



Gearing up for the royalty gold rush

Weebit Nano (ASX:WBT) has successfully completed an A\$87m institutional placement, with an additional Share Purchase Plan of up to A\$15 million currently underway. On a fully subscribed basis, this takes the company's pro-forma cash position to ~A\$172 million, making it one of the best-capitalised independent IP licensors in the non-volatile memory market. The next phase of Weebit Nano's growth cycle is to scale the commercial model to start generating royalty revenues, which will be the primary driver of cash flow growth over the next 10 years.

Gearing up for substantial growth

The A\$87m placement is being invested across three equal investment buckets to facilitate exactly that. A\$25m is directed toward commercial scale-up, accelerating integration timelines and expanding the company's capacity to run multiple customer engagements in parallel. A\$25m is allocated to AI capability development, specifically in-memory compute and neuromorphic processing architectures, as a longer-term product expansion initiative. The remaining A\$25m will be invested in advancing Weebit Nano's core ReRAM technology roadmap below 22nm.

Royalty revenues are the long-term play

It's currently starting to look like Weebit Nano holds a first mover advantage as the only publicly listed independent ReRAM IP licensor with signed commercial agreements at the Tier-1 IDM level, a position that, to our knowledge, no direct competitor has yet replicated.

For investors looking at the company's trajectory over the next 5 years, we see a credible path to 8 - 10 qualified foundry partners, including its existing foundry customers, alongside 10 - 15 IDMs and between 150 - 200 product companies actively designing Weebit Nano ReRAM into their product and chip manufacturing flows.

This is when the royalty revenue story will begin to materialise. We model the first royalty contributions emerging in FY27 as current customers complete qualification and move toward production, with royalties scaling materially post-2030 as production volumes ramp across an expanding customer base. At that point, the business model transitions from the current license and NRE fee dominance into the high-margin, recurring royalty profile that defines the long-term earnings power of the company.

Increasing our valuation to A\$10.20 per share

We value Weebit Nano using a peer group analysis, with eMemory as the benchmark for how revenue, reinvestment, margins and royalty revenues can scale as the business matures. We have also looked at the company's valuation in an M&A scenario. Our resulting valuation yields a value of A\$10.20 per share (was A\$9.74). Please refer to p. 18 for our valuation methodology and p. 19 for investment risks.

Share Price: A\$4.87

ASX: WBT

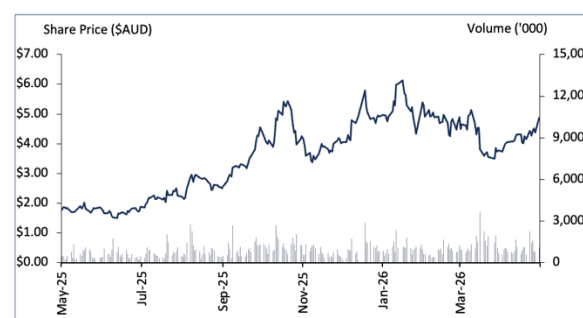
Sector: Technology

12 May 2026

Market cap. (A\$ m)	1,136
# shares outstanding (m)	233.3
# shares fully diluted (m)	262.4
Market cap ful. dil. (A\$ m)	1,278.3
Free float	92.2%
52-week high/low (A\$)	6.25 / 1.50
Avg. 12M daily volume ('000)	930.2
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

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

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Table of Contents

Weebit Nano's war chest is built for scaling ReRAM	3
Inside Weebit Nano's capital allocation plan	5
<i>Funding the bottleneck, not the breakthrough</i>	5
<i>Weebit is investing A\$25M in AI compute architectures</i>	6
<i>Beyond 28nm is where Flash memory fades and ReRAM shines</i>	9
Weebit Nano's 5-year path to global ReRAM scale	10
<i>The foundry opportunity is still wide open</i>	10
The eMemory blueprint	12
<i>How Weebit Nano's business model can scale</i>	12
Weebit Nano's key 2026 re-rating catalysts	14
Increasing our valuation to A\$10 per share	15
<i>This is where Weebit starts looking more like eMemory</i>	15
<i>What about other peers?</i>	16
<i>Valuation of A\$10.20 per share</i>	18
Risks	19
Appendix I – EV/Revenue Sensitivity Analysis	21
Appendix II – Glossary	21
Appendix III – Analysts' Qualifications	23
General advice warning, Disclaimer & Disclosures	24



Weebit Nano's war chest is built for scaling ReRAM

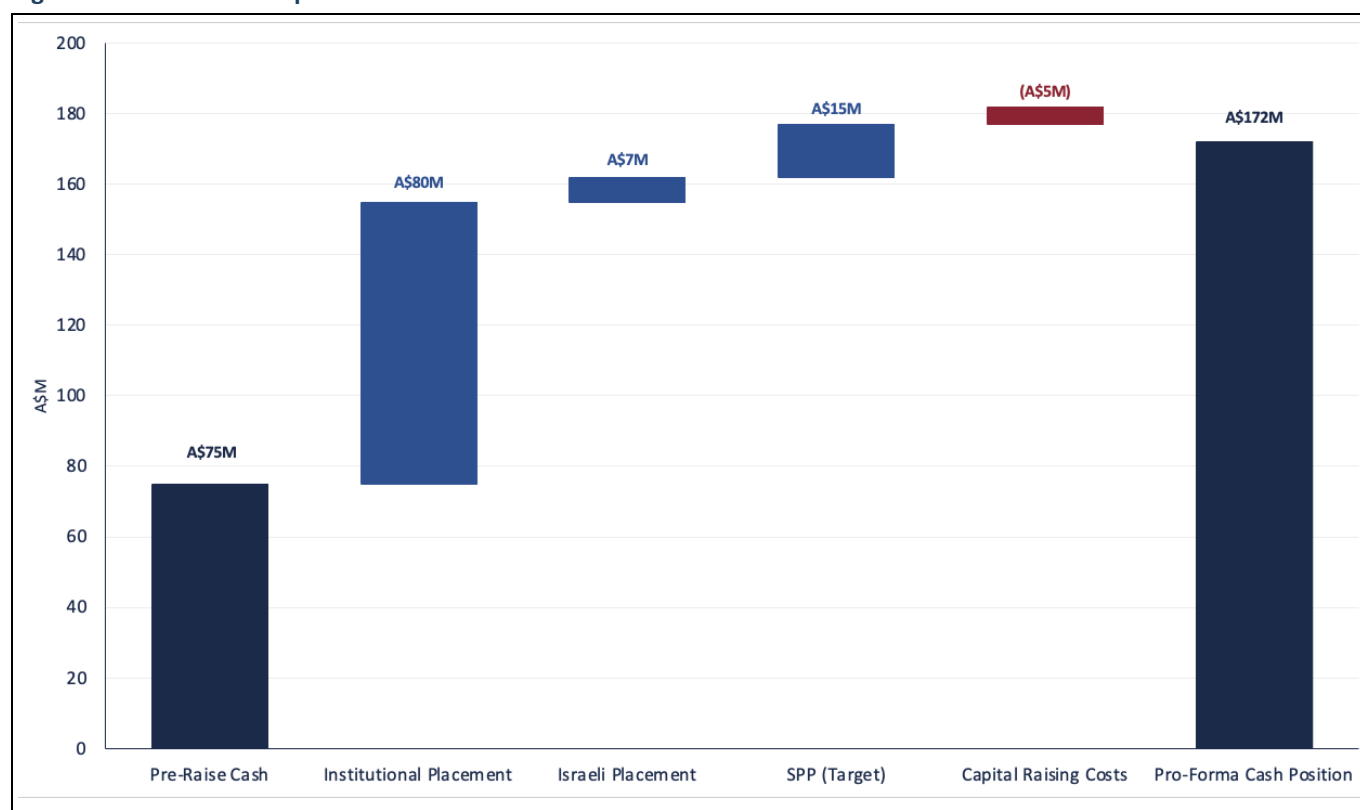
Weebit Nano completed an A\$87 million placement and SPP, taking its pro forma cash balance to ~A\$172 million (fully subscribed).

