's too early still to value the stock on a DCF basis. Therefore, our valuation remains based on a peer comparison with eMemory Technology Inc. (3529.TWO), because we think eMemory is a great example of what Weebit Nano's journey can look like going forward. We have also looked at Alphawave Semi that is being acquired by Qualcomm to illustrate what Weebit Nano's revenue trajectory from license fees can look like in the next several years. In a potential M&A scenario, we believe the company may be valued well in excess of A$10 per share. Please see p. 20 for our valuation and p. 23 for the key investment risks.

Disclosure: Pitt Street Research directors own shares in Weebit Nano.

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The Investment Case for Weebit Nano

1) **Weebit Nano latest results (September quarter) illustrate accelerating commercial ramp up.** It generated A$4.4m in revenues from its ReRAM technology in FY25. But in 1Q26 alone, Weebit Nano generated A$7.4m in cash receipts, which is 62% higher than in FY25 as a whole (A$4.55m).
2) **Weebit Nano's technology is tried, tested, proven and superior to competitors'**. It is fully qualified and protected by dozens of patents.
3) **There are six commercial partners thus far and many more to come.** Weebit Nano's list of customers currently includes SkyWater (NASDAQ:SKYT), DB HiTek (KRX:000990), onsemi (NASDAQ:ON) and three unnamed US product companies. Weebit Nano expects at least two more foundry/IDM customers to come in before the end of 2025 and could also sign additional product companies as discussed in our recent video interview. Weebit Nano is at varying levels of evaluation and negotiation with many of the top players in all of those spaces. But we believe it's fair to say now that commercialisation is ramping up quite substantially.
4) **Opportune time.** While the need to replace Static RAM (SRAM) in embedded memory applications and flash memory as a standalone memory application is not new, the AI boom, specifically Edge AI and Edge computing, has shown that ReRAM is the best and most efficient alternative. Edge AI applications require substantial memory at high speed and at high energy efficiency levels. Only ReRAM can do this in a cost-effective way.
5) **End applications**. Weebit Nano's ReRAM could be useful in essentially any form of electronics or communication device using memory, especially those that have to do so 'at the edge' of the Internet. Specific applications could include health, defence, telecommunications, robotics, autonomous vehicles and many more.
6) **Weebit Nano has an agile, higher-margin business model**. As a semiconductor IP (Intellectual Property) provider, it does not manage physical inventory and complex supply chains. The company operates on a licensing model involving upfront license fees, non-recurring engineering fees to help customers with design-in, and recurring royalties once the ReRAM IP goes into volume production. All of this translates into very high margins once customers start selling chips that use Weebit Nano's IP.
7) **High M&A potential**. Weebit Nano is the world's only 'independent' provider of commercially available ReRAM (i.e. other than Taiwanese foundries TSMC and UMC) and could be a candidate for M&A, in our view. The semiconductor industry is known for M&A of IP companies once their technology is commercially proven, which is the case with Weebit Nano.
8) **Weebit Nano has a very high-quality team and a Board made up of ReRAM rock stars.** Weebit Nano has an experienced team of >50 personnel, 90% of whom are engineers and scientists by trade. Its core management team has guided the company since its inception to the point where it is now. Additionally, its Board of Directors comprises of, what we would call, rockstars in Non-Volatile Memory (NVM).
9) **We believe there is more upside to come.** Our current valuation is $9.74 per share, based on a peer comparison with eMemory. There is likely to be further upside in an M&A scenario.

Weebit Nano's ReRAM recapped

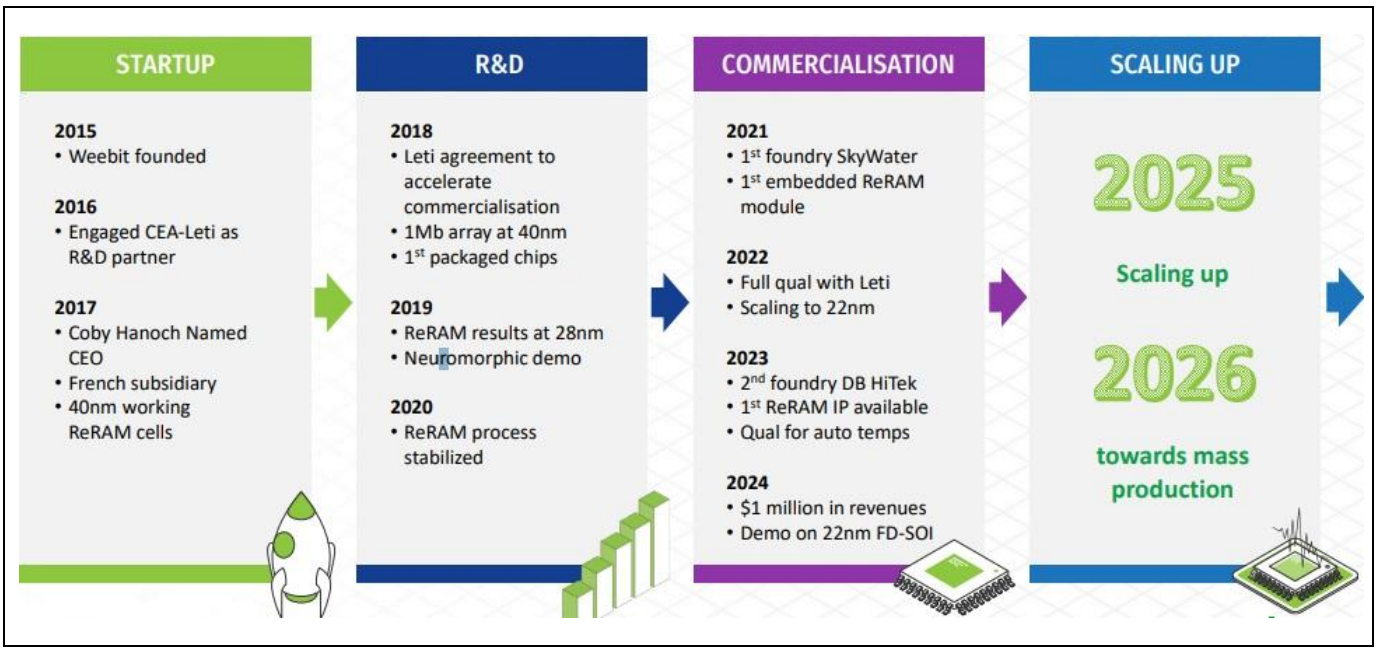
The journey to date

The company has been developing its own ReRAM technology, and it has been a steady journey through the R&D phase to commercialisation

Weebit Nano was founded in 2015 and has been headed by current CEO Coby Hanoch since 2017 (Figure 1). The company has been developing ReRAM (Resistive Random Access Memory) technology and has been a steady journey through the R&D phase to commercialisation.

It has achieved what no other ASX semiconductor company has done – bring a semiconductor technology through the R&D phase into commercialisation. In FY25, Weebit Nano generated $4.4m in revenues from initial commercialisation, specifically from one-off license fees mostly.

Figure 1: Weebit Nano's development and commercialisation roadmap to-date



Source: Company

Commercial production ramp up potentially in 2026

As of September 2025, Weebit Nano has secured six commercial partners.

- **SkyWater Technology**: A Minneapolis-based foundry that services customers in the aerospace, defence, automotive, biomedical, industrial and consumer sectors. Weebit Nano's ReRAM can be integrated in SkyWater's customers' system-on-a-chip design – in SkyWater's 130nm CMOS (S130) process[1]. SkyWater was the company's first customer, but we believe the relationship has not panned out as expected with SkyWater largely focusing on R&D services rather than foundry services.
- **DB HiTek**: Weebit Nano's second customer, DB HiTek, is a South Korean semiconductor manufacturing company that is one of the world's 10 largest foundries (manufacturing chips for third party customers). Weebit Nano's ReRAM will soon be available to customers, specifically in DB HiTek's 130nm Bipolar CMOS-DMOS (BCD) process. DB HiTek's customers include chip companies like Intel and Infineon as well as car maker BYD and fabless chip company Qualcomm. Final qualification of Weebit

[1] CMOS is Complementary Metal-Oxide-Semiconductor, which is a foundational method for manufacturing certain types of chips in complementary pairs (specifically integrated circuit chips) to form logic gates and other circuits.

Nano's ReRAM is expected to be complete before the end of 2025, which will enable large scale production (and revenues) when DB HiTek's customers integrate ReRAM in their semiconductor products that are manufactured by DB HiTek. In other words, recurring royalty revenues from DB HiTek can potentially start in 2027. In the run-up to this, DB HiTek has been demonstrating Weebit Nano's ReRAM at industry events, such as the PCIM conference in Germany – Europe's largest power semiconductor exhibition.

