



## APPENDIX 1: FORM OF LETTER OF APPLICATION

A formal letter of application shall, in substantially the order given below, cover the following information. Information in a draft *disclosure document* which is enclosed with the application letter may be incorporated by reference to:

### 1. GENERAL

- (a) **the name of the applicant and the date and place of incorporation;**

Veratin Limited (ACN 613 404 612), incorporated in Victoria on 1 July 2016.

- (b) **if not incorporated in Australia, the date on which the applicant became registered under the Corporations Act;**

N/A.

- (c) **the address of the principal registered office and the address of each office at which a share register is kept;**

Registered Office: Unit 1, 14A Hines Road WA 6163

Share Registry Office: Automic Pty Ltd, Level 5, 126 Phillip Street, Sydney NSW 2000

- (d) **a formal request for the listing of the securities in respect of which application is made, specifying the nature of the securities and the amount, class, the voting rights attached and whether they are to be fully paid;**

Veratin Limited formally requests for the listing of the following number of fully paid ordinary shares in the company:

- (i) if the minimum subscription is met: 92,351,734; and
- (ii) if the maximum subscription is met: 97,351,734.

#### *Voting rights*

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(e) **the proposed method by which the securities are to be brought to listing and details of any proposed distribution of the securities;**

The securities are to be brought to listing by an initial public offer. The initial public offer will be an offer of up to 5,000,000 Shares at an issue price of \$0.10 per Share to raise up to \$500,000 (Offer). Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.10 per Share to raise up to a further \$500,000 may be accepted.

(f) **the estimated market capitalisation of the securities for which a listing is sought;**

The estimated market capitalisation of the securities for which a listing is sought is as follows:

- (i) if the minimum subscription is met: \$9,235,173.40; and
- (ii) if the maximum subscription is met: \$9,735,173.40.

(g) **an estimate of the net proceeds of any proposed issue and the intended use of the proceeds; and**

The estimate of the net proceeds of the proposed issue and the intended use of the proceeds are as follows:

Funds available	Minimum Subscription (\$ (\$500,000))	Percentage of Funds (%)	Maximum Subscription (\$ (\$1,000,000))	Percentage of Funds (%)
Existing cash reserves	50,000	9	50,000	5
Funds raised from the Offer	500,000	91	1,000,000	95
<b>Total</b>	<b>550,000</b>	<b>100.00</b>	<b>1,050,000</b>	<b>100.00</b>
<b>Allocation of funds</b>				
Research and development	80,000	15	200,000	19
Advertising	75,000	14	200,000	19
Expenses of the Offer	122,315	22	124,081	12
Working capital	272,685	50	525,919	50

Funds available	Minimum Subscription (\$) (\$500,000)	Percentage of Funds (%)	Maximum Subscription (\$) (\$1,000,000)	Percentage of Funds (%)
Total	550,000	100	1,050,000	100

- (h) **the name of any other stock exchange on which any securities of the issuer are already listed and/or traded.**

N/A.

## 2. SHARE CAPITAL AND OWNERSHIP

- (a) **A list in tabular form of:**

- (i) the designation or title of each class of share;
- (ii) the number of shares issued;
- (iii) the voting rights attached to each share;
- (iv) the amount of fully paid up shares;
- (v) the shareholdings of the *directors* and officers of the *issuer*; and
- (vi) so far as is known, or can be ascertained after reasonable enquiry, the names of all shareholders of the *issuer* who own five percent (5%) or more of the shares of the *issuer* and their respective shareholdings.

Refer to Annexure A.

- (b) **A list in tabular form of the names of all shareholders of the issuer including the dates that the shares were allotted to them, the consideration that they provided and the number of share's that are held.**

Refer to Annexure B.

## 3. SECURITIES

**An outline of the principal terms of the securities the applicant wishes to list.**

Refer to section 11.2 of the prospectus (Annexure C).

## 4. HISTORY AND NATURE OF BUSINESS

**A short introductory paragraph describing the general nature of the business and products of the applicant. A brief history of the issuer for the last five (5) years or, if later, from inception to the date of the application. A description of the business now conducted by the issuer and its child entities, including principal products manufactured, services performed or investments held, principal markets for products and raw materials, method of marketing, annual turnover for the preceding three (3) financial years and for the current financial year to the latest date available.**

Refer to sections 5 and 6 of the prospectus (Annexure C).

## 5. SUMMARY OF EARNINGS

A summary of earnings, on a consolidated basis if the applicant has *subsidiaries*, for the last three (3) financial years, showing sales, earnings before charges for depreciation, interest and tax (if any), the amount of each of those charges, net income before extraordinary items, extraordinary items, net income and earnings per share.

Refer to Annexure D.

## 6. TABULATION OF BALANCE SHEET

A tabulation of its balance sheet for each of the last three (3) financial years (on a consolidated basis if the *issuer* has *subsidiaries*) or from the date of incorporation, if shorter. The tabulation should include a calculation of the net asset value per *security* for each of the three (3) financial years.

Refer to Annexure E.

## 7. EMPLOYEES

A statement as to the total number of persons regularly employed and, if subject to seasonal fluctuations, the maximum and minimum numbers employed during the preceding twelve (12) months.

The total number of persons regularly employed is as follows:

- (a) Ramiz Boulos (Director)
- (b) David Geoffrey Vincent (Director)
- (c) Giuseppe Lenzo (Director)
- (d) Peter Simpson
- (e) Matt Rosario Nici

Total: 5

## 8. CHILD ENTITIES

A tabular list of all *child entities* showing in respect of each such corporation:-

- (a) the name of the corporation;
- (b) a brief statement of the nature of its business and its relationship to the operations of the entire enterprise; and
- (c) share capital by classes, showing the amount issued and the amount owned by the *holding entity*.

N/A.

## 9. DIVIDEND RECORD

State the number of consecutive years in which dividends have been paid. State the amount of dividend (per share and in the aggregate) paid by the applicant (and its *child entities*) for each of the three (3) preceding years. Indicate whether dividends have been paid on a quarterly, semi-annual or annual basis. State the

record date, payment date and the date of declaration with respect to each dividend paid during the past two (2) years.

N/A.

## 10. PROPERTIES

**Describe briefly the general character of the properties of the applicant and its *child entities*, including:**

(a) **location;**

Unit 1, 14A Hines Road, O'Connor WA 6163

(b) **area;**

123m<sup>2</sup>

(c) **number of buildings;**

One (1)

(d) **aggregate floor area of buildings; and**

173m<sup>2</sup>

(e) **whether properties are owned or leased, and if leased, state total rental paid for each of the three (3) preceding financial years and average term of years.**

The property is leased.

The total rental paid for each of the three (3) preceding financial years is as follows:

(i) Financial Year 2019: \$8,580

(ii) Financial Year 2020: \$11,142.92

(iii) Financial Year 2021: \$16,249.59

## 11. LITIGATION

**Particulars of any litigation or claims of material importance made against any member of the *group* in the last five (5) years or which is pending or threatened against any member of the *group*, or an appropriate negative statement.**

There is no litigation or claims of material importance that have been made against any member of the *group* in the last five (5) years or is pending or threatened against any member of the *group*.

## 12. MANAGEMENT

(a) **the full name, residential address and description (being his or her qualifications or area of expertise or responsibility) of every *director* or proposed *director* and any *person* who performs an important administrative, management or supervisory function and particulars of the principal functions performed by each of them within the *group* if significant to the *group*;**

Ramiz Boulos

11 Waterside Crescent, Gwelup WA 6018

*Executive Chair*

David Geoffrey Vincent

21 Deverell Way, Bentley WA 6102

*Non-executive Director*

Giuseppe Lenzo

7 Merrivale Circle, Tapping WA 6065

*Non-executive Director*

- (b) **(the nature of any family relationship between the persons mentioned in (1);**

N/A

- (c) **a brief account of the business experience of each of these persons during the last five (5) years;**

Ramiz Boulos

Dr Boulos is an inventor and serial entrepreneur. In 2016, Dr Boulos founded Boulos & Cooper Labs, which carries out research and development in different fields. In 2021, he founded Founders First to help founders commercialise their IP. In 2021 he invented a new biodegradable polymer which he licensed to Veratin. Dr Boulos holds an Adjunct Lecturer position at Flinders University and is a previous SA Tally Poppy (2014).

David Geoffrey Vincent

Mr Vincent is the owner and Managing Director of the Farmers Market on Manning, Western Australia's largest farmers market since 2009. The market has an average patronage of around 5,000 per week. Mr Vincent has a long successful history in retail food and a strong interest in innovative new concepts. He is currently the Chairman of the Western Australian Farmers Market Association.

Giuseppe Lenzo

Mr Lenzo is a Chartered Accountant and Registered Tax Agent. He has more than 13 years' experience working in the Tax, Accounting and Business Advisory space. During that time Giuseppe has worked for KPMG and Deloitte, two of the largest accounting & consultancy firms worldwide, as well as a boutique tax specialist consultancy firm. Giuseppe currently runs his own practice, G Lenzo Consulting, which has

been successfully operating since January 2017. He services a range of small businesses assisting them with their tax, accounting and business advisory needs.

- (d) **indicate any other directorships held by each *director* or proposed *director* in any publicly listed or traded companies; and**

No director holds any other directorships in any publicly listed or traded companies.

- (e) **state if any *director* or proposed *director* has, in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or her or any partnership in which he was a partner or any body corporate of which he was a *director* or has been sanctioned or otherwise disciplined by any self regulatory securities association of which he or she is or has been a member or any securities supervisory or regulatory body or any such event is pending.**

No director or proposed director has, in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or her or any partnership in which he was a partner or any body corporate of which he was a director or has been sanctioned or otherwise disciplined by any self regulatory securities association of which he or she is or has been a member or any securities supervisory or regulatory body or any such event is pending.

### 13. SPONSORS, BANKERS, ETC.

- (a) **the names and addresses of the *issuer's* sponsor, financial advisers, principal bankers, nominated adviser, share registrar/transfer agent and solicitors; and**

Refer to Corporate Directory (Annexure F).

- (b) **the name, address and professional qualifications of the *issuer's* auditors.**

Refer to Corporate Directory (Annexure F).

### 14. STATEMENT OF NON-COMPLIANCE

**A statement of any requirements of the *Listing Rules* which cannot be met by the applicant and detailed arguments to support any request for a waiver or modification of the normal requirements.**

Refer to Request for Waiver (Annexure G).

### 15. DECLARATION

**A declaration, stated to be to the best of the *issuer's* knowledge, information and belief that:**

- (a) save as specified in the application letter, all the qualifications for *listing* set out in Chapter 3 of Section IIA of the *Listing Rules* have, in so far as applicable and required to be met and fulfilled prior to application, been met or fulfilled in relation to the *issuer* and the securities of the *issuer* the subject of the application;

- (b) all information required to be included in the *disclosure document* pursuant to Rule 4.8 and the *Corporations Act* will be included; and
- (c) there are no other facts bearing on the *issuer's* application for *listing* which, in the *issuer's* opinion, should be disclosed to the *Exchange*.

Refer to Declaration (Annexure H).



# ANNEXURE A

## SHARE CAPITAL AND OWNERSHIP

(a) **the designation or title of each class of share;**

All shares currently on issue and issued under the offer are fully paid ordinary shares.

(b) **the number of shares issued;**

	Minimum Subscription	Maximum Subscription
Shares currently on issue <sup>2</sup>	87,351,734	87,351,734
Shares to be issued pursuant to the Offer <sup>3</sup>	5,000,000	10,000,000
<b>Total Shares on completion of the Offer</b>	<b>92,351,734</b>	<b>97,351,734</b>

(c) **the voting rights attached to each share;**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(d) **the amount of fully paid up shares;**

All shares currently on issue and issued under the offer are fully paid ordinary shares.

(e) **the shareholdings of the directors and officers of the issuer;** and

(f) **Current shareholding**

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	33.60%	33.51%
David Vincent	1,252,500	Nil	1.43%	1.43%
Giuseppe Lenzo	31,250 <sup>2</sup>	Nil	0.04%	0.04%

(g) **Post-completion of the Offer – Minimum Subscription**

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	31.78%	31.70%
David Vincent	1,252,500	Nil	1.36%	1.35%
Giuseppe Lenzo	31,250 <sup>2</sup>	Nil	0.03%	0.03%

(h) **Post-completion of the Offer – Maximum Subscription**

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	30.15%	30.07%
David Vincent	1,252,500	Nil	1.29%	1.28%
Giuseppe Lenzo	31,250 <sup>2</sup>	Nil	0.03%	0.03%

so far as is known, or can be ascertained after reasonable enquiry, the names of all shareholders of the *issuer* who own five percent (5%) or more of the shares of the *issuer* and their respective shareholdings.