Weebit Nano's next phase of growth is focused on scaling its commercial presence through more engagements with IDMs, foundries and product companies. The company has moved beyond early-stage technology validation and into active commercial execution, a transition marked by its agreements with onsemi and Texas Instruments, the world's number five and number one analog chip companies, respectively.

To support this next growth cycle, the company completed an institutional placement in March 2026, raising A\$87 million at A\$4.05 per share, representing a ~10% discount to the last closing price of A\$4.54. An additional Share Purchase Plan targeting up to A\$15 million is in the works, taking total potential proceeds to A\$102 million if fully subscribed¹.

With a pro forma cash balance of ~A\$172 million (Figure 1), Weebit Nano looks to be well funded to support at least the next 4 years of scaling its business model². This is the critical window in which the company's first-mover advantage should begin converting into durable long term royalty relationships.

Figure 1: Weebit Nano Capital Raise & Pro-Forma Balance Sheet Waterfall



Source: Pitt Street Research, Company

¹ Source: Weebit Nano Ltd 2026, *Successful completion of A\$87 million institutional placement*, Weebit Nano, 27 March.

² PSR Balance sheet assumptions based on a fully subscribed placement and SPP.



Weebit Nano has a first-mover advantage in bringing ReRAM to market independently.

CrossBar, eMemory and Alphawave are core IP comparables.

Weebit Nano's next 5 years of growth could closely mirror eMemory's successful growth path.

Weebit Nano has the lead in ReRAM, now it needs to scale

Weebit Nano has a genuinely differentiated position in the embedded memory market. It is, to our knowledge, the only independent ReRAM IP licensor with AEC-Q100 Grade 0 at 150°C automotive qualification and signed commercial agreements at the Tier-1 IDM level.

This matters more than it might initially appear. Large integrated chipmakers, such as TSMC, have developed ReRAM capabilities for their own foundry customers. But their IP is typically not available to other manufacturers. In other words, they are not directly competing for the same customer relationships as Weebit Nano.

The closest independent alternative, CrossBar, has gone effectively dormant as a commercial ReRAM IP licensor. The company has not issued a press release in several years and no longer maintains a management page on its corporate website. It has not disclosed automotive qualification or Tier 1 commercial agreements in Western markets. eMemory, the only listed comparable, licenses ReRAM technology originally developed by Panasonic, now Nuvoton, rather than technology it originated itself, which carries different IP ownership implications.

The result is that Weebit Nano has a first-mover advantage as an independent ReRAM provider in its commercial scale-up plans for ReRAM. That window will not remain open indefinitely, which is precisely why the pace of customer acquisition and the depth of engineering execution over the near term are so critical to the long-term investment case, and why this capital raise, deployed effectively, has the potential to be materially value accretive.

Valuation of A\$10.20 per share

Following the Texas Instruments licence deal and a clearer view of Weebit Nano's growth trajectory over the next five years, including anticipated onsemi qualification, chip production milestones and additional foundry partner deals in FY26, we have updated our financial model.

On 4 May, Weebit disclosed that two product companies have successfully taped out their chips, releasing them to manufacturing ahead of mass production. One of those customers is Overlord Labs, a smart battery management system developer. This is an early but meaningful signal that Weebit is on track to unlock royalty-driven value creation.

In this case, our primary comparable remains eMemory Technology, the world's largest pure-play embedded NVM IP licensor. eMemory has already shown how royalty revenue scales as foundry adoption broadens and design wins convert to mass production, with this transition dramatically expanding its profit margins between 2011 and 2015, when royalty revenue grew to represent 50% to 60% of total revenues. Our secondary comparable, Alphawave Semi, was subsequently acquired by Qualcomm and provides a useful read-through on how the market values comparable IP businesses at exit. See the Valuation chapter for a more detailed discussion.

We value Weebit Nano at A\$10.20 per share, with upside to more than A\$12 per share in an M&A scenario.



The capital raise is split across 3 equal buckets, primarily focused on scaling operations and increasing Weebit's capacity to serve more customers at once.

Inside Weebit Nano 's capital allocation plan

The A\$87 million raise is broadly split into three equal A\$25M investment buckets, with an additional A\$5M allocated to general corporate purposes, including costs associated with the offer. Understanding how this capital is being deployed requires understanding where Weebit sits in its commercial lifecycle. The company is transitioning from pilot stage validation into the next phase of scaling partnerships across IDMs, foundries and product companies. Investors can think of the capital raise as a way of getting proven technology into production faster and the royalty economics that come with it over the near term.

Funding the bottleneck, not the breakthrough

In the first bucket, "the commercial scale-up", Weebit is investing A\$7.5 million into additional device, process, design, test and engineering capability (Figure 2). Then a further A\$7.5 million into sales staff and application engineers, and A\$10 million into design automation tools, new engineering tools and lab expansion.

The key insight here is that Weebit's main bottleneck is no longer the core technology itself, it is the speed of customer processes and the capacity to have multiple customers at once.

Figure 2: Commercial Scale Up Capital Breakdown



Source: Pitt Street Research, Company

Weebit has roughly a 30-month path to completion and is working to shorten that timeline.

Once Weebit signs a customer, such as an IDM or foundry, the relationship moves through a structured multi stage cycle encompassing design, technology transfer, manufacturing, testing and qualification, each tailored to that customer's specific process node, temperature requirements, and end-use application (Figure 3).

