COMPANY UPDATE · TECHNOLOGY

Weebit Nano's "low hanging fruit": The analog market

ASX:WBT · Sector: Technology · 2 September 2026 Share Price: A$3.61

Weebit Nano delivered a very strong FY26 result, marking a shift in the investment thesis from technology validation closer to commercial production and, ultimately, royalty revenue, which we expect to begin in CY2027. Revenue reached a record A$15.3 million, up 246% from FY25. Texas Instruments (TI) became Weebit Nano's largest customer, with both engineering teams integrating ReRAM into TI's Embedded Processing technologies. onsemi, Weebit Nano's second-largest analog customer, is further advanced commercially. ReRAM test chips integrated into its Treo platform have been manufactured and are performing as expected. Both TI and onsemi are expanding ReRAM integration across their platforms, increasing the number of products that could adopt Weebit's technology.

Analog is just one of multiple large markets for ReRAM

Weebit Nano is building strong traction in the analog semiconductor market, which we see as its "lowest-hanging" commercial opportunity, with two of its largest customers already in the space. The market is expected to grow 6.6% from US$95 billion in 2026 to US$102 billion in 2027. While not the flashiest segment, it is large, established and gives Weebit Nano significant runway from an essentially near-zero market share base, which is why we have done a deep-dive into the analog market in this report. Notably, analog is just one of multiple large markets for Weebit Nano. As it scales ReRAM below 22nm, initially to 16nm and then 12nm, the technology becomes relevant to a broader range of embedded applications, opening much larger parts of the semiconductor market over time.

The royalty gold rush is about to begin

The real inflection point, however, in Weebit Nano's business model begins as royalty revenue starts to scale. Royalties carry very high incremental margins, meaning a greater share of each additional dollar of revenue should flow through to profitability. In our scenario analysis, we believe royalties could account for more than 30% of total revenue post-2030, as existing customers move into broader mass production.

Our valuation is unchanged at A$10.20

Our A$10.20 per share valuation remains unchanged, based on an equal blend of a discounted cash flow valuation and comparable semiconductor IP transaction values. Readers can find our key risks on page 22.

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Key Metrics

Market cap. (A$m)	887
Shares outstanding (m)	240.43
Shares fully diluted (m)	266.36
Market cap ful. dil. (A$m)	983
Free float	92.2%
52-week high / low (A$)	$8.89 / $2.43
Avg. 12M daily volume ('000)	1,297.5

Share Price (A$, l.h.s) & 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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FY26 has been an amazing year for Weebit Nano

If we look at FY26 overall, it was a strong result for Weebit Nano, with revenue clearly the standout. Revenue came in at A$15.3 million, ahead of management's A$13.5 million guidance and up 246% from A$4.4 million in FY25. The increase was driven by new licensing and design agreements with Texas Instruments, alongside milestone payments from existing customers, such as onsemi, with both companies expanding their product development and ReRAM programs with Weebit.

Weebit Nano's FY26 revenue reached A$15.3 million, beating management's A$13.5 million guidance.

Weebit Nano is investing ahead of scale

The other major feature of the result was the increase in the cost base, particularly research and development. R&D more than doubled from approximately A$23 million to A$47.6 million, which at first glance may concern investors. However, we think there is important nuance to understand, both in terms of what Weebit is investing in and how the R&D mechanics work, to give investors a clearer view of how this cost line should be interpreted.

R&D spend is supporting commercialisation

Firstly, following Weebit's capital raise, the company outlined three key investment areas for its next phase of growth. Around A$25 million is being directed toward commercial scale-up, A$25 million toward AI capabilities and a further A$25 million toward advancing its core ReRAM technology below 22nm. A large part of the increase in FY26 R&D reflects these longer-term growth investments beginning to flow through the P&L.

Weebit Nano's higher R&D spend reflects investment in future growth.

During the year, R&D spending included the Texas Instruments and onsemi technology-transfer programs, DB HiTek qualification, development of ReRAM below 22nm and expansion of the engineering team. These are all directly linked to Weebit's commercial scale-up and technology roadmap for future years. Additionally, the company is also still due R&D rebates from the French government, which are expected to come in during 1HY27.

For these reasons, we think investors should view the higher R&D spend less as a deterioration in the cost base and more as investment required to support Weebit's next phase of commercial growth.

A closer look at how Weebit Nano's R&D grants work

As mentioned, Weebit Nano receives R&D grants and tax incentives from the French government through its French subsidiary, Weebit Nano SARL, because part of its research and development is conducted in France. When Weebit spends money on qualifying engineers, design and testing, the government provides R&D tax rebates that offset part of the company's R&D spend.

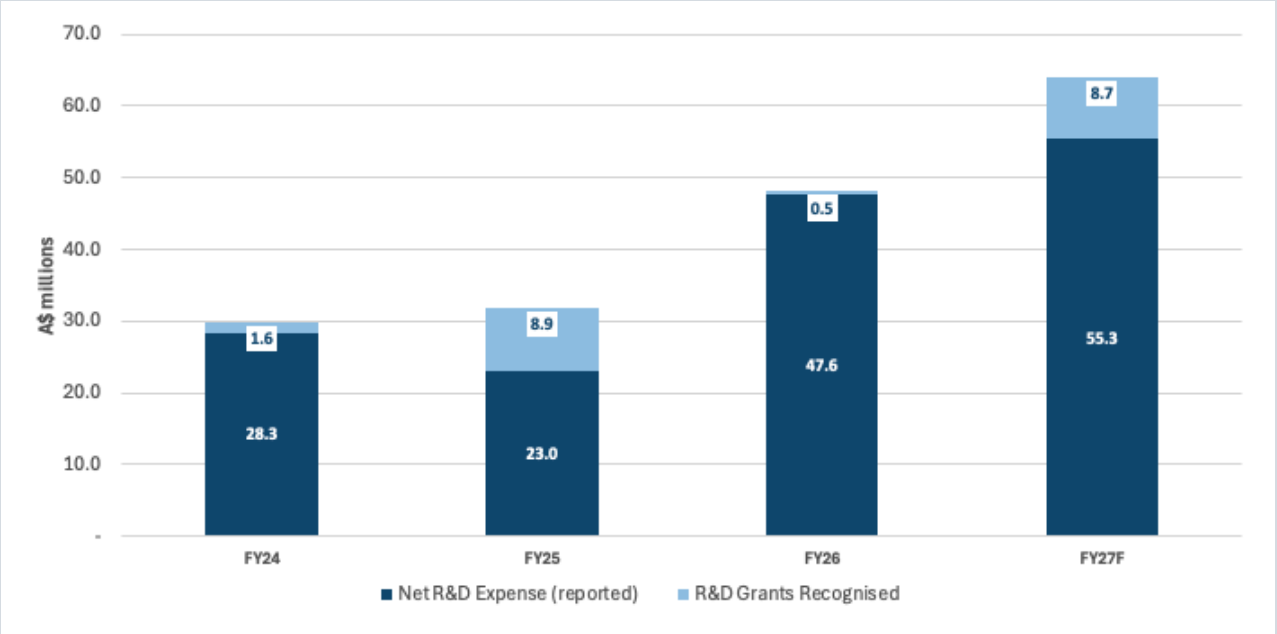
Lumpy R&D tax rebates can distort short-term profitability.

The accounting principle for this is relatively simple. (Gross R&D spend -/- government grants = net R&D expense). Importantly, the timing of when these grants are recognised can be lumpy from year to year (This is what we saw in FY26).

For example, in FY25 Weebit incurred approximately A$31.9 million in gross R&D expenditure, but recognised around A$8.9 million in government grants, resulting in

a net R&D expense of approximately A$23.0 million. In FY26, Weebit recognised only A$0.534 million in government grants. This means the underlying increase in R&D during FY26 was closer to 51%, rather than the headline 107% increase in reported net R&D expense. The lower grant contribution in FY26 is a timing issue rather than a reduction in government support, with the outstanding grant expected in 1HY27. We forecast FY27 Gross R&D expense of A$60–69 million, with a base case of A$64 million, as Weebit continues investing in future growth and expands its engineering team to support new customer wins, as shown in Figure 1.

Figure 1: Weebit Nano R&D Investment: Gross R&D split into Grants vs Net Expense (A$m)



Source: Pitt Street Research Estimates.