(i) **As at the date of the Prospectus**

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	33.60%	33.51%
Chloe Cooper	18,750,000	Nil	21.47%	21.40%
Amal Hunna	5,755,000	Nil	6.59%	6.57%
Ampac Developments Pty Ltd <A/C Ampac Developments Trust>	5,103,750	Nil	5.84%	5.83%
Fadi Salama	4,725,000	Nil	5.41%	5.39%

***On completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)***

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	31.78%	31.70%
Chloe Cooper	18,750,000	Nil	20.30%	20.25%
Amal Hunna	5,755,000	Nil	6.23%	6.21%
Ampac Developments Pty Ltd <A/C Ampac Developments Trust>	5,103,750	Nil	5.53%	5.51%
Fadi Salama	4,725,000	Nil	5.12%	5.10%

***On completion of the issue of Shares under the Offer with Maximum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)***

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	30.15%	30.07%
Chloe Cooper	18,750,000	Nil	19.26%	19.21%
Amal Hunna	5,755,000	Nil	5.91%	5.90%
Ampac Developments Pty Ltd <A/C Ampac Developments Trust>	5,103,750	Nil	5.24%	5.23%
Fadi Salama	4,725,000	Nil	4.85%	4.84%

## ANNEXURE C



Ramiz Boulos  
Executive Chair and  
Company Secretary  
17 December 2021

**VERATIN LIMITED**  
**ACN 613 404 612**

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## PROSPECTUS

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**For an offer of 5,000,000 Shares at an issue price of \$0.10 per Share to raise \$500,000 (Offer).**

Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.10 per Share to raise up to a further \$500,000 may be accepted.

The Offer is not underwritten.

### IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

**The Shares offered by this Prospectus should be considered as highly speculative.**

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## IMPORTANT NOTICES

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This Prospectus is dated 17 December 2021 and was lodged with the ASIC on that date. The ASIC, the NSX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

### Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

### No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make

such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be distributed outside Australia except to institutional and professional investors in transactions exempt from local prospectus or registration requirements, as contemplated below.

### US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the United States;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- (d) it will not offer or resell the Shares in the United States or in any other jurisdiction outside Australia.

### Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.veratin.com.au/investors](http://www.veratin.com.au/investors). If you are accessing the electronic version of this Prospectus for the

purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 431 150 538 during office hours or by emailing the Company at [info@veratin.com.au](mailto:info@veratin.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

### No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

## Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section E of the Investment Overview as well as Section 9 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

## Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 9.

## Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through NSX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the NSX. In addition, the Company will post this information on its website after the NSX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be

issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

## Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 13.

All references to time in this Prospectus are references to Australian Western Standard Time.

## Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies

including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the

Corporations Act and certain rules such as the NSX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

#### **Use of Trademarks**

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are

the property of their respective owners.

#### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on + 61 431 150 538.

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## CORPORATE DIRECTORY

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### **Directors**

Ramiz Boulos  
*Executive Chair*

David Geoffrey Vincent  
*Non-executive Director*

Giuseppe Lenzo  
*Non-executive Director*

### **Company Secretary**

Ramiz Boulos

### **Proposed NSX Code**

VTN

### **Registered Office**

Unit 1, 14A Hines Road  
O'CONNOR WA 6163

Telephone: + 61 431 150 538  
Email: [info@veratin.com.au](mailto:info@veratin.com.au)  
Website: <https://www.veratin.com.au/>

### **Legal advisers**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### **Patent and Trademark Attorney**

Lord & Company Patent and Trade Mark  
Attorneys  
4 Douro Place  
WEST PERTH WA 6005

### **Investigating Accountant**

Stantons Corporate Finance Pty Ltd  
Level 2, 1 Walker Avenue  
WEST PERTH WA 6005

### **Auditor**

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\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.



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## 1. CHAIRMAN'S LETTER

Dear Investor

On behalf of the directors of Veratin Limited (**Company**), it gives me great pleasure to invite you to become a shareholder of the Company.

Veratin is a research and development manufacturing company that develops high end value products from low grade wool using green chemistry processes. The Company's flagship product, Verigrow®, is a world-first fertiliser and soil improver. In addition, the Company is working on development of other products utilising the same technology platform including liquid keratin, keratin-based gels, drug carriers, amino acids and peptides and biodegradable polymers. The Company reasonably anticipates that sales from Verigrow will continue to grow as it increases the number of stockists and sale volumes nationally.

This Prospectus is seeking to raise a minimum of \$500,000 via the issue of Shares at an issue price of \$0.10 per Share under the Offer. Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.10 per Share to raise up to a further \$500,000 may be accepted. The purpose of the Offer is to provide funds to implement the Company's business strategies (explained in Section 6).

The Board have significant expertise and experience in management, innovation and commercialisation and will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's business.

This Prospectus is issued for the purpose of supporting an application to list the Company on NSX. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely

  
**Dr Ramiz Boulos**  
**Executive Chairman**

## 2. KEY OFFER INFORMATION

### INDICATIVE TIMETABLE<sup>1</sup>

Lodgement of Prospectus with the ASIC	17 December 2021
Exposure Period begins	17 December 2021
Opening Date	25 December 2021
Closing Date	21 January 2022
Issue of Shares under the Offer	31 January 2022
Despatch of holding statements	1 February 2022
Expected date for quotation on NSX	3 February 2022

- The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.*
- If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.*

### KEY STATISTICS OF THE OFFER

	Minimum Subscription (\$500,000) <sup>1</sup>	Maximum Subscription (\$1,000,000) <sup>2</sup>
Offer Price per Share	\$0.10	\$0.10
Shares currently on issue	87,351,734	87,351,734
Options currently on issue <sup>5</sup>	250,000	250,000
Shares to be issued under the Offer	5,000,000	10,000,000
Gross Proceeds of the Offer	\$500,000	\$1,000,000
<b>Shares on issue Post-Listing (undiluted)<sup>3</sup></b>	<b>92,351,734</b>	<b>97,351,734</b>
<b>Market Capitalisation Post-Listing (undiluted)<sup>4</sup></b>	<b>\$9,235,173.40</b>	<b>\$9,735,173.40</b>
<b>Shares on issue Post-Listing (fully diluted)<sup>3</sup></b>	<b>92,601,734</b>	<b>97,601,734</b>
<b>Market Capitalisation Post-Listing (fully diluted)<sup>4</sup></b>	<b>\$9,260,173.40</b>	<b>\$9,760,173.40</b>

#### Notes:

- Assuming the Minimum Subscription of \$500,000 is achieved under the Offer.
- Assuming the Maximum Subscription of \$1,000,000 is achieved under the Offer.
- Certain Shares on issue post-listing will be subject to NSX-imposed escrow. Refer to Section 6.14 for a disclaimer with respect to the likely escrow position.
- Assuming a Share price of \$0.10, however the Company notes that the Shares may trade above or below this price.
- Refer to Section 11.3 for the terms of the Options.

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### 3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
<b>A. Company</b>		
Who is the issuer of this Prospectus?	Veratin Limited (ACN 613 404 612) ( <b>Company</b> or <b>Veratin</b> ).	
Who is the Company?	The Company was incorporated in Australia as a proprietary company limited by shares on 1 July 2016 and converted into an unlisted public company on 21 October 2021 to develop and exploit intellectual property developed by its founder, Dr Ramiz Boulos.	Section 5.1
What does the Company do?	<p>The Company is involved in the research and development of products derived from waste wool, including the development and sales of its initial product, Verigrow®, a wool-based liquid fertiliser for domestic and commercial use.</p> <p>The Company is also involved in the development of additional products and opportunities derived from its registered intellectual property.</p>	Section 5.1
What are the Company's key objectives post listing?	<p>The Company's main objectives on completion of the Offer and NSX listing are:</p> <ul style="list-style-type: none"><li>(a) grow the sales and revenue generation from its Verigrow® product;</li><li>(b) expand its manufacturing capabilities to grow volumes of Verigrow® capable of sale;</li><li>(c) increase its marketing and promotion of its Verigrow® product;</li><li>(d) continue its research and development of its current products in development;</li><li>(e) enhance its public profile in the research and development manufacturing industry as</li></ul>	Section 6.2

Item	Summary	Further information
	<p>a result of becoming an NSX listed entity;</p> <p>(f) provide Shareholders with access to a liquid market for Shares;</p> <p>(g) provide the Company with access to equity capital markets for potential future capital raising; and</p> <p>(h) provide working capital for the Company.</p>	
<b>B. Industry Overview</b>		
What is the industry in which the Company will operate?	The Company operates in the agricultural industry, although is active in the research and development of products in cosmetic, health foods and materials sectors.	Section 5.1
Where are the Company's key markets located?	The Company's flagship product, Verigrow® is now in 40 stores and nurseries across Western Australia and Queensland.	Section 5.1 and 5.4
Who are the Company's key competitors?	<p>There are a number of competitors in Veratin's current and proposed key market areas in various stages of development.</p> <p>(a) <b>Fertiliser Market</b> - In Australia, there are approximately 366 fertiliser manufacturers. Some competitors to Veratin in the fertiliser market include Incitec Pivot, Wesfarmers and Yara.</p> <p>(b) <b>Liquid Keratin</b> - One of the market leaders in the creation of liquid keratin is Keraplast, a leader in providing keratin from natural sources, including wool. Given the global size and scale of the beauty and skin care markets, and the success that Keraplast has displayed, the Company is working to develop its own liquid keratin that can compete in that market using its</p>	Section 5.6

Item	Summary	Further information
	<p>existing intellectual property.</p> <p>(c) <b>Other Competition and markets</b> - As the Company continues to grow its products utilising its intellectual property, other markets, such as the skin care, polymer and feedstock markets will open up for the Company. However, as at the date of this Prospectus, whilst the Company has developed an understanding of the size and opportunities within those markets, it is not currently competing or have products available that can enable it to compete in those markets.</p>	
<b>C. Business Model</b>		
How does the Company generate revenue?	<p>The Company currently generates revenues from the sales of its Verigrow® fertiliser product through distributors to commercial farms and councils and in major retail chains in Western Australia and some other Australian States. The main retailers currently stocking Verigrow® include:</p> <p>(a) Waldecks;</p> <p>(b) Better Pets and Gardens;</p> <p>(c) Mitre 10; and</p> <p>(d) Independent Grocers Association (IGA).</p>	Section 6.8
What are the key business strategies of the Company?	<p>The Company's strategy following the completion of the Offer and the listing on the NSX is to:</p> <p>(a) upgrade its existing production capacity to enable it to produce and distribute larger volumes of its Verigrow® product;</p> <p>(b) increase its marketing and promotional activities to grow its sales revenues from sales of Verigrow®;</p> <p>(c) develop new Verigrow®-based products including</p>	Section 6.2

Item	Summary	Further information
	<p>potting mixes and foliar sprays for domestic use; and</p> <p>(d) continue the development of its other products outlined above to create new products to add to its product suite outside of Verigrow®.</p>	
What are the Company's key assets?	The Company has a patent portfolio comprising of a number of patent applications relating to an organic fertiliser and soil improver containing keratin. The details of Veratin's patent portfolio are detailed in the Intellectual Property Report annexed at Annexure B	Annexure B
What stage of commercialisation is the Company's technology at?	<p>The Company has developed its flagship product Verigrow®, which is manufactured in Western Australia and supplied to businesses in Western Australia, New South Wales, Northern Territory, Queensland and South Australia.</p> <p>The Company is currently in the process of developing other products which they will seek to commercialise.</p>	Section 5
How is the business marketed?	<p>Since its launch in October 2019, Veratin has invested and continues to invest in Verigrow® advertising. The Company has commissioned several radio advertising campaigns through 6PR, Curtin FM, Capital Community Radio, 6iX and 98Five Sonshine.</p> <p>The Company was featured on a Landline interview in November 2021, following which the Company received interest from the viewers regarding Veratin and Veratin's products.</p> <p>Following the successful completion of the Offer, the Company will increase its marketing as outlined in Section 4.7.</p>	Sections 6.5 and 4.7

Item	Summary	Further information
What are the significant dependencies of the Company post-listing?	<p>The key factors that the Company will depend on to meet its objectives are:</p> <ul style="list-style-type: none"> <li>(a) completion of the Offer;</li> <li>(b) protection of intellectual property;</li> <li>(c) retention of key personnel;</li> <li>(d) delivery of a new reactor to increase its production;</li> <li>(e) availability of raw materials; and</li> <li>(f) customer demand.</li> </ul>	Section 6.11
What is the Company's growth strategy?	<p>The Company will continue to grow the business from the sale of its Verigrow® fertiliser. The company intends to increase its marketing and promotional material in order to support product sales.</p> <p>The Company will seek to develop new products that can generate revenue for the business.</p>	Section 6.2
What is the Company's Dividend Policy?	<p>The Company anticipates that significant expenditure will be incurred in the evaluation and development of Veratin's products. These activities are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.</p>	Section 6.15
<b>D. Financial Information</b>		
How has the Company performed historically?	<p>The audited historical financial information of the Company as at 30 June 2021 is set out in Section 8 and Annexure A.</p>	Section 8 and Annexure A
What is the key financial information for the Company?	<p>Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate</p>	Section 8 and Annexure A



Item	Summary	Further information
	forecast or projection on a reasonable basis.	
How will the Company fund its activities?	The Company proposes to fund its proposed business activities following listing as outline the table at Section 4.7.	Section 4.7
Key investment highlights	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <p><b>Revenue generating</b> – The Company is revenue-generating having established operations and an existing customer based.</p> <p><b>Growing Sales</b> – In FY20, Veratin made sales of \$17,282. In FY21, Veratin made sales of \$40,996 – an increase of 137.22% from the previous FY.</p> <p><b>Efficient operation</b> – Veratin implements a lean operating model maximizing investment in marketing research and development and other value adding activities.</p> <p><b>Improved Brand Awareness</b> – Since Verigrow's launch, the Company has invested and continues to invest in print, radio, social and TV advertising. The Company is currently running various social media advert campaigns, a radio advert on 6PR and a TV commercial on WIN targeting regional farms. In addition, the Company also featured on an ABC Landline episode (episode 41) focusing on upcycling low-grade wool.</p> <p><b>Intellectual Property</b> – The Company owns intellectual property in the form of patents and trademarks. The Company's patent includes National Phase patent <i>Organic Fertiliser and Soil Improver</i>, 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</p>	Sections 5, 6 and Annexures A and B.