- **onsemi**: onsemi is a NASDAQ-100 integrated device manufacturer (an IDM, a device maker that designs *and* manufactures its own chips) spun out of Motorola in 1999. Weebit Nano's ReRAM will be available in onsemi's Treo platform for analogue and mixed-signal applications, such as chips for power management, sensor interfaces and communication devices, mostly for the automotive industry – at 65nm (nanometers). Technology transfer is progressing well – the first tape-out (design ready for manufacturing) was just announced, which means test chips can now be manufactured to be tested and, later on, qualified. Once that is complete, onsemi can start commercial production of chips with Weebit Nano's ReRAM, which we can potentially expect late in 2026. We believe this is the catalyst for recurring royalty revenues from onsemi.
- **Three unnamed product development companies.** These are design license agreements involving undisclosed US-based companies incorporating Weebit Nano's IP into various products, including security-related applications.

Why Weebit Nano's ReRAM is so special

ReRAM is the best non-volatile memory solution for Edge AI and the Edge computing boom and Weebit Nano is the only independent provider of it.

To make a long story short, ReRAM is one of very few non-volatile memory technologies that can power the Edge AI and the Edge computing boom, i.e. devices that do their computations at the edge of the Internet without necessarily needing a data connection all the time. And Weebit Nano is the only independent provider of it.

As opposed to DRAM (Dynamic Randon Access Memory), ReRAM is a type of non-volatile memory. It is 'non-volatile' because it retains data even when the power is turned off and is 'resistive' because of how it works – the resistivity of a dielectric solid-state material is changed by running a current through it, rather than directly storing an electrical charge in that material. The level of resistivity, either high or low, determines the binary value of the transistor, i.e. either 0 or 1.

This phenomenon was first discovered in the 1960s, but momentum for ReRAM-type technologies only began to build in the 2000s when the big tech companies began R&D work on ReRAM and other memory technologies, such as MRAM (Magneto resistive RAM). The latter technology has clear improvements over flash memory, but struggles to gain acceptance in applications where magnetic fields may impact MRAM's performance. For this reason, the world's largest semiconductor foundry, TSMC in Taiwan, has deprioritised MRAM in its product roadmap in early 2025.

Weebit Nano is not the only company working on ReRAM, but all other companies are either large fabs that won't share it with competitors (led by TSMC) or are companies still at an R&D phase (one being DorsaVi (ASX:DVL), which has ReRAM technology from NTU in Singapore mid-2025.

But more importantly, Weebit Nano's ReRAM has proven to be superior in many ways, not just to other non-volatile memory technologies like flash, but also to other iterations of ReRAM, such as Conductive Bridge (CBRAM).

Some of these advantages include data retention at high temperatures, energy efficiency and endurance, all of which are of significant importance in end products that can potentially use Weebit Nano's ReRAM (Figure 2). That is to say, for instance, a smartphone using Weebit Nano's ReRAM would perform better than those using another memory technology.

Figure 2: Advantages of Weebit Nano's ReRAM

Metric	Advantages
Endurance	Weebit Nano's ReRAM can handle 100k-1m read/write cycles as compared to 1-10k for today's embedded flash applications, thus performing 10-100x better.
Data Retention	Weebit Nano's ReRAM can store data for 10 years at 150°C, superior to other NVM alternatives, which often have a data retention capacity of just 10 years at 85°C.
Power Consumption	Weebit Nano's ReRAM has significantly lower power consumption levels and lower voltage requirements compared to flash technology and thus enables longer battery life. Indeed, it is 100x more energy efficient vs. embedded flash.
Access time	Weebit Nano's ReRAM has a 100x faster program time than flash due to its ability to address each memory element separately.
Environmental tolerance	It can withstand up to 350x more radiation than flash, is tolerant to electromagnetic interference (unlike MRAM) and is thermally very stable (unlike Phase-Change Memory, or PCM).
Scalability	Can scale well below the limits of flash memory, i.e. at smaller process nodes, which is good for chip performance, such as power consumption, speed and memory cell density. Commercially proven at 22nm and testing has shown potential to scale even lower.
Cost	Weebit Nano's ReRAM only adds 7% to the wafer cost as compared to >20% for flash and 30%, or even 40%, for MRAM. This is for many reasons, including that ReRAM only needs two additional masks in the manufacturing flow, but flash needs 10 and sometimes more.
Manufacturing and Capex	Weebit Nano's ReRAM can be produced using fab-friendly materials and does not require specialty equipment as compared to other NVMs, which are more complicated and Capex-heavy to manufacture. This is especially true with regards to MRAM (as well as certain CBRAM), which uses very unconventional materials and tools. Moreover, ReRAM can be added late in the fabrication process, i.e. it's a back-end of line (BEOL) process step.
Security	Weebit Nano's ReRAM does not use a floating gate charge (unlike flash), making it difficult to change its internal state. It can also withstand magnetic attacks (unlike MRAM) and optical attacks. It is more difficult to intrude, read or modify.

Sources: ReRAM Advantages, Technology, Company website

Weebit Nano prevails where other companies have failed

There have been other alternative NVMs to flash, but none of these have proven their worth.

As we already noted, there have been other alternative NVMs to flash memory, but none of these have proven their worth yet. Other alternatives like MRAM, FeRAM, CBRAM, PCM, and Optane were all too expensive or too difficult to implement for other reasons. Some did initially, but hit practical walls at smaller resolutions and/or higher densities, or simply were not commercially viable at smaller resolutions, like Optane, the discontinued crossover between RAM and flash memory developed by Intel and Micron.

Through 2024, **TSMC** offered embedded MRAM at the 22nm and 40nm nodes, but is now focusing heavily on ReRAM, making chips with ReRAM in the iPhone and recently unveiling a 22ULL embedded ReRAM chip that will be featured on Nordic Semiconductor's new nRF54L series System on Chip (SoC) devices. It also plans to develop 6nm ReRAM technology in due course, having qualified its ReRAM at 28nm and formally planned 12nm.

Looking at another foundry, **GlobalFoundries (NASDAQ:GFS)** has been collaborating with Weebit Nano for a number of years. GlobalFoundries' FDX platform is a process technology platform for low-power embedded applications that uses ReRAM. It was made commercially available in late August 2025[2]. Weebit Nano demonstrated this setup with ReRAM in 2024 at the Embedded World conference. However, GlobalFoundries announced that its platform uses a proprietary ReRAM (not Weebit Nano's). The company has not mentioned that its ReRAM has been qualified yet, which may mean it will not be commercially available for at least 6 to 12 months.

There have also been several other startups, including **CrossBar, Adesto** and **4DS Memory (ASX:4DS),** that have tried, but that have not been able to achieve what Weebit Nano has been able to do, despite arguably being ahead of Weebit Nano back in the late 2010s. The inability of other companies to achieve what Weebit Nano has done largely boils down to issues many of these startups could not solve, such as maintaining retention levels and stability at extreme temperatures, seamless integration with existing foundry processes as well as manufacturing functioning modules even at relatively high resolutions, scaling and density while maintaining acceptable performance and yield, and long-term endurance and write reliability.

What Weebit Nano has accomplished is a testament to its high-calibre Board.

In other words, what Weebit Nano has achieved is not easy and we believe its technical accomplishments to date have a lot to do with the extremely high calibre of its Board of Directors and management team, which we will discuss in more detail further in this report.

[2] https://gf.com/gf-press-release/globalfoundries-announces-availability-of-22fdx-rram-technology-for-wireless-connectivity-and-ai-applications/?utm_source=chatgpt.com

The AI boom is an opportune time for Weebit Nano

There was US$800bn in semiconductor fab investments from 2021 to 2023 and US$1.5tn will be needed up to 2030.

The Artificial Intelligence (AI) era will mark an unprecedented time for the semiconductor industry and it is well underway. Overall, there were US$800bn in semiconductor fab investments between 2021 and 2023. PWC has estimated US$1.5tn will be needed up to 2030[3]. The US CHIPS Act will be supportive of this and more than US$165bn alone will come from TSMC that's expanding on its current fab in Arizona[4].

This is all because AI requires chips with far higher performance standards than previous generations. It is important to note that AI is not just ChatGPT. AI is smart home applications (ranging from voice generation apps to smart lighting), creative design tools, coding assistance tools and dataset analysis (for purposes ranging from stock research to drug discovery).