The balance sheet is now exceptionally strong

Weebit Nano has an exceptionally strong balance sheet.

When we turn to the balance sheet, we can see Weebit Nano finished FY26 with a cash balance of A$168.3 million, up from A$88.3 million a year earlier following the capital raise. Current assets now total A$177.3 million against A$26.1 million of current liabilities, implying a current ratio of approximately 6.8x. We view this as an exceptionally strong balance sheet for a company of Weebit Nano's size and stage of commercialisation, providing the financial flexibility to support its growth trajectory as it moves toward a more meaningful royalty phase over the next four years.

Importantly, Weebit Nano's current bottleneck is increasingly about how many customer integrations it can run simultaneously, rather than whether its ReRAM technology works. This is why the investment in expanding its engineering team is so important.

Greater engineering capacity should allow the company to support more customer programs in parallel, accelerate qualification work and ultimately broaden the future royalty base. Importantly, Weebit Nano now has the balance sheet strength to support these initiatives.

Our financial model assumptions are unchanged

The way investors should interpret our financial model for Weebit Nano is that we are not trying to forecast revenue from royalties directly from chip unit volumes. It is still too early to do that. Instead, we use the historical development of two successful semiconductor IP companies with similar business models to Weebit Nano's as benchmarks. eMemory Technology (TPEX: 3529), a Taiwan-based semiconductor IP company that commercialises embedded non-volatile memory including ReRAM, and Alphawave Semi, a high-speed connectivity IP company acquired by Qualcomm (NASDAQ:QCOM) in December 2025. Their historical growth helps us estimate how Weebit Nano's revenue mix and margins could evolve as customers move into production.

We use eMemory and Alphawave Semi to benchmark how successful semiconductor IP companies' scale.

License and NRE revenue

At the moment, Weebit is still largely in the licensing and NRE phase, which accounted for A$15.3 million in revenue for FY26 and has grown at a CAGR of 287% over FY24–FY26. This is where customers pay upfront/milestone licensing and engineering fees as the technology is integrated and qualified into products. As Weebit Nano signs more IDMs, foundries and product companies, licensing and NRE revenues will continue to scale.

Our FY27 forecasts assume Weebit Nano signs two IDMs and two foundries, including the delayed foundry from FY26, as well as six to nine product companies. Each customer is expected to generate licensing fees and milestone payments as Weebit progresses through the qualification process shown in Figure 2.

We believe two IDMs and two foundries could be on the horizon in FY27.

The commercial cycle moves from initial engagement through integration, qualification and tape-out, typically taking around 24–30 months. Once customers complete this process and move into mass production, the revenue model shifts from upfront licensing and NRE fees towards recurring, volume-based royalties.

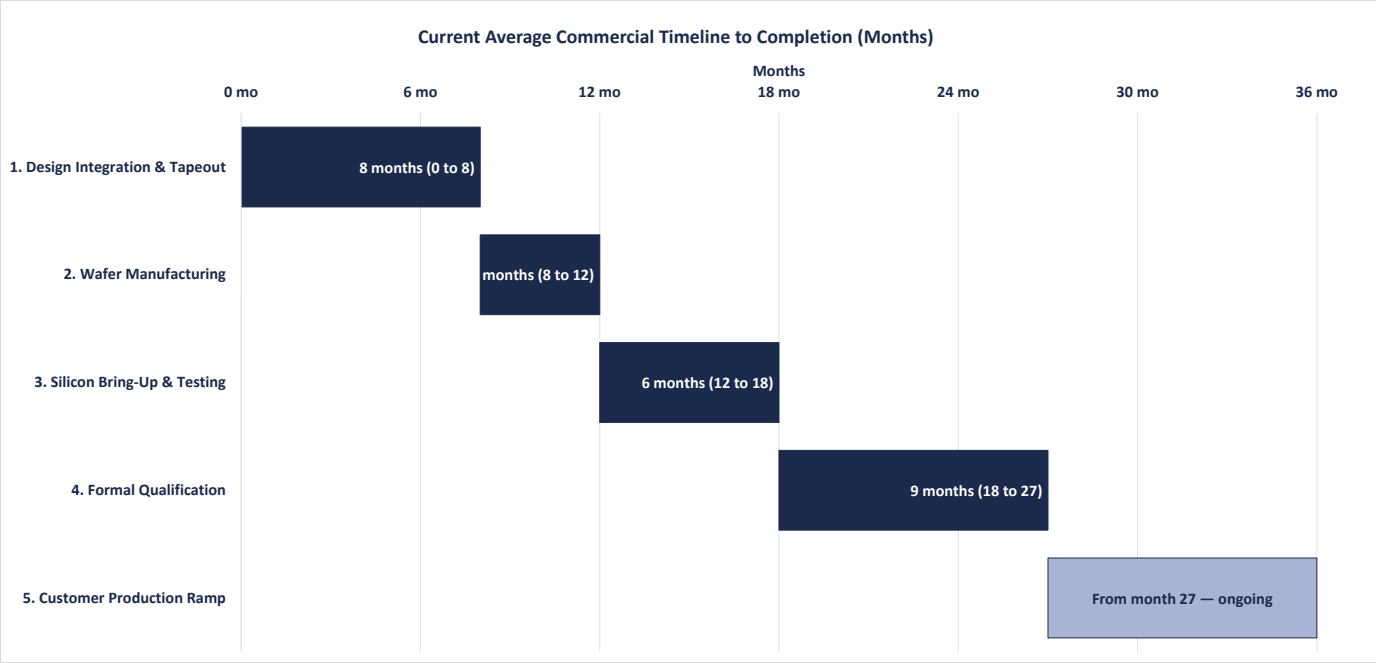
The path to royalty scale

Our model assumes royalty revenue begins to emerge in CY2027, with the royalty engine becoming more meaningful through CY29–FY31. We have built a scenario analysis based on how eMemory's royalty revenue scaled as a percentage of sales, with FY28 royalties ranging from 1–5% of revenue and 3% as our base case.

We model onsemi royalties beginning in CY2027.

Looking at Weebit Nano's current customer base, the three product companies using Weebit ReRAM through DB HiTek appear closest to production. However, the only publicly disclosed customer, Overlord Labs, is still pre-revenue, meaning its production ramp is likely to be slower. As a result, we view onsemi as the closest commercial relationship likely to generate meaningful royalty revenue.

Figure 2: Current Average Commercial Timeline to Completion 24 – 30 (Months)



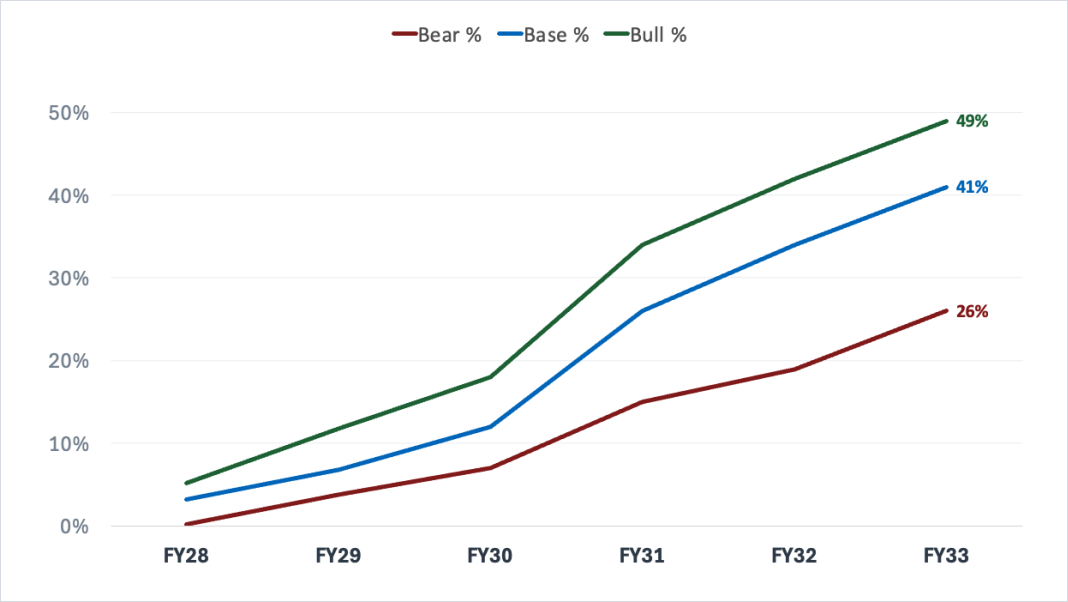
Source: Pitt Street Research Estimates.

