

Alright, everyone, we'll make a start of it.

I'm really thrilled to be welcoming back Kobe Hanock from Wee Bit Nano.

WBT is the ticket code here.

We've spoken to Kobe three times previously, but as I was just saying, it's, it's actually been quite a while since we caught up, in fact, almost two years or so.

Uh, and a lot, let me tell you, a lot has happened in that time.

So, trying to bring myself back up, up to speed here, the first thing I looked at was the share prices as you do, and it's up 50% since we last spoke to Kobe.

I was like, Hmm, maybe, maybe

I should have paid more attention.

Um, of course, a round trip to a, a new all time record low before it went up.

And I think, I think it shows you two things.

I it shows you one, that the market is often wrong and shows you two, that patience is a virtue.

And I think it's,

it's particularly true when you're talking about a company that is doing hard things

and we, it nano it's hard to think of too much.

That's, that's more difficult than this.

So, let me back up a little bit here.

Um, these guys are in, in the business of designing computer chips,

essentially what's called Next Generation

resistive Rera technology.

So these are, these are technology that's used in a host of different applications, but particularly things like edge ai, autonomous vehicles, these kinds of things, the kind of thing where you need a bit of, uh, uh, computing power, uh, away from the, the heavy grunt work of the servers.

And, uh, look, if you've been keeping up to date with, with developments in the tech space, you know that the demand for this stuff is only growing.

And not only, not only can it do things in a, in a better way, but importantly in a more cost effective kind of way, in a more energy efficient kind of way, in a more robust kind of way.

So the technology has, has always had this promise.

And I think what's really, really interesting about Wee Bit is that when we first spoke, though, we still, they were still very much in the development phase sort of coming out of it.

And we'd seen some really cool developments and milestones were being hit.

But in the last year in particular, things have really got super interesting and, and we are very much in the commercialization phase now.

And frankly, I think, I think a lot of the market is, is probably, um, oblivious to the, and I'll admit that to my embarrassment.

I, I, I have been in that camp, I'll,

I'll put some numbers on this for you.

Last, uh, full financial year, FY 25, uh, it was about four and a half million in revenue.

Uh, they're on track to do at least 10 million in revenue, uh, in the current financial year.

Why is that? Well, uh, a whole bunch of developments, as I said, perhaps one

of the most standout ones being this landmark licensing agreement with a, a giant like Texas Instruments.

And we've also had successful qualifications at foundries, like DB eight, high tech, uh, et cetera.

So, you know, things are really, really getting interesting now.

So, um, uh, I'll, I'll welcome Kobe in just a moment before.

I do remember, as always, none of this is advice

and, uh, please, uh, if you do have any questions, use

that Slido link and I'll put them

to Kobe when we get the chance.

But with that out of the way, Kobe,

thanks for your time today.

Hey, thank you. What, what a journey, man.

Well, you know, it's, um, it's something that I,

I personally knew was gonna be like this.

Obviously, uh, I know

that many people in Australia have less understanding of semiconductors and how it works and, and all of that.

So, you know, for the longest time I had

so many people doubting

and so many people, uh,

not really understanding what is going on.

Um, you know, now I think, uh, we're starting to actually show people what is going on.

Yep. Um, it is, it is a very exciting journey.

It's, um, I mean, in,

in semiconductors memory is a critical part.

You can see it today, anyone who reads the news, even the non-technical news, et cetera.

Yep. Um, memory has different uses

and, uh, I, I want to make it clear, there's, um, there's actually two main usage of memory.

One is memory chips, just, you know, these big gigantic chips that all they have on them is memory.

That's called a discreet chip.

And that's something that Webit is planning to address.

Um, but right now the priority of that has actually gone lower with all the AI stuff, and I'll talk about that in a minute.

Mm-hmm. Um, the other place where it's really critical is in what's called a system on a chip.

Um, that's the heart of any electronic system.

You basically today have a situation where, and many people might have heard of Moore's Law and everything is shrinking all the time.

So today, um, an electronic company, uh, the heart of their system is actually a chip where they design the,

the core of that chip,
and then, you know, they can put a whole system there.
Now, they don't need to reinvent the wheel, you know, if,
uh, if they want a wifi, you know,
how many companies have already done wifi,
they take a wifi module from someone,
they plug it in when they need a processor.
There's arm or other companies
that have already developed processors,
they just take it and plug it in.
Mm-hmm. When they need a memory, they just look
for a memory module and they come to a company like we it
and take it and plug it in.

So we call this market the embedded market. Mm-hmm.

Uh, we, you embed our memory into the chip,
the customer's chip.

So, and,

and the business model in this market is, um, licensing.

So we don't actually manufacture a chip, we,
but doesn't have a chip that it manu manufactures.

It enables manufacturing a whole lot of chips. Mm-hmm.

Um, now let's take a step back.

What is Nonvolatile memory?

What is it that we actually, that we actually do? Yeah.

Um, non-volatile memory as its name kind
of implies is the memory that doesn't lose its data,
even when you unplug it from power.

Mm-hmm. Now, if you think about it,
any electronic device in the world practically has the

magical moment, I call it.

You turn it on for the first time

and you expect there to be some, uh, some code, some data,

you know, key, uh, you know,

security keys or whatever there.

So, you know, that's non-volatile memory.

And today, the technology that is, uh, basic prevalent,

that's what everyone is using, is called Flash.

It's been around for decades, literally decades.

And, and you'll understand why the potential

of free Ram is so great.

Again, because of that. Once, once we sign an agreement

with a company like a Texas instrument,

it's an agreement for decades.

You know, this is something in, in this industry,

such a very basic core technology.

You don't, uh, um, bring it into your system,

uh, for just a few years.

It just doesn't work that way.

And I'll talk about the applications. Yeah.

So flash for over 20 years already people knew

that it's gonna hit the wall.

It was, it was so obvious, so clear.

And people have been looking for the longest time

for something that can replace flash.

And there were so many different technologies out there,

and so many people, uh, tried so many things.