Edge computing is where embedded ReRAM will shine initially

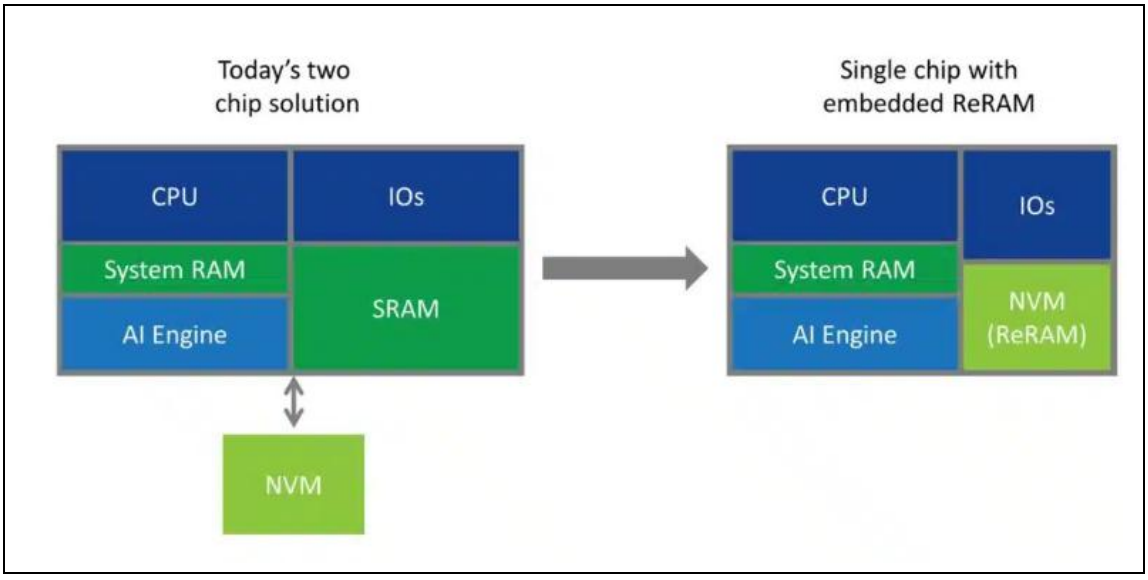
Edge computing is where embedded ReRAM will shine initially.

While a lot of AI inference is being done at large data centers using extremely expensive chips, such as the ones NVIDIA supplies, AI inference is increasingly being done in smaller devices 'at the edge' of the Internet, hence the term Edge AI. Of course, ChatGPT and DeepSeek are spectacular examples of AI's potential and what will be required in terms of computing power, but all that data is processed in large data centers, and needs to be sent back and forth across the internet to individual devices all the time.

Increasingly, AI capabilities, and more efficient Edge computing capabilities in general, will be integrated in chipsets where the addition of small modules, with ReRAM embedded in those modules (Figure 3), will lead to incremental improvements of devices. These so-called Systems-on-a-Chip (SOC) can be tailor-made for specific applications, such as drones, robotics, wearables, medical devices, automotive applications and many more.

This area of embedded ReRAM is what Weebit Nano is currently focussing on in its work with DB HiTek and onsemi in particular. And this is where investors should be expecting Weebit Nano's maiden royalty revenues to come from.

Figure 3: ReRAM vs Flash



Source: Company

[3] https://technologymagazine.com/news/pwc-semiconductor-fab-investment-to-hit-us-1-5tn-by-2030
[4] https://pr.tsmc.com/english/news/3210

Many potential AI applications for ReRAM

ReRAM could be useful for any device using non-volatile memory but there are a handful of particularly useful end use cases.

We believe there a plethora of opportunities for Weebit Nano's ReRAM. However, it is helpful to consider some specific applications amidst the current AI boom.

- **Edge AI chips** and, by extension, the devices they are used in, such as smart sensors, AR/VR wearable processors, smart cameras, wearables (e.g. smart watches), home assistants and microcontrollers. ReRAM is perfect because of the inherently low energy consumption and very fast read/write speeds compared to flash. And ReRAM can scall to much smaller geometries than flash.
- **In Memory Compute**. ReRAM could help perform matrix operations inside a memory array. Traditional architectures, where memory and processing are two separate chips, can suffer from memory bottleneck when data shuttles between the memory module and the processor. But ReRAM can help matrix multiplications for neural networks, i.e. computations are done within the memory module, which reduces latency and energy. Currently, many chip manufacturers use stacked DRAM to create so-called High Bandwidth Memory, used in AI applications. But large ReRAM arrays can potentially perform similar tasks at substantially lower energy consumption.
- **Neuromorphic processors**. These chips are inspired on the biological neuron with low-power consumption and high-efficiency computation. BrainChip (ASX:BRN) has developed its Akida IP in this space, while Intel and IBM have developed Loihi and TrueNorth, respectively. ReRAM cells can be manipulated to behave like artificial synapses, adjusting resistance based on input signals from outside sensors. They also support analogue processing (allowing for efficient and parallel computation) as well as spiking neural networks (SNNs). Weebit Nano is currently focussed on embedded ReRAM, but has already successfully demonstrated neuromorphic processing using its ReRAM IP.
- **Secure systems**. ReRAM can be used in hardware-based identity or authentication applications, such as in Physical Unclonable Functions (PUFs). PUFs effectively make a 'digital fingerprint' from the physical characteristics of each individual chip, and this is used in various applications using authentication, with one prominent one being banking (specifically in smart cards or mobile wallets). ReRAM-based memory can store secure AI model parameters with high resistance to tampering.

ReRAM market opportunity potentially worth US$5.5bn by 2032

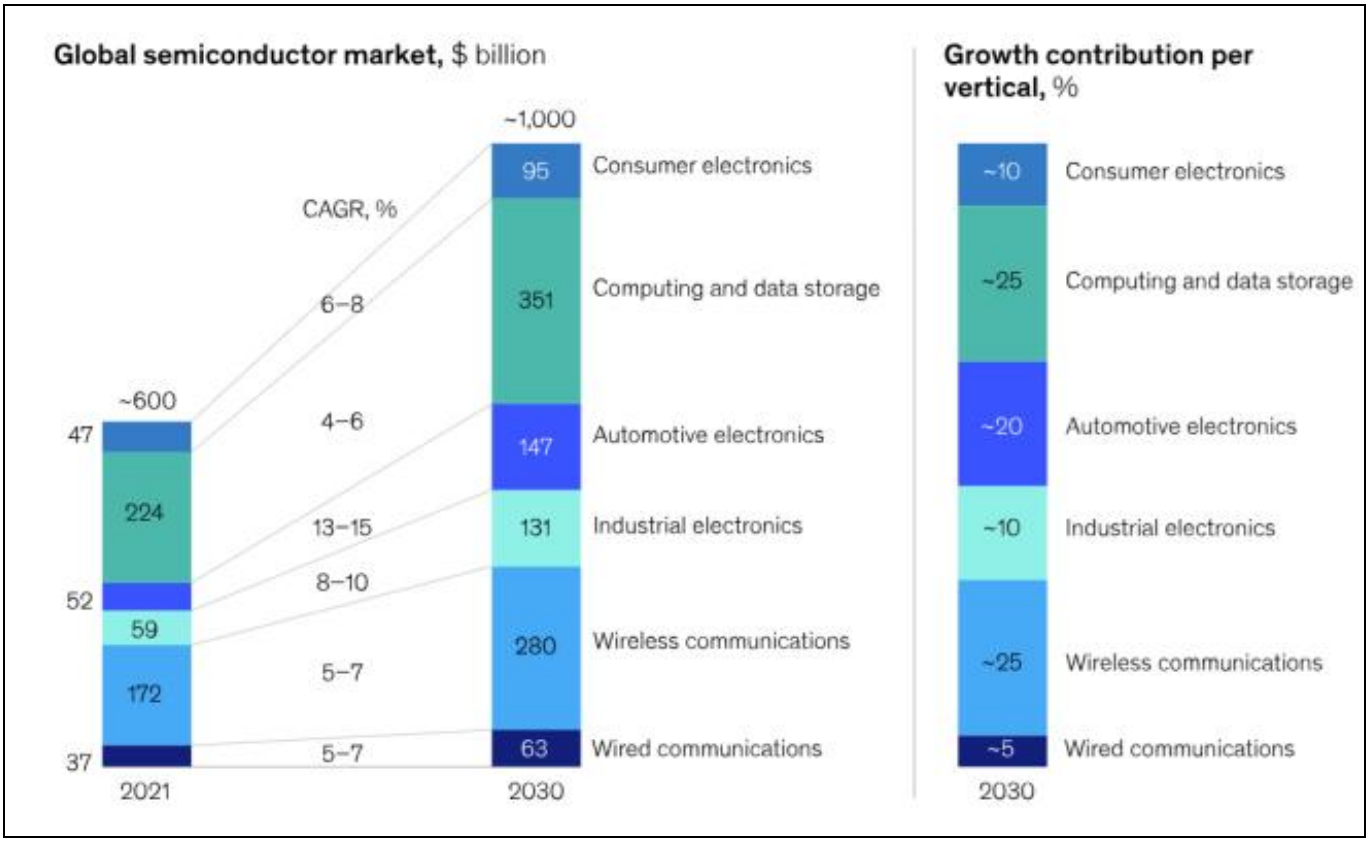
The global semiconductor industry will be worth >US1tn by 2030.