The onsemi engagement illustrates the process precisely. Signed in January 2025, test chips are now progressing through qualification with completion targeted by year end, a process already approaching 18 months and not yet complete. This is not an outlier, this genuinely reflects the complexity of



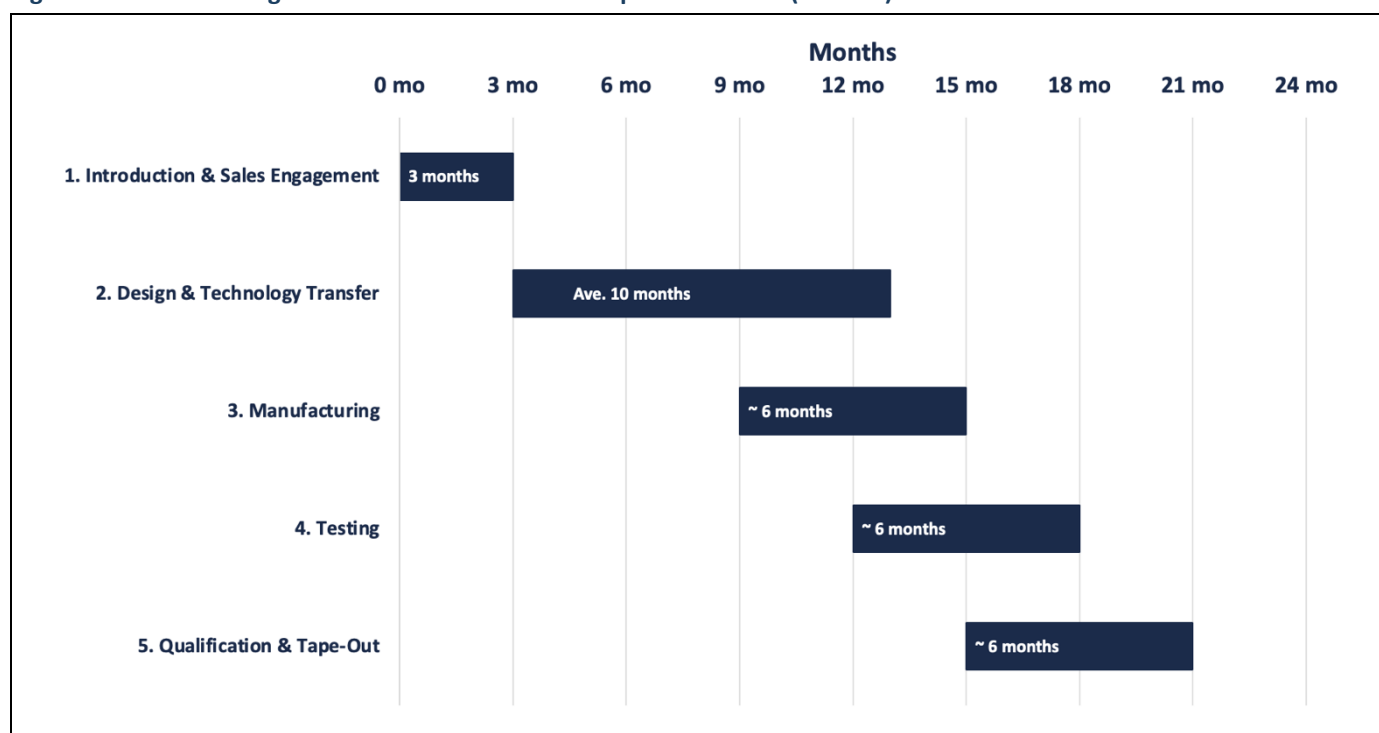
Design and technology transfer is the longest stage on average, taking about 10 months.

integrating a new memory technology into an existing or new semiconductor design.

With design and technology transfer alone requiring 9 to 12 months of deep technical involvement from Weebit's engineering team, the commercial throughput of the business is directly constrained by headcount and tooling capacity³. The A\$25 million commercial scale-up bucket is therefore not overhead, it is the way by which Weebit moves from running two or three customer engagements sequentially to running multiple engagements at once.

By investing in automation and building out a broader library of standardised modules, Weebit can shorten the technology transfer timelines by months per customer. That should support faster customer onboarding, quicker progression to production and a shorter path to revenue-generating partnerships.

Figure 3: Current Average Commercial Timeline to Completion 18 – 24 (Months)



Source: Pitt Street Research, Company

Weebit is investing A\$25M in AI compute architectures

The second A\$25 million bucket is directed toward building Weebit's capability to accelerate AI-specific semiconductor applications, specifically In-Memory Compute and Neuromorphic Computing architectures with the aim of expanding its addressable market beyond embedded memory into the next generation of AI chip design⁴.

We view this as a longer-term product expansion investment rather than a near-term revenue driver. What we should see from this is meaningful

Weebit is starting a long-term investment cycle to process in-memory and neuromorphic AI chips.

³ See page 11 & 17 for Weebit's commercial timeline and customer progression milestones.

⁴ See Weebit Nano Ltd 2026, Successful completion of A\$80 million institutional placement, page 10.



Weebit is focused on expanding its engineering team to scale customer engagements.

commercial revenue from these AI-specific licensing agreements, more likely to emerge in the FY29 to FY30 window at the earliest.

Engineering firepower for the brains behind the chip

The allocation breaks into two equal components (Figure 4). A\$12.5 million is directed toward hiring AI specialists across algorithms, software tools and applications disciplines that are essential because In-Memory Compute requires purpose-built algorithms and a completely new software program compared to conventional digital AI hardware.

Specialised engineers have to develop the training methods and simulation tools that make Weebit's ReRAM usable for AI computation, and that is what this team is being hired to focus on. The remaining A\$12.5 million funds are dedicated to research programs, partner engagements and customer requirements mapping across AI end uses.

If successfully commercialised, In-Memory Compute and neuromorphic compute have the potential to materially reduce energy consumption and latency in AI workloads, particularly in Edge AI devices, such as autonomous vehicles, industrial sensors and wearable medical hardware, where moving large volumes of data generated by the device between separate memory and GPU / CPU remains one of the most significant system-level constraints. We view this bucket as the beginning of a longer-term investment cycle with a realistic commercialisation horizon of 4+ years.

Figure 4: AI Architecture Capital Breakdown



Source: Pitt Street Research, Company

Weebit has secured 3 government-funded research programs to support the architecture development of its AI investments.

3 global programs are helping de-risk Weebit's AI bet

To accelerate development across both In-Memory Compute and Neuromorphic Computing, Weebit has already secured spots as the ReRAM provider in three separate government-funded research programs, i.e. the Korean In-Memory Compute program under Korea's AI Transformation Initiative, the Israeli NEMO neuromorphic program funded by the Israeli



This would likely have taken close to a decade to achieve independently.

Weebit's final bucket of capital is focused on scaling ReRAM below 22nm.

