

Weebit Nano Ltd ACN 146 455 576 (Company)

Coby Hanoch



Supplementary Prospectus

Supplementary Prospectus to a Prospectus dated 19 June 2020

Important Information

This is a supplementary prospectus dated 20 July 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) pursuant to Section 719 of the *Corporations Act 2001* (Cth) on 20 July 2020 (**Supplementary Prospectus**). This Supplementary Prospectus supplements the prospectus dated 19 June 2020 (**Prospectus**) issued by Weebit Nano Ltd (**Company**).

The ASIC, ASX Limited (ASX), and their officers take no responsibility as to the contents of this Supplementary Prospectus. This Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus.

1 Background

The Prospectus outlined that in conjunction with the private Placement announced on 15 June 2020, the Company was also undertaking the Placement Options Offer, the Broker and Adviser Options Offer and the SPP Offer (together, the **Offers**).

The Offers will be separated into two tranches. Tranche 1 consists of the maximum number of Placement Shares, Placement Options and Broker and Adviser Options allowed under the Company's available placement capacity under ASX Listing Rule 7.1 and 7.1A.¹ Tranche 2 will be subject to Shareholder approval at an Extraordinary General Meeting and consist of the balance of the Securities to be issued under the Offers, including all of the SPP Shares and SPP Options to be issued under the SPP.

On 18 June 2020, the Company issued 7,876,215 Tranche 1 Shares at an issue price of \$0.28 per share under the Placement to unrelated sophisticated and professional investors utilising the Company's available Placement capacity under Listing Rules 7.1 and 7.1A.

Materials in respect of the Extraordinary General Meeting were dispatched to Shareholders on 22 June 2020 and the meeting will be held on 23 July 2020. If the necessary resolutions are approved, all of the Tranche 2 Securities will be issued on 24 July 2020.

The Company is pleased to announce that it has received strong support from its shareholders under the SPP Offer. As at 17 July 2020, the Company had received approximately \$2,737,600 in valid applications under the SPP Offer. Accordingly, the Company proposes to extend the maximum amount to be raised under the SPP Offer from \$500,000 to \$2,527,561.68. The Company reserves its discretion to undertake a scale-back to the extent and in the manner it sees fit, such as where total applications exceed \$2,527,561.68.

The Board considers that the increase of the size of the SPP Offer to \$2,527,561.68 to be a more equitable approach to Shareholders as opposed to scaling back applications to \$500,000.

¹ Tranche 1 Placement Options and Tranche 1 Broker and Adviser Options will be issued at the same time as the SPP Options and the Tranche 2 Placement Options and Tranche 2 Broker and Adviser Options to help satisfy the ASX spread requirements for listing.

The SPP Offer closed on 17 July 2020 and all other terms of the SPP Offer remain unchanged.

As a result of the increase to the limit of the SPP Offer:

- 1 the number of SPP Shares and SPP Options which may be issued, and the amount of funds which may be raised, under the SPP Offer will be increased from that set out in the Prospectus;
- 2 the number of securities on issue following the Completion of the SPP Offer will be increased from that set out in the Prospectus; and
- 3 the Company's Pro-forma Financial Statement set out in section 4.4 of the Prospectus is altered.

The issue of additional SPP Shares and SPP Options to raise approximately \$2,027,600 will not be subject to Shareholder approval itself and the securities issued will utilise part of the Company's Listing Rule 7.1 and 7.1A capacity that will be available after Extraordinary General Meeting. Accordingly, the additional SPP Shares and SPP Options will only be issued if each of Resolution 1, Resolution 2 and Resolution 3 to be considered at the Extraordinary General Meeting, are passed by the requisite majorities.

This Supplementary Prospectus has been prepared to make the following changes to the Prospectus set out in sections 2 below.

2 Changes to amount raised under the SPP Offer

2.1 Amount raised under the SPP Offer

- (a) The references to the amount being raised under the SPP Offer being \$500,000 appearing on pages 2, 3, 4, 10, 13 and 17 is replaced with \$2,527,561.68.
- (b) The references to the number of securities to be issued under the SPP Offer being 1,785,714 SPP Shares and 1,785,714 SPP Options appearing on the cover page and pages 13, 14 and 39 is replaced with 9,027,006 SPP Shares and 9,027,006 SPP Options.

2.2 Section 3 – Details of the Offers

Under the heading "3.1 Placement Options Offer and SPP Offer" on page 4 of the Prospectus, the first paragraph is deleted in its entirety and replaced as follows:

As announcement by the Company on 15 June and 20 July 2020, the Company:

- (a) had received commitments from sophisticated and professional investors to place 23,446,429 Shares at an issue price of \$0.28 per share to raise a total of \$6,600,000, together with one (1) free-attaching Option for each Share subscribed for and issued (**Placement**). As at the date of this Supplementary Prospectus, the Company has issued 7,876,215 Shares to Placement investors utilising its existing placement capacity under Listing Rules 7.1 and 7.1A, with an additional 15,570,214 Placement Shares and 23,446,429 Placement Options intended to be issued on 24 July 2020 following shareholders' approval; and
- (b) is undertaking an offer of SPP Shares and SPP Options to Eligible Shareholders pursuant to a share purchase plan to raise approximately \$2,527,561.68 (**SPP or Share Purchase Plan**).