McKinsley and PwC both estimate that the global semiconductor industry will grow to more than US$1tn by 2030, up 66% from 2021 levels (Figure 4).

Moreover, PwC estimates the total investment in semiconductors between 2024 and 2030 will total approximately US$1.5tn, equal to the investment made over the preceding two decades[5]. Some of the large-scale investments can already be seen, most pertinently at TSMC, which is investing up to US$110bn in fabrication facilities in the US as well as a further US$20bn in a facility near Kumamoto, Japan.

[5] https://datacentremagazine.com/news/pwc-semiconductor-fab-investment-to-hit-us-1-5tn-by-2030

Figure 4: Semiconductor market opportunity



Source: Company, McKinsey

While it is difficult to carve out specifically how much of the entire revenue opportunity can potentially be captured by ReRAM, virtually all of those verticals could use ReRAM. However, some have greater potential than others and we would single out two opportunities in particular.

1. **Automotive applications**. There are various ways ReRAM could be put to use in vehicles. Many of these boil down to the enhancement of technologies already present in vehicles many people would take for granted and find difficult to understand. To make things easy, we will limit our explanation to the end applications and two such ways are perception systems (i.e. side and rear-view cameras) and battery management (monitoring, fault detection and firmware updates especially in harsh environments). These all boil down to the advantages of ReRAM that we have already outlined, including its speed, endurance of high write cycles and tolerance of extreme temperatures. As above, there is a total opportunity of US$147bn by 2030. Even 1% of this would be US$1.47bn, which may appear a paltry amount at face value, but could still be significant for an IP-based technology company, especially one with high margins.
2. **Industrial and IoT Applications**. The Industrial segment is expected to reach US$131tn by 20230. This includes chips for sensors, smart meters, medical devices, automation machinery and computer-connected devices. These often run on microcontrollers (MCUs) and chips specifically designed for Edge computing, and this is the sweet spot for embedded ReRAM's. Hypothetically, a mere 1% of this market would be worth US$1.3bn, but as with the Automotive sector, this could deliver

significant cash flow for a company with a business model like Weebit Nano's.

Put these opportunities together, and these application areas could potentially be a US$3bn revenue opportunity by 2030-32 for suppliers of ReRAM IP, assuming conservative market penetration rates.

Weebit Nano's go-to-market strategy

IP license models: Horses for courses

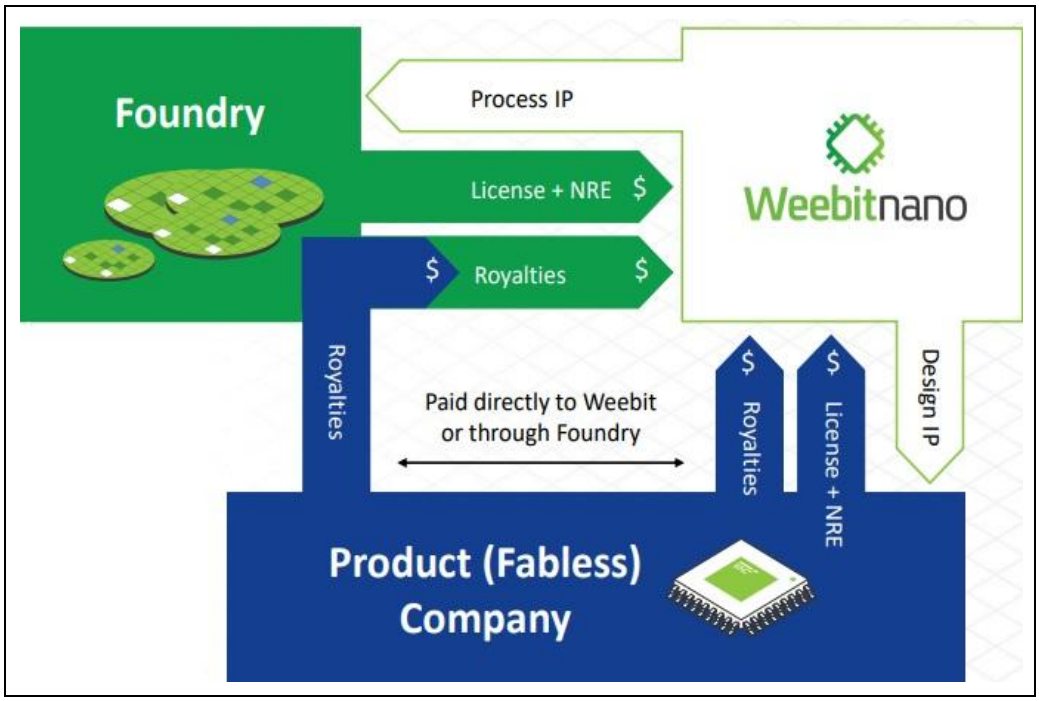
Weebit Nano runs an IP licensing model – making money mostly from royalties.

Weebit Nano operates an IP licensing model, in which customers pay a one-off license fee in addition to recurring royalties once chips that use Weebit Nano's ReRAM IP go into mass production. These royalties are typically a percentage of the price the chips sell for commercially.

Foundries, such as DB HiTek, pay to use the IP in the wafers they manufacture for 3rd party customers, whereas fabless chip companies pay to use Weebit Nano's design in their products (Figure 5).

Customers sometimes also pay a Non-Recurring Engineering (NRE) fee, for instance if they need Weebit Nano to assist them with design work, specifically if they want to tailor the memory module to their specific requirements.

Figure 5: Weebit Nano's revenue is based on an IP license model



Source: Company, McKinsey

In the case of IDMs, such as onsemi, that manage the entire chip design, manufacturing and selling process for their own account, an IP license gives them the right to embed the ReRAM technology into their own chips. As part of those deals, there are design license fees and there may also be NRE fees if customers need modifications to the design. Once commercialised, customers pay Weebit Nano a recurring royalty (Figure 6).

IP license models are widely used in the chip industry

This IP license model represents the best of both worlds for Weebit Nano and its customers. Weebit Nano can keep its costs low and margins high because there is no need to build factories or maintain inventory. Revenues can scale without a corresponding rise in expenses. Moreover, once the technology is embedded in a customer's chip design and manufacturing process, it tends to stay there for the lifetime of that product, however long that may be.

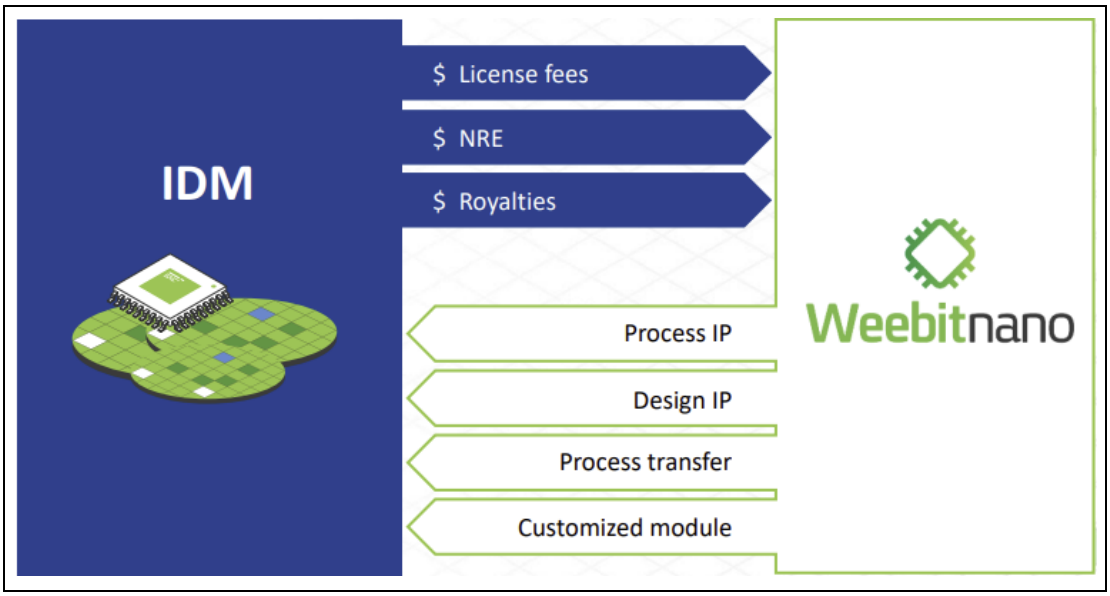
Weebit Nano is the only independent qualified ReRAM supplier

The benefits for customers include the ability to integrate 3rd party IP into their products without having to develop it themselves in the first place. The only other alternatives for chip companies is to develop their own ReRAM (which would take substantial time and money) or to use a solution from one of the major players, i.e. TSMC. This may not be possible for a variety of reasons, including a lack of manufacturing and commercial flexibility. And TSMC would understandably be cautious about licensing its own ReRAM out to foundry competitors.