Innovation Authority, and the European NEAIXT microcontroller program funded by Horizon Europe⁵.

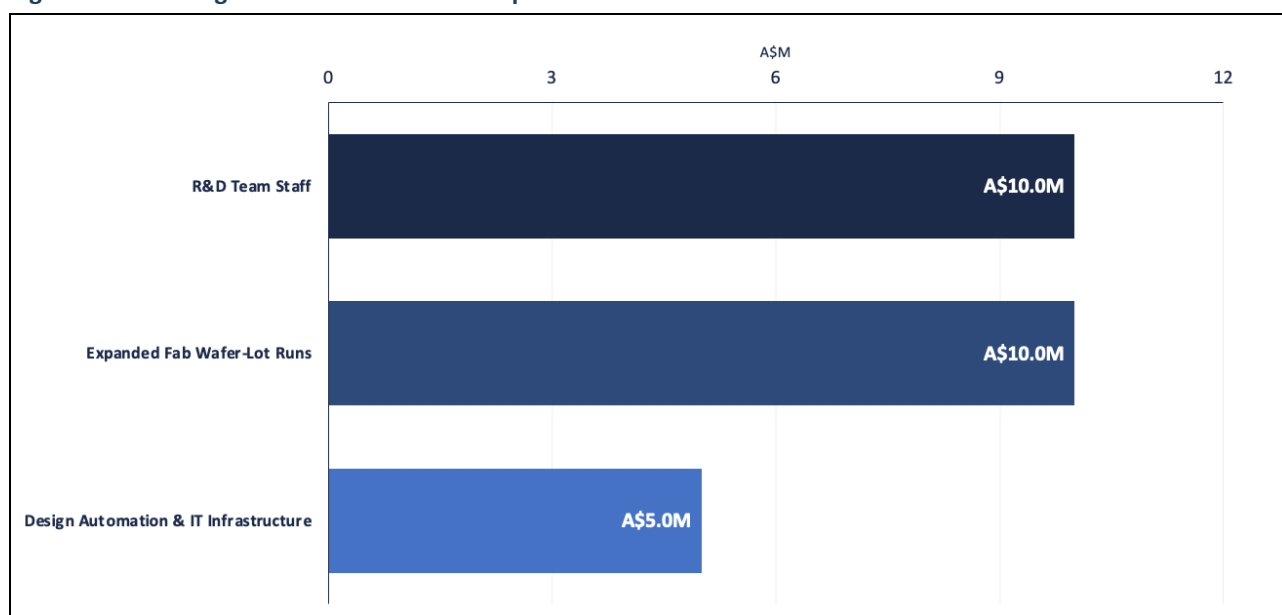
Each program runs for about 3 years with research costs primarily covered by government funding, meaning Weebit gains access to co-funded research and development of its AI compute architectures at minimal incremental cost to the company. In return, Weebit contributes its ReRAM technology and engineering expertise, and walks away with validated silicon results and relationships with academic and industrial institutions across 3 continents. Without these programs, if Weebit were trying to develop its AI memory technology alone, it would likely take more than a decade and require substantial capital. Therefore, investors should not underestimate how significant these government endorsements are for a company at this stage of its growth cycle.

Weebit Nano is spending to learn faster

The final A\$25 million bucket (Figure 5) is directed at advancing Weebit's core ReRAM technology, A\$10 million to additional R&D staff across device, process, design, and testing, A\$10 million to expanded wafer production test runs, and A\$5 million to design automation, IT infrastructure and supporting tools.

What the company is building here is the capacity to iterate its ReRAM faster. Semiconductor development is empirical by nature, you come up with a hypothesis about cell performance improvements that then get tested through physical wafer fabrication and refined through more tests. The speed of that cycle is the speed of progress. More wafers mean more tests and faster iterations toward the smaller geometries that matter most commercially. So, the A\$10 million investment is one of the more important aspects to help speed up the timeline to scale below 22nm.

Figure 5: Advancing Weebit's Core ReRAM Capital Breakdown



Source: Pitt Street Research, Company

⁵ See Weebit Nano Ltd 2026, Successful completion of A\$80 million institutional placement, page 34.



As Weebit targets smaller geometries, its product market opens up materially, and the performance advantages versus embedded Flash only become stronger.

Beyond 28nm is where Flash memory fades and ReRAM shines

Weebit now has the capital it needs to target and test smaller geometries at sub-22nm. Weebit's ReRAM performance is already materially stronger than Flash memory (Figure 6), much of which reflects the fact that Flash memory physically cannot operate efficiently below 28nm. The physics of electron trapping, which is the mechanism Flash uses to store data, begins to break down at more advanced nodes, leading to degraded chip performance.

ReRAM does not share this constraint. Weebit has already proven its technology at 28nm and 22nm, and the roadmap targets further shrinkage below. Every additional smaller node unlocks a broader range of chip designs and performance improvements across edge AI, automotive, and inference hardware.

Weebit Nano performance benchmarks against Flash memory are already well established, being 3x to 4x lower wafer cost than Flash, more than 10x better endurance, 5x lower operating voltage, and data retention of up to 10 years at 150°C under the most demanding automotive conditions⁶.

As the AI market shifts from cloud training toward inference and Edge deployment, the competitive priority becomes running workloads and Edge devices at the lowest possible power and cost. That transition plays directly into ReRAM's strengths, and the third bucket is what keeps Weebit at the frontier of it.

Figure 6: Weebit's ReRAM Performance Benchmarks to Embedded Flash

Category	Metric	Advantage	Key Details
Cost	3–4x	Lower added wafer cost vs. embedded flash	✓ 2-mask adder (vs. ~10) ✓ Shorter CT, fewer steps
Endurance	>10x	Better endurance vs. embedded flash	✓ Demo 100K–1M write cycles
Energy Efficiency	~100x	More energy efficient vs. embedded flash	✓ Low voltage, low current write operations
Scalability	<28nm	Scales to processes far below limits of flash	✓ Proven @ 28nm and 22nm ✓ Scalable below
Program Speed	10–100x	Faster program time than embedded flash	✓ Bit/byte addressable ✓ No sector erase
Automotive	150°C	Reliable for automotive designs	✓ Grade-0 conditions and profiles
Radiation Tolerance	~350x	Better radiation tolerance vs. flash	✓ Also tolerant to EMI
Interference	0	Zero interference w/ analog & power devices	✓ Best NVM for PMIC & mixed-signal

Source: Company

⁶ See Weebit Nano Ltd 2026, Successful completion of A\$80 million institutional placement, page 16 for Flash memory performance comparison.



We see a path to 8 - 10 foundries, 10 - 15 IDMs, and 150 - 200 product companies.

Weebit's commercial agreements are already accelerating quickly.