But, uh, you basically have a situation where all

of these things were too expensive,

too difficult to manufacture.

It came down to a couple of technologies.

Finally, about five years ago, um,

there was a technology called,

or there there is a technology called Amram.

Uh, everyone thought that was the winner.

It was already in mass production five years ago.

Everyone said, Hey, great. Wow.

You know, um, but MM is really expensive to manufacture.

Uh, but the biggest issue is products with MRAM.

Once they hit the market, they, uh,

they started malfunctioning sometimes because guess what?

M is magnetic.

So, and, and we're surrounded by magnetic fields. Yeah.

And that's when Rearra already got to the point

where it's ready for mass production.

And people said, wow. Something which is so cheap

to manufacture so easy,

you just go into a standard manufacturing line, um,

and it doesn't have all these magnetic issues.

Yep. So, yeah.

So we are now at the point where the market basically, I,

I think I can already say the market accepts Rearra

as the replacement of flash.

Mm-hmm. Um, you see it in analyst reports, uh,

that they're expecting the rear RAM market share

to grow significantly in the next few years

and basically become more than half the market already.

Yeah. Um, so it's, uh, it's really exciting times for us.

Um, and, and I mean,

even the biggest consumer companies came out
and said, Hey, we cannot use M-R-A-M-M-R-A-M is just
too dangerous for us.

Our products go everywhere on this planet and stuff. Mm-hmm.

So we are really feeling very bullish.

Um, and you can see now that the,
the market is accepting us.

The market is, uh, we, we've signed several key agreements.

You mentioned Texas instrument.

We also signed on semi, which in Australia,
less people know, but it's a very, very big company.

It's a 30 plus billion US market cap. Yep.

Um, uh,

and we've been moving forward, uh, with the technology.

Yeah. Um, and yeah, it's, uh, I mean, ti uh, I'm sorry,

TSMC, uh, you know, the biggest foundry in the world.

Foundry is a company that manufactures semiconductor.

Uh, they, they developed their own ra

and, uh, it's in mass production

and used in products already,

so people can actually see RRA in mass production.

Our RA is very close to mass production now. Mm-hmm.

Um, and it's, uh, you know, it's, it is a challenge.

Everything in semiconductors when you're talking about the
core technology, is very, very difficult.

Takes a lot of time.

Uh, that's what you've been seeing as well. Right.

And, uh, and,

and many people lost their patience along the way.

Maybe actually, I have to say, I have to say,

our shareholder base is very loyal.

They, they might be the most knowledgeable people in semiconductor in Australia.

It's really, they learn the, the material,

they understand what's going on,

and many, so many of them are holding for so long. Yeah.

I mean, that's, it's such a virtue

and it's, um, it's a, the a theme

that you see a lot a actually is that,

and it's very hard when, when, when you sort of

see the future and you're very bullish on it,

and just think of, this is the way the world is going.

Not recognizing that well, well, perhaps recognizing

and just having to, to, to, um, make peace with the fact

that even under very bullish

and optimistic scenarios, these things take years.

Now, in the grand scheme of things,

what's a few years, right?

It's not, it's a blink of the eye, but in,

but in human time span and,

and, uh, share market investor timeframe.

We have trouble looking across the next week,

let alone three years from now.

Um, but as I said at the start, Kobe, I think

that's done well for us as a group.

And I think it's a message I like to really just underline
and reiterate here too, is, is that, you know,
being too early is probably
indistinguishable for being wrong.
But if you wanna wait until every single thing is absolutely
green lit and clear, it's so like, well, great,
but most of the upside is gone.
So there, there is a balancing act there,
and it does require, you know, to look beyond a four C
or to look beyond a half year report,
and like, what does a company,
what does wee bit look like in the year 20 28, 20 32?
And that's where I think the opportunity comes from.
One, one of the things I wanted to pick up on there,
actually, that that was very interesting,
and I know we said this in, in some of our,
our previous discussions, is that there are long lead times
with sort of getting licensing agreements
and getting the fabs to sort of manufacture it.
But once embedded, it is very, very sticky.
And as you said, once, once, um, companies start using it,
I mean, they've gotta design all
this kind of stuff around it.
It's not something that you're going to replace willy nilly.
Can you just elaborate a little bit more on that for,
because I, I know that when I saw the Texas instrument
announcement, you sort of said, well,
there's no commercials that we're releasing.

We might not even see any,
any revenue in the, in the short term.
It'll be material in the medium to longer term.
But it's, it's sort of, again, just to, just
to make sure people have very, both bullish,
but reasonable expectations.
It's not tomorrow that, you know, it's gonna all happen.
Yes. So, so there are a few things here
that I need to explain.
Um, and, uh, I, I'll start off with, with the,
you know, the, the basics that, um, yes.
The, these are agreements for, for decades.
And, and the key reason is, if you think about it, a company
that designed, let's just talk an automotive chip, okay?
Mm-hmm. Mm-hmm. In the automotive industry in many
countries, once you have a chip out there, you're supposed
to be able to supply replacement parts for 17 years.
Okay. That chip needs to be in the market 17 years. Okay.
So, and, and there are so many markets like that.
I mean, we, we always think of things like, oh,
we buy this product after two, three years.
We throw it away. We have something new.
We have some, there are a lot of chips
that actually live a long time.
Yeah. That's one thing.
And, and even if not them, then their derivatives.
I mean, once you already design something
and everything, you, you don't just go
and totally replace everything all the time.

You, you improve your core technology, you improve a lot of other things around, but you don't really go and, and change everything.

And, and a memory technology is something that, bringing it in takes a lot of time.

When we sign an agreement with a ti or with an on semi, uh, et cetera, we go into something like a, a two year plus or minus, uh, uh, it can be two and a half years of transferring the technology to them, teaching them how to manufacture this technology.

We're talking about a very, very, um, I don't know how, what word to actually use.

I don't like to use the word complex, but it is a very deep technology.

Um, you know, webit has 19 PhDs in chemistry and physics developing this technology.