The sixth paragraph is deleted in its entirety and replaced as follows:

The Tranche 1 Securities represent the maximum number allowed under the Company's available placement capacity under ASX Listing Rule 7.1 and 7.1A and are not subject to

Shareholder approval. The Tranche 2 Securities, including the SPP Shares and SPP Options to be issued to raise a total \$500,000, are subject to Shareholder approval.

For the avoidance of doubt, the issue of additional SPP Shares and SPP Options to raise approximately \$2,527,561.68 will count towards the Company's Listing Rule 7.1 and 7.1A capacity.

2.3 Section 4.1 – Purpose of the Offers

Under the heading "SPP Offer", on page 13 of the Prospectus, the first sentence is deleted and replaced as follows:

The purpose of the SPP Offer is to raise approximately \$2,527,561.68 through the issue of up to 9,027,006 SPP Shares to Eligible Shareholders who participated in the SPP.

2.4 Sections 4.2 to 4.4 – Effect of the Offers

The following sections are deleted in their entirety:

- (a) Section 4.2 titled "Effect of the Offers" (being on page 14);
- (b) Section 4.3 titled "Effect on capital structure" (being on pages 14 and 15); and
- (c) Section 4.4 titled "Pro-forma statement of financial position" (being on pages 15 to 17),

and are replaced as follows:

4.2 Effect of Offers

The principal effect of the Offers, assuming all Securities offered under the Prospectus pursuant to the Offers are issued, will be to:

- increase the number of Shares currently on issue by 9,027,006 Shares; and
- increase the number of Options currently on issue by 9,027,006 Options.²

4.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming the maximum number of Securities offered under the Prospectus are issued, is set out below.

Shares¹	Number
Shares on issue as at the date of the Prospectus	72,512,734
Shares to be issued pursuant to the SPP	9,027,006
Total Shares on issue after completion of the Offers²	89,415,955

Notes:

1. The rights and liabilities attaching to Shares are summarised in Section 5.2 of the Prospectus.
2. Including 7,876,215 Shares issued to Placement investors on 18 June 2020.

² Assuming 9,027,006 SPP Shares and 9,027,006 SPP Options are issued under the SPP.

Options	Number
Options on issue as at the date of the Prospectus ¹	8,577,096
Options offered pursuant to the Placement Options Offer	23,446,429
Options to be issued pursuant to the Broker and Adviser Options Offer	11,350,000
Options offered pursuant to the SPP Offer	9,027,006
Total Options on issue after completion of the Offers	52,400,531

Notes:

1. Comprising:

- a) 1,977,096 Options – Exercise price \$0.75, expiry 30 June 2020
- b) 1,120,000 Options – Exercise price \$0.43875, expiry 2 October 2021
- c) 180,000 Options – Exercise price \$1.3125, expiry 12 October 2022
- d) 180,000 Options – Exercise price \$1.53125, expiry 12 October 2022
- e) 160,000 Options – Exercise Price \$1.565, expiry 15 February 2028
- f) 160,000 Options – Exercise Price \$1.445, expiry 1 January 2028
- g) 160,000 Options – Exercise Price \$1.2725, expiry 5 March 2028
- h) 800,000 Options – Exercise Price \$0.8475, expiry 16 October 2028
- i) 290,000 Options – Exercise Price \$1.7175, expiry 29 January 2028
- j) 400,000 Options – Exercise price \$0.43875, expiry 1 October 2027
- k) 240,000 Options – Exercise Price \$0.4286, expiry 14 April 2029
- l) 160,000 Options – Exercise Price \$0.4468, expiry 14 August 2029
- m) 900,000 Options – Exercise Price \$0.74, expiry 14 August 2029
- n) 1,300,000 Options – Exercise Price \$0.54, expiry 14 August 2029
- o) 450,000 Options – Exercise Price \$0.54, expiry 14 August 2029
- p) 100,000 Options – Exercise Price \$0.39, expiry 16 October 2029

Performance Rights	Number
Performance Rights on issue as at the date of the Prospectus ¹	1,000,741
Performance Rights to be issued pursuant to the Offers	Nil
Total Performance Rights on issue upon completion of the Offers	1,000,741

Notes:

1. Comprising:

- a) 230,741 Performance Rights – expiring 30 July 2021
- b) 176,000 Performance Rights – expiring 29 January 2028
- c) 128,000 Performance Rights – expiring 5 March 2028
- d) 210,000 Performance Rights – expiring 1 October 2027
- e) 64,000 Performance Rights – expiring 20 May 2023
- f) 128,000 Performance Rights – expiring 14 August 2029
- g) 64,000 Performance Rights – expiring 15 February 2028

4.4 Pro-forma statement of financial position

The Company's reviewed consolidated statement of financial position as at 31 December 2019 and unaudited pro-forma statement of financial position as at 31 December 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma statement of financial position has been prepared assuming no Options are exercised after the date of this Supplementary Prospectus but prior to the issue of the Options under this Supplementary Prospectus and including the cash impact of expenses relating to the Offer.