If Weebit lands a tier 1 foundry, it would be a major validation point for the company.

Weebit Nano's 5-year path to global ReRAM scale

For investors looking at what Weebit Nano could become later on in its growth cycle, i.e. approximately 5 years from now, we believe the company has the potential to emerge as a meaningful player in the global semiconductor ecosystem.

In our DCF assumptions, we model a scenario where Weebit could ultimately secure up to 8 - 10 foundry partners, including its current customers SkyWater and DB HiTek, alongside 10 - 15 IDMs across analogue, automotive, power management and embedded processing, and eventually support 150 - 200 product companies designing its ReRAM into their chips.

The Texas Instruments deal shows Weebit is moving up a gear

We think this trajectory is realistic when you look at the 5-year path already taking shape. Weebit today has 4 major commercial agreements. SkyWater in 2021, DB HiTek in 2023, onsemi in December 2024 and Texas Instruments in December 2025. That is 4 agreements in roughly four years, with the cadence clearly accelerating. The first agreement took 6 years from its founding. The most recent came less than 12 months after the previous one.

The Texas Instruments (TI) deal is particularly significant because it operates at a different commercial scale altogether. TI produces tens of billions of chips annually across more than 80,000 products and 100,000 customers globally.

In the future, every chip TI produces that incorporates Weebit Nano's ReRAM will generate royalties, and TI's distribution reach means those chips flow across automotive, industrial and embedded processing applications worldwide. As Weebit's CEO Coby Hanoach noted at the time of signing, the TI agreement was already accelerating other commercial discussions with multiple additional foundries and IDMs.

The recent A\$87 million raise sends a clear signal in that context, the company is preparing to run multiple engagements in parallel rather than sequentially, which is the only way to compress the timeline between signed agreements and royalty-generating mass production.

The foundry opportunity is still wide open

If we look at the global foundry market, there are more than 20 meaningful independent foundries, companies that manufacture chips for third-party customers, and only a handful of these Tier 1 manufacturers produce advanced nodes at geometries of 7nm and below. Figure 7 shows some of the top global foundries, with Weebit currently having 2 Tier 3 foundry relationships through SkyWater and DB HiTek⁷.

⁷ Source: Capital IQ on the 17th of April 2026.



Foundries are the key to ramping royalties and scaling product company adoption.

We see 8 - 10 foundries as a reasonable target.

The foundry playbook is starting to repeat

Weebit's qualification work completed at DB HiTek on its 130nm Bipolar BCD process provides a repeatable template, in which the design and integration processes can be modelled across to new foundry relationships.

In this process, the underlying ReRAM technology remains the same across foundries; what changes is the specific process integration, design rules and testing requirements at each node. Having completed this process twice in production-grade environments, Weebit has built institutional knowledge that should make each successive qualification faster, cheaper and easier to execute as it scales.

The motivation for foundries to adopt Weebit's ReRAM is structural rather than discretionary. Any foundry that wants to offer sub-28nm processes to chip designers needs an embedded NVM solution, because embedded Flash cannot scale below 28nm. A foundry that cannot offer embedded NVM at advanced nodes will increasingly lose to competitors that can. Weebit's ReRAM is therefore becoming a competitive necessity for foundries that want to remain relevant at advanced nodes, not a feature they are choosing to adopt, but a capability gap they cannot afford to leave unfilled.

Why 8 - 10 foundries is a realistic target for Weebit

That structural dynamic is why we believe 8 - 10 foundry relationships over 5 years is a credible target rather than an optimistic one. But the foundry count is only part of the story. Each foundry relationship is not a single revenue event, it is a platform unlock⁸.

Once Weebit's ReRAM is qualified at a foundry, every chip design company that manufactures at that foundry becomes a potential royalty source. At 10 foundries each supporting 15 to 20 product company customers using Weebit ReRAM, the 150 - 200 product company target emerges organically, not from 150 - 200 individual sales efforts, but from the compounding structure of the foundry licensing model itself.

Figure 7: Global Semiconductor Foundry Breakdown By Market Cap

Foundry Company	Tier	Market Cap (US\$B)
TSMC	1	1,900.0
Samsung	1	896.2
Intel	1	309.0
SMIC	2	72.0
GlobalFoundries	2	26.0
UMC	2	23.3
Tower Semiconductor	3	22.9
Vanguard	3	11.0
Powerchip	3	6.9
DB HiTek	3	2.2
SkyWater	3	1.4
X-FAB	3	0.8

Source: Pitt Street Research

⁸ PSR customer assumptions over the next 5 years.



eMemory is a useful anchor point for assessing revenue scale, margins, and reinvestment, while showing what a scalable business model can look like.

Royalty revenue grew 113x over 19 years.

The eMemory blueprint

For our DCF model we used eMemory Technology Inc. (TWO:3529) as an anchor point to assess how revenue, operating margins, R&D intensity and, most importantly, royalty revenue can scale over time.

For readers unfamiliar with the company, eMemory is one of the world's largest pure-play providers of logic-based non-volatile memory IP. It licenses its technology to semiconductor foundries, IDMs and fabless design houses globally, which is broadly the model Weebit is building as well. eMemory trades on the Taiwan OTC exchange with a market capitalisation of ~US\$9.6 billion⁹.

How Weebit Nano's business model can scale

The core reason we used eMemory as a comparable for Weebit is that eMemory has already proven the memory IP business model can scale and provides a useful roadmap for investors to see how an IP licensing model can evolve over time.