Do, do you understand what that means?

One third of my r and d are PhDs in chemistry and physics developing this technology.

Mm-hmm. Um, it's not an easy technology to develop.

Um, and that's why, by the way, uh, I'll talk about the competitive landscape in a minute, but, you know, the competitors have basically, practically all of them disappeared already.

Uh, it's not easy to develop this technology and to avoid all the pitfalls and, and find ways to bypass all these obstacles, et cetera.

You have to have a very, very strong,

Let's see. Is that me

or you? Kobe?

I can hear you Andrew, but not Kobe. Ah, okay. Good.

Well, not good, but I'm glad it's not me. There you are.

Yeah, I can hear you.

Oh, Oh, there you go. It's okay.

We just lost you for five seconds.

Oh, sorry. Okay. I'll repeat the, the last, uh, part.

So, uh, so our chairman, daddy Perlmutter,

his team invented the pen processor at Intel.

He was number two at Intel for so many years.

We have ATI Raza, who basically, uh, brought a MD, uh,

made it from, you know, a, uh, a smaller company to, to, uh,

a big substantial player.

We see where A MD is today.

Of course, I have to give credit also to Lisa Soup.

But, um, we have Avni Sanko

and the guy who, uh, is the founder of Tower Semiconductor,

one of the top 10 foundries in the world, who, by the way,

has a PhD in non-volatile memory.

So we have a very, very strong technical side on our board.

Obviously, we have a strong Australian side as well.

That management team consists of people

who have been in this industry for more than 30 years

with a lot of experience well known worldwide,

because you have so many disciplines here,

and I won't go into all the details,

but there's, you know, there's the, the PhDs,

what we call the device guys, who basically imagine this potential memory bit.

We have the process guys who take that theory and map it into the tools that exist in the fab.

Uh, you have the analog guys who take that bit that you finally know how to make,

and then they make an array out of it, and then they put all the control logic around it.

And, and there's so much intelligence that goes into that.

And then you have the digital guys, which obviously have to wrap everything with a, an interface to the digital world.

And you have the test and characterization and so many different, uh, disciplines.

And all of these guys have to work very closely together.

That's the secret of success of Webit.

So really, I think we have an amazing team.

Um, and that's why, you know, people always ask about the competitive landscape.

And, and how is that, how, what does that look like?

I mentioned TSMC as a, as a manufacturer, and, and again, let me one more term that I want to make sure everyone understands.

Semiconductors are really difficult to manufacture.

They're very expensive to manufacture.

And, you know, I have yet to find someone in Australia who gives me a good answer to the question, how much does it cost to build one

FAB one manufacturing site for semiconductors?

I, I know because you told me last time,

but it, it's, it's in the billions,

Well, since last time it's gone up.

Yeah. Yes. Yeah. Now, the latest fab from TSMC is

50 billion US dollars.

Okay. 50 billion US dollars for one building. Yes. Okay.

Just understand that. So you can understand now why even the

Nvidia, apple, Google, Facebook, Qualcomm

of the world do not have their own fabs.

It just, you know, even for them,

it just doesn't make any sense.

Yeah. And so you have, you have companies like TSMC,

which are called foundries,

that offer manufacturing as a service.

Mm-hmm. And there are very few companies that are big

and strong, and historically already had their manufacturing

sites like TI or Onsi.

Uh, and they actually, we call, we refer to them as IDMs,

which manufacture their own products.

But those are the, you know, relatively rare. Yeah.

Um, and if you look at,

at the rearra landscape

or at the non-volatile memory landscape,

I started talking about how everything evolved.

Mm. I mentioned already the other technologies were too

expensive and difficult and disappeared.

And MRM MRA has its niche

and it, people already started manufacturing with it.

They're not gonna stop, uh, very soon.

And, and it's not easy to switch, as I said. Hmm.

Um, but except for that,

the market is really ramping up now on ra.

Uh, at the same time, the other rera companies and,

and you go look at who the market

considered the large RA companies five years

ago, they're gone.

They, uh, you know, each one of them for different reasons,

made different mistakes.

Um, they're just crossbar, aeso, et cetera.

They're not there anymore. Um, even Intel

and Samsung had big reran projects and they stopped them.

Mm-hmm. By the way, why not?

Because they didn't have money, obviously. Yeah.

They, they have the money, they have the resources.

They didn't have the management attention.

This is such a complex, such a challenging technology

to develop, as I mentioned, all these disciplines

of very, very strong people.

You need to have very focused management that makes sure

that they all work together, that they all cooperate,

that everything flows.

You hit so many roadblocks on the way,

and you need to get over them.

And, and for the big companies, they just can't have

that senior management attention to it.

And that's where they normally, uh, fail on that.

Um, so today there's T-S-M-C-I mentioned.

They're in mass production.

Webit is ready for mass production and,
and hopefully, you know, get there very soon.

Um, you know, we on our side, we're ready now we're waiting
for DB High Tech.

Um, but, uh, except for that, there are two other foundries
that are trying to get Rearra really out there.

There's UMC from Taiwan and Global Foundries.

Um, they have yet to, at least I, I'm not aware
of any customer using their technology.

They, you know, I don't know everything,
but, um, uh, seems like they are still struggling with, uh,
getting the technology to work.

Um, and that's it.

That's really, you know, there are two players in China
that are trying that, you know, are doing some things,
but what we hear from Chinese customers is that it,
it, it's not really there.

Um, bottom line is

Webit is the only independent supplier today of Ream.

I think that's the key point.

T-S-M-C-U-M-C, global foundries, let's, let's be optimistic
and say that they'll actually manage
to get the ream to work.

Mm-hmm. Those are foundries.

They will not give their technology to other manufacturers.

So whenever you have another manufacturer who wants to,
to manufacture ram, and now more

and more, almost all of them already want do, uh,
they really have one address.

Hmm. Now, webit not only is the one, I don't want them
to come to me just because I'm the only one I want 'em
to come because they really think
that we have the best three ram.