Weebit Nano signed onsemi in January 2025 and taped out the first Treo test chips in September 2025 (month 8). By January 2026, the chips had been manufactured and were functioning as expected (month 12). As of 31 July 2026, extensive testing had been completed (month 18), and formal qualification is about to commence (currently month 20). Based on Figure 2, we therefore believe it is reasonable to assume the first commercial products begin reaching production next year, supporting our royalty scenario assumptions.

We have built, what we believe is, a reasonable and defensible scenario for royalty revenue as a percentage of total revenue in (Figure 3). This is where the economics of the business begin to change, with the major inflection point occurring from FY30 onwards. As customer production volumes ramp, Weebit Nano earns more volume-based royalties, creating a more scalable and higher-margin revenue stream. Over time, we expect royalties to become an increasingly important part of the company's revenue mix.

We believe the royalty inflection that materially changes Weebit Nano's business model begins from FY30 onwards.

Figure 3: Royalties as a percentage of revenue under three scenarios, FY28 to FY31



Source: Pitt Street Research Estimates.

eMemory illustrates the royalty flywheel

The reason we chose eMemory as a comparable peer for our financial model is that it is also an embedded non-volatile memory IP licensor. Like Weebit Nano, it licenses technology to foundries, IDMs and fabless semiconductor companies, giving it a broadly similar business model. Importantly, we are not suggesting Weebit Nano will generate the same revenue or profit as eMemory. Rather, we use eMemory as a historical template for how this type of semiconductor IP business can develop as customers move into production and royalties begin to scale.

eMemory provides a strong benchmark for how semiconductor IP companies can scale revenue.

eMemory began generating royalty revenue in 2005, when royalties accounted for around 11% of total revenue. Five years later, royalties had grown to 39% of revenue, or approximately US$11 million, and five years after that they represented around 75% of revenue, or approximately US$27 million (Figure 4).

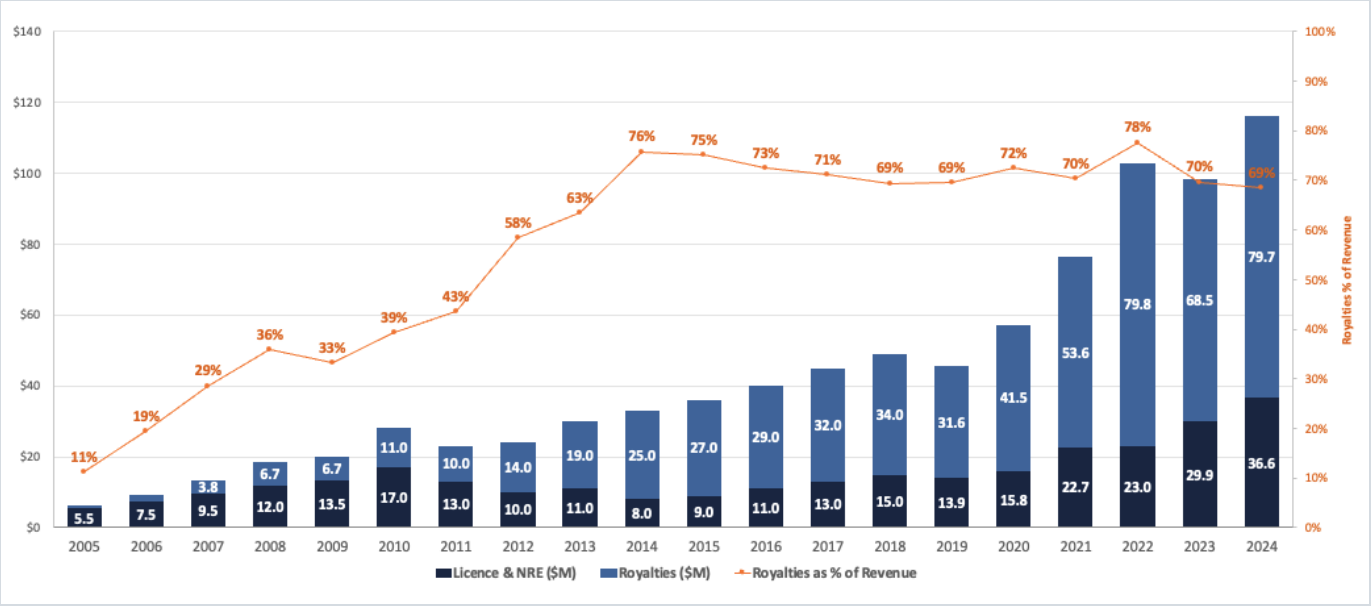
The key point is the operating leverage in the royalty model. Over the period examined, eMemory's total revenue increased roughly 20x, while royalty revenue increased 113x, compared with only 6.7x growth in non-royalty revenue. This provides a useful benchmark for how Weebit Nano's revenue mix could evolve as more customers move into commercial production.

eMemory's royalty revenue increased 113x over 20 years.

This is also why the expansion of Weebit Nano's agreements with onsemi and Texas Instruments is so important. As ReRAM is integrated into more products and platforms, the potential royalty base expands. If those products are successfully commercialised and production volumes grow, the company earns more royalties. That is the core of the royalty thesis. More product integrations create more production opportunities, and more production creates a larger recurring royalty stream, essentially all of which drops straight to the bottom line.

Royalty revenues drop straight to the bottom line.

Figure 4: eMemory Historical Revenue and Royalty Contribution (2005–2024)



Source: eMemory company financials.

The analog semiconductor market is Weebit Nano's "low hanging fruit": A deep dive

In the last few years, Weebit Nano has signed several commercial agreements across the semiconductor value chain, including with foundries DB HiTek and SkyWater, integrated device manufacturers onsemi and Texas Instruments, as well as a number of IC (integrated circuit) product companies.

Weebit Nano has secured customers across the semiconductor value chain.

When we look at Weebit Nano's near-term commercial opportunity, the analog semiconductor market stands out as the most logical entry point. Embedded flash is significantly more difficult and risky to integrate into analog semiconductor processes, while ReRAM can offer 3–4x lower wafer costs, faster performance and significantly lower power consumption. Analog therefore provides the clearest near-term pathway for commercial adoption. Critically, the analog market is a starting point rather than a ceiling: as Weebit Nano scales ReRAM below 22nm, its addressable market extends well beyond analog into microcontrollers, IoT and other embedded systems, opening much larger parts of the semiconductor market.

This opportunity is becoming more important as advanced sensors, electric vehicles and the Internet of Things expand in both functionality and data generation. Over the next decade, AI should further increase demand for faster, lower-power and more scalable embedded memory, and we believe ReRAM is well positioned to benefit.

Overlord Labs puts Weebit Nano at the heart of next-generation IoT

Weebit Nano is already demonstrating early validation in the analog market. One of its product customers is Silicon Valley-based Overlord Labs, which is developing next-generation battery management platforms with AI functionality. Weebit Nano's ReRAM is being integrated into the platform and is currently in the tape-out phase at DB HiTek, meaning the chip design is ready to be sent to the foundry for manufacturing.

Overlord Labs has reached the tape-out phase.

This is exactly the type of application where ReRAM's advantages can become increasingly valuable. As electronic systems become smarter and more computationally demanding, they require memory that is faster, more power-efficient and easier to scale. Importantly, advanced battery management systems and sensors are among the faster-growing areas of the analog semiconductor market, growing at roughly 15–20% annually.

Weebit Nano is hunting the IDM whales

Importantly, Weebit Nano's commercial strategy extends beyond just product companies. The company is also gaining traction with some of the largest semiconductor IDMs in the industry. It has signed agreements with Texas Instruments, the world's largest analog semiconductor company, and onsemi, while we understand it is also in discussions with essentially most of the world's top 10 analog players shown in Figure 5. We believe this creates a logical pathway for Weebit Nano, i.e. penetrate the analog market first, prove the technology at commercial scale, and then expand into much larger parts of the global memory market over time. This is the long-term vision we have for the company.

Weebit Nano has already secured two of the world's top 10 analog semiconductor players.