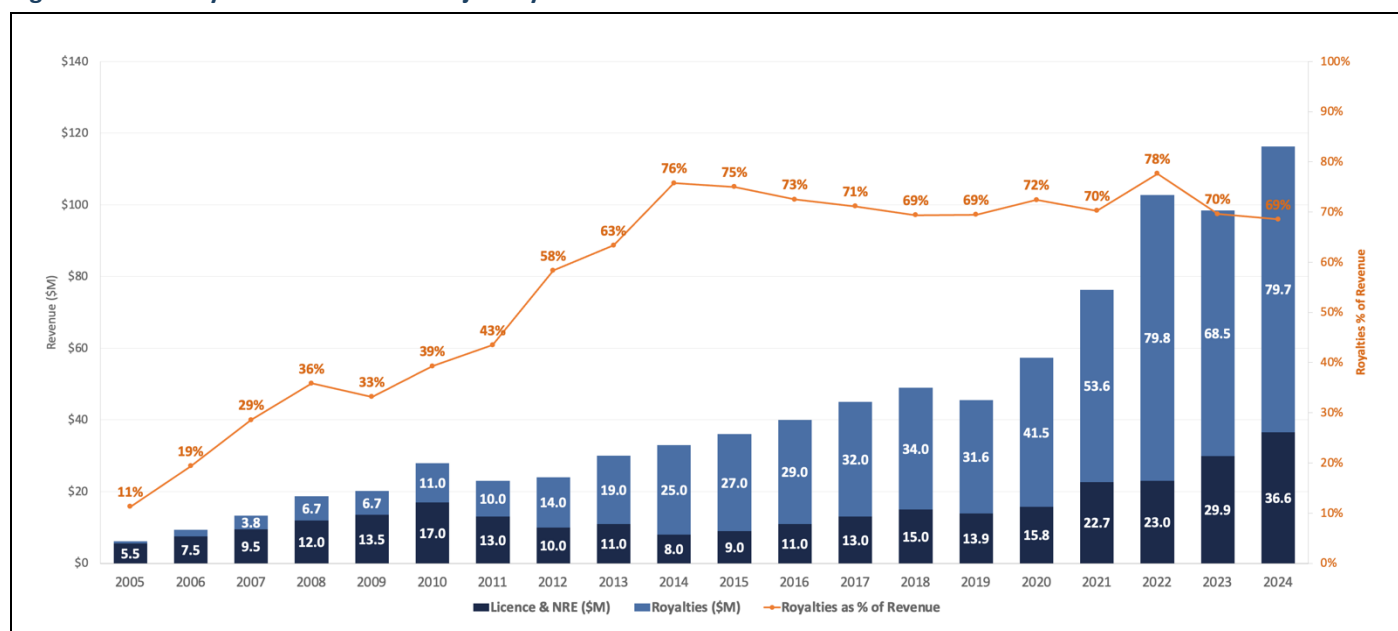
eMemory began generating revenue from licensing and engineering services as early as 2005, but the real scale in royalty revenue did not begin until around 2010 (Figure 8). Looking across its history, we observed a clear pattern. Roughly every 4 - 6 years, royalty revenue stepped higher as new partnerships matured and customers moved into production. Over a 19-year period, eMemory grew total revenue by around 20x, but the more important point is that royalty revenue grew by 113x, compared with just 6.7x growth in non-royalty revenue.

That's an important area to focus on because the main value driver in Weebit's model over the next 5 years is royalties. This is a defining trait of semiconductor IP licensing businesses. Upfront licensing deals, such as Weebit's Texas Instruments relationship, can compound into recurring volume-based royalties, and this begins to compound with more customer wins. Of course, the license fees at the start of these relationships are more than welcome, but in the long run the kicker is royalty revenues once these relationships mature.

⁹ See eMemory Technology Inc. n.d., *eMemory home page for more information on the company, and the market capitalisation pooled from capital IQ on the 20th of April 2026*.



Figure 8: eMemory Historical Growth Trajectory



Source: Pitt Street Research, eMemory Financials

Weebit should see substantial royalty revenue growth in the medium term on the back of its initial commercial deals.

eMemory shows the royalty inflection road ahead

Readers can also see 3 distinct growth phases in eMemory's development. Phase 1 is early-stage growth, where licensing and engineering fees dominate as the main value drivers, which is where Weebit Nano sits today. Phase 2 is the high-growth transition, where earlier licensing deals begin converting into accelerating royalty income and materially higher cash generation and operating margin expansion.

For eMemory, the royalty crossover occurred in 2012, when royalties first exceeded 50% of total revenue, reaching 58%. We believe Weebit has the potential to follow a similar path over the next 5 years.

If we look at the 2020 to 2024 period, there was also a clear acceleration in eMemory's revenue base, with the business roughly doubling over that timeframe as memory IP became more valuable in a market increasingly driven by performance, efficiency and advanced node requirements. We believe the structural need for ReRAM could support a similar royalty-led scaling profile for Weebit as its commercial partnerships move from qualification into production.



There are multiple near-term catalysts in 2026.

Weebit Nano's key 2026 re-rating catalysts

With a clearer roadmap for Weebit's business model development, including how revenue, margins and reinvestment may scale over time, it is important for investors to identify the near-term share price catalysts that could drive a meaningful market re-rate over the next 12 months.

1. One such catalyst was the recent **tape-out with two product companies**, announced on 4 May 2026. Weebit Nano informed the market that Overlord Labs, a Silicon Valley-based company that developed next-generation Battery Management System platform for a range of different analog systems requiring AI functionality, taped-out with foundry DB HiTek.

A second, unnamed, product company also recently taped-out and already received its first functional silicon prototypes including Weebits ReRam which is now validated and tested.

These types of announcements will continue to validate Weebit Nano's ReRAM IP, and will provide support to the share price going forward. For instance, the 4 May announcement resulted in an intraday share price jump of more than 12%!

2. **onsemi qualification completion 6 to 9 months:** The first technical catalyst, and arguably one of the most important near-term catalysts in the entire investment case, is onsemi qualification, which is expected to be completed by year-end 2026. If achieved, this would mark the first time Weebit's ReRAM has been formally approved for commercial mass production with a tier-1 customer.

This would very much strengthen the company's credibility and could help unlock additional IDM relationships. This milestone could drive a substantial re-rate because it would shift the narrative from technical validation to commercial mass-production readiness, a threshold many institutional investors are likely to require before taking a more meaningful position. It would also trigger a final milestone revenue event, which we estimate could be worth between A\$1 million and A\$3 million.

3. **New foundry and IDM deals (CY26):** Weebit has already noted that its third foundry target, originally expected for CY25, has slipped into FY26, with negotiations still progressing. A new foundry partner, particularly if it is one of the top-tier names referenced in the report, would materially expand the addressable product company universe, reinforce our assumption of 150 - 200 product companies.

It would also demonstrate that the onsemi and Texas Instruments deals, albeit that these are IDM and not foundries, are driving the pipeline acceleration management has described. With the number 1 (TI) and number 6 (onsemi) largest analog IDMs worldwide already signed up, we believe it is highly likely that numbers 2 through 5 (Analog Devices, Infineon, STMicroelectronics and NXP Semiconductors) are the very least reviewing Weebit Nano's ReRAM IP. More likely, but unconfirmed; all four of them are negotiating with Weebit currently.



Increasing our valuation to A\$10.20 per share

We are confident in Weebit Nano's commercial trajectory and re-rating catalysts, but it is important that investors understand meaningful uncertainty remains around the future development of the company's IP over the next several years.

As Weebit's story has evolved, we do see the path to multiple foundry, IDM and product company relationships, the size and pace of these partnerships representing the core uncertainty. That said, with Texas Instruments and onsemi continuing to validate Weebit's ReRAM IP, we believe additional significant commercial agreements could be imminent.

This is where Weebit starts looking more like eMemory

eMemory provides a solid blueprint for Weebit Nano's potential revenue ramp up.

What is becoming clearer is where Weebit Nano sits in its growth cycle. The company is demonstrating the early characteristics of eMemory's Phase 2, where design wins begin converting to chip production and royalty revenue starts flowing.