Item	Summary	Further information
	<p>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, only the South African patent has been granted.</p> <p>Veratin also holds trademarks for "Verigrow". The Australian trademark is registered (Trademark number 1793929) and the US and China trademarks are pending. As the company grows, Veratin will file registrations for its trademark in other territories.</p> <p>Veratin also owns a worldwide exclusive license for exploiting IP related to a biodegradable polymer. This novel biopolymer will find applications in a number of consumer products as a plastic replacement material. Veratin is pursuing the development of biodegradable plant pots at the first instance.</p> <p><b>Diversification and Synergy</b> - 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.</p> <p><b>Sustainable Green Chemistry Manufacturing</b> – Veratin utilises a sustainable and biodegradable resource and at the same time value-adds to the wool farming industry. The Company implements a green chemistry approach using benign processes reducing waste, improving efficiency, and reducing cost. In the case of Verigrow, clever circular economy was a key feature of product design at its inception.</p>	

Item	Summary	Further information
<b>E. Key Risks</b>		
Key Risks	<p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, a summary of the core key risk factors affecting the Company are as follows:</p> <ul style="list-style-type: none"> <li>(a) <b>Protection of intellectual property rights</b> - The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained.</li> <li>(b) <b>Rapid growth risk</b> - The Company aims to experience rapid growth in the scope of its operating activities which may expand operations in new jurisdictions and markets. This growth is anticipated to result in an increased level of responsibility which, if unable to be managed, will result in the Company not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.</li> <li>(c) <b>Competition</b> - The market in which the Company operates includes large and well-funded technology companies whose resources exceed those currently available</li> </ul>	Section 9

Item	Summary	Further information
	<p>to the Company. There can be no assurance that the Company will be able to match or compete with the efforts of such competitors that release competing products to market.</p> <p>(d) <b>Reliance on key personnel</b> - The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.</p> <p>(e) <b>Dependency on wool suppliers</b> - The Company is dependent on wool suppliers to supply the Company with waste-wool to be used in the manufacturing process. The Company has established a relationship with one key waste-wool supplier from a farm in Western Australia and has recently been approached by a number of other wool providers. The Company is confident</p>	

Item	Summary	Further information
	<p>that there will be no issues in accessing waste-wool for use in the Company's business in the foreseeable future.</p> <p>Additional information on these key risks and further risks are disclosed at Section 9 of this Prospectus.</p>	
<b>F. Directors and Key Management Personnel</b>		
Who are the Directors involved in the Company?	<p>The Board currently consists of:</p> <p>(a) Dr Ramiz Boulos – Executive Chair and company secretary;</p> <p>(b) David Geoffrey Vincent – Non-Executive Director; and</p> <p>(c) Guiseppe Lenzo – Non-Executive Director.</p> <p>The profiles of each of the Directors are set out in Section 7</p>	Section 7
<b>G. Interests of Key People and Related Party Transactions</b>		
What are the interests of Directors in the securities of the Company?	Refer to Section 7.2(Disclosure of Interests) for details of the Directors significant interests in the Company.	Section 7.2
What significant benefits are payable to the Directors and other key persons connected to the Company or the Offer?	<p>As at the listing of the Company, the remuneration payable to the Board will be as follows:</p> <p>(a) Ramiz Boulos - \$100,000 per annum (including superannuation);</p> <p>(b) Giuseppe Lenzo – \$50,000 per annum (including superannuation); and</p> <p>(c) David Vincent – \$50,000 (including superannuation).</p>	Section 7.2
Who are the Company's substantial Shareholders and what interest will they have after completion of the Offer?	Refer to Section 6.13 for details of the Company's Substantial Shareholders.	Section 6.13
What related party arrangements exist?	The Company has signed non-executive director appointment letters with Giuseppe Lenzo and David Vincent.	Section 10

Item	Summary	Further information
	<p>The Company has signed an executive services agreement with Ramiz Boulos, pursuant to which the company has engaged Mr Boulos to act as Managing Director.</p> <p>Refer to Section 10 for further details of related party agreements to which the company is a party.</p>	
<b>H. Offer</b>		
What is the Offer?	<p>The Company is offering 5,000,000 Shares at an issue price of \$0.10 per Share to raise \$500,000 (before costs).</p> <p>Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.10 per Share to raise up to a further \$500,000 may be accepted.</p>	Section 4.1
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is \$500,000.	Section 4.2
What are the purposes of the Offer?	The purposes of the Offer are to facilitate an application by the Company for admission to the Official List of NSX and to position the Company to seek to achieve the objectives stated at Section A of this Investment Overview.	Section 4.6
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 4.4
Who is the lead manager to the Offer?	The Company has not appointed a lead manager to the Offer.	Section 4.5
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.13

Item	Summary	Further information
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.8
What is the allocation policy?	The Company retains an absolute discretion to allocate Shares under the Offer and will be influenced by the factors set out in Section 4.9. There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 4.10
What will the Company's capital structure look like on completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 6.12.	Section 6.12
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 11.2.	Section 11.2
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow. However certain Shares on issue prior to the Offer may be subject to escrow imposed by the NSX. The Company will announce to NSX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on NSX.	Section 6.14
Who are the current Shareholders of the Company and on what terms were their Shares issued?	As at the date of the Prospectus, the Company has 48 Shareholders. These Shares were issued at various issue prices over time. All shares were issued to the Shareholders at the discretion of the directors in accordance with the Company Constitution and applicable laws.	Section 6.12
Will the Shares be quoted on NSX?	Application for quotation of all Shares to be issued under the Offer will be made to NSX no later than 7 days after the date of this Prospectus.	Section 4.11

Item	Summary	Further information
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (20,000 Shares) and thereafter, in multiples of \$500 worth of Shares (5,000 Shares).	Section 4.8
Are there any conditions to the Offer?	No, other than raising the Minimum Subscription and NSX approval for quotation of the Shares, the Offer is unconditional.	Section
<b>I. Use of funds</b>		
How will the proceeds of the Offer be used?	The Offer proceeds and the Company's existing cash reserves will be used for: (a) implementing the Company's business objectives as set out in Part C of Investment Overview; (b) research and development; (c) advertising (d) expenses of the Offer; and (e) working capital, further details of which are set out in Section 4.7.	Investment Overview Part C and Section 4.7
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 4.7
<b>J. Additional information</b>		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.	Section 4.15
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 4.16



Item	Summary	Further information
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 4.15
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council ( <b>Recommendations</b> ).	Section 7.4
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser;</p> <p>(b) By contacting the Company Secretary, on + 61 431 150 538 or</p> <p>(c) By contacting the Share Registry on + 61 61 2 8072 1400.</p>	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

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## **4. DETAILS OF THE OFFER**

### **4.1 The Offer**

The Offer is an initial public offering of 5,000,000 Shares at an issue price of \$0.10 per Share to raise \$500,000 (**Offer**).

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 11.2.

### **4.2 Minimum subscription**

The minimum subscription for the Offer is \$500,000 (5,000,000 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

### **4.3 Oversubscriptions**

Oversubscriptions of up to a further 5,000,000 Shares to raise up to a further \$500,000 may be accepted.

Therefore, the total amount that may be raised under this Prospectus is \$1,000,000.

### **4.4 Underwriter**

The Offer is not underwritten.

### **4.5 Lead Manager**

The Company has not appointed a lead manager to the Offer.

### **4.6 Purpose of the Offer**

The primary purposes of the Offer are to:

- (a) assist the Company to meet the admission requirements of NSX under the NSX Listing Rules;
- (b) provide the Company with additional funding for:
  - (i) an increase in marketing and promotional activities associated for Verigrow®;
  - (ii) fund ongoing research and development for the Company's current products that are in development as outlined in this Prospectus; and
  - (iii) the Company's working capital requirements while it is implementing the above.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 4.7.

#### 4.7 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following admission of the Company to the Official List of NSX as follows:

<b>Funds available</b>	<b>Minimum Subscription (\$) (\$500,000)</b>	<b>Percentage of Funds (%)</b>	<b>Maximum Subscription (\$) (\$1,000,000)</b>	<b>Percentage of Funds (%)</b>
Existing cash reserves <sup>1</sup>	50,000	9	50,000	5
Funds raised from the Offer	500,000	91	1,000,000	95
<b>Total</b>	<b>550,000</b>	<b>100.00</b>	<b>1,050,000</b>	<b>100.00</b>
<b>Allocation of funds</b>				
Research and development <sup>2</sup>	80,000	15	200,000	19
Advertising <sup>3</sup>	75,000	14	200,000	19
Expenses of the Offer <sup>4</sup>	122,315	22	124,081	12
Working capital <sup>5</sup>	272,685	50	525,919	50
<b>Total</b>	<b>550,000</b>	<b>100</b>	<b>1,050,000</b>	<b>100</b>

#### Notes:

1. Refer to the Financial Information set out in Section 8 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
2. Research and development is currently, and will continue to be focussed on the development of the Company's current products under development as described in this Prospectus. Where more than the minimum subscription is raised, additional funds allocated to research and development will enable greater expenditure on research and development with the potential to expedite the development of new products.
3. Advertising expenses include the costs associated with promoting the Company's Verigrow® product and increasing awareness of the benefits of Verigrow®. Where more than the Minimum Subscription is raised, the additional funds will enable the Company to increase its advertising spend and reach.
4. Refer to Section 11.7 for further details.
5. Administration and working capital costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

It is anticipated that the funds raised under the Offer, together with revenues generated from the Company's existing business will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital

beyond this point, which will likely involve the use of additional debt or equity funding.

In the event the Company raises more than the Minimum Subscription of \$500,000 under the Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards advertising and research and development before any other item, as advertising spend and generating awareness of the Company's product has shown to result in increased sales since the product launched.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including the creation of new products) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 9.

#### **4.8 Application**

If you wish to apply for Shares under the Offer, you may:

- (a) using an online Application Form at <https://investor.automic.com.au/#/ipo/veratin> and pay the application monies electronically; or
- (b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

The Application Form must be completed in accordance with the instructions set out on that Application Form.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (20,000) Shares and thereafter in multiples of 5,000 Shares and payment for the Shares must be made in full at the issue price of \$0.10 per Share.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (a) agrees to be bound by the terms of the relevant Offer;
- (b) declares that all details and statements in the Application Form are complete and accurate;
- (c) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (d) declares that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus;

- (e) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (f) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and
- (g) acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

## 4.9 How to Apply

### (a) **Online Application Form with BPAY® or EFT**

Applicants in Australia may apply for Shares by applying online by following the instructions at <https://investor.automic.com.au/#/ipo/veratin> and completing a BPAY® or EFT payment. If payment is not made via BPAY® or EFT, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® or EFT payment must be completed and received by no later than the Closing Date.

For online applications, investors can apply online with payment made electronically via BPAY® or EFT. Investors applying online will be directed to use an online Application Form and make payment by BPAY® or EFT.

An Applicant must comply with the instructions on the website. An Applicant will be given a BPAY® biller code and a customer reference number (CRN) or the payment instructions unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. Using these BPAY® details, you must:

- (i) access your participating BPAY® financial institution either through telephone or internet banking;
- (ii) select to use BPAY® and follow the prompts;
- (iii) enter the supplied biller code and unique customer reference number;
- (iv) enter the total amount to be paid which corresponds to the value of Shares you wish to apply for under each Application;
- (v) select which account you would like your payment to come from;
- (vi) schedule your payment to occur on the same day that you complete your online Application Form. Applications without payment will not be accepted; and

- (vii) record and retain the BPAY® receipt number and date paid.

You should be aware that your own financial institution may implement earlier cut-off times with regard to BPAY® or other electronic payments and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® or other electronic payments are received by 3.00pm (WST) on the Closing Date.

**(b) Paper Application**

Complete the hard copy of the Application Form accompanying the hard copy of this Prospectus and mail or hand deliver the completed Application Form with cheque or bank draft to the Share Registry at the relevant address shown on the Application Form so it is received before 5.00 pm (WST) on the Closing Date.

An original, completed and lodged Application Form, whether online or in hard copy, together with payment for the application monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid.

If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final. If your cheque, BPAY® or EFT payment for the application money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of application money provided.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

No brokerage, stamp duty or other costs are payable by applicants.

The Company reserves the right to close the Offer early.

#### **4.10 Allocation policy under the Offer**

The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire to have investors who are users of the Company's products;

- (d) the desire for a spread of investors; and
- (e) the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

#### **4.11 NSX listing**

Application for Official Quotation by NSX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that NSX will not commence Official Quotation of any Shares until the Company has complied with the NSX Listing Rules and has received the approval of NSX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by NSX before the expiration of three (3) months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that NSX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

#### **4.12 Issue**

The issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.10). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

#### **4.13 Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

#### **4.14 Commissions payable**

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

#### **4.15 Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

#### **4.16 Withdrawal of Offer**

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.