Moreover, large foundries typically offer standard 'products' and don't like to provide tailor-made solutions, leaving customers to design ReRAM into their own products themselves, which usually isn't preferred.

Being independent enables Weebit Nano to offer its ReRAM to a diverse range of clients and be flexible to meet their needs. Additionally, some customers may find Weebit Nano to be the only choice out there in the market, i.e. deals with certain companies may exclude the possibility of major fabs to supply the same ReRAM to competitors.

Figure 6: Semiconductor market opportunity – design licenses



Source: Company, McKinsey

Set up for long-term success

Weebit Nano has also positioned itself for success in the longer-term where it envisions simultaneously managing multiple engagements at different commercialisation phases and in being an ASX 200 company.

The company has established a formal Project Management Office (PMO) to define clear operating procedures. It has made several hires to manage multiple customer engagements simultaneously, including a newly established Customer Success team. And it has Board committees that meet the standards of an ASX200/100-level company. It has also appointed Naomi Simpson (Non-Executive Director) and Anne Templeman-Jones (Non-Executive Director and Vice Chair) to the Board to provide more gravitas with respect to being an ASX200 company, i.e. people with relevant experience in Australia. Furthermore, even though this is not a requirement on Weebit Nano yet, the company has already published an ESG report.

NVM Rock Stars on the Board

We have always thought that Weebit Nano's key to success has largely been attributable to the extremely high calibre of its Board of Directors, specifically Chair Dadi Perlmutter and Non-Executive Directors Yoav Nissan-Cohen and Atiq Raza, in addition to the energetic leadership of CEO Coby Hanoch.

Given their very extensive semiconductor expertise and experience, we believe these directors combined can essentially open any door to any company in the semiconductor industry, not to mention their invaluable contribution to Weebit Nano's ReRAM R&D process throughout the years.

But the company's executive leadership team is also very impressive with all team members having extensive experience in the semiconductor industry in a wide range of different roles that we believe will suit Weebit Nano very well given the current stage of its growth.

The company's current board and leadership composition is as follows (Figures 7 and 8):

Figure 7: Weebit Nano's board composition

Board of Directors	
Name and Designation	**Profile**
Coby Hanoch CEO	Mr. Hanoch has more than 45 years of experience in the semiconductor and related industries, including engineering, engineering management, sales, and executive roles. He was previously CEO at PacketLight Networks and held VP Worldwide Sales roles at both Verisity and Jasper Design Automation. Mr. Hanoch also set up his own consulting company, EDAcon Partners, helping startups define their corporate strategies, build their worldwide sales channels, and raise capital. Mr. Hanoch holds a Bachelor of Science in Systems Design from Technion – Israel Institute of Technology.
David (Dadi) Perlmutter Chairman	Mr. Perlmutter is a technology and social entrepreneur with more than 45 years of technology experience. He has held a number of top-level management positions in the semiconductor industry, most notably EVP and General Manager of the Intel Architecture Group (IAG) and Chief Product Officer of Intel Corporation. Mr. Perlmutter invests in numerous startups in Israel and Silicon Valley focusing on deep technology and high-performance computing. He previously served as a member of the Board of Directors of Mellanox Technologies (NASDAQ: MLNX) leading to its acquisition by Nvidia. Mr. Perlmutter serves as Chairman of the Board for optical connectivity startup Teramount, is a member of the Board of Governors of the Technion – Israel Institute of Technology and chairs several non-profit organizations. He received a prize for innovation in industrial development from the Israeli President in 1987 for development of the i387 math co-processor. He was elected a Fellow of the Institute of Electrical and Electronics Engineers (IEEE) for his contributions to the mobile personal computer industry, and he received an honorary PhD for his achievements in the industry from the Technion – Israel Institute of Technology.

Yoav Nissan-Cohen Non-Executive Director	Dr. Nissan-Cohen's career covers nearly 40 years of scientific research, technology development and executive management in the hi-tech industry. Dr. Nissan-Cohen received his PhD researching non-volatile memories, under the supervision of Prof Dov Frohman, the inventor of the first non-volatile memory technology. He started his career as a research scientist in GE's R&D centre in New York where he studied the use of silicon dioxide in semiconductor memory devices. He then led the spin-off of National Semiconductor's fabrication facility in Israel, establishing Tower Semiconductor, a Nasdaq-listed, global specialty semiconductor foundry leader with a market cap of US$3.4 billion, where he served as CEO for nine years. Dr. Nissan-Cohen played a key role in establishing a non-volatile technology startup, Saifun Semiconductor, which was subsequently sold to Spansion. After two years in the venture capital industry, he returned to his entrepreneurial origins taking up Chairman and CEO positions in Amimon, which provides wireless transmissions of HD Video at zero latency. Currently, Dr. Nissan-Cohen is the chairman and CEO of Teracyte Analytics, a biotech startup pioneering a platform for Temporal Cytometry™ with AI-driven insights in bio-production and drug development. In addition to his director role in Weebit-Nano, he also serves as chairman of Nano-Dimension, a public company specialising in 3D printing technology.
Atiq Raza Non-Executive Director	Mr. Raza is a highly respected veteran in the semiconductor industry, playing a significant role in the evolution of the semiconductor industry over the past 30 years. He gained his reputation as Chairman and CEO of NexGen, which revolutionised the design of x86 processors and was acquired in 1996 by Advanced Micro Devices (NASDAQ: AMD). Mr. Raza then became President and COO of AMD and led its transition from running behind Intel processors to being a direct competitor, gaining significant market share in PCs and the Cloud. Later Mr. Raza was the founder, Chairman and CEO of RMI, which was acquired by NetLogic, which in turn was acquired by Broadcom (NASDAQ: AVGO) on the strength of the RMI processor. Since then, he has held multiple roles, including investor, Chairman and CEO of semiconductor companies, and serving on the boards of many companies, including Mellanox, Magma Design Automation, Matrix and Solantro, to name a few. Today Mr. Raza is on the boards of eight companies, the Executive Chairman of the Board at Minds.ai and Chairman of the board of Virsec Systems Inc. and Peernova.
Naomi Simpson Non-Executive Director	Ms Simpson had a corporate career in marketing with Apple, IBM, Ansett and KPMG before founding RedBalloon, an online marketplace for experiences, in 2001. Red Balloon now sits within Big Red Group, which she co-founded in 2017. In addition to offering wholesale services, platforms and technology to experience operators, Big Red Group also houses consumer brands; Adrenaline, Experience Oz, Local Agent and EverythingNZ. Ms Simpson sits on a number of boards, including Australian Payments Plus, Colonial First State, Big Red Group, University of Melbourne Economics and Business Faculty and the Cerebral Palsy Research Foundation. Known as an entrepreneur and business leader, Ms. Simson is also a best-selling author, podcaster and speaker. She has consistently been recognised for her corporate marketing expertise and leadership with awards including the National Telstra Businesswomen's Award for Innovation in 2008, a 2011 finalist in BRW's Entrepreneur of the Year and being named Australia's Top Business Blogger in 2020.

Ashley Krongold Non-Executive Director	Mr. Krongold is the CEO of the Krongold Group – a third-generation, family-run group of companies based in Melbourne, Australia. The Group engages in various businesses globally, including construction, property development, property investment, finance, technology, venture capital and travel. Mr. Krongold's background in the Investment Banking and Accounting industry spans 15 years during which he was a founding member of Investec Bank Australia, opening its Melbourne office in 2000 and later leading the Bank's Private Client Lending division. Mr. Krongold formerly worked at William Buck Chartered Accountants, ANZ Corporate Finance (London) and ANZ Private Bank (Australia). He serves on the Boards and is a director of various ASX-listed companies, communal charities, foundations and organisations globally. Mr. Krongold holds a Bachelor of Commerce and Business from Monash University, Melbourne.
Anne Templeman-Jones Non-Executive Director and Vice Chair	Mrs. Templeman-Jones' 35-year distinguished career spans executive and board roles across various industries, including banking, financial services, energy and consumer goods, both in Australia and internationally. She has experience operating within different reporting and regulatory frameworks across Europe, the Americas and Asia. Mrs. Templeman-Jones leverages her finance, audit and risk management expertise to provide governance, oversight and valuable insights to organisations. During 26 years as a banking executive, she pursued further post graduate studies, contributing to community as a surf life saver for Surf Life Saving Australia for 19 years, supporting the Family 100km Challenge and the Indigenous Marathon Foundation.

