

Rights Issue Offer Document

Pursuant to s708AA(2) *Corporations Act 2001* (Cth)

A non renounceable rights issue to existing shareholders of Veratin Limited of 1 fully paid ordinary shares for every 25 Shares held at an Issue Price of \$0.18 to raise up to approximately \$200,000 before costs of the Offer.

Important notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

Important information

Offer statistics

Number of New Shares to be issued: up to 1,111,112*

Issue Price: \$0.18

*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date or to ensure the Entitlement requirements are met.

Key dates for investors

Record Date for determining entitlements under the Issue: 9/10/2023

Offer opens: 10/10/2023

Offer expected to close: 19/10/2023

Commencement of trading of New Shares on NSX: 21/10/2023

Expected date for despatch of New Shareholding statements: 21/10/2023

Further details regarding the timetable for the Offer are set out in section 1.3. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to accept their Entitlement as soon as possible after the Offer opens.

Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This Offer Document is not a disclosure document for the purposes of chapter 6D of the *Corporations Act*. The Company is offering the securities under this Offer Document without disclosure to investors under chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the NSX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 25 September 2023 and was lodged with the NSX on that date. The NSX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

The Offer is only made to those Shareholders who are Eligible Shareholders on the Record Date (being Shareholders who have a registered address in Australia and New Zealand).

No excluded information

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA(8) and (9) of the *Corporations Act*.

Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 1.17 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any

securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by making payment of Acceptance money by BPAY® in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

This Offer Document is available in electronic form on the internet at www.veratin.com.au. If you wish to obtain a free copy of this Offer Document, please contact the Company by phone or email.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to take up your Entitlement, please call the Share Registry on:

- (a) 1300 288 664 for callers within Australia; or
- (b) +61 (2) 9698 5414 for overseas callers.

Deciding to accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of Veratin, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including NSX announcements, which can be found at the Company's website: www.veratin.com.au.

Terms used

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the definitions and glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Offer Document constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied

by, those forward-looking statements. This Offer Document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Offer Document.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

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Chairman's letter

25 September 2023

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Veratin Limited (**Issue**).

The Company is making a non-renounceable rights issue of 1 Shares for every 25 Shares held in Veratin Limited on the Record Date at an Issue Price of \$0.18 per Share, to raise up to approximately \$200,000 before the costs of this Issue. Veratin intends to issue a maximum (subject to receipt of Eligible Entitlements) of 1,111,112 New Shares under the Issue. In the event of an oversubscription, the Directors will in their absolute discretion and subject to the NSX Listing Rules or scale-back applications.

It is proposed that the funds raised from the Issue will be applied for the purposes of research and development, advertising and marketing, to cover the costs of the issue and to provide working capital.

Directors David Vincent and Giuseppe Lenzo intend to take up their entitlement to New Shares. Pursuant to the *Corporations Act*, Veratin Limited is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Issue is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

An Entitlement and Acceptance Form is attached to this Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by making payment of Acceptance money by BPAY® in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the NSX or otherwise transferable.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Ramiz Boulos
Chairman
Veratin Limited

1. Offer details

1.2 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 1,111,112 New Shares at an Issue Price of \$0.18 per New Share, on the basis of 1 New Share for every 25 Shares held by Eligible Shareholders as at the Record Date.

In the event of an oversubscription, the Directors will scale back the applications on an equitable basis. If the Company rejects or scales back an application, the Company will promptly return to the shareholder the relevant application money, without interest.

The Offer is an offer to Eligible Shareholders only.

The Issue may be increased by a total of 130,000 New Shares if holders of Existing Options exercise all their Existing Options prior to the Record Date.

On the same date as announcing the Issue, the Company applied to the NSX for the New Shares to be granted official quotation on the NSX. Official quotation of the New Shares is expected to occur on or about 19/10/2023.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all Application Money (without interest) within 28 days of giving notice of such withdrawal.

1.3 Minimum subscription

There is no minimum subscription to the Issue.