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## 5. INDUSTRY OVERVIEW

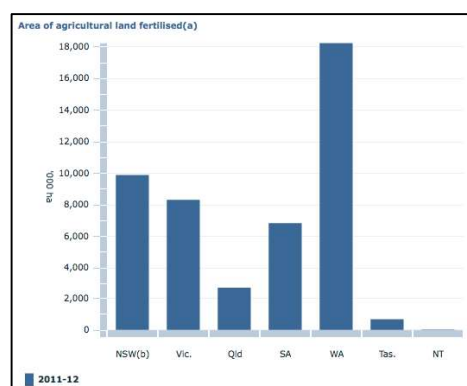
### 5.1 Background

Veratin is a research and development manufacturing company that develops sustainable high end value products from low grade wool, using green chemistry processes. The Company currently operates in the agricultural market, but is seeking to develop products that will be applicable in a broader range of industries including the cosmetic, health foods and materials sectors.

The Company's flagship product, Verigrow®, is a world-first all-purpose fertiliser and soil improver from low grade wool. In addition, the Company is working on development of other products utilising the same technology platform include liquid keratin, keratin-based gels, drug carriers, amino acids and peptides and biodegradable polymers. These products will be marketed for use in natural sunscreens, skin and hair products, gels, drug delivery products, peptide supplements, and as plastic-replacement in several products. The Company is also planning for any residual material to be dried and pelleted for on-sale to the poultry industry as feed supplement.

### 5.2 Australian Fertiliser market

In 2011-2012, fertiliser was applied to 46.7 million hectares of agricultural land in Australia. Western Australian agricultural businesses applied fertiliser to the largest area of agricultural land (18.2 million hectares) (Australian Bureau of Statistics). Urea accounted for 38%, being the most prevalent of all agricultural fertilising (or 1.2 million tonnes), ammonium phosphate accounted for 28% and animal manure accounted for 11% of agricultural businesses.



Source: Australian Bureau of Statistics

### 5.3 Use for Veratin products and intellectual property

Veratin has developed and is developing products that are relevant to several unrelated industries including agricultural (Verigrow®), cosmetic, health foods and materials. A key trend shared between these industries has been, at least in the developed world, an increase in consumer demand for sustainable and environmentally friendly products.

In the agriculture industry in Australia, there is now growing awareness that soil health is key to sustainable farming and a trend to seeking alternative solutions with a positive impact on soil health compared to traditional NPK (nitrogen, phosphorus and potassium) fertilisers.

Within the amino acid market segment for dietary supplements, pharmaceuticals, and cosmeceuticals there exists a number of important drivers to boost the uptake of amino acid products. These include improvements in preventative healthcare trends, related trends towards achieving optimum health, increasing importance of components in total parenteral nutrition products, growth in eco-friendly lifestyles, proven health benefits of amino acids, favourable media coverage of supplements, and encouraging and positive research on pharmaceutical intermediaries. In the last decade, there has been a global movement, incentivised by governments and more recently by industry, to stop

single-use plastic products. These incentives have seen a ban of plastic straws and single use plastic bags in some countries due to their harmful effects on the environments. At the same time, there has been a resurgence in research and development seeking plastic alternatives driven by government and private sector investment.

Consumer awareness and the push for sustainable, biodegradable and green raw materials has been a driving force for companies to find alternative and more benign approaches to developing their products. Veratin intends to capitalise on this by using benign processes and producing products from natural sources.

The Company believes that its intellectual property can be used to be a part of solutions for all of these markets as it continues to grow its product portfolio from its existing Verigrow® product to using its intellectual property for the development of new products associated with the creation of liquid keratin and amino acids from waste-wool taken from sheep, and the potential development of new polymers.

#### **5.4 Market share**

Verigrow® has thus far found a market in home gardens and horticulture and is now in 40 stores and nurseries across Perth and the eastern states. There are over 200 fertiliser stockists in WA and over 2,100 fertiliser stockists Australia wide. As such, Veratin has the opportunity to increase its market share and be stocked in a number of additional stores and nurseries.

In a broader sense, the fertiliser manufacturing industry is worth approximately \$4 billion in Australia. Veratin's existing market shares constitutes a negligible fraction of the industry and has significant potential to grow as the Company outlines the benefits of its products. This presents a great opportunity for the Company and its shareholders.

#### **5.5 Potential future markets**

As detailed above Veratin is developing products that are relevant to several unrelated markets. The current value of these markets are as follows:

##### **Cosmetic industry**

The cosmetic industry was valued at over USD 250 billion (AUD 294 billion) globally in 2012 and has a forecasted annual growth rate of 3.4%. Shampoos, conditioners, soaps and sunscreens form a large portion of that market.

##### **Food supplement**

The global food supplement industry is currently valued at over USD \$200 billion (AUD 235 billion) with protein and peptide supplements being an integral part of the industry.

##### **Biodegradable polymer**

Biodegradable polymers are polymers that breakdown into natural by-products with the help of naturally occurring microbes such as algae, bacteria, and fungi. Biodegradable polymers are eco-friendly, non-toxic, and do not cause harm to the environment or other living things. The biodegradable polymer market is valued at over USD \$3.5 billion and growing at a CAGR of 15%. Biodegradable polymers have diverse application such as controlled drug and gene delivery,

tissue engineering, medical implants and devices and surgical sutures, wound dressings, and others.

The growing value of these markets demonstrates the opportunity for Veratin to succeed if Veratin is successful in developing additional products that will form part of these markets.

## **5.6 Competition**

### **Liquid fertiliser and soil improver**

In Australia, there are approximately 366 fertiliser manufacturers. These can be classified as commercial, such as Incitec Pivot, Wesfarmers, Yara and a number of mining companies, or, domestic producers such as recognisable brands like Seasol, Richgro and Yates.

### **Liquid keratin**

One of the market leaders in the creation of liquid keratin is Keraplast, a leader in providing keratin from natural sources, including wool. Keraplast has acquired New Zealand based Keratec Ltd (a subsidiary of Wool Equities Limited) and is producing new materials from natural sources using patented technologies. Keratec's core technologies involve the extraction and purification of intact fractions of natural keratin proteins from wool sources.

Keraplast currently uses the same technology Replicine™ Functional Keratin® for its hair care (Kerastase products), skin care and wound care products, in addition to its nutritional products.

Given the global size and scale of the beauty and skin care markets, and the success that Keraplast has displayed, the Company is confident that there will be demand for liquid keratin in the beauty and skin care markets if the Company is successful in developing its own liquid keratin that can compete in the market.

### **Amino acids**

To the best of our knowledge there is currently no patented technology delivering amino acids and peptide supplements from wool.

A lot of popular amino acid supplement products currently available are processed from whey protein sources, a by-product of cheese production. The protein is composed of a mixture of beta-lactoglobulin, alpha-lactalbumin, bovine serum albumin and immunoglobulins. The Company believes that Veratin will be able to efficiently produce amino acids from wool that can deliver a high nutritional value at a competitive price.

## **5.7 Other competition and markets**

As the Company continues to grow its products utilising its intellectual property, other markets, such as the skin care, polymer and feedstock markets will open up for the Company. However, as at the date of this Prospectus, whilst the Company has developed an understanding of the size and opportunities within those markets, it is not currently competing or have products available that can enable it to compete in those markets.

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## 6. COMPANY OVERVIEW

### 6.1 Background

The Company is an Australian public company incorporated on the 1 July 2016 by Dr Ramiz Boulos and based on research work he has conducted on upcycling low grade wool into high value products using green chemistry processes.

Since incorporation, the Company has focused on developing a novel fertiliser and soil improver, Verigrow®, which the Company filed a provisional patent for in 2016. In February 2019, the Company moved to leased premises in O'Connor, WA for manufacturing Verigrow® and to carry out new product research and development.

Today, the Company is pursuing several unrelated industries including agricultural, cosmetic, health foods and materials by developing different products using the same platform technology. Currently, the Company has one commercially available product, Verigrow®, a world-first all-purpose fertiliser and soil improver derived from low-grade wool.

In addition, the Company is working on development of a number of other products derived from low grade wool that it believes can have an impact on various markets, including:

- (a) **liquid keratin** used as a raw material in the cosmetic industry in formulating hair products, facial creams and sunscreens;
- (b) **keratin-based gels and composite material** as drug carriers used in the pharmaceutical industry;
- (c) **amino acid and peptides** extracted from the liquid keratin used in the nutraceutical, chemical and pharmaceutical industries; and
- (d) **chicken feed** arising from any residue sold to the poultry industry.
- (e) **biodegradable polymers** to be used as plastic replacement in several products.

None of these products are finalised or sold commercially as at the date of this Prospectus.

The Company currently generates its revenues from the sales of Verigrow® to wholesalers and various retailers in Western Australia and Queensland.

### 6.2 Business plan and strategy

Utilising the Company's registered intellectual property and its experience and knowledge, the Company's strategy following the completion of the Offer and the listing on the NSX is to:

- (a) upgrade its existing production capacity to enable it to produce and distribute larger volumes of its Verigrow® product;
- (b) increase its marketing and promotional activities to grow its sales revenues from sales of Verigrow®;
- (c) develop new Verigrow®-based products including potting mixes and foliar sprays for domestic use; and

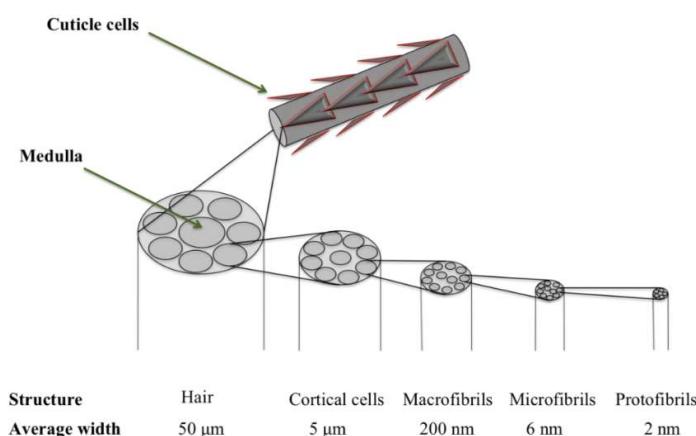
- (d) continue the development of its other products outlined above to create new products to add to its product suite outside of Verigrow®.

The Company considers that following the completion of the Offer and listing on NSX, it will have sufficient funds to enable it to execute this strategy.

### 6.3 About keratin:

Keratin is a class of fibrous proteins, or scleroproteins, that function as important structural elements in animals. The keratin family represents the principal constituent of epidermidis, hair, nails, horny tissues, and the organic matrix of tooth enamel.

Keratin-rich material, such as hair and wool, consists of three main components:



- (a) an outer layer, composed of scale edges, which point in the direction of the fibre tip such that there is no resistance when rubbing a fibre from follicle to tip;
- (b) the core, composed of a central medulla; and
- (c) a surrounding cortex.

The nucleus of the cortical cells is surrounded by macrofibrils and, in general, only the thicker cortical cells from hair have a medulla. Macrofibrils within the cortical cells are made up of smaller components known as microfibrils, which are approximately 6 nanometres thick in hair (see diagram above). This hierarchy accounts for both the non-biodegradability of wool and the typically difficult processing requirements needed to break-down wool. Veratin's innovation is based on green chemistry that makes the processing of wool simple, efficient, and cost-effective.

### 6.4 About the Company's technology

Our innovative keratin extraction technology uses benign processes to turn solid wool into a liquid rapidly and efficiently. The liquid keratin can then be further processed to produce fertilisers and soil improvers, amino acid sub-units, peptides, gels and composite materials for drug delivery.

Included in Annexure B is a report prepared by the Company's patent attorney outlining the Company's intellectual property surrounding this technology.

## 6.5 Commercial Product – Verigrow®

Verigrow® is a world-first all-purpose fertiliser/soil improver incorporating waste wool. The product provides an organic and an inorganic source of nitrogen. Keratin provides all the necessary amino acids providing a longer lasting or slow-release fertiliser and soil improving effect.



### How it works

Verigrow is a liquid fertiliser and soil improver. It is supplied as a concentrate and diluted with water. Verigrow comes in a range of sizes: 1L and 5L bottles for home gardens, and 20L, 200L and 1,000L for horticulture and broad acre. For home gardens, Verigrow can be delivered either via a watering jug or hose attachment. For horticulture and broad acre, Verigrow can be delivered either via fertigation, foliar spray or boom-spray. Verigrow has also been used successfully in home aquaponics systems.

### A rich source of amino acids

Wool is a sustainable and all-encompassing source of amino acids. Amino acids are the building blocks of life and help plants combat stress, increase root mass, activate natural defence mechanisms. Amino acids enhance photosynthesis by increasing the chlorophyll concentration, promote nutrient absorption, and stimulate essential metabolic activities. Amino acids are also an excellent food source for microbial proliferation. They are highly charged molecules which attract water molecules, allowing soil to better retain moisture. In addition, amino acids are also chelating agents, allowing plants to more efficiently take up inorganic ions present in the soil, by neutralising their charge.

Normally plants take up nutrients, elements and consume energy, derived from photosynthesis, to manufacture amino acids. Recent studies have proven that amino acids can be taken up by plants directly. By providing plants with amino acids that they can be absorbed directly, more energy can be directed by the plant to maintain optimal health and growth. The presence of amino acids therefore negates the need for high levels of nitrogen, phosphorous and potassium based fertilisers.

### Independent testing

In assessing the results of its Verigrow® product, the Company has commissioned independent testing to assess the merits of Verigrow® against one of its main competitors, testing plant height, biomass, NDVI (a measure of 'greenness') and weight (root and foliage), with the results of the testing Independent testing confirmed that Verigrow performs strongly in promoting plant growth against that competitor.<sup>1</sup>

### Current market

Verigrow is currently available in over 40 stores and nurseries across Western Australia and certain Eastern States and the Company plans to increase its distribution following the Offer.