Source: Company

Figure 8: Weebit Nano's management team

Management	
Name and Designation	**Profile**
Alla Felder CFO	Ms. Felder has close to 25 years' experience as a Certified Public Accountant. As a senior manager at PWC Israel (Keselman & Keselman) she was responsible for auditing large public companies traded on the TASE and US Stock Exchanges. She has also served as the CFO of several start-up companies and has extensive experience with SEC filings, SOX procedures, taxation reports and IPO procedures. Currently, Ms. Felder serves as an active director on the board of several public companies traded on the TASE and NASDAQ. She holds a CPA and a Master's degree in Finance from the City University of New York.
Ishai Naveh CTO	Mr. Naveh is an industry veteran with more than 40 years' experience in the semiconductor field, ranging from process development and integration, silicon manufacturing, setting technology requirements and directing technical teams to obtain customers' needs as well as various marketing positions. He started his career at National Semiconductor where he served in various technical roles. Later he served in key management positions overlooking NVM and Foundry Technologies at Tower Semiconductor, one of the leading foundries worldwide. In 2007 Mr. Naveh co-founded Adesto, one of the early ReRAM companies, where he served as VP of Marketing and Business Development, leading Technology and Product definition, and adaptation for market requirements. He served at Adesto until its acquisition by Dialog Semiconductors in 2020. He has a B.Sc. degree in physics from the Hebrew University and an MBA from Heriott-Watt University and holds several patents in the NVM field.

Ilan Sever Vice President R&D	Mr. Sever has over 30 years of design & project-management expertise in the field of Non-Volatile-Memory, Semiconductor IP and SOC design. Prior to joining Weebit Nano, he served as the Memory Group CTO and Subsidiary GM at Dolphin-Design, leading the development of numerous memory architectures, as well as innovation projects in the fields of security, rad-hard memories and RISC-V memory subsystems. He previously managed the VLSI activities of Sandlinks Systems – a company in the field of IoT, developing a breakthrough Low-Power, Mixed-Signal/RF SOC. In his previous roles Mr. Sever was Director of IP & Libraries at Tower Semiconductors and Design Manager of Flash Memory at ST Microelectronics. He holds a BSCEE from the Technion – Israeli Institute for Technology and has several granted patents and awards.
Lilach Zinger Vice President Customer Success	Ms. Zinger has over 25 years of experience in semiconductor manufacturing and electronic production with deep expertise in operations, engineering and process optimization. She has a proven track record of leading large-scale manufacturing, driving efficiency and implementing strategic initiatives to enhance yield, quality and profitability. She joined Weebit Nano in 2023 as Director of IDM and Foundry Business and was promoted to VP of Customer Success in 2025. Ms. Zinger spent over 20 years at Tower Semiconductor, holding positions of increasing responsibility. She began her career as a Process Engineer and ultimately served as VP of Operations – Fab1 Manager, where she managed a high-volume semiconductor fab, overseeing margins and driving revenue growth. After that, she was appointed COO of PCB Technologies Ltd, where she led a team of 700 employees, managing revenues in the tens of millions of dollars. Ms. Zinger holds a B.Sc. in Chemical Engineering from Technion - Israel Institute of Technology and an MBA from the University of Derby (UK).
Issachar Ohana CRO	Mr. Ohana has an extensive background in semiconductor IP licensing and venture capital. Before joining Weebit Nano in March 2024, he was a Managing Partner at Gimmel Ventures, an early-stage Venture Capital firm in Palo Alto, CA. He also held advisory board seats in several technology companies. Before that, he was EVP and Officer at CEVA, Inc., a semiconductor IP licensing company listed on NASDAQ. At CEVA, Mr. Ohana built, hired and managed a global sales force, technical support and legal operations. Prior to that, he held roles at CEVA, including VP of Worldwide Sales and GM/VP of the DSP Intellectual Property Licensing Division. He was previously VP of Sales of the Core Licensing Division at DSP Group, having started his career there as a VLSI Design Engineer and holding positions of increasing responsibility over the years. Mr. Ohana holds a B.Sc. in Electrical and Computer Engineering from Ben Gurion University in Israel and an MBA from Bradford University (UK).
Eran Briman Vice President Marketing & Business Development	Mr. Briman has over 30 years of experience in the semiconductor IP field. At Weebit Nano, he serves as VP of Marketing and Business Development, leading the company's ReRAM commercialisation efforts. Prior to joining Weebit Nano in 2020, he was VP of Marketing and Business Development for Corephotonics, an imaging IP start-up that pioneered the multi-aperture domain in mobile devices that was acquired by Samsung Electronics in 2019. Before that, Mr. Briman was VP of Marketing and Corporate Development for CEVA (NASDAQ: CEVA), where he helped to shape the company as a leader in numerous DSP markets including mobile, IoT, surveillance, infrastructure and automotive. Over more than a decade at CEVA, he held numerous roles including Chief Architect, where he had overall responsibility for the research and development of next-generation DSP cores. He also held engineering and engineering management roles at DSP Group, where he led large development teams. Mr. Briman holds a B.Sc. in Electrical Engineering from Tel Aviv University and an MBA from the Kellogg Business School at Northwestern University. He holds several patents and has authored numerous technical publications.

Source: Company

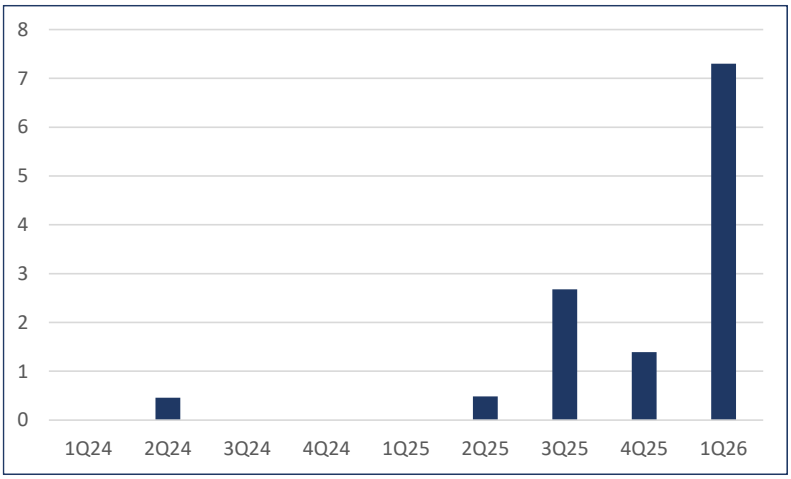
Commercial ramp up is accelerating

3 product customers signed in 1Q26.

In its latest quarterly report (September 2025 quarter), Weebit Nano disclosed it had signed another two product companies in 1Q26. This was in addition to the first product company signing earlier in 2025 and the announcement of the deal with IDM onsemi in January 2025.

These new customers are reflected in the company's cash receipts in 1Q26 as they started paying license fees in milestone payments (Figure 9).

Figure 9: Total quarterly cash receipts (A$ m), FY24, FY25 and FY26



Source: Company, Pitt Street Research

Sharp uptick in cashflow due to product customer signings.

We have attempted to further break down these cash receipts by customer (type), i.e. between SkyWater, onsemi, DB HiTek and the 3 product companies, based on quarterly reports and geographical origin of revenues. We have assumed onsemi and DB HiTek made further milestone payments in the latest September quarter (1Q26) and the three new product companies have all made their initial license fee payments in 1Q26 as well (given the timing of their announcements).

These initial product company payments are all assumed to be several hundred thousand dollars on average (Figure 10). They include a standard product license fee and a little bit of NRE fees for minor customisation. Down the line, as Weebit Nano builds out its library of standard IP products, it is likely that NRE work for product companies will go down to zero and the initial, one-off payments from product companies come down a bit.