1.4 Important dates

Announcement and application for official quotation of New Shares	25 September 2023
Section 708AA notice given to NSX	25 September 2023
Lodge Offer Document with NSX	25 September 2023
Notice provided to Option Holders	26 September 2023
Ex Date	6 October 2023
Record Date for the Issue	5:00pm (AWST), 9 October 2023
Dispatch of Offer Document and Acceptance Form	10 October 2023
Opening Date of Offer	10 October 2023
Closing Date of Offer	5:00pm (AWST), 19 October 2023
Issue of New Shares	21 October 2023
Lodgement of section 708A(5) Cleansing Notice	21 October 2023
Despatch of New Shares holding statements	21 October 2023

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice.

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

1.5 Purpose of the Issue

The Directors intend to apply the proceeds from the Issue to provide funds for the purposes of:

- (a) Research and development;
- (b) Advertising and marketing;
- (c) the costs of the Issue; and
- (d) working capital.

The proceeds from the Issue (assuming it is fully subscribed) is proposed to be allocated in the following manner:

Proposed use of funds	
Research and development	\$20,000
Advertising and marketing	\$20,000
Estimated costs of the Issue (including legal fees, Share Registry fees, NSX fees and other miscellaneous costs associated with the Offer)*	\$10,000
Working capital	\$150,000
Total (maximum raising)	\$200,000

** Assumes that the Offer has received Eligible Entitlements of \$200,000 , and does not take account of brokerage (if any) discussed at section 6.3 To the extent that valid acceptances under the Entitlement and Acceptance Forms received is in excess of \$200,000, the Company and the Directors reserve the right to increase the maximum amount to be raised under the Offer to that amount applied for by each Eligible Shareholder. Additional funds will be applied to working capital.*

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.6 Investment highlights

The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:

Potential uplift: An independent valuation report released to the market on the 11th of November 2022 valued Veratin Limited between \$7.3 million and \$24.0 million, with a preferred valuation of \$14.6 million. The same report cited publicly listed companies that are comparable with market caps of around \$100m. Since then, the Company has developed and launched several new products and made first sales of Verigrow® liquid fertiliser and soil improver to the broadacre market. A copy of the market release and the independent valuation report can be found at <https://www.nsx.com.au/ftp/news/021741573.PDF>.

Broadacre market traction: The Company has appointed Primary Agronomy for consulting services to support future research initiatives and go-to-market approach. The Company has

received its first 3,000L order for broadacre crops from farms in Katanning and Kojonup in Western Australia following successful trial results on wheat.

ASX Listing roadmap: Veratin has commenced readying the Company for an ASX listing and is preparing an in-principle determination to ascertain its suitability for listing on the ASX. No guarantee or assurance can be given that the Company is suitable or will be in a position to list on ASX. Nothing in this document constitutes or is deemed to constitute or imply that the Company will be admitted to the official list of ASX or that the securities of the Company will be quoted on ASX. Application for quotation of the Shares offered under this document will be made to NSX.

New Verigrow® products to launch soon: The Company has continued its research efforts to develop new Verigrow® products and shall be releasing Verigrow Soil Wetter, Verigrow Supplement, Verigrow Phos and Verigrow biodegradable Pots in Spring 2023.

Cosmetic product range: The Company has launched its first couple of cosmetic products - Veratin™ shampoo and Veratin™ conditioner. These products are part of the cosmetic arm of the Company, which will grow in the future.

Efficient and scalable operation: Veratin implements a lean operating model, maximising investment in marketing, research and development and other value-adding activities. The Company has invested in expanding its manufacturing operations, gearing for rapid growth in FY23 and FY24 with the capacity to manufacture 500,000 L a year (current sales are less than 15,000 L a year).

Expanding premises: Veratin has outgrown its currently leased premises composed of 123m² floor space and approximately 50m² of mezzanine. The Company is taking over the lease of the neighbouring two units in addition to its existing unit with a total area of 584m².

Improved brand awareness: Since the launch of Verigrow®, the Company has invested, and continues to invest in print, radio, social, television advertising and others. The Company attended The Perth Garden and Outdoor Festival in Oct 2022 and May 2023 and attended its first major farming event, Dowerin Machinery Field Days in August of this year. Veratin also attended its first international conference by exhibiting at Indo Agrotech Expo and Forum in July and is attending World Agri-tech Innovation Summit in London on the 27th of September 2023.

Diversification and synergy: The Company's strategy to pursue several unrelated industries, including agricultural, cosmetic, health foods and materials, is key to reducing the risks associated with any one product. The Company is able to do this by utilising the same technology platform, leading to significant reduction in costs to develop new products.