Figure 5: Top 10 Analog Semiconductor Companies (TTM)

Company	Market cap (US$B)	TTM revenue (US$B)	Key semiconductor markets	Embedded NVM relevance
Texas Instruments	241.4	19.4	Analog, embedded processing, industrial & automotive	Very High
Analog Devices (ADI)	175.0	13.8	Analog/mixed-signal, industrial, automotive & communications	High
Infineon	85.0	18.0	Automotive, power, MCUs, IoT & security	Very High
STMicroelectronics	44.8	13.1	Automotive, industrial, MCUs, sensors & power	Very High
Skyworks Solutions	9.8	4.1	RF front-end, mobile, connectivity & IoT	Low
Qualcomm (RF front-end)	175.0	44.1	Mobile RF, wireless connectivity & automotive RF	Low
NXP Semiconductors	56.3	13.1	Automotive, MCUs, edge computing & industrial	Very High
onsemi	28.0	6.2	Power semiconductors, sensing, automotive & industrial	High
Renesas Electronics	39.1	9.2	MCUs, automotive, industrial & embedded computing	Very High
Microchip Technology	39.0	5.1	MCUs, analog, FPGA, connectivity & industrial	Very High

Source: Capital IQ.

Texas Instruments opens the door to scale

Texas Instruments has a portfolio of more than 80,000 products, but it is important to recognise that Weebit Nano will not have access to this entire portfolio, at least initially. Within this portfolio of products, TI operates across two primary segments, Analog and Embedded Processing, with Weebit Nano's initial opportunity focused on the Embedded Processing business.

Weebit Nano's initial TI opportunity sits within Embedded Processing.

TI's Embedded Processing business is still substantial, generating approximately US$2.7 billion in revenue in 2025, or around 15% of group revenue, across microcontrollers, processors, wireless connectivity, radar and other embedded systems. Roughly 75% of TI's revenue comes from industrial, automotive and data-centre markets, with industrial and automotive representing the primary areas of focus for Weebit Nano's embedded ReRAM technology.

TI's Embedded Processing segment generated US$2.7 billion in FY25.

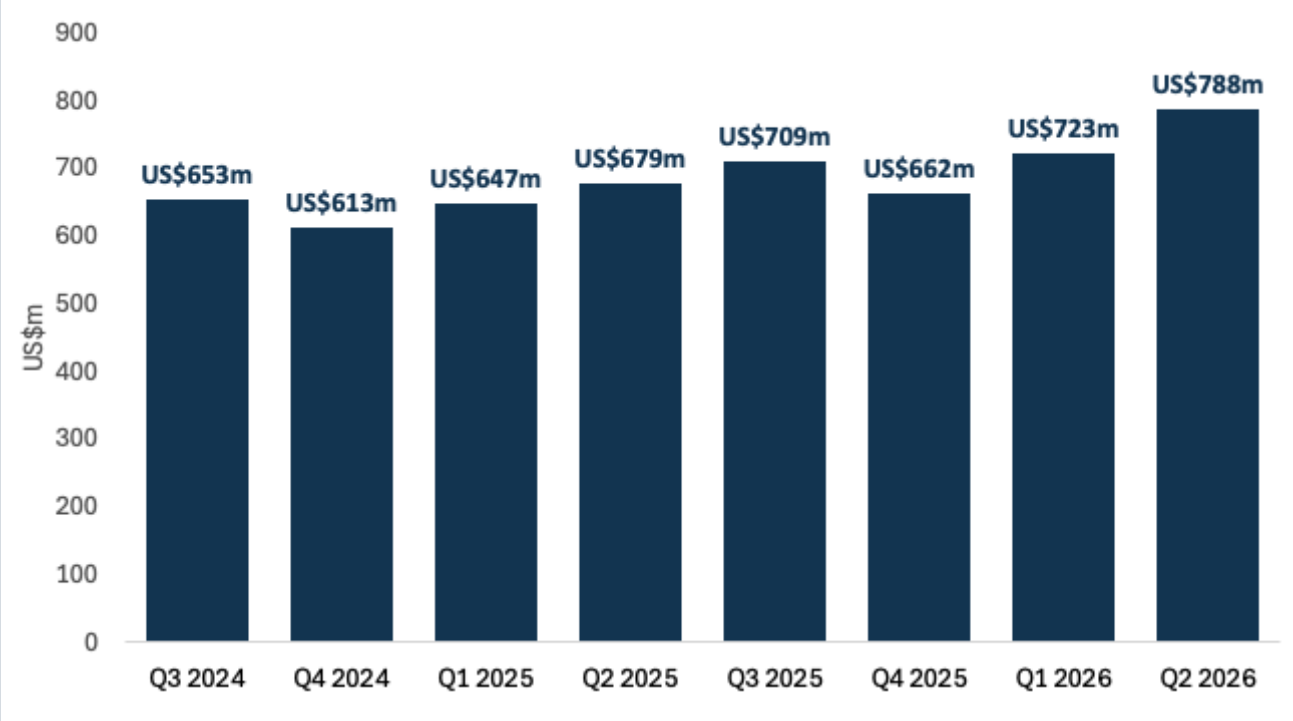
Importantly, the company is entering the Embedded Processing business as the segment returns to stronger growth. After TI's revenue in this segment declined 27% YoY in 3Q24, Embedded Processing revenue grew 16% to US$788 million in 2Q26, its strongest quarterly result in the past two years. Investors can see the quarterly revenue trend in Figure 6.

TI already offers well over 1,000 embedded processing products across categories where embedded non-volatile memory can be particularly relevant. This gives Weebit Nano an initial sizeable expansion opportunity if its ReRAM is successfully qualified across additional TI products and process nodes.

TI already has more than 1,000 Embedded Processing products.

This is why the Overlord Labs tape-out also provides an important early validation point, because it demonstrates that Weebit Nano's ReRAM can progress through the development cycle of products similar to those in TI's portfolio to the stage where a customer chip is ready for manufacturing. This helps de-risk the commercial pathway for future customers.

Figure 6: TI Embedded Processing Revenue (US$m)



Source: Texas Instruments.

Success in Treo could unlock broader onsemi adoption

The reason Weebit Nano has upgraded its revenue guidance from A$10 million to A$13.5 million, and ended up at A$15.3 million in FY26, is largely the expansion of its existing relationships with Texas Instruments and onsemi. Essentially, both companies are now exploring broader deployments of Weebit Nano's ReRAM across additional products, technologies and business units.

Weebit Nano's revenue upgrade is being driven by expansion with existing customers.

In the near term, this should support higher licensing and engineering revenue, while over the longer term it has the potential to drive a larger royalty revenue stream. Of

the two customers, however, we believe onsemi arguably provides the cleaner example of how this expansion opportunity could develop.

Weebit Nano's ReRAM is expanding across onsemi's Treo platform.