And we do. We already, in many parameters,
our EAM is the best.

We are continuing to push very strongly the limits
and the customers are forcing us, you know,
a company like TI obviously comes with, uh,
with its demands, et cetera.

Uh, so we, uh, we're constantly improving the technology.

Uh, we have a very, very strong technology last year,
by the way, one of the big achievements you mentioned, uh,
we did what's called a ECQ 100 qualification.

A EC is the Automotive Electronic Consortium
or Committee, something like that.

Um, and they defined very, very extreme
criteria in order to be eligible
to go into the automotive market.

Uh, we passed that test.

We showed we can operate
for 10 years at 150 degrees Celsius.

Uh, you know, that's not a uneasy task.

Uh, we showed we have much higher endurance than flash.

And so today, I think
that opened the eyes of a lot of people.

And, and, you know, once you meet those criteria,
you can go into any application.

Yeah. Yeah. Now, uh, you look at, by the way,
people think, oh my God, you're gonna be competing
with TSMC, this huge giant, and,
and what, uh, you know, what's the future of a company
that tries to compete with TSMC?

So, the very simple answer is,
TSMC is definitely not my competitor.

TSMC, if anything, is a potential customer,
I actually clearly think of them as a potential customer.

And why, I mean, let's go back to the basics.

A company like TSMC, what do they make their money off of?

These guys manufacture semiconductors.

They make money off of selling silicon wafers.

That's what their revenue is.

Why do they need something like rearra?

Well, remember, their customers do systems on a chip.

A company that does system on a chip needs all
of those modules around their core
before they can go to mass production.

TSMC wants to remove all obstacles so that they get
to mass production as fast as they can.

Mm-hmm. So, TSMC and the same goes for the other foundries.

They have what we call an enablement team. Mm-hmm.

They go and collect all of these IP modules
and put them in a big library.

I call it the big supermarket, so that when a customer comes
and says, yeah, I wanna manufacture A-T-S-M-C,

but I need, you know, a processor, I need a wifi,

I need an HDMI, I need this.

You know, they just go, oh, here, this is for you.

This is for you. You know, let's get

to mass production quickly.

Yeah. And they realize people will want tree ram.

They put tree ram in there. Yeah.

However, REARRA is not their core technology

or something that, you know,

that's not their core competence.

Yeah. They have it there as an enabler.

Um, we already have customers who came to us

and said, uh, Hey, we went to TSMC.

We wanted to use their rearra,

but you know, they, they told us,

Hey, here are a few options.

Pick one. And the customer said, no,

but I needed something else.

I needed something more specific for my system on a chip.

Mm-hmm. And, and TSMC said, Hey guys, you know, this isn't,

we're, we're not a rera company.

Right. Remember. Yeah.

Um, and,

and the day will come when a big player will go to TSMC

and say, I wanna manufacture here,

but I want, uh, we bits rera

because it is better in these parameters that I need.

Yep. TSMC, you know, they won't mind, they,

they'll only ask one question,

how many wafers are you gonna manufacture?

Yeah. Right. Okay. That's all they care about. Right? Yeah.

Even, even if they pass all of the costs, all of the, um, fee through to you guys in licensing, I know it doesn't work that way, but even if they did, it would still be worthwhile them doing.

Yeah. They have, they have in their library, their own sram.

Mm. And then there are, I think, three or four other SRAM options in their library today.

Mm. So, I mean, uh, there are already examples of this, uh, there.

So yeah. So Webit Webit is feeling very bullish.

We are now basically the leaders in this market.

Uh, I think on, on the technical side, we will very soon be recognized as the technical leaders, uh, because we really are pushing the limits in so many ways, getting better technical parameters than TSMC.

Mm-hmm. Um, now the market can already see the big players are adopting us.

You know, the, it started, oh,

It's huge. Yeah.

DBI, tech and SEM and Texas Instrument.

People can see that, you know, ti let's talk about ti and, and the deal that we did with ti Yeah.

We were engaged with TI in 2023.

You know, I, I remember the last time we talked,

I was already saying, we're engaged with the vast majority,

or, you know, the, most of the big guys are already engaged with us.

And it was absolutely true. Mm-hmm.

And people said, wait a minute.

You're saying that statement for so long, and when are you going to close a deal?

But these deals take years to close. Yes.

And, and ti you know, they got to the point where they said, wait, wait a minute.

You know, we bid is insisting on terms that we don't want to pay.

Mm-hmm. And they went and they looked around, and we just had to wait patiently while they went.

And, and I know some of the places that they went to look for Rearra, eventually they came back to us and, you know, they needed rearra.

They needed to move forward. We have a very nice deal.

I didn't go into the commercials, but it is a very nice deal for wee bit.

Um, and we are engaged.

They're a great partner to work with.

Uh, they're a great company.

They're a great partner to work with.

They're planning to use us.

I believe, you know, this type of company doesn't engage with you if it doesn't have a clear product interest.

Right? Yeah. Yeah. Um, yeah.

So we started already working with them.

Uh, we're moving forward very nicely

with on emi, with, on emi.

We signed the agreement in the end of 24.

We already have wafers in our hands of working silicon.

Mm-hmm. So we,

we made really good progress in just one year.

We, we taught them how to manufacture.

We already manufactured the first batch.

We already have some good indications. Yeah.

So things are looking really good. Um, yeah. It's,

Yeah. So just on that Kobe,

I mean, oh man, a million questions.

Um, the, it's a theme that comes up so often is,

and particularly with, with early stage tech, you can say,

look, look how, look, it works.

Here's all the lab results.

But, but what you are saying to me reinforces

what something I look for, which is the social proof.

There is there is a, um, customers want something

that's de-risked, you know, not from what a lab report

or a study will show, although that goes a long way.

But when you say, we have an agreement with, uh,

Texas Instruments, our chips are being used

in X, Y, and Z product.

They like it.

There, there is something about that which just feels

as though it's a safer bet, even if there's,

I know this isn't the kind of technology

that someone makes in their garage,

but even if there's someone over here in their garage,
go, look what we've got.