The pro-forma statement of financial position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual and interim financial statements.

	Reviewed 31 Dec 2019 AU\$	Subsequent Events AU\$	Pro forma adjustments AU\$	Pro Forma 31 Dec 2019 AU\$
CURRENT ASSETS				
Cash and cash equivalents	2,071,025	1,450,000	8,327,362	11,848,387
Other receivables	370,387	-	-	370,387
	2,441,412	1,450,000	8,327,362	12,218,774
NON CURRENT ASSETS				
Deposits	13,223	-	-	13,223
Right of use assets	159,033	-	-	159,033
Plant and equipment	68,425	-	-	68,425
	240,681	-	-	240,681
CURRENT LIABILITIES				
Trade and other payables	574,007			574,007
Lease liability	94,644			94,644
	668,651	-	-	668,651
NON CURRENT LIABILITIES				
Lease liability	70,140	-	-	70,140
	70,140	-	-	70,140
NET ASSETS	1,943,302	1,450,000	8,327,362	11,720,664
EQUITY				
Issued capital	34,281,267	-	8,327,362	42,608,629
Reserves	6,488,642	-	-	6,488,642
Accumulated losses	(38,826,607)	1,450,000	-	(37,376,607)
TOTAL EQUITY	1,943,302	1,450,000	8,327,362	11,720,664

Basis of Preparation

The pro forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide 230 relating to Disclosing non-IFRS Financial Information. The pro forma statement of financial positions has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the reviewed financial position as at 31 December 2019 that has then been adjusted to reflect the following material transactions:

Subsequent events

On 27 April 2020, it was announced on the ASX that the Group had received the equivalent of ~AU\$1.45 million in relation to the French government's R&D incentive, for research and development work carried out in France during 2019.

Pro Forma Adjustments

The following transactions are yet to occur, but are proposed to occur immediately before or following completion of the Offer:

- (a) The issue of 23,446,429 ordinary shares at an issue price of \$0.28 per share to raise a total of \$6,565,000 before costs, together with one free-attaching option for each share subscribed for and issued. Each option is exercisable at \$0.45 each and has an expiry date 18 months from issue.
- (b) The issue of 9,027,006 ordinary shares at an issue price of \$0.28 per share to raise a total of \$2,527,561.68 before costs, together with one free-attaching option for each share subscribed for and issued. Each option is exercisable at \$0.45 each and has an expiry date 18 months from issue.
- (c) The issue of 1 option for every dollar raised for brokerage services, to a total of 6,350,000 options. Each option is exercisable at \$0.45 each and has an expiry date 18 months from issue.
- (d) The issue of 3,000,000 options to the Lead Manager for advising on the Placement. Each option is exercisable at \$0.45 each and has an expiry date 18 months from issue.
- (e) The issue of 2,000,000 to the Corporate Adviser for advising on the Offers. The options have an exercise price of \$0.45 and an expiry date of 18 months from issue.
- (f) The payment of the remaining cash costs related to the Offer are estimated to be \$765,200.

The Pro Forma Historical Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

2.5 Section 7.2 – Continuous Disclosure Obligations

The following rows are added to the start of the table (above the row dated 18 June 2020) set out at the bottom section 7.2 on page 30 of the Prospectus:

Date	Description of Announcement
16/07/2020	Weebit Nano files two new patents for its embedded ReRAM

22/06/2020	Despatch of Letter to Shareholders
22/06/2020	Appendix 2A
22/06/2020	Notice of General Meeting/Proxy Form
19/06/2020	Appendix 3B - Correction
19/06/2020	Cleansing Notice
19/06/2020	Prospectus

2.6 Section 7.3 – Market Price of Shares

The following text is added underneath the table contained in section 7.3 appearing on page 32 of the Prospectus:

The closing price of the Company's shares on the day prior to the date the date of this Supplementary Prospectus (20 July 2020) is \$0.285.

2.7 Section 9 – Glossary

The definition of "Tranche 2 Securities" on page 39 of the Prospectus is deleted and replaced as follows:

Tranche 2 Securities means 15,570,214 Placement Shares, 15,570,214 Placement Options, 9,144,660 Broker and Adviser Options, 9,027,006 SPP Shares and 9,027,006 SPP Options.

3 Director Consent

Directors' authorisation and consent

This Supplementary Prospectus has been signed by a Director of the Company with the authority of each of the Directors and is dated 20 July 2020. Each Director has consented to lodgement of this Supplementary Prospectus with ASIC.



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Mr Coby Hanoch

Director