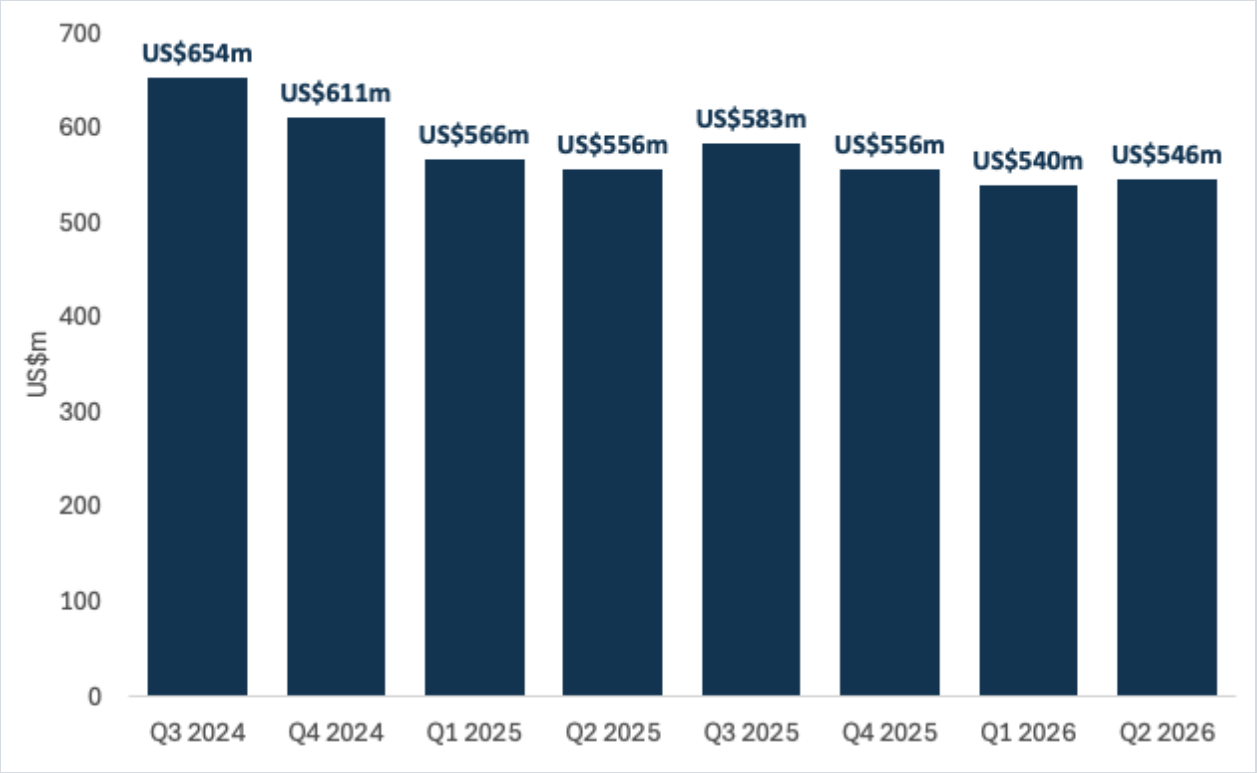
Weebit Nano's ReRAM is being integrated into onsemi's Treo platform. Importantly, Treo is not a single semiconductor product. It is onsemi's manufacturing and design platform for developing a broad range of analog and mixed-signal chips, primarily on a mature 65nm process node that is already well understood across the industry. onsemi's objective is to create a library of reusable analog, digital and power IP building blocks that engineers can use to develop new products.

This gives Weebit the potential to expand across multiple products built on the Treo platform rather than being limited to a single chip. That opportunity is already beginning to develop, with onsemi looking to integrate Weebit's ReRAM more broadly across the platform. In our view, this provides an important validation of the technology and strengthens the long-term royalty opportunity. As more products adopt Weebit Nano's ReRAM, the potential royalty base grows with them. This was the key to our investment thesis in our last update.

onsemi's AMG segment generated US$2.3 billion in 2025.

The Treo platform sits within onsemi's Analog and Mixed-Signal Group (AMG), making the segment the closest revenue pool to the Weebit Nano opportunity (Figure 7). AMG generated approximately US$2.3 billion in revenue in 2025 and accounted for around 38% of onsemi's total revenue, highlighting the scale of the business Weebit Nano is beginning to penetrate. In our view, successful qualification on Treo could create further optionality for Weebit Nano's technology to expand across additional compatible product families within onsemi's broader AMG portfolio over time.

Figure 7: onsemi AMG Revenue (US$m)



Source: onsemi.

Why we think it's time to focus on the analog market

Analog may not be the flashiest market, but it is large, established and highly attractive.

So, given Weebit Nano's initial strategic focus on the analog market we believe now is a good time to do a deep dive into the analog semiconductor market, which is not the "sexiest" semiconductor segment right now, given the Artificial Intelligence (AI) fireworks we're currently seeing in HBM (High Bandwidth Memory) and chips for AI data centers, but it is certainly a segment where ReRAM has massive applicability at mature nodes, from 40nm (nanometer) and up.

And just to reiterate, analog is only one of multiple large markets we think Weebit Nano can penetrate.

Before focusing on the analog opportunity, we want to give investors a brief overview of the broader semiconductor market and the dynamics we are currently seeing.

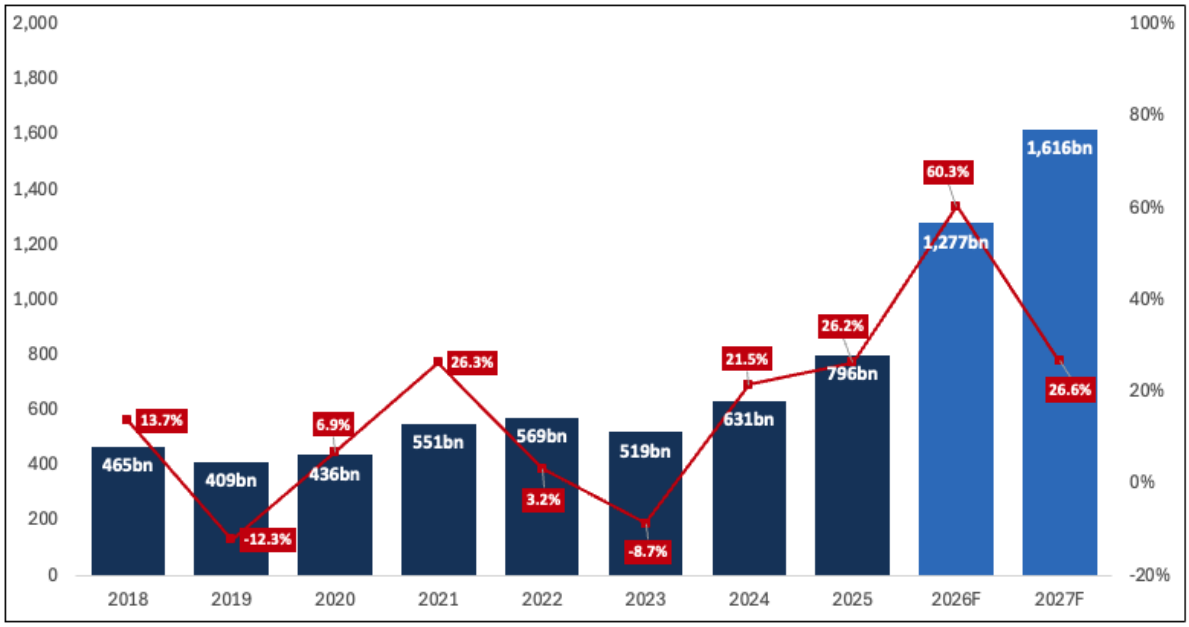
The semiconductor market overview

Figure 8 illustrates the unprecedented growth in the semiconductor market we've been seeing in the last two years. Most of this is driven by extremely strong price increases for memory chips that started in 2025. Regular DRAM manufacturing has been crowded out to some extent due to strong demand for HBM that is used in AI data centers. The resulting DRAM shortages led to extreme DRAM price increases in late 2025 and early 2026. The DRAM/HBM supply balance is gradually restoring now, but the value growth of the industry in 2026 in Figure 8 is mainly driven by these massive increases in memory prices, both DRAM and HBM.

The global semiconductor market is expected to reach US$1.2 trillion in 2026.

This memory shortage is expected to persist for several more years, potentially into 2028 or beyond, depending on the pace of AI data-centre expansion and how quickly new HBM manufacturing capability comes online globally.

Figure 8: Global semiconductor market (billion US$ lhs, % growth rhs)