It's like they've gotta go through all of the testing, all
of the negotiation, then they've gotta actually like,
have it out in the field that they can point to instead
of say, look, it works.

You know, we know it works, but now, you know, it works too.

So to me, that feels almost the most significant thing is,
is, I mean, it's of course enabled by everything
that got you to that point,
but it's, it's that, that sort of says this is legitimate.

Mm-hmm. Yeah. Yeah.

It definitely, I mean, in, in semiconductors,
we call it silicon proven.

Yes. You know, there's a term for it. Yes.

We say people want to see that something is silicon proven.

They don't care until they actually see it in silicon,
in mass production.

Yeah. And that's where we really struggled for so long.

We, we had, we had so many deals
that we could have closed back in 23 or 24.

We were ready. But the customers, you, you know,
that situation where everyone's looking at
and saying, we know this is the future.

We know we're gonna need it. We know everything.

You know, but someone else should be the first one.

Yes. Yes. No one wants to go first,

But then eventually you have that someone else,

and things start moving

because people realize that, hey,

this is really a good technology.

It is orders of magnitude faster than flash orders

of magnitude lower power consumption than flash.

It has so many other advantages. It's cheaper than flash.

Yeah. Um, you know, flash is limited, cannot scale down

below 28 nanometer, you know, talk about more slow,

we're down now than Nvidia working at, at three

and two nanometer.

Right. Uh, so people need a non-volatile memory

below 28 nanometer.

That's where a lot of the advanced things are.

That's where AI is.

And we didn't even start talking about ai. Yeah.

But, um, you know, they need non-volatile memory

and, you know, you, you just don't have flash there.

So that becomes a whole other issue.

So we have so many advantages,

and now that they see some of the big players starting

to use it, um,

I don't wanna say everyone is there like, okay, no risk.

Let's just run forward.

Um, every company has their own issues,

has their own considerations, um, about timing,

about all kinds of other things.

But, uh, I,

I said many times every deal makes the

next one easier to close. Yeah.

Yeah. Not, not no risk. Just much less risk.

Yeah. The, the perceived risk level has gone down. Yeah.

Um, it still is there.

And then you have the issues where some fabs are saying, well, we're now at full capacity, we just can't look at this.

We'll, we'll come back to you later. Yeah.

Or all kinds of other issues.

But it's, it's moving forward, uh, we're feeling very bullish, uh, in terms of, uh, we have a great technology.

We really do have a great technology.

Uh, the situation in the market, as I said, we're feeling very strong now.

We can insist on getting royalties.

One of the things is that the big guys don't like to pay royalties, and they start pushing back on you and, oh, come on.

You know, we're big, this whatever, uh, you need to really, uh, go and, and, and insist on it.

And, and we we're strong enough.

Um, our financials are finally showing that things are moving.

Uh, as you mentioned in fiscal year 24, the revenue was 1 million.

In 25, it was 4.4.

Uh, we're projecting more than 10 million for fiscal 26.

Um, you could look at, at the two last quarters

and the cash coming in, um, we had, uh, in the first half
of, uh, fiscal 26, we had, uh,
roughly 15 million coming in
Almost 16. I'm
looking at it now. Yeah, yeah,
Yeah. Yeah. So it's, uh,
yo, it's, uh, now I, I have to say,
not every quarter is gonna be that amount of cash.
The cash coming in is based on milestones.
In some quarters you have more milestones.
In some quarters you have less. It's a good point.
But you can see the direction. Yeah.
You can see the direction.
I think what's important is, uh,
to look at the, at the bigger picture. Yes. In our Oh,
A hundred percent. Looking at
the bigger picture
and what the direction is and where it's going.
Yeah. Um, and again,
this is a strong company we've spent the last year.
The thing that people don't really look at the are,
are sometimes the things that are most important.
We've spent the last year in building the
infrastructure to growth.
We realize that hey, we're gonna have a lot
of customers in parallel.
Mm-hmm. Um, and we really need
to set up that infrastructure.
We cannot manage with, uh, you know, Excel spreadsheets

and whatever you need to put in the, the real project management tools coordinated, be able to, to say to the auditors, Hey, this person put these many hours into this project and that many hours into another project and, and all of these things.

So there's been a lot of work at all levels of building that infrastructure, including by the way, in the board level.

And you can see the, uh, our Australian directors, uh, with, uh, Naomi and, um, and, and Templeman join Jones that joined.

Um, you can see the whole work, the whole way that the board is functioning now is, is, uh, much, much stricter, much better, uh, governance.

Um, and, and we've been working on a lot of things that sometimes we don't really have to.

I just told everyone, Hey, let's just think a SX 100, we're gonna be there.

We might as well, uh, start planning for it and build the infrastructure so that we're ready for it.

And, uh, interesting.

There's, uh, there's really a lot going on.

By the way, the biggest thing that, uh, we, we didn't mention two things that we, we should mention.

One is there are already product companies that are meant, uh, that are designing products with our rear ram in them.

The biggest, the biggest revenue source in our industry is royalties.

At the end of the day, the products hit mass production and we get royalties.

Yeah. Uh, that's when, you know, people always say, that's when you hit the hockey stick.

Yeah. Um, the clock is ticking.

The clock is ticking, because there are companies now that are already designing products with our ra.

Uh, it, yes, it will take them time until they get to mass production, but it will happen.

Uh, you know, uh, at least some of them will be getting to mass production and, and royalties will start coming in.

So you can, again, you can see actuals.

It's not just, like you said, it's not just presentations.

It's not lab work. It's, it's real life now. It's happening.

And it's very exciting.

And that's even before I start talking about ai.

Before we get to ai, I, I just, I was going to, you, you mentioned the, the financials.

And while I've got them here as well, the, um, so the balance sheet seems

like it's in pretty good shape too.

There's 82 odd million dollars that that's there, which gives you a, a pretty good runway.