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<sup>1</sup> Testing was carried out by Peracto WA (now Kalyx) and Verigrow was compared to Seasol in the study.

## **Marketing**

Since its launch in October 2019, Veratin has invested and continues to invest in Verigrow® advertising. The Company has commissioned several radio advertising campaigns through 6PR, Curtin FM, Capital Community Radio, 6iX and 98Five Sonshine. Where possible these adverts target gardening shows/segments. Veratin has also invested in online advertising through social media, Facebook, Instagram, Youtube, Spotify and Google, and various print advertising, including Countryman, The West, WA Grower and Wagin Woolarama.

Some of the funds to be raised under the Offer are intended to be utilised in further promotion and advertising of the Company's products with the aim to continue to grow the Company's distributors and sales.

### **6.6 Products in development**

In addition to the Company's currently available Verigrow® product, the Company continues to invest and develop new products that can add to its product portfolio and derive further revenues for the Company.

The products currently in development include:

#### **Verigrow® potting mix and foliar spray**

The Company is leveraging the research it has conducting on Verigrow® to commercialise a Verigrow® potting mix and a Verigrow® foliar spray. These products will complement the current agricultural product offerings by the Company. The potting mix will serve as a nutritional base for new garden beds and plant pots. As the nutrients in the mix are used up, the liquid product can be used. The foliar spray will be marketed as a ready-to-use product with no mixing necessary and will be ideal for all plants where the amino acids can be absorbed through the leaves.

#### **Development of liquid keratin**

The primary product we will obtain from waste wool will be liquid keratin which can be used for hair and cosmetic products, such as shampoos, conditioners, soaps and creams.

Using keratin as the building block of hair in hair treatment products is a natural progression given hair, like wool, is primarily composed of keratin protein. In addition keratin is biocompatible with cells and tissues, in addition to showing wound-healing properties, factors that are critical for addressing the risk of tissue rejection when using a gel and/or a drug carrier.

#### **Keratin-based gels and composite materials**

Keratin-based gels and composite material incorporating therapeutic drugs and other drug additives can also be prepared from dissolved wool. The dissolved wool can also be electrospun as keratin fibres, either alone, or in the presence of an additive, to provide extra functionality. Electrospinning is a simple and well-established technique for preparing nano-fibres with uniform diameter (up to 1 micrometre), with exceptional length (up to 50 centimetres) and diversified composition.

## **Amino acid and peptide extracts**

Through further processing, the liquid keratin can produce amino acids and peptide extracts. Such extracts are used in the health, pharmaceutical, and chemical industries. The dissolution of waste wool via our process results in a protein-rich material that can be used as a feedstock, or processed to produce short chain peptides and amino acids (such as arginine, glutamic acid and serine which are most prevalent in wool, in addition to sulfur-rich cysteine). The nature of the short chain peptides obtained will depend on the amino acid sequence of the fibrous protein in question.

## **Pelleted ionic liquid composite/wool:**

As at the date of this Prospectus, the Company is continuing to assess methods for utilising any residual waste material from manufacturing, including the ability to further process that material into dry pellets for on-sale to the poultry industry. Should this assessment merit further development, it would provide the Company with the ability to maximise revenues from its waste materials and further open additional revenue streams for the Company.

### **6.7 Existing research**

Veratin has engaged Trialco to run a broad acre trial of Verigrow® on wheat. The trial which will be carried out in Katanning will compare the performance of Verigrow® against Flexi-N, a market leading broad acre product, manufactured by CSBP. The relationship is based on a fee-for-service model with Veratin retaining the intellectual property generated. The results from this study will enable the Directors of the Company to make an informed decision whether to pursue the broadacre market. A key consideration here will be the price point of the product and whether the Company can bring down its cost to match competitor products given the price-sensitive nature of the broadacre market. This trial is expected to be finalised in January 2022.

Veratin is also conducting research and development in developing high purity amino acids from low grade wool. This research will be carried out by Dr Peter Simpson (Chief Scientific Officer) in-house. The Company expects that it will use equipment in research organisations, for example universities, to carry out analytical and characterisation of the amino acids. This will be on a fee-for-service basis with Veratin retaining the intellectual property generated.

Veratin has engaged consulting company AXD Pty Ltd for the development of cosmetic products such as shampoos and conditioners. This engagement builds on a previous working relationship whereby AXD delivered product samples for evaluation. As part of this engagement, Veratin will pay a fee to the IP rights of the products.

The Company has also in-licensed novel IP related to a biodegradable polymer. This is based on research work conducted by Dr Ramiz Boulous where he developed prototypes of the biopolymer.

As the Company grows, new collaborations can be forged to aid in the development of Veratin's other product lines.

### **6.8 Revenue generation**

Currently the Company generates all of its revenues from the sales of its Verigrow® product. Although, revenues have been modest, there is sufficient evidence that



revenues will grow as the product volumes and numbers of stockists continue to grow.

The Company's leading stockists in Western Australia currently are:

- (a) Waldecks;
- (b) Better Pets and Gardens;
- (c) Mitre 10; and
- (d) Independent Grocers Association (IGA).

Refer to Section 8 for a summary of the Company's revenues over the last 2 financial years.

As evidence of the impact that marketing can have on the Company's revenues, in November 2021, the Company was featured on the ABC television programme 'Landline'. The short feature on the Company's Verigrow® resulted in an immediate increase in interest and demand for Verigrow®.

The Company is also party to a number of distribution agreements, pursuant to which the distributors have agreed to promote, sell and distribute Verigrow® within Western Australia, New South Wales and Queensland.

## **6.9 Manufacturing**

Manufacturing and bottling of the Company's Verigrow® product is undertaken at the Company's facility in O'Connor, Western Australia.

The Company has recently acquired additional capacity to grow its manufacturing capacity which is reasonably expected to be installed and operational in January 2022.

## **6.10 Wool supply contracts**

The Company currently has one material contract in place to purchase waste-wool from a farm in Western Australia. The term of the contract is for 1-year and can be renewed on an ongoing basis in writing by both parties.

## **6.11 Key factors to achieving business plan**

The key dependencies to enable the Company to achieve its business plan outlined above after listing include:

- (a) Premises – to be used by Veratin to carry out its manufacturing operation. The premises used by the Company is located on O'Connor, Western Australia at Unit 1, 14A Hines Road O'Connor and is currently leased until February 2022. The company has the option to renew the lease as it sees fit;
- (b) Essential assets – Veratin utilises a reactor for its manufacturing processes. This is company property and fully paid for. The Company has recently purchased a new reactor that will enable it to grow its production capacity to meet increases in demand for its products;
- (c) Availability of raw materials – the availability of wool is key to the sustained growth of the Company. Veratin has entered into a wool supply

agreement with a farm in WA. The agreement can be renewed in writing by both parties. As the Company grows, it will seek out additional sources of wool;

- (d) Customers – the availability of customers for Verigrow® and other future products is important for the sustainability of the Company;
- (e) Key Personnel – the Company depends on Dr Ramiz Boulos as the Founder and brains behind the Company. The Company also depends on Dr Peter Simpson for the research and development of other products the Company is seeking to commercialise; and
- (f) Intellectual property – protection of the Company's IP is critical for the company to have a competitive edge.

## 6.12 Capital structure

The capital structure of the Company following completion of the Offer (assuming both Minimum Subscription and Maximum Subscription under the Offer) is summarised below:

### Shares<sup>1</sup>

	Minimum Subscription	Maximum Subscription
Shares currently on issue <sup>2</sup>	87,351,734	87,351,734
Shares to be issued pursuant to the Offer <sup>3</sup>	5,000,000	10,000,000
<b>Total Shares on completion of the Offer</b>	<b>92,351,734</b>	<b>97,351,734</b>

#### Notes:

- The rights attaching to the Shares are summarised in Section 11.2.
- The Company has historically issued Shares at a variety of issue prices since incorporation.

### Options

	Minimum Subscription	Maximum Subscription
Options currently on issue <sup>1</sup>	250,000	250,000
Options to be issued pursuant to the Offer	Nil	Nil
<b>Total Options on completion of the Offer</b>	<b>250,000</b>	<b>250,000</b>

#### Notes:

- The rights attaching to the Options are summarised in Section 11.3.

## 6.13 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

**As at the date of the Prospectus**

Shareholder	Shares	Options	Percentage (%) (undiluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	33.60%
Chloe Cooper	18,750,000	Nil	21.47%
Amal Hunna	5,755,000	Nil	6.59%
Ampac Developments Pty Ltd <A/C Ampac Developments Trust>	5,103,750	Nil	5.84%
Fadi Salama	4,725,000	Nil	5.41%

**Notes:**

1. The total number of Shares held by Ramiz Boulos includes 20,381,250 Shares held by Ramiz Boulos in his personal name, 8,880,000 Shares held by Boulos & Cooper Pty Ltd <A/C Boulos & Cooper Trust>, an entity controlled by Ramiz Boulos and 90,000 Shares held by Boulos & Cooper SF Pty Ltd <A/C Boulos & Cooper SMSF>, an entity controlled by Ramiz Boulos.

**On completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)**

Shareholder	Shares	Options	Percentage (%) (undiluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	31.78%
Chloe Cooper	18,750,000	Nil	20.30%
Amal Hunna	5,755,000	Nil	6.23%
Ampac Developments Pty Ltd <A/C Ampac Developments Trust>	5,103,750	Nil	5.53%
Fadi Salama	4,725,000	Nil	5.12%

**Notes:**

1. The total number of Shares held by Ramiz Boulos includes 20,381,250 Shares held by Ramiz Boulos in his personal name, 8,880,000 Shares held by Boulos & Cooper Pty Ltd <A/C Boulos & Cooper Trust>, an entity controlled by Ramiz Boulos and 90,000 Shares held by Boulos & Cooper SF Pty Ltd <A/C Boulos & Cooper SMSF>, an entity controlled by Ramiz Boulos.

**On completion of the issue of Shares under the Offer with Maximum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)**

Shareholder	Shares	Options	Percentage (%) (undiluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	30.06%
Chloe Cooper	18,750,000	Nil	19.26%

Shareholder	Shares	Options	Percentage (%) (undiluted)
Amal Hunna	5,755,000	Nil	5.91%
Ampac Developments Pty Ltd <A/C Ampac Developments Trust>	5,103,750	Nil	5.24%
Fadi Salama	4,725,000	Nil	4.85%

**Notes:**

1. The total number of Shares held by Ramiz Boulos includes 20,381,250 Shares held by Ramiz Boulos in his personal name, 8,880,000 Shares held by Boulos & Cooper Pty Ltd <A/C Boulos & Cooper Trust>, an entity controlled by Ramiz Boulos and 90,000 Shares held by Boulos & Cooper SF Pty Ltd <A/C Boulos & Cooper SMSF>, an entity controlled by Ramiz Boulos.

The Company will announce to the NSX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on NSX.

#### **6.14 Restricted Securities**

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares will be classified by NSX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The number of Shares that are subject to NSX imposed escrow are at NSX's discretion in accordance with the NSX Listing Rules and underlying policy.

The Company will announce to the NSX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on NSX (which admission is subject to NSX's discretion and approval).

#### **6.15 Dividend policy**

The Company anticipates that significant expenditure will be incurred in the development and commercialisation of its business. These activities are expected to dominate at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

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## 7. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

### 7.1 Directors and key personnel

The Board of the Company consists of:

- (a) **Dr Ramiz Boulos PhD GAICD GradCert Bus– Executive Chair and Company Secretary**

Dr Boulos is an inventor and serial entrepreneur. He graduated with a PhD in Chemistry from the University of Western Australia in 2011. Dr Boulos invented a new class of antibiotics and founded Boulos & Cooper Pharmaceuticals in 2013 to commercialise that research. He is the inventor of Verigrow® and the founder of Veratin. In 2016, Dr Boulos founded Boulos & Cooper Labs, which carries out research and development in different fields. In 2021, he founded Founders First to help founders commercialise their IP. In 2021 he invented a new biodegradable polymer which he then licensed to Veratin. Dr Boulos holds an Adjunct Lecturer position at Flinders University and is a previous SA Tally Poppy (2014). He is a graduate of the Australian Institute of Company Directors.

The Board considers that Dr Boulos is not an independent Director.

- (b) **David Vincent – Non-executive Director**

Mr Vincent is the owner and Managing Director of the Farmers Market on Manning, Western Australia's largest farmers market since 2009. The market has an average patronage of around 5,000 people per week. Mr Vincent has a long successful history in retail food and a strong interest in innovative new concepts. He is currently the Chairman of the Western Australian Farmers Market Association.

The Board considers that Mr Vincent is an independent Director.

- (c) **Giuseppe Lenzo Chartered Accountant BComm GradDipCA – Non-executive Director**

Mr Lenzo is a Chartered Accountant and Registered Tax Agent. He has more than 13 years' experience working in the tax, accounting and business advisory space. During that time Giuseppe has worked for KPMG and Deloitte, two of the largest accounting & consultancy firms worldwide, as well as a boutique tax specialist consultancy firm. Giuseppe currently runs his own practice, G Lenzo Consulting, which has been successfully operating since January 2017. He services a range of small businesses assisting them with their tax, accounting and business advisory needs.

