

Achieves Qualification with DB HiTek

NEED TO KNOW:

- Weebit achieved technology qualification at DB HiTek in Dec 2025, a key step towards customer production.
- Weebit signs Texas Instruments to integrate Weebit's ReRAM on embedded processing chips at 28 - 65nm geometries.
- Firms up FY26 guidance: >\$10m and continued progress on key goals.

Qualification achieved at DB HiTek: Weebity has gained its first qualification with a commercial chip manufacturer, confirming its embedded ReRAM meets specification across three independent wafer lots. It arrived a few months later than the original 18–24 month guide given when DB HiTek licensed the technology in Oct 2023, but it materially de-risks the path to production.

TI licence expands addressable market: Texas Instruments' Embedded Processing made up 16% of its US\$16bn 2024 revenue (about US\$2.56bn), and the licence positions ReRAM for use across MCUs and processors produced at 28–65nm. The technology's simpler manufacturing (two masks, BEOL) and faster performance versus Flash help TI scale new and existing product families at these nodes.

FY26 revenue guidance strengthened: Management now guides to FY26 revenue of more than \$10m amd we forecast \$18.6m. Near-term catalysts have been achieved such as Qualification with DB HiTek and future goals include obtaining at least one more licence by 30 Jun 2026, paving the way to initial product embeddings and future royalties.

INVESTMENT VIEW

Leading ReRAM for edge AI: Weebit is a leading independent developer of ReRAM, a low-power, fast, non-volatile memory suited to edge devices. Its target markets span IoT, smartphones, robotics, autonomous vehicles, 5G and AI, where replacing or augmenting Flash can improve performance and power use.

Near-term revenue catalysts identified: Qualification at DB HiTek plus 2 chip manufacturer licences and 3 product agreements to underpin first royalties 12–18 months post-qualification. Further licence wins with major chip makers and product companies would broaden adoption and improve long-term royalty visibility.

Experienced board reduces execution risk: Governance is a strength, with a chair formerly #2 at Intel, a director who was President and COO of AMD, and the founder of Tower Semiconductor. Strategic ties, including with CEA-Leti, add technical depth and credibility with customers.

RISKS TO INVESTMENT VIEW

Weebit Nano Ltd

CLASSIFICATION 15 JAN 2026

Pre-Profit

Stock Overview

ASX code	WBT
Price at Review (15 Jan 2026)	\$4.94
GICS Sector	Information Technology
Market Cap (AUD\$m)	\$1,044m

Source: LSEG

Financial Forecast

Year JUN A\$m	2024	2024	2025E	2026E	2027E
Revenue	-	1	4	19	48
EBIT	-	-45	-41	-40	-22
Pre-tax Profit	-	-41	-38	-36	-19
Net Profit	-	-41	-38	-36	-19
EPS (cps)	-	-21.93	-18.19	-17.35	-9.05
PE (x)	-	-11.6	-8.9	-28.6	-54.8
DPS (cps)	-	0	0	0	0
Dividend Yield (%)	-	-	-	-	-

Source: LSEG, MST Financial

Share Price



Source: LSEG, Sandstone Insights. Index rebased into share price terms

Company Description

Weebit Nano Ltd is an Australia-based developer of advanced semiconductor memory technology. The Company is engaged in the development of non-volatile memory using a Resistive RAM (ReRAM) technology based on fabrication factory (fab) friendly materials. ReRAM technology provides higher performance and lower power memory solutions in a range of new electronic products, such as Internet of things (IoT) devices, smartphones, robotics, autonomous vehicles, fifth generation (5G) communications and artificial intelligence. The Company's demo chips, designed as a system on a chip (SoC), provides customers with physical samples of ReRAM memory technology within operational chips. Its demo chips also enable its customer to begin incorporating its memory technology within their product designs.

Key risks to the company include, delays or failure in Qualification, slower conversion of foundries/IDMs and product companies into new licences, lower-than-expected commercial returns due to pricing, volumes or mix, competing memory technologies overtaking ReRAM in performance or cost, currency risk, loss of key personnel, cybersecurity, data protection and IP theft, regulatory and compliance risks as well as geopolitical risk.

VALUATION

The valuation is set at A\$8.07 per share derived from a DCF and had already assumed a Tier-1 licence signing, so the TI agreement does not change the model. Key assumptions include FY26 revenue of 18.6m (versus company guidance of >\$10m), progressive Qualification with current licensees, and a transition to royalties as products embed ReRAM.

CATALYSTS

Feb-26: 2Q and 1H FY26 results

By 30 Jun 2026: >1 more licensing agreements

Emerging Companies Equities Research Methodology.

Sandstone Insights Emerging Companies Research provides equity research coverage on companies outside the S&P/ASX 300 index. Our analysts, most with over 15 years of institutional equity research experience, have provided their views, opinions, and valuation estimates for each company. In addition, we provide a summary financial forecasts for each company under coverage.

CLASSIFICATION METHODOLOGY

Our Classification Methodology relies on a blend of historical financials and our forward estimates/and projections. Financial estimates are subject to change, which may impact a Company's Classification. Estimates of future performance are based on assumptions that may not be realised. Past performance is not indicative of future performance.

Each company is classified into four primary classifications, according to where they are in their life cycle, as measured by the both the proximity to earnings, and the strength of earnings:

Pre-Revenue	The Company is not currently generating any sales revenue and is not forecast to generate sales revenue over the next 12 months. The Company is therefore reliant on cash reserves and or external capital over the short-medium term.
Pre-Profit	The revenue base has been established but is not at a sufficient level to generate positive measures of profit (Earnings Before Interest Tax Depreciation and Amortisation (EBITDA), Profit Before Tax (PBT), Net Profit After Tax (NPAT), and or positive operating cash flow). The Company is likely to continue to be reliant on cash reserves and or external capital over the next 12 months.
Profitable	The Company is generating profits (EBITDA, PBT, NPAT, and or positive operating cash flow) reducing or eliminating the need for reliance on cash reserves and or external capital. The Company is forecast to continue to be profitable over the medium term.

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Commissioned Research	In producing this report, MST has been engaged and remunerated by the company that is the subject of this report in exchange for ongoing research coverage.

Dividend Capacity	The level of profitability is sufficient to allow the Company to pay ongoing dividends to shareholders from operating earnings (or undertake other forms of capital management). The Company is expected to be able to continue to pay dividends over the medium term.
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SANDSTONE INSIGHTS VALUATION

For each Company under Sandstone Insights Emerging Companies Coverage, a Valuation estimate is provided. The Valuation is our estimate of what the Company's shares could be worth under our base case scenario for the Company, discounted back to the publication date of this report.

The base case scenario includes a risk-weighted assessment of each company's ability to achieve its strategic plans over the short to medium term, whilst considering the Company's ability to fund its strategic plans.

A range of valuation techniques is used which can include Discounted Cash Flow (DCF), Sum Of The Parts (SOTP), Net Asset Backing, multiple-based valuation techniques (examples include Price to Sales, Price to earnings), and comparable company-based valuation. For Companies without any revenue, an assessment of future market penetration and cash-flow generation are considered. Industry-specific valuations are also used (examples include EV/Resources, EV/Reserves, and EV/2P Reserves).

Company valuations are subject to change depending on; a) the success or otherwise of the Company's ability to execute its strategic plans; b) external market factors, including interest rates, investor sentiment, prevailing growth rates valuations of peer group Companies.

Many companies under Sandstone Insights Emerging Companies Coverage are still building out their businesses. Therefore, both the range and variability of outcomes are much wider than in larger, more mature companies.

Sandstone Insights Valuation estimates are not static and may be updated as information and or view changes.