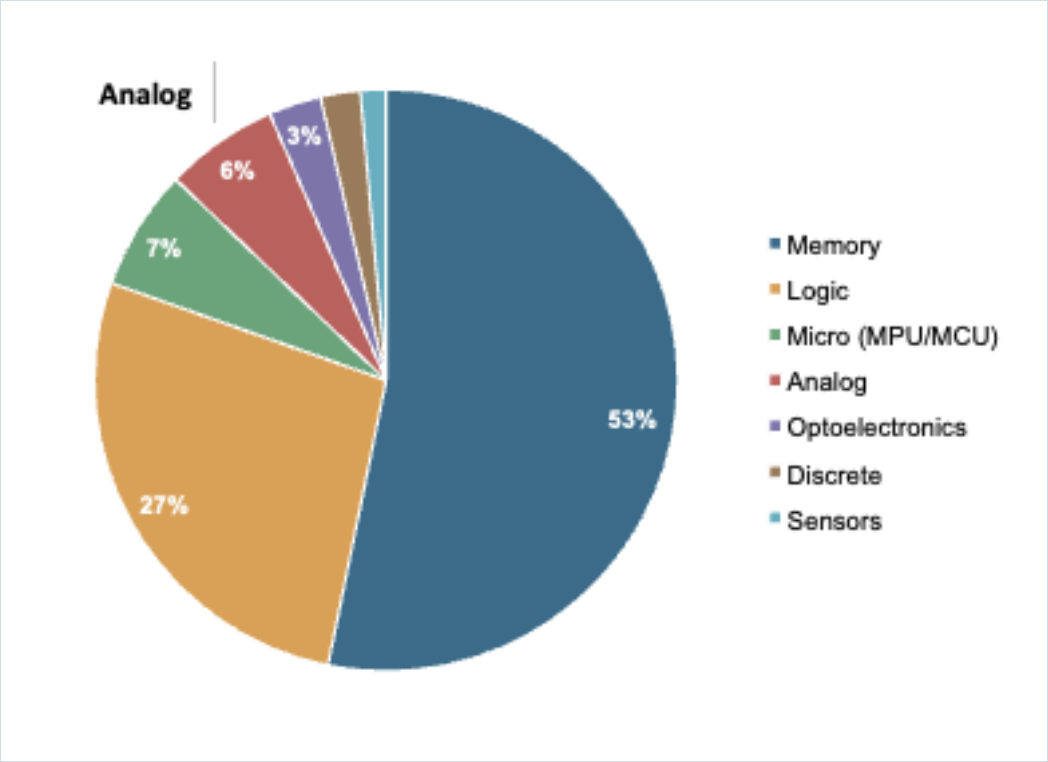


Source: World Semiconductor Trade Statistics (WSTS), Pitt Street Research.

Analog is a mature market, but ReRAM has massive applicability

As illustrated in Figure 9 below, the semiconductor end market comprises a number of subsegments that vary in size quite a bit. The memory market is estimated to exceed US$800bn in 2026 and to grow to nearly US$1.1trn in 2027 (+32%). Similarly, although not quite as fast, the Logic segment is expected to grow from around US$411bn in 2026 to US$523bn in 2027.

Figure 9: Semiconductor market by segment 2026



Source: World Semiconductor Trade Statistics (WSTS), Pitt Street Research

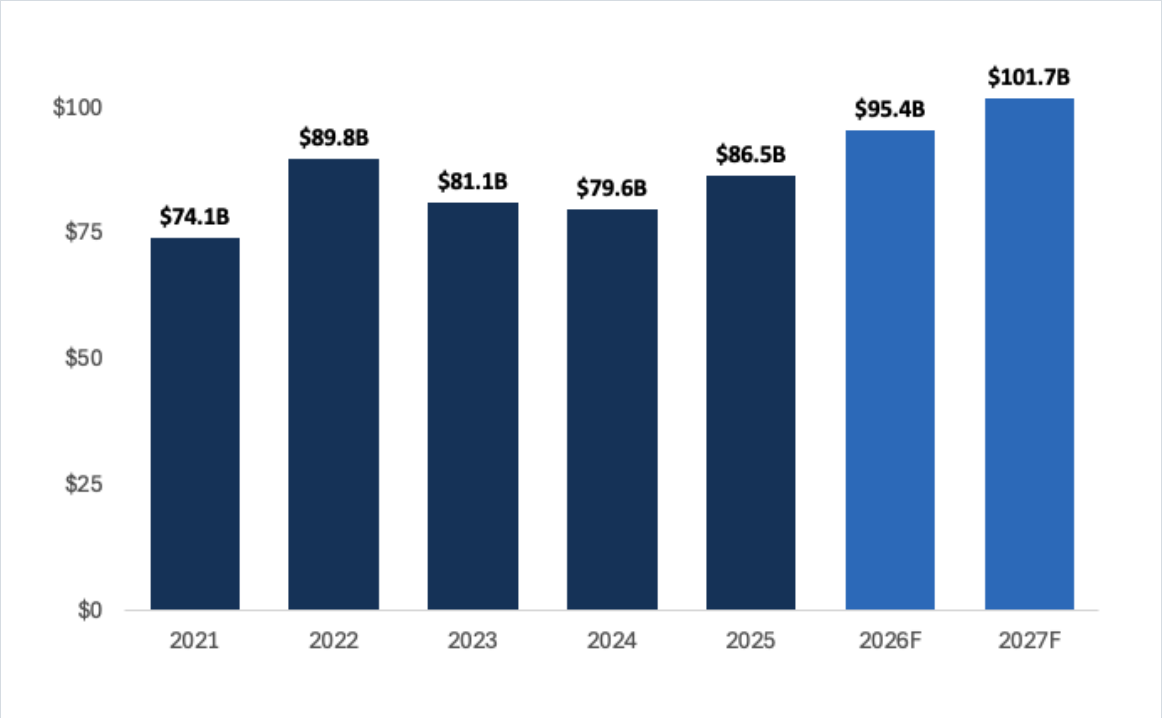
The Analog market, by contrast, is "only" expected to grow by 6.6%, from US$95bn in 2026 to US$102bn in 2027 (Figure 10), and accounts for about 6% of the total semiconductor market. For Weebit Nano, however, it is not the growth of this market that counts, but the fact that this US$100bn market segment is currently not using ReRAM at all.

The Analog segment is not using ReRAM at all.

Neither are any of the other sectors for that matter, but Analog semiconductors are manufactured largely at mature nodes, i.e. >40nm, where ReRAM can slot right in given the development work Weebit Nano has done to date. Additionally, there are a lot of Analog application areas for ReRAM, as we will see, and semiconductors for most of them will see improved functionality from integrating ReRAM.

Weebit Nano ReRAM >22nm is ideally suited to analog semiconductors.

Figure 10: Analog semiconductor market size, 2021–2027 (US$bn)



Source: World Semiconductor Trade Statistics (WSTS), Pitt Street Research

ReRAM's addressable market grows as nodes shrink

Scaling ReRAM below 22nm opens a much larger addressable market.

When we talk about "integrating" ReRAM, we are specifically talking about embedding ReRAM in the integrated circuits (ICs or chips), i.e. where ReRAM can replace older type memory technologies, such as flash memory and EEPROM (Electrically Erasable Programmable Read-Only Memory). In many other cases, customers are using *external* flash ICs to supplement the main analog chip, simply because embedded flash is not available in many of these analog processes.

Compared to flash memory and EEPROM, ReRAM can be built at much smaller resolutions and at lower costs. Additionally, it uses substantially less power and is significantly faster. For a full review of ReRAM technology we refer to our full body of research work on Weebit Nano HERE. Suffice it to say that the benefits of ReRAM have wide applicability and are particularly suited to analog semiconductor designs today (40nm and up) given the development work Weebit Nano has done so far.

Expands the range of applications addressable by Weebit Nano's ReRAM.

As the company moves below 20nm ReRAM designs in due course, we expect to see the addressable market for ReRAM grow exponentially as the technology will find wider application in smaller resolutions. In other words, ReRAM should be able to move from today's mature technologies to more advanced geometries below 20nm, specifically 16nm initially and 12nm later on. Once ReRAM is available at those nodes, that will open up a vast new range of application areas for embedded ReRAM, in our view.

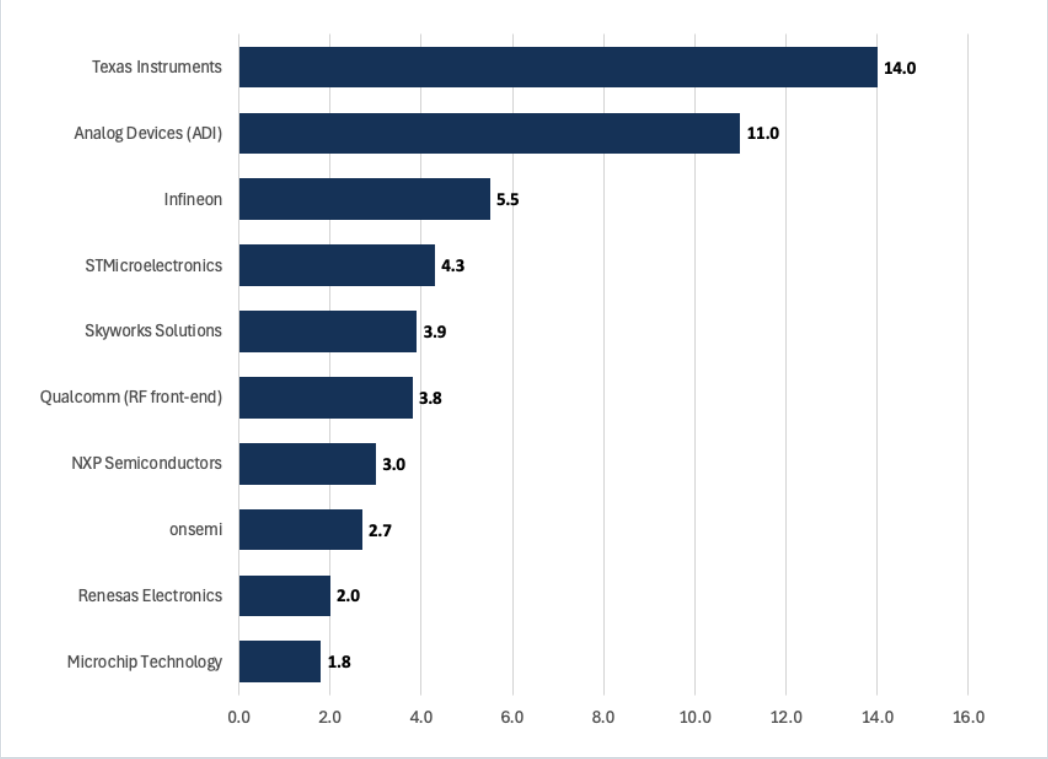
The Top 10 analog companies generate US$52bn from analog chips