The Board considers that Mr Lenzo is an independent Director.

### 7.2 Disclosure of interests

#### Remuneration

Details of the Directors' remuneration for the previous two years and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the year ended 30 June 2020	Remuneration for the year ended 30 June 2021	Proposed remuneration for the year ending 30 June 2022
<b>Directors</b>			
Ramiz Boulos <sup>1</sup>	Nil	\$27,567	\$100,000
David Vincent <sup>2</sup>	Nil	Nil	\$50,000
Giuseppe Lenzo <sup>3,4</sup>	Nil <sup>4</sup>	Nil	\$50,000

**Notes:**

1. Appointed on 1 July 2016.
2. Appointed on 18 August 2021.
3. Appointed on 18 August 2021.
4. Giuseppe Lenzo previously acted as the tax agent for the Company. In this role Mr Lenzo received \$18,580 for his services provided to the Company.

**Interests in Securities**

**As at the date of this Prospectus**

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	33.60%	33.51%
David Vincent	1,252,500	Nil	1.43%	1.43%
Giuseppe Lenzo	31,250 <sup>2</sup>	Nil	0.04%	0.04%

**Notes:**

1. The total number of Shares held by Ramiz Boulos includes 20,381,250 Shares held by Ramiz Boulos in his personal name, 8,880,000 Shares held by Boulos & Cooper Pty Ltd <A/C Boulos & Cooper Trust>, an entity controlled by Ramiz Boulos and 90,000 Shares held by Boulos & Cooper SF Pty Ltd <A/C Boulos & Cooper SMSF>, an entity controlled by Ramiz Boulos.
2. 31,250 Shares held by GMAN (WA) Pty Ltd <A/C The GMAN Family Trust> an entity controlled by Giuseppe Lenzo.

**Post-completion of the Offer – Minimum Subscription**

Director	Shares	Options <sup>3</sup>	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	31.78%	31.70%
David Vincent	1,252,500	Nil	1.36%	1.35%
Giuseppe Lenzo	31,250 <sup>2</sup>	Nil	0.03%	0.03%

**Notes:**

1. The total number of Shares held by Ramiz Boulos includes 20,381,250 Shares held by Ramiz Boulos in his personal name, 8,880,000 Shares held by Boulos & Cooper Pty Ltd <A/C Boulos & Cooper Trust>, an entity controlled by Ramiz Boulos and 90,000 Shares held by Boulos & Cooper SF Pty Ltd <A/C Boulos & Cooper SMSF>, an entity controlled by Ramiz Boulos.

2. 31,250 Shares held by GMAN (WA) Pty Ltd <A/C The GMAN Family Trust> an entity controlled by Giuseppe Lenzo.
3. The Company has agreed, subject to Shareholder approval to issue each of the directors 1,000,000 Options, exercisable at \$0.25 each on or before 1 December 2023.

#### Post-completion of the Offer – Maximum Subscription

Director	Shares	Options <sup>3</sup>	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Ramiz Boulos	29,351,250 <sup>1</sup>	Nil	30.15%	30.07%
David Vincent	1,252,500	Nil	1.29%	1.28%
Giuseppe Lenzo	31,250 <sup>2</sup>	Nil	0.03%	0.03%

#### Notes:

1. The total number of Shares held by Ramiz Boulos includes 20,381,250 Shares held by Ramiz Boulos in his personal name, 8,880,000 Shares held by Boulos & Cooper Pty Ltd <A/C Boulos & Cooper Trust>, an entity controlled by Ramiz Boulos and 90,000 Shares held by Boulos & Cooper SF Pty Ltd <A/C Boulos & Cooper SMSF>, an entity controlled by Ramiz Boulos.
2. 31,250 Shares held by GMAN (WA) Pty Ltd <A/C The GMAN Family Trust> an entity controlled by Giuseppe Lenzo.
3. The Company has agreed, subject to Shareholder approval to issue each of the directors 1,000,000 Options, exercisable at \$0.25 each on or before 1 December 2023.

### 7.3 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Sections 10.1.

### 7.4 Corporate governance

#### (a) Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by the ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of

additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website [www.veratin.com.au](http://www.veratin.com.au).

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;



- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three Directors (two non-executive Directors and one executive Director) of whom two are currently considered independent directors. The Board considers the current balance of skills and expertise to be appropriate given the Company's currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the NSX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

In addition, a Director may be paid fees or other amounts (for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as

the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the NSX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the NSX.

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## **8. FINANCIAL INFORMATION**

### **8.1 Introduction**

This Section contains a summary of the Historical Financial Information and Pro Forma Historical Financial Information (collectively referred to as the Financial Information) in relation to Veratin Limited (Veratin) which the Directors consider relevant to investors.

The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to provide details of the historical financial performance of the Company.

### **8.2 Basis and method of preparation**

The Historical and Pro Forma Financial Information included in this Section has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

The Historical and Pro Forma Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporation Act 2001.

The Historical Financial Information comprises the following (collectively referred to as the Historical Financial Information):

- (a) the audited historical statement of profit or loss and other comprehensive income for Veratin for the years ended 30 June 2019 (FY2019), 30 June 2020 (FY2020) and 30 June 2021 (FY2021);
- (b) the audited historical Statement of cash flows for Veratin for the years FY2019, FY2020 and FY2021; and
- (c) the audited historical statement of financial position for Veratin as at FY2019, FY2020 and FY2021.

The pro forma financial information comprises (collectively referred to as the Pro-Forma Financial Information):

- (a) the pro-forma statement of financial position of the Company as at FY2021, prepared on the basis that the pro-forma adjustments and subsequent events detailed in Section 8.7 had occurred as at FY2021; and
- (b) the notes to the Pro-Forma Financial Information.

The Historical Financial Information of Veratin has been extracted from its financial reports for FY2019, FY2020 and FY2021. The financial reports for FY2019, FY2020 and FY2021 were audited by Stantons International Audit and Consulting Pty Limited. In all three years Stantons International Audit and Consulting Pty Limited noted a material uncertainty related to going concern.

### 8.3 Historical statements of profit or loss and other comprehensive income

	2021 (Audited)	2020 (Audited)	2019 (Audited)
	\$	\$	\$
Revenue	40,996	17,282	-
Other income	49,527	31,724	-
Materials and supplies	(226)	(106)	(16,506)
Consulting and accounting expenses	(44,724)	(47,221)	(148,449)
Employee benefits expenses	(31,136)	(5,577)	-
Occupancy expenses	(20,274)	(15,575)	(12,192)
Finance costs	(50)	(280)	-
Depreciation	(3,588)	(2,949)	(668)
Other expenses	(61,072)	(47,571)	(29,478)
(Loss) before income tax	(70,547)	(70,273)	(207,293)
Income tax expense	-	-	-
<b>(Loss) after tax</b>	<b>(70,547)</b>	<b>(70,273)</b>	<b>(207,293)</b>
<b>Other comprehensive Income</b>			
<i>Items that may be reclassified to profit and loss</i>	-	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-	-
<b>Total comprehensive (loss) for the year</b>	<b>(70,547)</b>	<b>(70,273)</b>	<b>(207,293)</b>

### 8.4 Historical statements of cash flows

	2021 (Audited)	2020 (Audited)	2019 (Audited)
	\$	\$	\$
<b>Cash flow from operating activities</b>			
Receipts from customers	44,252	19,010	-
Payments to suppliers and employees	(157,704)	(122,469)	(204,287)
R&D rebate received	15,005	21,724	-

	2021 (Audited)	2020 (Audited)	2019 (Audited)
	\$	\$	\$
EMD grant received	23,976	-	-
Cash flow boost received	10,000	10,000	-
Net cash inflow/(outflow) from operating activities	(64,471)	(71,735)	(204,287)
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment	(1,157)	(12,175)	(14,384)
Payments for intangible assets	(1,025)	(9,621)	(46,000)
Net cash (used in) investing activities	(2,182)	(21,796)	(60,384)
<b>Cash flow from financing activities</b>			
Receipts from borrowings	26,212	54,128	2,878
Repayment of borrowings	(6,300)	(24,806)	(2,924)
Issue of shares	56,450	61,416	271,905
Interest paid	(50)	(280)	-
Net cash provided by financing activities	76,312	90,458	271,859
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,659</b>	<b>(3,073)</b>	<b>7,188</b>
Cash and cash equivalents at beginning of the year	4,192	7,265	77
<b>Cash and cash equivalents at end of year</b>	<b>13,851</b>	<b>4,192</b>	<b>7,265</b>

#### 8.5 Historical statements of financial position

	2021 (Audited)	2020 (Audited)	2019 (Audited)
	\$	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	13,851	4,192	7,265
Trade and other receivables	5,332	3,025	2,500

	2021 (Audited)	2020 (Audited)	2019 (Audited)
	\$	\$	\$
Prepayments	6,295	-	-
Total current assets	25,478	7,217	9,765
<b>Non-current assets</b>			
Property, plant and equipment	20,839	22,942	13,716
Intangible assets	75,594	74,896	74,896
Total non-current assets	96,433	97,838	88,612
<b>Total assets</b>	<b>121,911</b>	<b>105,055</b>	<b>98,377</b>
<b>Current liabilities</b>			
Trade and other payables	11,938	785	14,572
Loans payable	10,525	12,175	2,878
Total current liabilities	22,463	12,960	17,450
<b>Net assets</b>	<b>99,448</b>	<b>92,095</b>	<b>80,927</b>
Contributed equity	478,749	400,849	319,408
Accumulated losses	(379,301)	(308,754)	(238,481)
<b>Total Equity</b>	<b>99,448</b>	<b>92,095</b>	<b>80,927</b>

## 8.6 Historical and pro-forma statement of financial position

	2021 (Audited)	Pro-forma adjustments (minimum subscription)	Pro-forma (minimum subscriptions)	Pro-forma adjustments (maximum subscription)	Pro-forma (maximum subscriptions)
	\$	\$	\$	\$	\$
<b>Current assets</b>					
Cash and cash equivalents	13,851	379,927	393,778	878,161	892,012
Trade and other receivables	5,332	-	5,332	-	5,332
Prepayments	6,295	-	6,295	-	6,295
Total current assets	25,478	379,927	405,405	878,161	903,639



	2021 (Audited)	Pro-forma adjustments (minimum subscription)	Pro-forma (minimum subscriptions)	Pro-forma adjustments (maximum subscription)	Pro-forma (maximum subscriptions)
	\$	\$	\$	\$	\$
<b>Non-current assets</b>					
Property, plant and equipment	20,839	14,110	34,949	14,110	34,949
Intangible assets	75,594	-	75,594	-	75,594
Total non-current assets	96,433	14,110	110,543	14,110	110,543
<b>Total assets</b>	<b>121,911</b>	<b>394,037</b>	<b>515,948</b>	<b>892,271</b>	<b>1,014,182</b>
<b>Current liabilities</b>					
Trade and other payables	11,938	-	11,938	-	11,938
Loans payable	10,525	-	10,525	-	10,525
Total current liabilities	22,463	-	22,463	-	22,463
<b>Net assets</b>	<b>99,448</b>	<b>394,037</b>	<b>493,485</b>	<b>892,271</b>	<b>991,719</b>
Contributed equity	478,749	492,902	971,651	991,136	1,469,885
Accumulated losses	(379,301)	(98,865)	(478,166)	(98,865)	(478,166)
<b>Total Equity</b>	<b>99,448</b>	<b>394,037</b>	<b>493,485</b>	<b>892,271</b>	<b>991,719</b>

The pro-forma statement of financial position as at 30 June 2021 is based on the statement of financial position of Veratin as at 30 June 2021 after allowing for the adjustments below.

## 8.7 Subsequent events and pro-forma adjustments

### 8.7.1 Subsequent events

Subsequent to 30 June 2021 the Company raised additional cash of \$115,217 through the issue of shares. These funds were used to cover on-going working capital requirements of the Company.

### 8.7.2 Pro-forma adjustments

The following transactions and events contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the pro-forma adjustments are set out below.

### 8.7.3 Pro-forma transactions

The following pro-forma transactions have occurred post 30 June 2021:

- (a) Payments for purchase of plant and equipment of \$14,110.

- (b) Receipt of the Research and Development tax incentive of \$17,771.
- (c) Income from sale of goods of approx. \$31,238 and payments for outgoings of approx. \$147,874.

The following pro-forma transactions are proposed to occur post 30 June 2021:

- (a) The issue of 5,000,000 shares at \$0.10 each to raise \$500,000 before costs (Minimum Subscription) and up to 10,000,000 shares to raise up to \$1,000,000 (Maximum Subscription);
- (b) Payment of costs associated with the above offer of \$122,315 on a Minimum Subscription and \$124,081 on a Maximum Subscription.

