

Veratin Limited ACN 613 404 612 (Company)

Supplementary Prospectus

Supplementary Prospectus to a Prospectus dated 9 May 2023

Important Information

This supplementary prospectus is dated 26 May 2023 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date (**Supplementary Prospectus**). This Supplementary Prospectus supplements and is intended to be read together with the prospectus dated 9 May 2023 (**Prospectus**), which was issued by Veratin Limited ACN 613 404 612 (**Company**).

ASIC, the National Stock Exchange of Australia Limited, 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 and Supplementary 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. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail.

The Company has issued an electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of each may be accessed at <https://www.veratin.com.au/>

As at the date of this Supplementary Prospectus, the Company has received valid applications totalling \$163,527.

1. Green Chemistry Processes

1.1 Section 1.5 – Green Chemistry Processes

On page 9 of the Prospectus, the following is inserted:

“1.5 Green Chemistry Processes

It is Veratin’s position that the features of the Company’s chemistry processes adhere to the description of “green chemistry processes” as well as the outputs to be considered “sustainable high end value products”, including a description of how the Company defines “green” and “sustainable” is due to the implementation of Green Chemistry. Veratin implements certain principles of Green Chemistry (sustainable chemistry), in its business model (examples given below) and in its commercial proprietary processes.

A specific example relates to the use of a renewable feedstock, which in the current scenario is wool. Wool is a sustainable and renewable feedstock and will not deplete while wool-growing animals exist. There is an abundance of low-grade wool that ends up in landfill and by using this feedstock, Veratin is reducing waste. This is another specific example of a green chemistry principle.

All Veratin products use wool as a feedstock and by definition are therefore sustainable. They are also high-end value products since the innovation that has gone into their development justifies these products fetching higher prices compared to the feedstock, which is the wool.

Verigrow is a fertiliser and soil improver made from low grade wool. Some of the Company's customers are farms, that use the product on pasture for feed. Sheep that feed on these pastures grow wool that the Company buys from the farms. This is an example of a circular economy at the inception of product design.

Veratin utilises the same platform technology for wool processing for its various products. By doing this, it improves efficiencies and reduces time and cost for new product development. Veratin manufacturing reactors have in-built sensors that continuously monitor reaction conditions and send data back to the main console to switch off and on certain modules. By gathering this data in real time, we can shut down the reactor as soon as the process is complete. This ensures that we do not waste excess electricity; the lifespan of machine oil and mechanical components is increased; and we do not generate unwanted derivatives by the exposure of reagents to higher-than-ambient-conditions for longer than required. Thus, physical and chemical waste is reduced. Veratin's processing and business model also adhere to the green chemistry principles of:

- 'Designing safer chemicals' in that our products are completely safe for use on plants that will be eaten, and indeed enhance the growth and overall health of these plants.*
- 'Safer solvents and auxiliaries' as we use benign materials including water.*
- 'Design for degradation' as the amino acids in our products are taken up by plants as nutrients, and also serve to enrich the soil by increasing organic matter and promoting beneficial microbes.*

The 12 Principles of green Chemistry can be found at [12 Principles of Green Chemistry bookmark \(epa.gov\)](#).

2. Director's Interests

2.1 Section 4.2

On page 19 of the Prospectus, under the table setting out the Directors' interests, the following is included:

"Ramiz Boulos (and associates) holds 49.43% of the shares on issue in the Company. As set out above, this includes:

- (a) 20,381,250 Shares held by Ramiz Boulos in his personal name;*
- (b) 9,180,000 Shares held by Boulos & Cooper Pty Ltd, an entity controlled by Ramiz Boulos;*
- (c) 243,962 Shares held by Boulos & Cooper SF Pty Ltd, an entity controlled by Ramiz Boulos; and*
- (d) 18,750,000 shares held by Chole Cooper, the spouse of Ramiz Boulos.*

Section 4.2 of the Prospectus provides the shares held by or in the control of the Directors. It is not the interests held by Directors and their associates."

2.2 Section 4.3

On page 19 of the Prospectus, the following is inserted after the first paragraph:

"To preserve Company funds, the Company paid non-executive directors in shares. These funds were then utilised for research and development purposes, advertising and IP."

3. Financial Information

3.1 Section 5.2.1

On page 20 of the Prospectus, the following text is included at the end of section 5.2.1:

“NSX fees related to the capital raise were \$2,290.97. The net figure reported (\$291,266.03) is the difference between the total of \$293,557 and the NSX fees.”

3.2 Section 5.2.3

On page 21 of the Prospectus, the following text is included at the end of point c):

*This loan was given by Boulos & Cooper SF Pty Ltd as trustee for Boulos & Cooper SMSF (**Lender**) for a non-material amount of \$75,000. The loan is unsecured, with a term was 2 months; however, could be repaid early with no penalty with an interest rate of 9.51% per annum. The purpose of the loan was to provide short term bridging finance to the Company for working capital and research and development in anticipation of the Company’s subsequent capital raise.*

It is the view of the Board that the agreement with the Lender was done on arms’ length terms and was in the best interests of the Company. Pursuant to section 210 of the Corporations Act, shareholder approval was therefore not required.

The loan has been repaid in full, was on commercial arms’ length terms, was for a relatively small amount, was over a short period (21 December 2022 to 24 January 2023) and was disclosed in the Company’s half yearly accounts as announced to the market on 22 March 2023.”