Um, one of the things that's, that's, uh, limiting when you look backwards with, with companies and you're looking at a company that is, is in that transition, you know, from development

to commercialization,

what you see looking backwards is very different to

what you see going forwards in, in the cost mix.

The, the cost base and the mix.

And usually there's sort of like, as you said,

there's a ramp up in sort of sales and marketing

and, uh, middle management

and all the, all the infrastructure you need

to take the orders and manage customers.

And there's, and there's a bit of a, a, a reduction,

or at least a less of a focus on the r

and d and that kind of stuff.

But it's something, it never ends at the same time.

So I guess my question is, how do you, how do you try

and manage all of that?

Do you feel as though the tech is sort of at a point now

where you can really sort

of prosecute the commercialization without going too

hard on the r and d?

Or is this a game of, you know, where the stakes are so high

that if you, if you take your foot off the accelerator on

the r and d front, there is a risk that in five

or 10 years time someone overtakes you?

It's a hard question to answer

'cause you don't know what's around the corner.

But, but how do you think about all of that?

For me, it's actually an easy question

because in our industry, the moment

that you just start even slightly lifting your foot off the gas, you know, you're already falling behind.

Right? Okay. So you, you have to constantly push forward.

You have to constantly improve your technology.

You have to constantly, and,

and there is so much more to do.

One of the things that I sometimes see, you know, C is, uh,

and I won't talk about specific companies and, and whatever,

but people don't realize, even when the rera is qualified

and qualified means it, it, it passed all the tests.

It's ready for mass production. Mm-hmm.

The work doesn't stop there

because customers want you to have faster,

lower power consumption, smaller memory bits, um,

lower voltages.

It's like, it's a never ending story.

And you need to constantly improve.

And, and some of them, you know, in, in, uh,

they actually demand it, that, you know, Hey,

we're gonna sign this agreement.

You need to commit that you will have a rearra

that does A, B, c, and, and stuff.

So we, we are constantly moving forward.

I mean, you can always throw more and more money at r and d

and try to get even more, but,

and that's where really the balancing act comes in.

You know, we have a very experienced management team,

and we look at the balance there.

Uh, we try to invest as much as we can in efficient r and d

and in, in ways to really improve the, the technology
and parallel to pushing on the sales and marketing.

Hmm. Um, uh, yeah, it's not, not an easy task.

And, and sometimes, you know, we, we are,

we are getting closer

and closer to the point where, uh, you know,

today people refer to it as fomo.

You know, when, when the customers will start realizing,

Hey, it's not that I don't wanna be the first,

I actually don't wanna be the last last.

Yeah. And, and, and at that point, everyone jumps on you,

and everyone is all over you,

because they all want to get the, the rera

before their competitors.

They realize it's already working, it's proven.

And now they just want to get their hands on

it as fast as they can.

Yeah. So that moment is gonna happen.

Um, I, again, you know, I'm, and,

And hence bulking up the resourcing.

Yeah. I mean, you want to be ready for when it, when the,

when the phone starts ringing, I suppose, rings more.

Yeah. Yeah. Um, so, uh, okay.

We, we have to talk about ai, uh,

before it, before it goes too fast.

So I think it's actually look, um,

as I'm sure you can appreciate, it's been a big area

of focus for, for the world,

but particularly, uh, in investing, we've seen some brutal share price reactions with, with concerns over what that does.

So I think, I think our audience really gets the technology or the significance of the technology.

What they perhaps don't understand Kobe is how does RA fit into that?

And, and, and why is, why is RRA significant when it comes to, to ai?

Yeah. So it's funny, I, I was talking to some institutions and I realized they were thinking of wee bit somehow as, you know, as some sort of a, a software company or someone who's gonna take a big hit from ai, and they were concerned and everything.

And then I said, wait a minute.

You know, there's the company that take the hit from ai, and then there's the companies who actually enable ai.

Webit is an AI enabler, webit is a key player enabling ai.

And, and it suddenly dawned on me people didn't really understand even that basic thing.

So, so let me try to explain a few things

that are happening in the AI side,

and there's so much happening,

and Webit has so much to do in so many domains,

but I'll try to focus on maybe one, which is the key and,

and the easiest to understand.

Mm-hmm. So, in ai, first of all, you have two key parts.

You have the learning or training,

and then you have the inference.

Mm-hmm. Uh, the inference today, people have pretty much reached the conclusion it needs to be done in the edge devices.

Uh, I mean, you know, the, the edge devices have all these sensors, uh, that are collecting data.

If you try to send all that data to the data center, it takes a lot of time, a lot of power.

It just, it isn't practical.

Um, you know, a a car driving down the street and seeing something in front of it, you don't wanna start sending everything to the data center and wait until it reacts.

And, oh, the communication isn't that long, isn't that good?

Et cetera. So, I mean, you just need a quick reaction.

Is that a human or not? Do I actually stop, uh, or not?

Um, now inference, you know, ai, uh, as many advanced technologies, it's done already below 28 nanometer.

It's done at 22 and below, and we mentioned flash just can't go there, period.

Mm. So, yeah.

Uh, now they need to keep the AI coefficient somewhere so that when they turn the system on, you know, they have them, right?

They need a non-volatile memory.

So what they do today is they have an AI chip, and then they have a separate chip with flash

where they keep the coefficients.

And when they turn the system on, they have to copy all these coefficients into the AI chip, and then they can only start running.

Okay. Now that means a, you have two chips, so obviously that's more expensive than one.

Um, b the boot time, uh, until the system is actually ready to run, is long because you need to copy everything from, uh, from the flash into the, the chip.

And by the way, while you're copying, you're susceptible to, to real security risks

because it's so easy to EAs drop on that communication.

So it's a big issue today,

and there's a really simple solution.

That's what people are already working on today, is just in

that AI chip, you put a rearra

and you can have all of the coefficients in it.

So you have a one chip solution, it's instant boot.

Uh, you know, you, you remove that security risk.

Uh, you have a lot of advantages there.

By the way, rearra is non-volatile.

Now that chip becomes non-volatile.