We have listed the top 10 analog semiconductor manufacturers worldwide in Figure 11 below. This list comprises a diverse group of manufacturers in mostly Europe and the United States. With the exception of Qualcomm, all these manufacturers are IDMs, meaning they control the entire manufacturing process, from chip design all the way to front end manufacturing (Chip companies typically outsource the final stages of manufacturing, the so-called back end process where chips are cut from wafers, placed on carriers and packaged in a protective resin).

We believe Weebit Nano is in commercial discussions with most, if not all, of the world's top 10 analog players.

Looking at their reported and estimated revenue breakdown, we can see that the top 10 analog companies combined generated more than US$50bn in revenues from analog semiconductors in FY24/25. The total analog semiconductor market was valued at US$86.5bn in 2025.

Figure 11: The Top 10 analog companies by revenue in 2025



Source: World Semiconductor Trade Statistics (WSTS), Pitt Street Research

So far, Weebit Nano has signed Texas Instruments and onsemi. However, we believe all companies in Figure 11 are prospects and we would expect the company to be in (commercial) discussions with essentially all of them. We believe this would even include a company like Infineon that has partnered with TSMC to embed

The top 10 analog players generated more than US$50 billion in FY25 revenue.

ReRAM in 28nm microcontrollers for powertrains for electric vehicles (EVs) and for advanced driver assistance systems (ADAS).

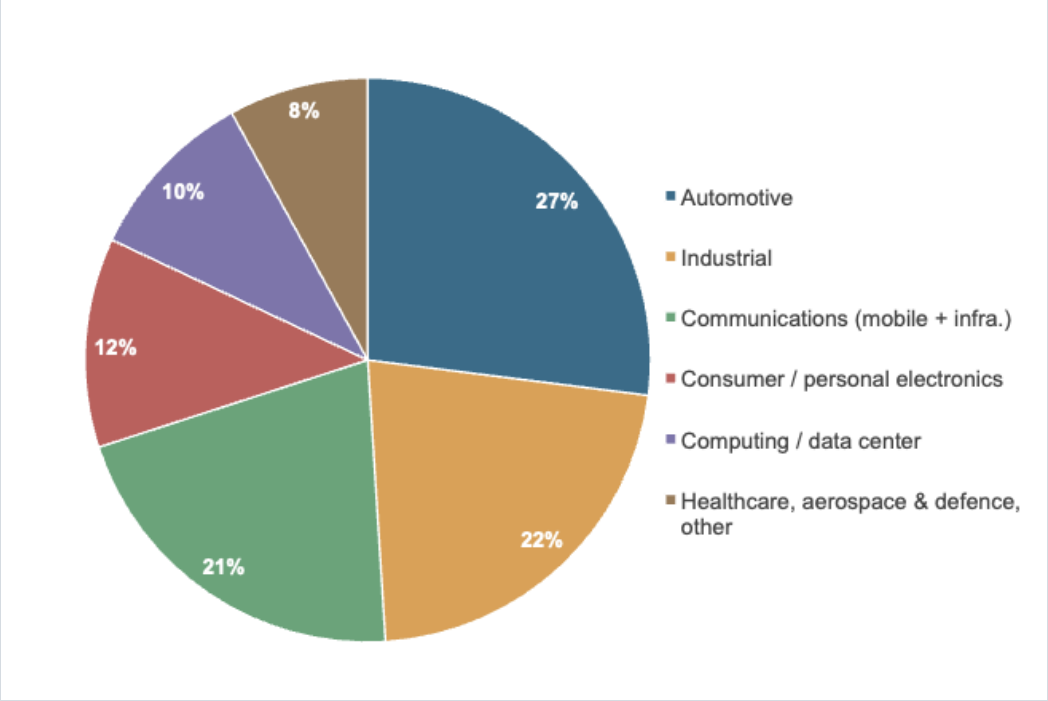
We believe any conversation with these prospects would typically centre around three target end markets, i.e. analog chips for the Automotive, Industrial and Communications sectors, similar to what we are currently seeing at Texas Instruments.

Automotive is the largest segment within Analog

When we drill down further into the Analog semiconductor sector, we can see that Automotive, Industrial and Communications are the three large target markets in this segment (Figure 12). The Automotive segment in particular is very substantial and accounts for approximately 27% of the analog semiconductor market, which translates into US$25-30bn in total revenues from this sector in 2025. The Industrial and Communications segments are similar in size at 21%-22% of the total market, which translates into approximately US$20-25bn in 2025.

Automotive accounts for around 27% of the analog semiconductor market.

Figure 12: Analog Semiconductor Market by End Market



Source: Pitt Street Research, Global Market Insights, Fortune Business Insights, Market Research Future, Expert Market Research, OMR Global, Precedence Research, Coherent Market Insights, SkyQuest, Technavio, Knowledge Sourcing and Data Insights Market.

Cross triangulation flags 5 key prospects

When we overlay the 3 main market segments within the analog semiconductor (Automotive, Industrial, Communications) with the top 10 analog manufacturers and their breakdown of revenues by these 3 main segments, we arrive at Figure 13 below.

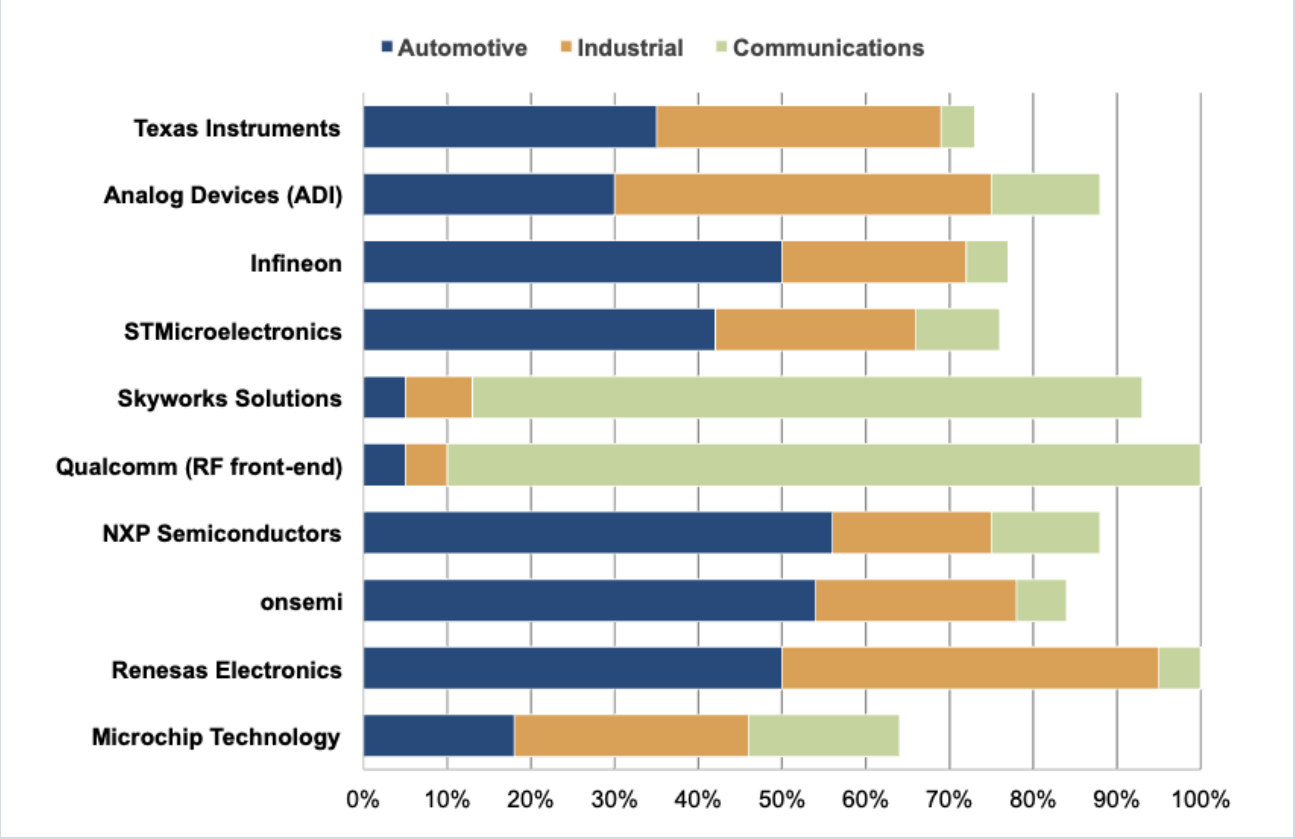
Automotive is the largest revenue driver for six of the top 10 analog players.