#### 8.7.4 Pro-forma cash and cash equivalents

	Minimum Subscriptions \$	Maximum subscriptions \$
Cash and cash equivalents as at 30 June 2021	13,851	13,851
<i>Pro-forma adjustments:</i>		
Proceeds received from shares issued	115,217	115,217
Payments for purchase of plant & equipment	(14,110)	(14,110)
Proceeds from sale of goods	31,238	31,238
Proceeds from R&D tax incentive received	17,771	17,771
Payments for outgoings	(147,874)	(147,874)
Proceeds from issue of shares under this Prospectus	500,000	1,000,000
IPO costs expensed in relation to the Offer	(122,315)	(124,081)
Pro-forma cash and cash equivalents	393,778	892,012

#### 8.7.5 Pro-forma property, plant and equipment

	Minimum Subscriptions \$	Maximum subscriptions \$
Property, plant and equipment as at 30 June 2021	20,839	20,839
<i>Pro-forma transactions:</i>		
Payments for property, plant & equipment	14,110	14,110
Pro-forma Property, plant and equipment	34,949	34,949

### 8.7.6 Pro-forma contributed equity

	Minimum Subscriptions \$	Maximum subscriptions \$
Contributed equity as at 30 June 2021	478,749	478,749
<i>Pro-forma transactions:</i>		
Proceeds received from shares issued	115,217	115,217
Proceeds from issue of shares under this Prospectus	500,000	1,000,000
IPO costs expensed in relation to the Offer	(122,315)	(124,081)
Pro-forma contributed equity	971,651	1,469,885

### 8.7.7 Pro-forma accumulated losses

	Minimum Subscriptions \$	Maximum subscriptions \$
Accumulated losses as at 30 June 2021	(379,301)	(379,301)
<i>Pro-forma transactions:</i>		
Proceeds from sale of goods	31,238	31,238
Proceeds from R&D tax incentive received	17,771	17,771
Payments for operating expenses	(147,874)	(147,874)
Pro-forma accumulated losses	(478,166)	(478,166)

## 8.8 Notes to and forming part of the historical and pro-forma historical financial information

### (a) Basis of preparation

#### General purpose financial report

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements have been prepared on a going concern basis which contemplates the continuity

of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

#### Historical cost convention

The financial statements have been prepared on a historical cost basis, except for some assets which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

#### New Accounting Standards and interpretations adopted by the Company

The Company has adopted all of the new, revise or amending Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations and mandatory in the 30 June 2021 reporting period.

In March 2020, the AASB finalised and issued new Australian Accounting Standards which:

- (i) Remove special purpose financial statements for some for-profit entities – through an Amending Standard, AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities (AASB 2020-2)
- (ii) Introduce a new 'Tier 2' 'Simplified Disclosure' Standard – AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060), replacing 'Reduced Disclosure Requirements' (RDR).

The new requirements apply to periods beginning on or after 1 July 2021. The Company has elected to early adopt the requirements, and apply them to the year ended 30 June 2019.

#### *New and amended standards not yet adopted*

A number of new standards, amendments to standards and interpretations issued by AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Board expects no impact on the financial statements of the Company.

#### *Going Concern Assessment*

The financial report has been prepared on a going concern basis, which assumes the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

As at 30 June 2021, the Company had net assets of \$99,448 and net current assets of \$3,015, and in the year then ended incurred a loss of \$70,547 and net operating cash outflows of \$64,471. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Subsequent to 30 June 2021, management have been able to lower the risk of going concern by:

- (i) securing additional funding through the issuance of shares.
- (ii) converting \$5,300 of loans payable to equity.
- (iii) converting \$9,700 bonus payable to equity.
- (iv) planning for Initial Public Offering (IPO).

Management has considered the impacts of Government restrictions in response to the COVID-19 pandemic. Despite the measures taken impacting how the Company and its employees operate, the Company has continued to trade and has been able to meet ongoing customer contract obligations, and source new sales contracts. Management has fully considered the impact of the pandemic when considering the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern and to pay its debts as and when they become due and payable is dependent upon the Company earning sufficient revenue, ensuring that they continue to minimise their costs, and manage working capital effectively. The Director has a reasonable expectation that the business will be able to do this, and therefore have adopted the going concern basis in preparing this financial report.

#### *Operating segments*

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### (b) **Foreign currency translation**

#### *Functional and presentation currency*

The financial statements are presented in the Australian dollar (\$), which is the Company's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value

was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets are recognised in other comprehensive income.

**(c) Revenue recognition**

AASB 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers and requires application of a five-step process to identify the contract with the customer, identify performance obligations in the contract, determine transaction price, allocate the transaction price to the performance obligations and recognise revenue when performance obligations are satisfied.

Revenue is recognised for the major business activities as follows:

*Sale of goods*

Revenue from sale of goods is recognised upon the delivery of goods to customers.

*Rendering of services and commission*

Revenue from rendering of services and commission is recognised upon delivery of services to customers.

*Interest income*

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

*Research and development rebates, and other government incentives*

Research and development rebates and other government incentives are recognised on a cash receipts basis.

**(d) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(e) Impairment**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets are impaired. In the case of financial assets classified as available for sale, a significant or prolonged decline in the fair value of an asset below its cost is considered as an indicator that the assets are impaired. If any such evidence exists for financial assets, the cumulative loss – measured as the

difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss and other comprehensive income – is removed from equity and recognised in the profit or loss and other comprehensive income statement. Impairment losses recognised in the statement of profit and loss and other comprehensive income on equity instruments classified as available for sale are not reversed through the profit or loss and other comprehensive income.

**(f) Income tax**

The income used for tax calculations is made up of current tax income and deferred tax income.

*Current Tax*

Current tax assets are measured at the amounts expected to be recovered from the Australian Taxation Office.

*Deferred Tax*

Deferred income tax expense reflect the movements in deferred tax asset and deferred tax liability balances during the year as well as unutilised tax losses.

Except for business combination, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or tax profit and loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Tax losses have not been recognised in the current financial period.

*Offsetting balances*

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement of simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where; (1) a legally enforceable right of set-off exists; and (2) the deferred tax assets and liabilities relate to the income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(g) Good and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**(h) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(i) Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

**(j) Financial instruments**

Financial Assets

*Classification and measurement*

Under AASB 9, the Company initially measures a financial asset as its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Financial assets are then subsequently measured at fair value through profit or loss ("FVTPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

*Initial recognition and measurement*

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing



component or for which the Company has applied the practical expedient are measured at the transaction price determined under AASB 15.

#### *Subsequent measurement*

The Company's financial assets at amortised cost includes trade and other receivables.

#### *Impairment of financial assets*

For trade receivables, the Company applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

### Financial Liabilities

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans payable.

#### Subsequent measurement

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(k) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

*Plant and Equipment*

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the

asset is charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

*Depreciation*

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing balance basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(l) Intangible assets**

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and trademark

Patents and trademark are initially recorded at cost. Assets deemed to have an indefinite life are tested annually for impairment and carried at cost less accumulated impairment losses. Assets deemed to have a finite life are amortised over their expected economic life to the Company and then recorded at cost less accumulated amortisation and impairment losses.

**(m) Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(n) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**(o) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(p) Fair value of assets and liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced)

transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

## **(q) Critical accounting estimates and judgements**

### *COVID-19*

The impact of COVID-19 on the global economy and how governments, businesses and consumers will respond is uncertain. This uncertainty is reflected in the Company's assessment of expected credit losses, which is subject to a number of management estimates and judgements.

### *Deferred taxation*

Under normal circumstances, the benefits of deferred tax losses not brought to account can only be realised in the future if:

- (i) assessable income is derived of a nature, and of an amount sufficient to enable the benefit from the deductions to be realised
- (ii) conditions for deductibility imposed by law are complied with; and
- (iii) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

The directors on a regular basis will assess the recognition of the deferred tax assets.

#### *Income tax*

The Company is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Diversity in practice exists around the accounting treatment of refundable R&D incentives, because the Australian Accounting Standards do not specifically address R&D incentives. The Company has decided to record R&D refundable tax incentives as other income.

#### *Revenue from contracts with customers*

Key judgements in the recognition of revenue from contracts with customers include the identification of performance obligations within the contracts, allocation of the transaction price within the contract to the identified performance obligations, treatment of the upfront project fees and treatment of any variable consideration subsequent to initial commencement.

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## 9. RISK FACTORS

### 9.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 9, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 9 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 9, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 9 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

### 9.2 Company specific risks

Risk Category	Risk
<b>Protection of intellectual property rights</b>	The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or

Risk Category	Risk
	<p>that any of the projects that may arise from technologies will have commercial applications.</p> <p>It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.</p>
<b>Grant of Patents</b>	<p>The Company has lodged patent applications in relation to an organic fertiliser and soil improver comprising keratin in various jurisdictions. As at the date of this Prospectus, only one patent has been granted in South Africa.</p> <p>The Company is aware that there have been objections raised in relation to the patent applications in some jurisdictions, including in Australia. Despite these objections, as at the date of this prospectus, the Company is not aware of any material reasons why these applications would not be granted. In relation to the objections lodged against the Australian application, in particular, the Company is confident even if the objections cannot be overcome, the Company will be able to obtain a grant of an innovation patent as an alternative to protect their intellectual property.</p> <p>If the Company is not able to obtain patents in the relevant jurisdictions the Company will need to consider appropriate alternative methods to protect their intellectual property.</p> <p>For further details in relation to the status of the patent applications refer to the Intellectual Property Report at Annexure B.</p>
<b>Rapid growth risk</b>	<p>The Company aims to experience rapid growth in the scope of its operating activities which may expand operations in new jurisdictions and markets. This growth is anticipated to result in an increased level of responsibility which, if unable to be managed, will result in the Company not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.</p>

Risk Category	Risk
<b>Competition</b>	<p>The market in which the Company operates includes large and well-funded technology companies whose resources exceed those currently available to the Company. There can be no assurance that the Company will be able to match or compete with the efforts of such competitors that release competing products to market.</p> <p>Rival product offerings by existing and new competitors as well as technology developments by competitors may have an adverse effect on the Company's business operations, financial performance and prospects as well as on the value and market price of Shares.</p>
<b>Reliance on key personnel</b>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.</p>
<b>Distribution Agreements</b>	<p>The Company is a party to a number of distribution agreements. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these agreements is either breached by another party or if, for reasons outside of the Company's control, an agreement cannot be renewed, is terminated or is otherwise varied.</p>
<b>Commercial manufacturing and distribution capability</b>	<p>The Company is dependent on its ability to manufacture Verigrow® on a commercial scale with continuity of supply.</p> <p>In the event the Company has insufficient manufacturing and distribution capacity, for any reason, this may result in substantial cost and delay.</p> <p>The Company has recently acquired additional machinery to grow its manufacturing capacity which is reasonably expected to be installed and operational in January 2022. As such, the Company does not expect that there will be issue in meeting manufacturing demand in the foreseeable future.</p>
<b>Dependency on wool suppliers</b>	<p>The Company is dependent on wool suppliers to supply the Company with waste-wool to be used in the manufacturing process.</p> <p>The Company has established a relationship with one key waste-wool supplier from a farm in Western Australia and has recently been approached by a number of other wool providers. The Company is confident that there will be no</p>



Risk Category	Risk
	issues in accessing waste-wool for use in the Company's business in the foreseeable future.
<b>'Going concern' risk</b>	<p>While completing the audit review of the Company's financial report for the year ended 30 June 2021, the Company's auditor, noted the following:</p> <p><i>"The ability of the Company to continue as a going concern is subject to the future profitability of the Company and ability to raise further working capital. In the event that the Company is not successful in commencing profitable operations and/or raising further capital, the Company may not be able to meet its liabilities as and when they fall due and the realisable value of the Company's current and non-current assets may be significantly less than book values."</i></p> <p>Notwithstanding the 'going concern' qualification included in the financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short-term working capital requirements.</p> <p>Please refer to Section 8 and Annexure A for further details.</p>
<b>COVID-19 risk</b>	<p>The outbreak of the coronavirus disease (<b>COVID-19</b>) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p>

### 9.3 Industry specific risks

Risk Category	Risk
<b>Product liability</b>	As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the

Risk Category	Risk
	Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.
<b>Disputes</b>	<p>The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.</p> <p>Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date of this Prospectus.</p>
<b>Loss of customers</b>	The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.
<b>Litigation</b>	The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
<b>Data loss, theft or corruption</b>	<p>The Company will store data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.</p> <p>The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.</p>
<b>Insurance coverage</b>	The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors and officers liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is

Risk Category	Risk
	<p>unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.</p> <p>The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p>

#### 9.4 General risks

Risk Category	Risk
<b>Additional requirements for capital</b>	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back research and development as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<b>Economic conditions and other global or national issues</b>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.</p>
<b>Currently no market</b>	<p>There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer. The price at which the Company's Shares trade on NSX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many</p>

Risk Category	Risk
	<p>potential buyers or sellers of the Shares on NSX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.</p>
<b>Market conditions</b>	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology or defence stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. The value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.</p> <p>Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 6.14 for further details on the Shares likely to be classified by the NSX as restricted securities.</p>
<b>Taxation risk</b>	<p>The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.</p>

## 9.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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## 10. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

### 10.1 Agreements with Directors

#### 10.1.1 Executive Services Agreement – Dr Ramiz Boulos

The Company has entered into an executive services agreement with Dr Ramiz Boulos pursuant to which Dr Boulos will act as the managing director and chairman of the Company (**Executive Services Agreement**).

The material terms of the Executive Services Agreement are summarised below:

<b>Remuneration</b>	\$100,000 (base salary including superannuation).
<b>Term</b>	Until Dr Boulos' employment is terminated in accordance with the terms of the Executive Services Agreement.
<b>Termination by Company</b>	The Company may terminate the Executive Services Agreement: (a) by giving three months' written notice in writing or by paying an amount equivalent to 3 month's base salary; or (b) without notice for standard events including where Dr Boulos commits serious misconduct, is found guilty of fraudulent or dishonest conduct or commits a serious or persistent breach of any terms of the Executive Services Agreement.
<b>Termination by Dr Boulos</b>	Dr Boulos may terminate the Executive Services Agreement by giving not less than three months written notice of termination to the Company.