And if the sensors aren't sensing anything,

you can just turn the system off and save battery time.

A lot of advantages, I won't even go.

There are more advantages,

but you can see where it's heading.

So that's something that's immediate, that's something

that is easy to do.

Now, um, the big thing in ai,
and you might have read about it,
is called in-memory compute.

Yes. Um, so in memory compute now, it's really,
you ha you have so many headlines about it and everything.

What does it mean? Basically in a, in a standard
computer today, you have a strong processor processing unit,
and you have a memory, and the processor keeps reading
and writing data from the memory most of the time,
and most of the power are spent on
that data movement from memory to, uh, to the processor.

Now, when you are doing inference, you are basically, and,
and it's not, by the way, not just in inference, also in,
um, in learning, but I'm focusing now on the inference chip.

The, the inference is basically matrix multiplication.

Mm-hmm. It's a very simple, uh, very simple,
um, function that you do over and over and over again.

Now, for that specific function,
you can actually rig the memory in such a way
that the multiplication is done inside the memory,
and the data never needs to leave the memory.

That gives you a huge advantage,
because now power consumption
and speed are just poof, you know,
they're orders of magnitude better.

Mm-hmm. That is something, if you go back
and you read wei Bit's, uh, announcements from 20 18, 20 19,

we've already been, uh, analyzing and learning it and working with research institutes about it on it and, and so on.

So this is something we, we expect it to happen.

And now that it's happening, we're, we're there. Mm.

And we are working with companies on this.

And, and this is, uh, this is not so far away.

This is something that I,

I believe will be ready, uh, for the market.

Um, you know, you'll see it in the next few years.

This is gonna be a big boom on ai

and Webit definitely wants to be a key player there, a leader in this field.

And we just appointed, uh, one of the industry veterans as our VP systems

and ai, uh, he's now leading that activity.

So this is something that's becoming a big, a big focus for us, um, moving forward.

And I, I can't stop here

because the, the holy grail really of AI is the day

that the computer memory will just be able

to mimic a human brain,

what's called neuromorphic computing.

And again, webit has been working on this already for eight years, uh, with research institutes.

We've been giving them our re ramp so

that they can develop their neuromorphic algorithms.

Uh, a rear RAM is an ideal solution for this.

It's, it's cheap memory, uh, to manufacture.

You can have, you know, you,
you really have a big flexibility there.

And a syn, a a a bit of rear ram
operates in a very similar way to a synapse in your brain.

So, you know, it, it has that basic potential,
and that's what people are working on.

Um, you know, again, there's a lot of, a lot of more r and d
and a lot more development,
but these things are really moving forward now, uh,
at unbelievable pace.

Mm-hmm. And it's really so fast now.

Uh, and we definitely want to be leaders in this, uh,
domain and, and key enablers to, um, to ai.

So, uh, that's, uh, that's the big activity.

And people ask me, so wait, what happened
to the discreet chips?

Well, there's just so much I can focus on right now.

So we, we do, we do look at, still at Technologies
for the discreet chips, et cetera.

But the big focus of webit is, first of all,
there's this huge vacuum, huge vacuum in the embedded space.

Mm-hmm. Uh, as I mentioned, we're basically the only
independent provider of free ram, uh, for systems on a chip.

And, and this is a huge market,
and I just wanna capitalize on it.

I mean, the, the nature doesn't support, uh, vacuum.

If you're not there, someone else will eventually fill it.

So I want to be the first one to fill as much as I can.

Yeah. And the second thing is, all of this AI stuff is just mind boggling, and there's so much to do there.

So, yeah. So we have a lot to do and, uh, it's gonna be a very exciting year for us.

Yeah. I mean, I, I, I, I definitely get that sense.

So I don't wanna, I don't wanna end on a downer at all, but I mean, what are, what are the, what are the challenges and the risks that you see?

'cause there's just, you know, so much work behind you to get here, big opportunity in front.

Um, but you know, the world of business in general and technology in particular, there's a lot of comp.

They get right to the edge and then just fall at the last minute.

And it's sometimes it's got own goals, sometimes it's just things out of left field.

What are the kind of things that you kind of, that you are really alert to, to kind of think, we can't muck this up.

We're right here now, you know what, what, what, what are, you know, what I'm getting at?

Like, what are, what are the, the keep away at night?

Definitely. I, I, I told my team that so many companies have failed in the moment where, you know, I call it the tornado when everyone jumps on you at the same time and wants that technology and, and that's the peak of the success.

Yeah. But you're not able to answer that need

and everything fails.

And, you know, people talk about the website crashes, right.

And, and all that. Yeah. Yeah.

Uh, so, so we, we have been preparing for that.

And that's why I was talking about last year building the infrastructures, because that's where a lot of companies actually at the peak of your success Yeah.

You go under. Yeah.

And, and I definitely don't wanna be in that place.

I think we've done amazing work already to set up that infrastructure.

Yeah. Um, we hired some key people with a lot of experience in this, uh, domain.

Uh, by the way, I'm, I'm really proud of, uh, our VP customer success.

We hired someone who was the manager of a fab.

So, I mean, nobody knows what the issues of a fab manager are better than her.

And, um, and she's doing an amazing job at working with our fab customers and understanding their needs, addressing them, and so, et cetera.

Again, resolving these issues, uh, because a lot, many times you just don't understand what the customer is asking for.

You're trying to give something that the CU is not what the customer really needs.

Yeah. Not what they say they need,

but what they really need.

Yeah. Uh, there's a big difference sometimes. Oh,

Yes. Yeah. Um,

and,

and so we, we've been really working on that.

I think that's the biggest, uh, issue.

Uh, right now we are already at the point

where the technology works.

So yeah. The biggest, the biggest concern is now behind us,

which we can show the rear RAM works.

Our rear ram works, it works well. It does a CQ 100. Yeah.

Um, comp big companies

that did significant evaluation ended up buying it

or paying for it already.

Yep. Um, but hey,

my chairman is Daddy Perlmutter from Intel,

and the motto is Only the paranoid survive.