Our assumption is that this inflection begins in H1 FY27, i.e. in the next 6-8 months. By 2030, as shown in Figure 9, a clear accelerant emerges where royalties could represent 20–30% of Weebit's total revenues, a shift that would materially lift profitability given the near-zero marginal cost of IP delivery.

Alphawave Semi completed the trajectory much faster than eMemory.

Our secondary comparable, Alphawave Semi, reinforces this view and offers a faster growth read-through. Alphawave scaled from US\$11m in revenue in 2019 to US\$306m by 2024 before being private, a trajectory that included acquisitions, but one where royalties grew from 0% to ~50% of total revenues, so we are being conservative with our estimates. That royalty ramp occurred on a considerably shorter timeline than eMemory's, illustrating that the right IP in the right cycle can scale faster than historical precedents suggest.

Figure 9: Weebit Nano Financial Model Assumptions

Key Metrics Summary							
FY Ending June	2024	2025	2026	2027	2028	2029	2030
Revenue Growth	-	333%	355%	79%	26%	36%	33%
Licence as % of Revenue	100%	100%	100%	95%	93%	88%	74%
Royalties as % of Revenue	0%	0%	0%	5%	7%	12%	26%
Licence & NRE (A\$000)	1,018	4,409	20,049	34,094	42,054	54,118	60,526
Royalties (A\$000)	0	0	0	1,794	3,165	7,380	21,266
Gross Margin	100%	100%	100%	100%	100%	100%	100%
Operating Margin	-4052%	-861%	-145%	-48%	-29%	4%	22%
R&D as % of Revenue	2778%	522%	136%	85%	72%	51%	42%
EBITDA Margin	-4030%	-852%	-143%	-47%	-27%	5%	23%

Source: Pitt Street Research



eMemory is trading at 47x revenues.

What about Weebit's other peers?

We pooled a comparable analysis chart examining revenue multiples across a broad cross-section of the semiconductor industry, spanning chip designers, chip manufacturers and IP and design houses (Figure 10). The clear pattern that emerges is that the market assigns a meaningful premium to IP licensors, with eMemory commanding one of the highest multiples in the group at 47x FY27 revenue.

That multiple reflects what eMemory is, a mature, royalty-dominated business with 2,200 customers and two decades of compounding behind it. As royalties grow to represent a larger share of Weebit's revenue mix, the discount to eMemory narrows, with the multiple re-rating progressively through the royalty inflection and the potential to approach eMemory-level multiples as the business crosses the 50% royalty threshold beyond FY30.

Figure 10: Peer Group Valuation

Comparable Company Analysis EV / Revenue Multiple (USD\$ in millions, except per share data)							
Ticker	Company	Market Cap	Enterprise Value	Share Price	EV / Revenue		
					2025A	2026E	2027E
Primary Comparables							
3529.TWO	eMemory Technology	\$10,434	\$10,323	\$139	84x	65x	47x
Mean		\$10,434	\$10,323	\$139	84x	65x	47x
Median		\$10,434	\$10,323	\$139	84x	65x	47x
Secondary Comparables							
Chip Designers (Fabless)							
NVDA	NVIDIA Corporation	\$4,856,285	\$4,805,140	\$199	33x	22x	13x
AVGO	Broadcom Inc.	\$1,904,141	\$1,956,024	\$402	30x	28x	18x
QCOM	Qualcomm Incorporated	\$144,642	\$147,637	\$135	3x	3x	3x
Chip Manufacturers (IDM / Foundry)							
TSM	wan Semiconductor Manufacturing C	\$1,687,940	\$1,614,090	\$368	13x	12x	8x
INTC	Intel Corporation	\$332,692	\$353,980	\$66	7x	6x	6x
IP Licensing & Design							
ARM	Arm Holdings plc	\$186,370	\$183,289	\$175	39x	37x	30x
AIP	Arteris, Inc.	\$1,496	\$1,428	\$32	15x	11x	9x
RMBS	Rambus Inc.	\$14,956	\$13,994	\$182	19x	16x	14x
Mean		\$1,141,065	\$1,134,448	\$195	20x	17x	13x
Median		\$259,531	\$268,635	\$179	17x	14x	11x
All Comparables Summary Statistics							
Mean		\$1,015,439	\$1,009,545	\$189	27x	22x	16x
Median		\$186,370	\$183,289	\$175	19x	16x	13x
High		\$4,856,285	\$4,805,140	\$402	84x	65x	47x
Low		\$1,496	\$1,428	\$32	3x	3x	3x

Source: Capital IQ

As illustrated in Figure 10, the broader universe median sits at 12x FY27 revenue, while IP licensors alone command a median of 21x. Not all companies in the chart were used as direct comparables. The broader universe was included to help readers understand how the market is assessing value across the industry, with eMemory remaining the core benchmark throughout our analysis.

We have also provided a sensitivity analysis across different revenue multiple assumptions, giving investors a clearer view of how the valuation changes under different scenarios in Appendix I (Figure 13).



Weebit's best exit might not be a choice

In addition to assessing how the broader market values IP licensors, we have previously written about M&A scenarios in our [Weebit Nano coverage](#), examining multiple acquisitions across the semiconductor IP space (Figure 11). As ReRAM becomes a more prominent memory architecture integrated into devices and applications, companies like TSMC, Intel, Qualcomm, Broadcom and ARM Holdings could come to see Weebit as an acquisition target that could bring its ReRAM IP into their libraries alongside their own work in NVM, process-in-memory and neuromorphic architectures.

Figure 11: PSR M&A Valuation Analysis

M&A Scenario Approach	
Habana Labs Acquisition Value	US\$2.0bn (A\$2.79bn)
Alphawave Semi Acquisition Value	US\$2.4bn (A\$3.35bn)
Average Transaction Value	US\$2.2bn (A\$3.07bn)
Shares Outstanding	233.2m
Implied Value Per Share	A\$13.2

Source: Pitt Street Research

When you can't build it, you buy it

We have already seen this play out in the M&A market. Qualcomm completed its acquisition of Alphawave Semi on 18 December 2025 at an implied enterprise value of US\$2.4bn, representing a 96% premium to Alphawave's share price on 31 March 2025, the last trading day before the two companies disclosed their talks. In our view, that premium only reinforces what the market is willing to pay for best-in-class IP developers.

Alphawave is an interesting comparable because the premium was justified on strategic rather than pure financial grounds. Its core strength was in high-speed connectivity IP for data centres, and as AI workloads demanded faster data movement, the connective tissue linking processors, memory and networking became a critical bottleneck. Qualcomm was not buying a profitable business. It was buying a capability it needed and could not easily build itself.