Sustainable green chemistry manufacturing: Veratin utilises a sustainable and biodegradable resource. The Company implements a green chemistry approach, using benign processes to reduce waste, improve efficiency, and reduce cost. In the case of Verigrow, a clever circular economy was a key feature of product design at its inception.

Intellectual property: The Company owns intellectual property in the form of patents and trademarks. The Company's patent includes National Phase patent Organic Fertiliser and Soil Improver, PCT/AU2017/000165, filed 1 September 2016. This patent assigned to Veratin claims the use of Verigrow® as a fertiliser/soil improver. Veratin's IP strategy is to pursue this patent in the largest agriculture and wool-exporting markets. The company has filed National Phase patents in several jurisdictions: Australia, Brazil, Canada, China, Europe, Japan, Indonesia, New Zealand, South Africa and the United States. To date, the Indonesian, Japanese and South African patents have been granted.

Veratin also holds trademarks for Verigrow fertiliser and soil improvers, Veratin shampoos and conditioners and Baa baa beverages. The Verigrow Australian trademark is registered

(Trademark Number 1793929) and the US trademark (Serial Number 1793929) is allowed. The Company has recently filed a Madrid Protocol application to protect the name in other jurisdictions where it has granted patents or pending patent applications.

Veratin also owns a worldwide exclusive licence for exploiting patented IP related to a biodegradable polymer. This novel biopolymer will find applications in a number of consumer products as a plastic replacement material.

Veratin also owns a PCT patent Alcoholic and non-alcoholic fermented products and method of preparation using wool, which was filed on 15 September 2023.

1.7 Risk factors

Eligible Shareholders should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of income and the principal invested. Investors should carefully read the section on risk factors outlined in section 5. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

However, these risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors referred to section 5, and others not specifically referred to in section 5, may materially affect the financial performance of the Company and the value of its Shares in the future.

The Company has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Offer may be more or less than the Issue Price.

The New Shares offered under this Offer carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on NSX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.8 New Share terms

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.9 No rights trading

Entitlements to New Shares pursuant to the Issue are non-renounceable and accordingly will not be traded on the NSX.

1.10 Acceptance of Entitlement to New Shares

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

To the extent that valid acceptances under the Entitlement and Acceptance Forms received is in excess of \$200,000, the Company and the Directors reserve the right to increase the

maximum amount to be raised under the Offer to that amount applied for by each Eligible Shareholder.

1.11 **Placement of Shortfall**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Offer Document. The issue price of any Additional Shares offered pursuant to the Shortfall Offer will be \$0.18, which is the Issue Price at which the Offer has been made to Eligible Shareholders.

Shareholders who apply for their full Entitlement may also apply for Additional Shares in excess of their Entitlement at the Issue Price under the Shortfall Offer.

Additional Shares will be issued under the Shortfall Offer at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Additional Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Additional Shares they applied for under the Shortfall Offer. In this case, the difference between the application moneys received and the number of Shares allocated to you multiplied by the Issue Price will be refunded to you.

In the event that there is a further Shortfall in subscriptions under the Offer following the issuance of the Additional Shares under the Shortfall Offer, the Company and the Directors reserve the right, as contemplated within the Listing Rules, to allocate any further Shortfall of New Shares in their absolute discretion and to conduct a placement of the remaining Shortfall to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall, hold a relevant interest of more than 20% of all of the Shares in the Company after this Issue.

Any Shortfall will be issued within three months after the Closing Date at an Issue Price being not less than the Issue Price.

1.12 **Scale back**

The Company is seeking to raise \$200,000 pursuant to the Offer. Accordingly, the Company reserves the right to close the Offer early and scale back applications in its absolute and sole discretion should the total demand exceed \$200,000. When determining the amount (if any) by which to scale back an application, the Company may take into consideration a number of factors including, but not limited to:

- (a) the amount applied for by each Eligible Shareholder pursuant to their Entitlement;
- (b) the amount of Additional Shares applied for by each Eligible Shareholder;
- (c) the date on which the application under the Offer was received with earlier applications given precedence; and
- (d) the number of Shares held on the Record Date.