4. Risk Factors

4.1 Section 6.3

On page 22 of the Prospectus, the following is added to section 6.3:

*“Objections were raised on the Company’s initial Australian patent application entitled **“Organic fertiliser and soil improver comprising keratin”** based on certain prior art documents.*

*However, as a key prior publication was the Company Director’s (Ramiz Boulos) earlier research work, and further research on the fertiliser formulation has been conducted since, the earlier Australian patent application was surrendered and the Company filed a divisional patent application entitled **“FERTILISER AND/OR SOIL IMPROVER COMPOSITION, METHOD OF PREPARATION AND METHOD OF USE”**.*

Currently, this new Australian patent application is still under examination and awaiting the first examination report on this application. This new application has significantly improved aspects of obtaining the grant of an Australian Standard Patent.

Should the Company’s new Australian patent application fail to secure an Australian Standard Patent on the fertiliser formulation, it can be converted into an Australian Innovation Patent Application, which will proceed directly to the grant of an Innovation Patent in Australia.

The Company has also recently filed an International PCT patent application on the fertiliser formulation, including additional information and experimental data on the formulation. Should the current pending Australian patent application fail to receive grant, the Company will be able to enter the PCT Application into Australia by the required 31-month Australian national phase entry deadline, to have a further opportunity to seek the grant of Standard Patent in Australia.

A key difference is that an Australian Standard Patent has a 20-year protection term on the invention from the filing date of the patent application, whilst an Innovation Patent would only afford an 8-year term protection in comparison.

A further key difference is that an Australian Standard Patent must undergo a substantive examination and meet the novelty and an inventive step criterion, to result in the grant of a more robust and enforceable patent, whereas an Innovation Patent is granted without upfront examination.

In order for the Innovation Patent to be enforceable, a request for examination will need to be filed and the Innovation Patent will need to undergo examination and be certified in the instance that the Innovation Patent meets the novelty and an innovative step requirements, before the certified Patent can be enforceable, e.g. against an infringer.

If the Company's pending Australian application needs to be converted to an Innovation Patent Application, then the granted Innovation Patent will have an 8-year protection term ending 14 August 2025. However, as mentioned earlier, the Company still has a pending PCT Application which can be entered into Australia to have a further opportunity to seek the grant of an Australian Standard Patent."

4.2 **Section 6.8**

On page 23 of the Prospectus, the following is inserted at the end of section 6.8:

"Section 6.8 discloses risks associated with the Company's ability to manufacture Verigrow on a commercial scale. The Company does not have and does not expect to have any issues with distribution capacity and there is a stockpile equal to approximately 12 months' of product."

4.3 **Section 6.9**

On page 23 of the Prospectus, the following is inserted at the end of section 6.9:

"The Company has renewed the one year contract with its one key waste supplier. The Company has an in-house stockpile of approximately 12 months' of product and does not anticipate having a supply issue."

5. Underwriter

5.1 **Section 8.2**

On page 25 of the Prospectus, section 8.2 is deleted in its entirety and replaced with the following:

"8.2 Underwriting Agreement

*By an agreement between the Underwriter and the Company (the **Underwriting Agreement**) the Underwriter has agreed to act as underwriter in respect of the Offer. The Underwriter is an entity controlled by Dr Ramiz Boulos, the Executive Chairman of the Company and so a 'related party' of the Company under the Corporations Act.*

The Underwriter had agreed to underwrite the previous capital raise undertaken using an Offer Information Statement (OIS) in December 2022. This offer was oversubscribed and the Underwriter did not provide any underwriting services under the OIS.

*Under the Underwriting Agreement, the Underwriter has agreed to partially underwrite the Offer to the amount of \$100,000 (the **Underwritten Amount**). Where the Underwriter is required to underwrite the full Underwritten Amount, the Underwriter will be allocated 666,667 Shares in the Company. Apart from any Shares subscribed for under the Underwriting*

Agreement upon receipt of Shareholder approval, Dr Boulos and his associates are not taking part in the Offer.

No incentive, fee or commission is payable by the Company to the Underwriter for subscribing for the Shares constituted by the Underwritten Amount.

The Board is of the view that Veratin would not have received a better arrangement than the Underwriting Agreement. This underwriting is without fee or incentive and does not contain any rights of termination that are generally found within a commercial document of this type. Moreover, any shares issued under this agreement are subject to the special resolution by shareholders of the Company.

As regards to the terms of the Underwriting Agreement:

Conditions precedent

*The Underwriter's obligations to subscribe for Shares from the Shortfall is conditional on the Company providing the Underwriter with a written notification that valid Applications and corresponding Application funds of least \$100,000 has been received under the Offer (**Third Party Applications**). Where the funds raised under the Third Party Applications are:*

- (a) **Less than \$100,000** – *the condition has not been met and the Underwriter is entitled to terminate the Underwriting Agreement. Where the Minimum Subscription has not been achieved, all application monies will be refunded without interest. In these circumstances, it would be appropriate to terminate the Underwriting Agreement;*
- (b) **At least \$100,000 up to \$250,000** – *the Underwriter will subscribe for the full Underwritten Amount; and*
- (c) **More than \$250,000** – *the Underwriter will subscribe for that number of Share remaining under the Offer to achieve Maximum Subscription of \$350,000.*

The issue of any Shares to the Underwriter pursuant to the Underwriting Agreement is also subject to Shareholder approval. The Company is obliged to convene a meeting of Shareholders following the close of the Offer where a placement of Shares to the Underwriter is sought. If Shareholder approval is not received the Underwriter will be under no further obligation to subscribe for any Shares or under the Underwriting Agreement generally.”

6. Other Material Information

The Directors of the Company are not aware of any acts, matters or things (not already described in the Supplementary Prospectus or the Prospectus) which may be material to the making of an informed assessment of the effect of the Offers on the Company.

7. 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 26 May 2023. Each Director has consented to lodgement of this Supplementary Prospectus with ASIC.

A handwritten signature in black ink, appearing to read 'Ramiz', with a long horizontal stroke extending to the right.

Ramiz Boulos
Chairman
Veratin Limited