

VERIGROW

NSX release – 25/09/2023

Veratin Limited (NSX Code: VTN) Non-renounceable rights issue and cleansing notice

Veratin Limited (**Veratin** or **Company**) is pleased to announce a non-renounceable rights issue to eligible shareholders, on the basis of 1 new fully paid ordinary shares for every 25 shares held at an issue price of \$0.18 per share (**New Share**), to raise approximately \$200,000 (before costs) (**Rights Issue**). Assuming no existing options on issue in the Company are exercised, approximately 1,111,112 New Shares will be offered under the Rights Issue.

The Rights Issue will be available to all registered shareholders who hold shares at 5.00pm (AWST) on 9 October 2023 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**).

Existing option holders need to exercise their options and be a registered holder of shares on the Record Date if they wish to participate in the Rights Issue.

In accordance with the NSX Listing Rules and the *Corporations Act 2001* (Cth) (**Corporations Act**), Veratin has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand the Company has formed the view that it is unreasonable to extend the Rights Issue to those shareholders.

The purpose of the Rights Issue is to raise approximately \$200,000, including the costs of the Rights Issue. The funds raised from the Rights Issue will be applied for the purposes of research and development, advertising and marketing, fund the costs of the Rights Issue and to provide working capital.

A proposed timetable for the Rights Issue is set out in the table below:

Event	Date
Announcement of Rights Issue. Offer Document and Application for Quotation of New Shares lodged with NSX	25 September 2023
Notice of Rights Issue sent to option holders	26 September 2023
Notice of Rights Issue sent to shareholders	26 September 2023
Shares commence trading on an ex basis	6 October 2023
Record Date for the Rights Issue (5.00pm, AWST)	9 October 2023
Despatch Offer Document to shareholders	10 October 2023
Opening Date of Rights Issue	10 October 2023
Closing Date of Rights Issue (5.00pm AWST)	19 October 2023
Allotment of New Shares under Rights Issue	21 October 2023
Despatch of holding statements for New Shares and deferred settlement trading ends	21 October 2023

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the NSX Listing Rules.

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The Rights Issue is being made without a disclosure document, in accordance with section 708AA of the Corporations Act. Veratin will prepare and send an Offer Document to all Eligible Shareholders as set out in the timetable above.

Cleansing Notice

Pursuant to section 708AA(7) of the Corporations Act, Veratin provides notice of the following:

1. Veratin will offer the New Shares for issue without disclosure to investors under part 6D.2 of the Corporations Act.
2. Veratin is providing this notice under section 708AA(2)(f) of the Corporations Act.
3. As at the date of this notice, Veratin has complied with:
 - (a) the provisions of chapter 2M of the Corporations Act as they apply to Veratin; and
 - (b) section 674 and 674A of the Corporations Act.
4. As at the date of this notice there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the NSX Listing Rules other than as set out in paragraph 6 below; and
 - (b) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (1) the assets and liabilities, financial position and performance, profits and losses and prospects of Veratin; or
 - (2) the rights and liabilities attaching to the New Shares.
5. If all shareholders take up their entitlement under the Rights Issue, the Rights Issue will have no effect on the control of Veratin. However, the proportional shareholdings of shareholders who are not residents in Australia and New Zealand may be diluted as those shareholders are not entitled to participate in the Rights Issue. Additionally, if an Eligible Shareholder does not take up their entitlement in full there may be a dilutionary effect on that shareholder's proportionate shareholding.

In the event of a shortfall, the directors of Veratin reserve the right to place the shortfall at their sole discretion. Acceptance of entitlements or the placement of any shortfall may also result in existing shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 20%, subject to a number of exemptions.

In the event that the number of new shares accepted by shareholders is greater than the number of new shares offered under the Rights Issue, the directors of Veratin reserve the right to scale back any applications for entitlements at their sole discretion.

Further information

The Company anticipates that approximately 1,111,112 New Shares will be issued (this number may have to be increased by 130,000 New Shares if existing option holders exercise their options and are registered shareholders by the Record Date). The New Shares will be issued for \$0.18 each.

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Upon completion of the Rights Issue, and assuming it is fully subscribed and that existing options are not exercised, the issued capital of Veratin will comprise approximately 101,206,172 shares and 3,250,000 unlisted options exercisable at 25 cents each.

The New Shares will rank equally in all respects with Veratin's existing shares. If an Eligible Shareholder's entitlement results in a fraction of a New Share, the entitlement will be rounded up to the nearest whole number.

An Application for Quotation of New Shares applying for quotation of the New Shares will be released to the NSX separately to this letter.

Veratin encourages all Eligible Shareholders to participate in the capital raising.

Yours faithfully



Ramiz Boulos

Chairman

Veratin Limited

For further information please contact Ramiz Boulos, Director on +61 8 6323 8013. Alternatively visit the Company's website at www.veratin.com.au.