If the Company undertakes a scale back, you will receive the number of Shares determined by the Company in its absolute discretion, which may be less than the parcel of Shares for which you have applied. In this case, the difference between the application moneys received and the number of Shares allocated to you multiplied by the Issue Price will be refunded to you.

1.13 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving NSX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors reserve the right, as contemplated within the Listing Rules, to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.14 NSX listing

On the same date as announcing the Offer, the Company applied to the NSX for the New Shares to be issued pursuant to this Offer Document to be listed for official quotation by the NSX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the NSX within three months after the date of this Offer Document, none of the New Shares offered under this Offer Document will be issued and all acceptance money will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

1.15 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the NSX Listing Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.16 Option Holders

Option Holders will not be entitled to participate in the Issue unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Issue as a result of being an Eligible Shareholder at 7.00pm (Sydney time) on the Record Date.

There are currently 3,250,000 Existing Options on issue. If all Option Holders elect to exercise their Existing Options prior to the Record Date to participate in the Issue, a further 130,000

New Shares may be issued under this Offer Document. The exercise price for each Existing Option is 25 cents so it is unlikely that any Existing Option will be exercised.

1.17 **Overseas Shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Offer Document and the accompanying form in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

1.18 **Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

1.19 **Electronic Offer Document**

An electronic version of this Offer Document is available on the Internet at www.veratin.com.au.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Offer Document should

immediately request a paper copy of the Offer Document directly from the Company or the Share Registry.

2. How to apply

2.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. Additional Shares are able to be applied for.

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement they will have no right to subscribe for the New Shares pursuant to this Offer.

Entitlements to New Shares can be accepted in full or in part by in accordance with the instructions set out on the Entitlement and Acceptance Form by making payment by no later than 5.00pm (Sydney time) on the Closing Date. Payment may be made by BPAY®. The Issue Price of \$0.18 per New Share is payable in full on acceptance of part or all of your Entitlement.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse. If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Offer may be placed by the Directors to third parties. See sections 1.12 and 4.3 for further details.

2.2 Binding effect of Entitlement Acceptance

A payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once paid, cannot be withdrawn.

By making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3. Control issues arising from the Offer on the Company

3.1 Present position

The Shareholders who hold more than 5% of the Shares prior to the date of this Offer Document are as follows:

Name	Shares	%
Ramiz Boulos, Chloe Cooper, Boulos & Cooper Pty Ltd <Boulos & Cooper Trust A/C> and Boulos & Cooper SF Pty Ltd <Boulos & Cooper SMSF A/C> (Boulos Holdings)	49,271,879	49.23
Amal Hunna	5,755,000	5.75
Ampac Developments Pty Ltd <Ampac Developments Trust A/C>	5,103,750	5.10

3.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Issue assuming the Issue is fully subscribed will be as follows:

	Shares	
	Number	%
Ordinary Shares on issue at the date of the Offer Document	100,095,060	98.74%
Maximum number of New Shares under the Offer Document ^{1,2}	1,111,112	1.10%
Total:	101,206,172	100%

Notes:

1. Assumes that Eligible Shareholders will take up Entitlements to the extent of \$200,000. The Boulos Holdings will not take their respective Entitlement under the Offer. To the extent that valid acceptances to Entitlement and Acceptance Form that are received are in excess of \$200,000, the Company and the Directors reserve the right to increase the maximum amount to be raised under the Offer to that amount applied for by each Eligible Shareholder. Based on Boulos Holdings not taking up their respective Entitlement, the maximum number of additional New Shares to be issued under the Offer is 921,815 Shares.
2. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Offer Document. If all Existing Options on issue as at the date of this Offer Document were exercised prior to the Record Date, the Company's issued shares would increase by 3,250,000 resulting in a further 130,000 New Shares being offered pursuant to this Offer Document. This increase is unlikely to occur on the basis that the exercise price of each Existing Option (25 cents) is higher than the Issue Price of 18 cents under the Offer.

As at the date of this Offer Document, the Company has a total of 3,250,000 Existing Options on issue as follows:

No of options	Exercise price	Expiry date
250,000	\$0.25	1/12/2023
3,000,000	\$0.25	30/06/2027

3.3 **Potential effect of the Offer**

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company. The Boulos Holdings have indicated that each entity does not currently intend to take up their respective Entitlement under the Offer but reserves the right to do so.

However, Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted. In addition, the proportional shareholdings of Shareholders who are not resident in Australia and New Zealand may be marginally diluted as those Shareholders are not entitled to participate in the Offer.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the Corporations Act and the Listing Rules.

4. Risk factors

4.1 Risk factors

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks; however, some are outside its control.

Prior to making any decision to accept the Offer, Eligible Shareholders should carefully consider the risk factors which the Company has previously disclosed, as well as those risks of which the Eligible Shareholder is aware, or should be aware of through their own knowledge and enquiries.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of the Company and are not capable of mitigation. There are also general risks associated with any investment in shares.

The New Shares that are to be issued pursuant to the Offer are speculative because of the nature of the business of the Company. The value of shares can go up as well as down and a dividend may or may not be paid in the future, depending on the Company's operating successes. As the holding of the Company's securities can involve certain risks, Eligible Shareholders in doubt as to the course they should follow should consult their stockbroker, accountant or other professional advisor without delay.

5. Additional information

5.1 Section 708AA Corporations Act

Veratin is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to section 708AA of the Corporations Act. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by NSX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA(8) and (9); and
- (b) state:
 - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
 - (2) the consequences of that effect.

A notice under section 708AA(2)(f) was lodged with the NSX on 25 September 2023.

5.2 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

5.3 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$10,000 (assuming that the Offer is fully subscribed).

In addition the Company may if it deems it necessary for the placement of any Shortfall, pay stockbrokers' fees which will be equal to a percentage of the Issue Price (including GST) of New Shares issued under the Shortfall.

5.4 Consents and disclaimers

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Automatic Pty Ltd has given and has not withdrawn its consent to be named in this Offer Document as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as share registrar to the Company and it takes no responsibility for any part of the Offer Document other than the references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

5.5 Directors' statement

This Offer Document is issued by Veratin Limited. Each director has consented to the lodgement of the Offer Document with NSX.

Signed on the date of this Offer Document on behalf of Veratin Limited by:

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

Ramiz Boulos
Director

6. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements
Additional Shares	The Shares issued under the Shortfall Offer.
Applicant	A person who submits an Entitlement and Acceptance Form
Application Money	The Issue Price multiplied by the number of New Shares applied for
Board	The board of Directors of the Company
CHESS	means the Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the NSX under which transfers are effected in paperless form.
Closing Date	The date by which valid acceptances must be received by the Share Registrar being 5.00pm (AWST) 19 October 2023 or such other date determined by the Board
Company or Veratin	Veratin Limited ACN 613 404 612
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The Directors of the Company
Eligible Shareholder	A shareholder of the Company that holds shares in the Company on the Record Date whose registered address is in Australia or New Zealand.
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document
Entitlements	The entitlement to accept New Shares under this Offer Document
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Offer Document
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder
Issue or Offer	The offer and issue of New Shares in accordance with this Offer Document
Issue Price	\$0.18 for each New Share applied for
Listing Rules	The official listing rules of the NSX
New Shares	Shares proposed to be issued under the Offer
NSX	NSX Limited ACN 089 447 058
Opening Date	The date of commencement of the Offer, expected to be 10 October 2023
Option Holders	The holders of the Existing Options
Options	Options on issue in the Company from time to time
Offer Document	This Offer Document as modified or varied by the Company
Record Date	5:00pm (AWST), 9 October 2023

Register	The company register of the Company
Relevant Interest	Has the meaning given to that term in the <i>Corporations Act</i>
securities	Has the same meaning as in section 92 of the <i>Corporations Act</i>
Share Registry or Automic	Automic Pty Ltd ACN 152 260 814
Shares	The ordinary shares on issue in the Company from time to time
Shareholder or Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
Shortfall Offer	The offer to apply for the Shortfall as described in section
US Securities Act	The US Securities Act of 1933, as amended.

Corporate directory

Directors	Solicitors to the Offer
Ramiz Boulos (Executive Chairman) David Vincent (Non-executive Director) Giuseppe Lenzo (Non-executive Director)	HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000
Administration and Registered Office	Share Registry
14A Hines Road, O'Connor, Western Australia, 6163 Tel: +61 8 6323 8013 www.veratin.com.au	Automic Pty Ltd Level 5 126 Phillip Street Sydney NSW 2000