That's great. I love that.

I love that, that it's such a great

saying. I love that saying.

Um, and, and, uh, daddy keeps reminding me of that.

Yes. I mean, it's a great, it's a great mantra.

So do you, do you feel as though, do you feel as though the,

the team, I mean, we'll always grow

and as, as the business continues to scale

and have more success, you, you, you,

you will just grow naturally.

But in terms of sort of like the, the, the real key gaps

that you, you, that you, you had sort of seen maybe, um,

previously, do you feel as though that infrastructure layer that you've talked about is,

is really starting to bulk up to the point?

I guess what I'm trying to get at, there'll,

there'll be a lot of people watching this,

and we all love to model, right?

It, it's what we do as investors.

We, we try and, you know,

extrapolate trends and the rest of it.

What does, what does the cost space look like

or more, maybe more generally.

It was sort of like, what's the, what's the nature of growth for the cost base as best as you can estimate it?

Not, not in a percentage way,

but like what's the gut feel as to how that sort

of evolves over the next three to five years?

Say?

The company's definitely gonna have to grow.

Uh, you know, obviously, uh, with more cu customers like,

uh, on semi, uh, ti et cetera, you have, uh,

you have these big technology transfer projects.

Now, obviously, you know, we finish DB high tech, so,

you know, that team can work on, on ti or on other stuff.

And yeah, we move people around,

but still, we will have more and more companies in parallel,

and we will need to grow.

Uh, we are working very hard on automating, on improving

our internal procedures.

Um, you know, like I, I mentioned the,
the VP customer success.

She came in and she set up this whole template
that now every time we have a new customer,
we just duplicate everything.

Everything is there. Everyone knows where everything is.
Everyone knows the naming conventions.

Those are simple things,
but sometimes that those are the critical things, right?

Yeah. So we, we did that. We're automating a lot of things.

We're developing, um, uh, we're developing memory compilers
and, and other stuff that will,

will do things in a more automatically on automatic way.

So, um, yeah, it's, it's, uh, you, you,
you asked me, uh, you know, I, I'm working very hard now,
you know, uh, and,

and even when I'm on vacation, I'm on a semi vacation
because Yes, it's just, uh, there's just too much happening
and, uh, you just need to really keep things going.

Uh, yeah. I have the most amazing team. I mean, yeah.

Literally that is the secret of success, uh, a team
that when we do hit the obstacles,

because they're always there, of course,
and many of them Yeah.

That the team knows how to bypass them, knows how
to work together Yeah.

In order to resolve the issues and move on.

Um, uh, the risks are always there,

but, uh, I just believe that when we'll hit them, we'll,

we'll know how to bypass them. Yep.

Nice. And, uh, and the potential is huge.

And, and yeah, it's just really exciting.

It's, it, it is, it is definitely exciting.

I, I'm def I'm definitely picking that up.

Um, and understandably so. I'll, I'll let you go, Kobe.

But I guess, you know, what's the, the,

a good final question is,

'cause you obviously speak to a lot of investors, a lot of stakeholders, and, and I,

and I'm sure you get a lot of the same kind of questions,

but what do you think the market tends to miss most?

Like if, if you were to sort of leave investors

with one insight that sort of like what they need

to focus on, what's the north star as someone who's outside of the company to keep a track of, to, to really sort

of get a gauge of, of, of momentum

and progress that, that no one looks at

or not that you know, that there is underrated in terms

of a, a, a, a, uh, something to watch. Yeah.

Well, I mean, uh,

I'm sure you used the term do your own

research mil a million times.

And if someone just starts doing some research here,

they can see, you know, I, I gave you the story,

but it is a story that you can go

and verify all of it, right?

I mean, you can see who are the players in RRA right now?

What is the competitive landscape?

Where is every company and so on, and, and, you know, go and check it out and see what's going on out there.

I think that's a key element.

Uh, look at what analysts are saying and,

and look at the analyst reports

that have been coming out, you know, for so long.

Analyst reports were very, very cautious about ra,

and all of a sudden now they're showing this big growth

in the expected r uh, market share of ra.

Um, and, and, and yeah.

And look at, at look at what Webi has already announced and,

and you can start seeing where this is heading.

Yep. Um, yeah, so I think all that's

Great advice. Uh,

Being, being the really literally the only

independent provider today in this market is, uh,

is something that I, I mean, you,

you need some luck in life, right?

It's not all, of course.

Yes. Uh,

but I, I look at the other companies that just, you know,

they, they made mistakes.

They were trying to use the wrong materials.

They were doing things in the wrong way.

Uh, you know, they invested a lot of money and,

and ended up not getting very far.

Yeah. Uh, we've been extremely cautious in our spending.

Yeah. And, uh, and in the way we control things and yeah.

I mean, overall, the, the data is, we are, uh,
we are in a really fast growing market.

Uh, analysts are expecting the rearra market
to grow 45 x in the next six years.

You know, 45 Xs people get excited about four x
Not, not 45%, 45 XX.

Yeah. You know, so, uh,
I'm saying people get excited about four x and,
and we're talking about 45 x.

Right. Uh, it's, it's mind boggling. Mm.

And, and we are the, the single player,
we are the enablers now for a, uh, um, yeah.

I think, uh, you, you need to look at all the data
and make your decisions. Right.

I think, I think that is a, it's, it is excellent advice
and I will, I will double down on that.

I think if it's true in life in general,
but particularly in investing,
if you're gonna follow the crowd,
you're gonna get the average results.

You, you, you literally have to think independently
and for yourself, uh, otherwise what are we doing here?

So I, I think that's a great, it's a great advice
and it's a great place to end it.

Um, all I'll say, uh, Kobe is,

I won't leave it two years, uh, next time.

And to thank you very much for your time
and, um, I'll shut up now

and let you get back on with your holiday

and really do, really do thank you for making the time.

Thank you. Thank you. Thank

You. Good afternoon. Cheers.

Bye-Bye.