Figure 10: Estimated quarterly cash receipts breakdown by customer (A$ m)

Quarter	Period	Skywater	onsemi	DB HiTek	Product Companies	Total
Q1 FY25	July-Sep 24	0.0	0.0	0.0	0.0	0.0
Q2 FY25	Oct-Dec 24	0.0	0.0	0.5	0.0	0.5
Q3 FY25	Jan-Mar 25	0.0	2.7	0.0	0.0	2.7
Q4 FY25	Apr-Jun 25	0.0	0.9	0.4	0.0	1.3
Q1FY26	July-Sep 25	0.0	5.8	0.5	1.0	7.3

Source: Company, Pitt Street Research

Our assumptions around our payment estimate from onsemi in the latest quarter include the fact that IDM deals are typically much more comprehensive than product company deals. Typically, there are fewer foundries and IDMs then there are fabless companies in the market. Once a

technology is qualified in a given process (at a foundry or IDM), it can then be used again and again by many product/fabless companies. For that reason, it is reasonable to assume that even a few fab deals will enable many product and product company deals going forward.

Furthermore, the deals with fabs tend to have a much longer duration, hence the substantially higher license fee payments from IDMs vs. product companies.

Product companies to be key revenue driver in medium term

Product customers expected to be the key revenue driver in near to medium term.

On this basis, we believe that the product company signings will be the key revenue driver for Weebit Nano going forward, at least in the near to medium term. First of all, there are a lot more prospective product companies than there are foundries and IDMs globally.

Secondly, Fab projects usually take much longer as they involve technology transfer, design, testing and qualification. When it comes to product companies, the design cycle is shorter, since they can use a readily available (and qualified) module, and will not need to requalify it again. Therefore, it is reasonable to believe that time-to-revenue from a product customer is shorter than it is for a foundry or IDM.

Longer term, as IDMs and product companies start to pay royalties as products go into mass production, we expect to see a much better balance between revenues from license fees and revenues from royalties.

Because of the uncertainties around the future number of new customer signups, the type of customers that Weebit Nano will be able to sign up, the level of the upfront and milestone payments etc, we believe it's not prudent at this time to forecast revenues for the next few years as the numbers would be highly speculative.

New commercial targets for 2026

So far for 2025, Weebit Nano achieved its target for new product company signings and says to be on track for two additional foundry/IDM signings before the end of 2025.

With the end of 2025 drawing nearer, we expect the company will announce new commercial targets around foundry/IDM and product company signings for calendar year 2026 at the upcoming Annual General Meeting (AGM) on 24 November 2025. As the sales funnel widens at the top, we would expect the 2026 targets for both customer categories to exceed those for 2025.

Reiterated valuation of A$9.74 per share

We are very confident of Weebit Nano's commercial potential. But as stated earlier, there are a lot of uncertainties around the future take-up of the company's IP in the next several years, i.e. how many new customers come in at what time, what type of customers are they (foundry, IDM, fabless, product company) and how big are they.

Additionally, while most of the customer contracts will have a similar structure, i.e. one-off license fees, royalties and NRE fees, the amounts paid by each customer will be different.

In other words, while we are very confident Weebit Nano will succeed commercially, we don't think there is sufficient basis right now to value the stock using a Discounted Cashflow calculation. There are simply too many unknowns at the moment.

Valuation based on highly similar industry peer

For this reason we will continue to value the company as we have before, i.e. using a very closely comparable semiconductor IP company in Taiwan, eMemory Technology Inc. (TWO:3529), which is a Taiwan Stock Exchange-listed company focused on various embedded NVMs, including ReRAM.

Weebit Nano has made substantial progress in the last two years.

We previously valued Weebit Nano at 25% of eMemory's market capitalisation of A$7.8bn at the time (June 2023). While eMemory has, on balance, traded sideways in the last two years, Weebit Nano has made a lot of progress in that same timeframe. The company has gained additional customers and the AI boom has substantially accelerated, which has widened Weebit Nano's addressable market, including the market for Edge AI and In Memory Compute where ReRAM can play a big role.

We lower our discount for Weebit Nano from 75% of eMemory's valuation to 70%, which implies a share price of A$9.74, adjusted for the increased number of shares outstanding.

For these reasons we believe a valuation for Weebit Nano based on 30% of eMemory's market value instead of 25% is now more appropriate. This translates to a valuation of A$9.74 per share when adjusted for the higher number of shares outstanding.

Why eMemory and what about other peers?

Our reasons for using eMemory as a peer remain the same as in previous reports, i.e. because we think eMemory is a great example of what Weebit Nano's commercialisation journey can look like going forward. eMemory aims to complement its customers' IP libraries with proprietary IP with a highly lucrative licensing revenue model, similar to Weebit Nano's.

eMemory's EBIT margins are around 55%.

In FY24 (ending December), eMemory generated A$180m in revenues and A$99.2m in EBIT. This implies a 55.2% EBIT margin.

Obviously, eMemory is more advanced than Weebit Nano, having multiple NVM solutions[6] commercially available and having licensed its IP to several hundred customers globally, which have integrated the company's IP in over 65 million wafers globally[7]. But many of eMemory's customers are the kind of customers Weebit Nano is targeting and that includes foundries, fabless chipmakers and IDMs.

Furthermore, the eMemory NVM IP is much simpler and has many competitors, including companies such as Synopsys (NASDAQ:SNPS), while ReRAM is a much more advanced and complex technology that is very hard to develop and therefore has much less competition.

Weebit Nano is a future takeover target

Following the commercial progress Weebit Nano has been making in recent years, most notably the deal with onsemi, we believe it is now reasonable to start thinking of the company as a future takeover candidate as well. The semiconductor industry has a rich M&A history and Qualcomm's acquisition of Alphawave IP Group PLC (Alphawave) in June 2025 is one of the latest examples.

Qualcomm's acquisition of Alphawave is the latest example of semiconductor M&A.

Alphawave (AWE.L) is a UK-listed semiconductor IP company that sells complete silicon IP building blocks that customers license and integrate into the design of their chips. Qualcomm acquired Alphawave in June 2025 for US$2.4bn, or A$3.6bn, at a 96% premium to the last traded price prior to the announcement. The deal is expected to close in the first quarter of 2026.

[6] This includes ReRAM, but also Programmable Read Only memories (PROM) and One-Time Programmable (OTP) devices.
[7] Slide 9 of eMemory's 2024 ESG Report.

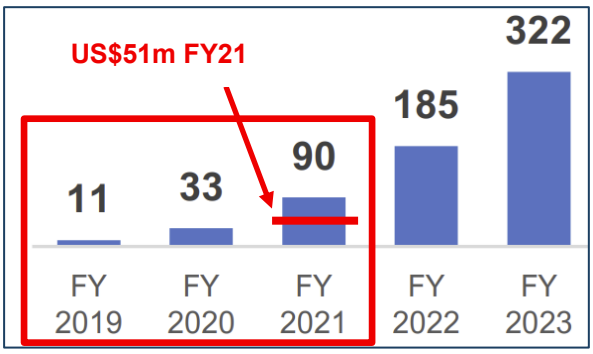
The company was founded in 2017 and already generated revenues in excess of US$320m in FY23, which includes revenues from companies acquired in FY21.

Autonomous revenue growth can be exponential in a licensing model.

However, just looking at the exponential, autonomous revenue growth up to FY21, i.e. from zero to US$51m (**Error! Reference source not found.**Figure 11), illustrates how fast semiconductor IP companies can grow revenues from a very low base. We believe we have now seen the first signs of that for Weebit Nano in the 1Q26 quarterly cash receipts. And all of this initial revenue growth comprised of one-off license fees, i.e. recurring royalty income for Alphawave didn't kick in until FY24.

We believe Weebit Nano can follow a similar revenue growth trajectory in the next several years.

Figure 11: Alphawave revenue 2019-2023 (US$ m)



Source: Alphawave

The parallels between Alphawave Semi and Weebit Nano

We think the logic of Qualcomm in buying Alphawave Semi is the same logic that would underly a future potential acquisition of Weebit Nano.

First of all, we think now is the time to start considering a future M&A scenario for Weebit Nano given the company is commercialising its technology and has multiple customers already. Alphawave is not the only M&A deal involving semiconductor IP completed in the past couple of years, or even the only one completed by Qualcomm (Qualcomm also bought Edge AI platform Edge Impulse in 2025).

However, we opted to use the Alphawave deal for two reasons. Firstly, because the price was publicly disclosed, which is not always the case in this industry. And secondly, because even though it was in a slightly different segment of the semiconductor space (i.e. connectivity and interconnect technologies), we think the logic of Qualcomm in buying Alphawave is the same logic that would underly a future potential acquisition of Weebit Nano – to bolster capabilities in AI by enabling better AI performance amidst its product stack and helping either close the gap versus incumbents or potentially widening it.