For six of the top 10 analog semiconductor manufacturers Automotive is by far their most important market segment, accounting for at least one third of their analog production, and in five cases even 50% or more. The latter group consists of Infineon, STMicro, NXP (all European), onsemi (US) and Renesas (Japanese). Automotive accounts for 1/3 of Texas Instruments' and Analog Devices' analog production. Industrial is the main analog segment for Analog Devices, while this segment is significant for both Texas Instruments and Renesas. All the companies above are relatively small in Communications, which is where Skyworks and Qualcomm generate most of their analog revenues.

Looking at Figure 13, we can only assume that, from a commercial perspective, Analog Devices, NXP, STMicro, Renesas and Infineon are among Weebit Nano's top 5 prospects in the analog semiconductor market.

Analog Devices, NXP, STMicro, Renesas and Infineon are top 5 prospects

Figure 13: Auto / Industrial / Communications share of analog revenue per company



Source: Pitt Street Research, company data

Why AEC-Q100 qualification is so important for Weebit Nano

Considering the large addressable analog semiconductor market for automotive applications, it should now be easy to see why the AEC-Q100 qualification Weebit Nano achieved in early 2025 is so important.

AEC-Q100 qualification opens the door for Weebit Nano to penetrate the Automotive market.

The AEC-Q100 qualification at 150°C (AEC-Q100 Grade 0) Weebit Nano achieved means that its ReRAM meets automotive standards for performance under high-stress situations, including heat, vibration and electrical noise. The fact that it is qualified at 150°C means that ReRAM can be used in chips that are placed under the bonnet and in the engine bay, where temperatures typically get well over 100°C. These include chips for power management, fuel injectors, water pumps, ignition coils, cooling fans, turbocharger actuators, diagnostic interfaces and a whole range of different sensors.

Plenty more where that came from

Based on how Weebit Nano is currently positioned, i.e. with ReRAM's development to-date and its AEC-Q100 Grade 0 qualification, we believe the company should be able to sign multiple analog semiconductor manufacturers in the next few years, i.e. in addition to Texas Instruments and onsemi.

We believe this should help accelerate commercial momentum with additional IDMs.

In other words, we believe there's plenty more where that came from. As stated, we believe the most likely candidates are Analog Devices, NXP, STMicro, Renesas and Infineon.

Weebit Nano's key 2027 re-rating catalysts

With a clearer roadmap for Weebit Nano's business model, 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 a next-generation Battery Management System platform, has taped-out its chips with foundry DB HiTek.
   A second, unnamed, product company also recently taped-out and already received its first functional silicon prototypes of Weebit Nano's 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%!

   More product-company tape-outs could support a market re-rate.

2. **One of the most important near-term technical catalysts in the Weebit Nano investment case is the completion of qualification work with Tier-1 IDM onsemi.** Weebit Nano has now successfully taped out and manufactured ReRAM test chips at onsemi's 65nm production fab, with functional testing confirming the chips are performing as expected, and the qualification process has commenced.
   Successful qualification would represent a major commercial validation point, establishing Weebit Nano ReRAM on a Tier-1 IDM production platform and materially de-risking the pathway toward next-generation Treo products incorporating the technology.
   We believe successful qualification could strengthen Weebit's credibility with other major IDMs and would represent an important re-rating catalyst. Based on our existing assumptions, qualification could also support a final licence and NRE milestone contribution, which we estimate at approximately A$2–A$5 million.

   Successful qualification with onsemi would be a major commercial milestone.

3. **New foundry and IDM deals (CY27):** A major commercial catalyst for FY27 will be Weebit Nano's ability to convert its expanding pipeline into new licensing and product-company agreements.
   While new foundry and IDM agreements have taken longer to secure than initially expected, management continues to engage with many of the world's leading semiconductor companies and expects to sign multiple new licensing agreements over the coming year.
   In our FY27 scenario, we assume Weebit signs two additional IDMs, two new foundries and approximately 6–9 product companies. New IDM and foundry agreements would materially expand the number of semiconductor platforms on which Weebit Nano ReRAM is available, while additional product-company wins would build the pipeline of chips progressing toward tape-out, qualification and ultimately royalty-generating mass production.

   More deals could drive further re-rates in FY27.

Valuation reiterated of A$10.20 per share

We reiterate our valuation of Weebit Nano at A$10.20 per share. While we have revised some of our near-term financial assumptions following the FY26 result, particularly around the timing of revenue growth and the company's higher investment in R&D and commercialisation roadmap, we do not believe these changes materially alter the longer-term assumptions underpinning our valuation.

Our valuation continues to reflect the framework established in our May 2026 research, which combines an eMemory-based public-market valuation with comparable semiconductor IP transaction values. Our underlying assumptions remain centred on Weebit Nano expanding its relationships across foundries, IDMs and product companies, before transitioning toward a higher-margin (recurring) royalty revenue model as customers move into mass production. Our May 2026 valuation blended these two approaches equally to derive A$10.20 per share.

What changed since our last update

Since our previous report, Weebit Nano has continued to progress against the long-term commercial assumptions underpinning our valuation. FY26 revenue increased to A$15.3 million, several commercial product designs incorporating Weebit Nano ReRAM progressed through tape-out, and qualification work with onsemi continued following successful manufacture and functional testing of its 65nm test chips.

Our long-term investment thesis remains centred on customer expansion across foundries, IDMs and product companies, followed by an increasing contribution from royalty revenues as customers progress into mass production. Our May model assumed a longer-term pathway toward 8–10 foundries, 10–15 IDMs and 150–200 product companies, and we do not believe developments since that report materially change this framework.

The key uncertainty of course, remains the timing and pace of commercial adoption. While Weebit Nano has made further progress with existing customers, management also acknowledged that new licensing agreements have taken longer to realise than expected. In our view, this primarily shifts the timing of near-term revenue rather than changes the longer-term commercial opportunity. We therefore reiterate our A$10.20 per share valuation. Investors seeking the full valuation methodology, assumptions and sensitivity analysis should refer to our 12 May 2026 research report, pages 15–18.

Risks

With any high-growth tech company, understanding the investment risks is just as important as understanding the opportunity. Over the next five years, the key risks to our investment thesis are as follows:

1. **Qualification timelines**: Qualification delays are the most material near-term risk to Weebit Nano'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 Nano's commercial journey. What is encouraging is that the capital raise earlier this year is clearly aimed at tightening the commercial timeline, adding capacity and making the process more repeatable.

2. **Customer concentration**: Looking at the expected revenue composition for FY27 and FY28, much of the 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 or Texas Instruments exercised their contractual termination rights, Weebit Nano's near-term revenue would be heavily impacted.

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 Nano's closest comparable and we've used its business model as a template for Weebit Nano's. 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 Nano. 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 – Analyst 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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