The parallel to Weebit is very similar in that respect. ReRAM is not yet embedded in the financial results of the companies that will ultimately need it most, but the strategic imperative is building in exactly the same way, driven by two key bottlenecks emerging in the non-volatile memory market: power consumption and scalability.

Intel's proof of the pudding

Intel's acquisition history tells a similar story. In an effort to keep pace with Nvidia's dominance in AI data centres, Intel acquired Israel-based Habana Labs in 2019 for US\$2bn. It is a clear signal of how aggressively the incumbents move when they identify a capability gap.

Habana Labs was a deep learning chip startup founded in 2016 that developed two dedicated processors for AI training and inference, both designed to compete with Nvidia's GPUs by improving processing performance and power efficiency. And while readers may think the technology is different, the core principle at play in the market is the same.

The parallel between Wbbit and Alphawave Semi is very similar.



Particularly in AI, companies are moving aggressively to defend their competitive advantages and/or to fill capability gaps.

For Intel, embedded non-volatile memory is exactly that kind of gap. As chipmakers push toward advanced nodes, the need for non-volatile memory that scales well below 22nm becomes critical. That is precisely where Weebit Nano's technology is heading and why we think it is not unreasonable to assume the company could become an acquisition target.

Valuation of A\$10.20 per share

*We derive a valuation of
A\$10.20 per share.*

We derived our valuation by blending two approaches in equal measure. The first anchors to eMemory's FY27 estimates as the closest public market reference point for a scaled embedded memory IP licensor. The second draws on average acquisition values from comparable semiconductor IP transactions, reflecting what strategic buyers have actually paid. Together, these inputs produce a midpoint valuation of A\$10.20 per share, an upgrade from our previous valuation of A\$9.74 per share (Figure 12).

Figure 12: PSR Blended Valuation Approach

Blended Valuation	
Revenue Multiple Approach (50%)	A\$7.3
M&A Scenario Approach (50%)	A\$13.2
Blended Target Price	A\$10.2

Source: Pitt Street Research



Risks

With any high-growth tech company, understanding the idiosyncratic risks is just as important as understanding the opportunity. Over the next five years, these are the risks that could materially impact Weebit's business model and knowing them helps investors make better decisions based on their own risk tolerance. The key risks to our investment thesis are as follows:

1. **The Qualification Timeline Risk:** Qualification delays are the most material near-term risk to Weebit's investment case. Every slippage pushes out the timeline to royalty revenue, and with it, revenue visibility.

onsemi, Weebit's first IDM partner, is targeting qualification in CY26. Delays are part of the process. Building a new qualification pathway with an IDM from the ground up is complex, especially at this early stage of Weebit's commercial journey. What is encouraging is that the recent capital raise is clearly aimed at tightening the commercial timeline, adding capacity and making the process more repeatable. Management has also sounded highly confident in recent investor conversations that Weebit remains on track to meet its stated timelines. As the business matures, investors should expect qualification cycles to become more reliable and, over time, faster.

2. **Single Customer Concentration Risk:** Looking at the revenue composition for FY26 and FY27, much of the expected revenue is driven by milestone payments from a very small number of customers. The onsemi agreement alone represents the majority of FY26 revenue, a reflection of just how advanced that engagement is relative to the rest of the pipeline.

That concentration cuts both ways. If onsemi exercised its contractual termination rights, or if its business strategy shifted away from power management due to changing market conditions, Weebit's near-term revenue guidance would be heavily impacted.

This is a risk worth sitting with. Single-customer revenue dependency at this stage of the business isn't unusual, but it does mean execution on the onsemi relationship carries outsized weight on the numbers over the next two years.

3. **The eMemory IP dependency is a latent competitive threat:** one that's arguably underappreciated even by institutional holders, let alone retail investors.

eMemory is Weebit's closest comparable and the most commonly cited template for its business model. But the comparison has a sting in the tail. eMemory has 2,200 customers, deep commercial relationships across every major foundry, and vastly more resources than Weebit. As it continues developing its own ReRAM product, although it only controls half of the ReRAM solution - the digital part - whereas the core technology depends on another company (Panasonic, now Nuvoton).

This is precisely why the capital raise with its focus on developing and differentiating Weebit's ReRAM IP matters. Competition in this space remains relatively contained for now, but as the market grows, new entrants will follow. Weebit's window to establish a defensible position is real, and it's not indefinite.

4. **Risks related to high growth small cap companies in general.** Small cap tech stocks are typically highly volatile, particularly in macro environments characterised by higher interest rates, tighter liquidity, or recession risk. This volatility is a feature of the asset class and is common across early-stage companies, but it is still important for investors to factor in.



Valuations can also be milestone driven, with share prices often reacting sharply to progress against technical, commercial, and funding inflection points. In addition, regulatory settings are a meaningful variable for technology focused businesses. Regulation can accelerate demand and funding, but it can also introduce uncertainty through shifting standards, permitting requirements, or compliance costs, making it a double-edged driver of risk and opportunity.



Appendix I – EV/Revenue Sensitivity Analysis

Figure 13: EV/Revenue Valuation Sensitivity Analysis

SENSITIVITY ANALYSIS							
EV/Rev (A\$M)	\$30	\$35	\$40	\$45	\$50	\$55	\$65
30x	\$3.4	\$3.8	\$4.2	\$4.7	\$5.1	\$5.6	\$6.4
32x	\$3.5	\$4.0	\$4.5	\$4.9	\$5.4	\$5.9	\$6.8
34x	\$3.7	\$4.2	\$4.7	\$5.2	\$5.7	\$6.2	\$7.2
36x	\$3.9	\$4.4	\$4.9	\$5.5	\$6.0	\$6.5	\$7.6
38x	\$4.1	\$4.6	\$5.2	\$5.7	\$6.3	\$6.8	\$7.9
40x	\$4.2	\$4.8	\$5.4	\$6.0	\$6.6	\$7.2	\$8.3
42x	\$4.4	\$5.0	\$5.6	\$6.3	\$6.9	\$7.5	\$8.7
44x	\$4.6	\$5.2	\$5.9	\$6.5	\$7.2	\$7.8	\$9.1
46x	\$4.8	\$5.4	\$6.1	\$6.8	\$7.4	\$8.1	\$9.5
50x	\$5.1	\$5.8	\$6.6	\$7.3	\$8.0	\$8.8	\$10.2

Source: Pitt Street Research

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 inhouse control over their 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.

Charlie Youlden is an associate equities research analyst at Pitt Street Research.

- Charlie holds a Bachelor of Business and Commerce from the University of Technology Sydney. He has also completed the Value Investing Program at Columbia Business School and the Wall Street Prep Financial Modeling course.
- He joined Pitt Street Research in 2025, following experience as the founder of his own business and as an FX hedging broker. Charlie has authored equity research reports on ASX-listed and US technology companies and actively shares market insights with a growing professional audience.

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