Alphawave specialises in high-speed wired connectivity, custom silicon, chiplet and interconnect technologies, foundational pieces for building AI infrastructure – enabling high performance with minimal footprints (environmental, chip size, energy usage, latency and others). By 2025, Alphawave had relationships with foundries and customers in the data centre and AI world. Qualcomm had been building custom CPUs and NPUs, and was attempting to reduce reliance on its smartphone business. Qualcomm will be integrating Alphawave's IP into its CPU technology to improve latency, bandwidth and power efficiency. Moreover, Qualcomm was responding to the direction the industry was going in – towards chiplets, modular systems and open interconnect systems.

And of course, an acquisition premium was paid, and a hefty one at that, i.e. a 96% premium. But Qualcomm inevitably believed falling behind its peers would cost a lot more than the price paid.

Other reference deals

Investors looking for other M&A deals in the semiconductor sector could be disappointed because deal terms are not often publicly disclosed. Nonetheless, even if deal terms are not disclosed, investors can look to deals as evidence of the industry's demand for game-changing semiconductor IP.

One recent deal was GlobalFoundries' acquisition of MIPS Technologies, announced in July 2025 and completed in August 2025. MIPS is a specialist in RISC-V IP with its Atlas range of IP that is a suite of compute cores designed for real-time and application processing as well as specialised Edge AI processing cores.

RISC-V is a specific CPU architecture technology that simplifies and speeds up computer operations by simplifying instructions. RISC-V specifically is a type of RISC microcontroller that is unique for having an open standard, allowing anyone to implement it.

When this deal was announced, GlobalFoundries told its investors that the deal would help it keep up with the evolving demands of AI platforms with flexible solutions that can enable ever-increasing performance and efficiency[8]. This deal, and the Alphawave Semi deal, illustrate that the major players are constantly on the lookout for new IP that can make a significant difference to the performance of their existing products and IP.

Share price catalysts

We see the following share price catalysts for Weebit Nano:

- **The company continually growing its revenues quarter to quarter,** i.e. providing ongoing evidence of the commercial viability of its IP. Beyond reaching A$4.4m in FY25, we expect the company to record further license fees from DB Hi-Tek, onsemi and other customers as customer-specific, sequential milestones are being met in FY26 and beyond.

  We recall that Alphawave's exponential revenue growth (up to US$51m in FY21) was 100% driven by non-recurring license and engineering fees.
- **Weebit Nano signing new customers**. The company may not be able to publicly name all new customers is signs and stated that new product company signings will only be reported quarterly. However, new customer signings are the ultimate proof of the company's commercial success.
- **M&A interest in Weebit Nano and comparable companies in the space**. We believe acquisitions in the NVM space, or even acquisitions of ASX-listed semiconductor companies, would be a strong catalysts for Weebit Nano's share price, specifically because these would underline the importance of NVM to larger industry players and the visibility of ASX-listed Technology stocks in general.
- **The entrance of new companies into the ReRAM space,** both established chip makers entering ReRAM and smaller companies picking up ReRAM IP, such as DorsaVi's (ASX:DVL) licensing ReRAM IP from Nanyang Technological University (NTU) in Singapore in mid-2025.
- **Falling interest rates globally.** Interest rates coming down globally have already provided a strong catalyst for high Beta stocks, including

[8] https://gf.com/gf-press-release/globalfoundries-to-acquire-mips-to-accelerate-ai-and-compute-capabilities

Technology stocks on ASX. We expect additional interest rate cuts through mid-2026, most notably from the US Federal Reserve, which we expect to provide further impetus to Tech stock valuations in the near to medium term.

Risks

We see the following key risks to our investment thesis:

- **Funding risk**: Although Weebit appears to be adequately funded for the medium term, with over A$90m in the bank, the company is not yet profitable and may need to raise further capital in the medium to longer-term. This may be required, for instance, if development programs and technology transfers/qualifications take longer than currently anticipated or multiple growth opportunities arise. There is no guarantee that sufficient funds will be able to be raised either at all or on favourable terms to the company.
- **Competition risk.** Although ReRAM appears to be the prevailing NVM technology at this point in time, alternative NV technologies could emerge that could be superior in nature and/or could be commercialised sooner than Weebit Nano's technology.
- **Macroeconomic and geopolitical risks**. The semiconductor industry is one of the most vulnerable industries to macroeconomic and geopolitical risks – in particular, downturns in the global economy and tensions between China and the West. The prices of semiconductor stocks can fluctuate substantially in response to mere media reports of deteriorating conditions.
- **Operational risk**. Weebit Nano's success is assumed on its ability to successfully produce and market the ReRAM technology. A failure in either regard for whatever reasons, such as supply chain issues or departure of key personnel, may lead to a deterioration in investor sentiment towards WBT
- **Key personnel risk**. There is the risk the company may lose key personnel and be unable to replace them and/or their contribution to the business

Appendix I – Capital Structure

Class	In millions	% of fully
Ordinary shares on issue	208.7	89.3%
Options	15.5	6.7%
Performance rights	9.4	4.0%
Fully diluted shares	**233.6**	

Source: Company

Appendix II – Glossary

Chiplet - a Small, specialised and modular silicon die designed to perform a specific function such as processing. It can be interconnected with other chiplets to form a larger, more complex System-on-Chip (SoC).

Conductivity – The ability of a material to 'conduct' electric current, heat or sound. High conductivity means a material readily transmits these forms of energy, while low conductivity suggests it is a poor conductor or an insulator.

Dynamic Random Access Memory (DRAM) – A type of volatile computer memory that stores data in memory cells, each containing a transistor and a capacitor.

Dielectric – In general terms, having the property of transmitting electric force without conduction. ReRAM is 'resistive' because it charges the resistance across a dielectric solid-state material rather than directly storing charge.

Edge AI – The process of running AI algorithms and machine learning models on local devices, or 'edge' devices, rather than relying on a centralised cloud or data centre.

Flash – A kind of memory that retains data even when power is off by using floating-gate transistors to trap electrons and alter their conductivity to represent digital information.

Integrated Device Manufacturer (IDM) – A semiconductor company that handles the entire semiconductor lifecycle. This is distinct from foundries or fabless companies that only design and/or make chips. IDMs maintain in-house control over thei entire production process.

Intellectual Property (IP) – Creations of the mind such as inventions which are protected by intellectual property rights which give owners exclusive legal rights to use and commercialise such creations.

Masks - Glass sheets on which electronic circuits are drawn)

Magnetic Random-Access Memory (MRAM) – A non-volatile memory technology that stores data by changing the magnetic spin of electronics rather than using electrical charge.

Neuromorphic processors – A computing system that processes information in a way that mimics how the human brain works.

Non Volatile Memory (NVM) – A computer memory that retains stored data even when power is disconnected, allowing for long-term persistent data storage.

Resistive Random Access Memory (ReRAM) – A type of non-volatile computer memory that stores data by changing the resistance of a solid-state material.

Silicon – The chemical element of atomic number 14, a non-metal with semiconducting properties, used in making electronic circuits.

Semiconductor – A solid substance that has conductivity between that of an insulator and that of most metals, either due to the addition of an impurity or because of temperature effects.

System-on-a-Chip (SoC) – A single integrated circuit (IC) that combines multiple essential components, such as a processor (CPU), graphics processor (GPU), memory, input/output (I/O) interfaces, and other functional units onto one chip.

Transistors – A small, fundamental electronic component made from a semiconductor material, such as silicon, that acts as a tiny switch or amplifier for electrical signals.

Appendix III – Analysts' Qualifications

Marc Kennis has been an equities analyst since 1996.

- Marc obtained an MSc in Economics from Tilburg University, Netherlands, in 1996 and a postgraduate degree in investment analysis in 2001.

- Since 1996, he has worked for various brokers and banks in the Netherlands, including ING and Rabobank, where his focus has been on the technology sector, including the semiconductor sector.
- After moving to Sydney in 2014, he worked for several Sydney-based brokers before setting up TMT Analytics Pty Ltd, an issuer-sponsored equity research firm.
- In July 2016, with Stuart Roberts, Marc co-founded Pitt Street Research Pty Ltd, which provides issuer-sponsored research on ASX-listed companies across the entire market, including technology companies.

Nick Sundich is an equities research analyst at Pitt Street Research.

- Nick obtained a Bachelor of Commerce/Bachelor of Arts from the University of Sydney in 2018 and the designation of Financial Modelling & Valuation Analyst by the Corporate Finance Institute. He has also completed the CFA Investment Foundations program.
- He joined Pitt Street Research in January 2022. Previously he worked for over three years as a financial journalist at Stockhead.
- While at university, he worked for a handful of corporate advisory firms

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