The Executive Service Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

#### 10.1.2 Non-executive Director appointments

Giuseppe Lenzo and David Vincent have entered into appointment letters with the Company to act in the capacity of non- Directors. These Directors will receive the remuneration set out in Section 7.2.

#### 10.1.3 Deeds of indemnity, insurance and access

The Company will enter into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

### 10.1.1 IP Licence Agreement

On 10 August 2021, the Company entered into an Intellectual Property licence agreement with Boulos & Cooper Labs Pty Ltd (ACN 616 538 375) (**Boulos & Cooper Labs**), pursuant to which Boulos & Cooper Labs has agreed to grant the Company an exclusive, licence to use, develop and commercially exploit the method of developing a biodegradable polymer and any associated intellectual property rights (**IP Licence Agreement**).

The material terms of the IP Licence Agreement are summarised below:

<b>Consideration</b>	The Company paid to Boulos & Cooper an initial licence fee of \$10,000 (plus GST) for the rights granted under the IP Licence Agreement.
<b>Royalty</b>	The Company has agreed to pay Boulos & Cooper Labs an ongoing royalty payment of 5% (plus GST) of the net revenue generated from the sale of products that are developed, manufactured, assembled or created by Veratin, that incorporate or exploit the intellectual property under the IP Licence Agreement, payable at the end of each quarter.
<b>Initial Term</b>	The IP Licence Agreement is for an initial term of 2 years with an option to negotiate an extension of the agreement for an additional two years, or such length of time as may be agreed between the parties.
<b>Termination</b>	Either party may terminate the IP Licence Agreement, if: (a) the other party does not comply with a condition of the IP Licence Agreement and that condition is not complied with within the period stated in a notice provided by the other party (being no less than then (10) business days); or (b) the other party becomes insolvent as that term is defined in the Corporations Act, by giving notice to the defaulting party.
<b>Change of Control</b>	The Company cannot not, without prior written consent of Boulos & Cooper, make any change to the power to control: (a) the composition of the board of directors; (b) the voting rights of the majority of the voting shares; or (c) the management of the affairs, for the duration of the term of the IP Licence agreement.
<b>Ownership of Intellectual Property</b>	Boulos & Cooper will continue to own the intellectual property, and any goodwill associated with the intellectual property, licenced within the IP Licence Agreement.

The IP Licence Agreement otherwise contains additional provisions (including confidentiality provisions) considered standard for agreements of this nature.

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## **11. ADDITIONAL INFORMATION**

### **11.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **11.2 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the



amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the NSX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the NSX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the NSX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

### **11.3 Rights and liabilities attached to Options**

The terms and condition of all Options on issue are set out below:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph 11.3(j), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) 1 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give NSX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of NSX at the time, apply for official quotation on NSX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the NSX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by NSX or under applicable Australian securities laws.

#### **11.4 Interests of Directors**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

#### **11.5 Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;

- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Stantons Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A. The Company estimates it will pay Stantons Corporate Finance Pty Ltd a total of \$8,000 (excluding GST) for these services. As noted below, during the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons Corporate Finance Pty Ltd has not received any fees from the Company for its services.

Stantons International Audit and Consulting Pty Limited has been appointed as the Company's auditor. The Company has paid Stantons International Audit and Consulting Pty Limited a total of \$4,459 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons International Audit and Consulting Pty Limited has received \$4,459 in fees from the Company for audit services.

Lord & Company Patent and Trade Mark Attorneys has been appointed as the Company's patent and trademark attorney. The Company is not required to pay Lord & Company Patent and Trade Mark Attorneys a fee for its services in relation to preparing the Patent Report include in at Annexure B. During the 24 months preceding lodgement of this Prospectus with the ASIC, Lord & Company Patent and Trade Mark Attorneys has received \$45,814 in fees from the Company for its services.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$40,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$6,000 in fees from the Company for its services.

## **11.6 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Stantons Corporate Finance Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure A in the form and context in which the information and report is included.

Stantons International Audit and Consulting Pty Limited has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Independent Limited Assurance Report included in Annexure A to this Prospectus in the form and context in which it appears.

Lord & Company Patent and Trade Mark Attorneys has given its written consent to being named as the Patent and Trademark of the Company in this Prospectus and the inclusion of the Intellectual Property Report included in Annexure B to this Prospectus in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offer in this Prospectus.

Automic Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus.

## 11.7 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$122,315 for Minimum Subscription or \$124,081 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC fees	3,206	3,206
NSX fees	51,650	53,416
Legal Fees	40,000	40,000
Investigating Accountant's Fees	8,000	8,000
Auditor's Fees	4,459	4,459
Printing and Distribution	5,000	5,000
Miscellaneous	10,000	10,000
<b>TOTAL</b>	<b>122,315</b>	<b>124,081</b>

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**12. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Ramiz Boulos**  
**For and on behalf of**  
**Veratin Limited**

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## 13. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

**\$** means an Australian dollar.

**Application Form** means the application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means the board of Directors as constituted from time to time.

**Business Days** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that NSX declares is not a business day.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement.

**Closing Date** means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Company** or **Veratin** means Veratin Limited (ACN 613 404 612).

**Constitution** means the constitution of the Company.

**Corporations Act** means *the Corporations Act 2001* (Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**Exercise Period** has the meaning given in Section 11.3.

**Exercise Price** has the meaning given in Section 11.3.

**Expiry Date** has the meaning given in Section 11.3.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

**IP** means intellectual property.

**Maximum Subscription** means the maximum amount to be raised under the Offer, being \$1,000,000.

**Minimum Subscription** means the minimum amount to be raised under the Offer, being \$500,000.

**Notice of Exercise** has the meaning given in Section 11.3.

**NSX** means National Stock Exchange of Australia Limited (ACN 000 902 063) or the financial market operated by it as the context requires.

**NSX Listing Rules** means the official listing rules of NSX.



**Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

**Official List** means the official list of NSX.

**Official Quotation** means official quotation by NSX in accordance with the NSX Listing Rules.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Recommendations** has the meaning set out in Section 7.4.

**Section** means a Section of this Prospectus.

**Securities** means Shares and Options.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**US** means United States of America.

**WST** means Western Standard Time as observed in Perth, Western Australia.



16 December 2021

The Directors  
Veratin Limited  
7 Merrivale Circle  
Tapping WA 6065

Dear Directors

## Independent Limited Assurance Report

### 1 Introduction

- 1.1 Stantons Corporate Finance Pty Ltd ("**Stantons**") was engaged by Veratin Limited ("**Veratin**" or the "**Company**") to prepare this Independent Limited Assurance Report ("**Report**") in relation to certain financial information relating to the Company and its subsidiaries (the "**Group**"). The Report will be included in a Prospectus expected to be distributed in or around December 2021 (the "**Prospectus**").
- 1.2 Veratin is an Australian manufacturing company that operates in research and development of products using low grade wool. The Company's primary product is an all-purpose fertiliser and soil improver. Veratin changed its status from a Pty Ltd company to a Ltd company on 21 October 2021.
- 1.3 The Prospectus relates to the issue of up to 5,000,000 ordinary shares of Veratin at an issue price of \$0.10 to raise up to \$500,000 (before costs) under an Initial Public Offering ("**IPO**") of Veratin shares on the National Stock Exchange of Australia ("**NSX**"). Oversubscriptions of up to a further 5,000,000 ordinary shares at an issue price of \$0.10 per share to raise up to a further \$500,000 may be accepted.
- 1.4 This Report has been prepared for inclusion in the Prospectus. We disclaim any assumptions of responsibility for any reliance on this Report or on the historical financial information and pro forma historical financial information ("**Financial Information**") to which it relates for any purpose other than for which it was prepared.
- 1.5 Stantons holds an Australian Financial Services Licence (AFS Licence Number 448697), and our Financial Services Guide ("**FSG**") has been included in this Report in the event that you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations and relationships.

### 2 Scope

- 2.1 Veratin have requested Stantons perform a limited assurance engagement in relation to the Financial Information described below and disclosed in Section 8 of the Prospectus.
- 2.2 The Financial Information is presented in Section 8 of the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

- 2.3 Stantons has not been requested to consider the prospects of Veratin, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder in Veratin and accordingly, has not done so nor purports to do so.

#### *Historical Financial Information*

- 2.4 Stantons were requested to review the following historical financial information (the “**Historical Financial Information**”) of Veratin:
- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
  - the audited consolidated historical Statements of Financial Position as at 30 June 2019, 30 June 2020 and 30 June 2021.
- 2.5 The Historical Financial Information was prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies. The Historical Financial Information was extracted from the financial reports of Veratin for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021, which were audited in accordance with Australian Auditing Standards.
- 2.6 The financial reports of Veratin contain unmodified audit opinions for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021. The audit opinions contained an emphasis of matter regarding material uncertainty relating to going concern, on the basis that the ability of the Company to continue as a going concern is dependent on earning sufficient revenue, ensuring that they minimise their costs and manage working capital efficiently. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business.

#### *Pro Forma Historical Financial Information*

- 2.7 Stantons were requested to review the following pro forma historical financial information (the “**Pro Forma Financial Information**”) of Veratin:
- the pro forma historical Statement of Financial Position as at 30 June 2021 adjusted for subsequent events.
- 2.8 The Pro Forma Financial Information was derived from the Historical Financial Information of Veratin, after adjusting for the effects of the pro forma adjustments described in Section 8.7 of the Prospectus. The Pro Forma Financial Information has been subject to review in accordance with the Standard on Assurance Engagements ASAE 3450 “*Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*” and the Auditing Standard on Review Engagements ASRE 2405 “*Review of Historical Financial Information Other than a Financial Report*.”
- 2.9 The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 8.7 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Financial Information does not represent the Company’s actual or prospective financial position.
- 2.10 The Pro Forma Financial Information is presented to illustrate the impact of the events or transactions described in Section 8.7 of the Prospectus on Veratin’s financial position as at 30 June 2021.
- 2.11 The Historical Financial Information and the Pro Forma Financial Information are presented on a consolidated basis.

### 3 Directors' Responsibility

- 3.1 The directors of Veratin are responsible for the preparation of the Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Financial Information to be free from material misstatement, whether due to fraud or error.

### 4 Our Responsibility

- 4.1 Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Financial Information. We conducted our engagement in accordance with the Auditing Standard on Review Engagements ASRE 2405 "*Review of Historical Financial Information Other than a Financial Report*" and the Standard on Assurance Engagements ASAE 3450 "*Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*".
- 4.2 Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.
- 4.3 Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

### 5 Conclusion

#### *Historical Financial Information*

- 5.1 Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of Veratin, comprising:
- the Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flow for the years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
  - the Statements of Financial Position as at 30 June 2019, 30 June 2020 and 30 June 2021;
- is not presented fairly, in all material respects, in accordance with the stated basis of preparation.
- 5.2 To the best of our knowledge and belief, there have been no other material items, transactions or events involving Veratin subsequent to 30 June 2021 that have come to our attention during the course of our review which would cause the Historical Financial Information presented in Section 8 of the Prospectus to be misleading.

#### *Pro Forma Financial information*

- 5.3 Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information, comprising:
- the pro forma historical Statement of Financial Position of Veratin as at 30 June 2021, adjusted for subsequent events;
- is not presented fairly, in all material respects, in accordance with the stated basis of preparation.
- 5.4 To the best of our knowledge and belief, there have been no other material items, transactions or events involving Veratin subsequent to 30 June 2021, besides those disclosed in Section 8 of the Prospectus, that have come to our attention during the course of our review which would cause the Pro Forma Financial Information presented in the Section 8 of the Prospectus to be misleading.

### Independence

- 5.5 At the date of this Report, Stantons does not have any interest in Veratin either directly or indirectly other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

### Disclosures

- 5.6 This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not consider the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.
- 5.7 Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the Historical Financial Information and Pro Forma Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information and Pro Forma Financial Information may not be suitable for use for another purpose.
- 5.8 Stantons consents to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, Stantons has not authorised the issue of the Prospectus. Accordingly, Stantons makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

**STANTONS CORPORATE FINANCE PTY LTD**



**Samir Tirodkar**  
**West Perth**  
**16 December 2021**

## Financial Services Guide

Dated 16 December 2021

### Stantons Corporate Finance Pty Ltd (Trading as Stantons Corporate Finance)

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("**Stantons**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

### Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- a) who we are and how we can be contacted;
- b) the services we are authorized to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- c) remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- d) any relevant associations or relationships we have; and
- e) our complaints handling procedures and how you may access them.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Limited Assurance Report, you should seek advice from a registered financial adviser.

### Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be \$8,000 exclusive of GST.

You have a right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

## Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## Associations and relationships

Stantons is ultimately a wholly owned subsidiary of SIAC, a professional advisory and accounting practice. From time to time, Stantons and SIAC (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

## Remuneration or other benefits received by our employees and contractors

Stantons and SIAC employees and contractors are eligible for bonuses based on overall performance but not directly in connection with any engagement for the provision of a report.

## Complaints resolution

### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer  
Stantons Corporate Finance Pty Ltd  
Level 2  
1 Walker Avenue  
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

### *Referral to External Dispute Resolution Scheme*

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited  
GPO Box 3  
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirms that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum insured for Stantons and our authorised representatives / representatives / employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue



to provide such coverage for any authorised representative / representative / employee who has ceased work with Stantons for work done whilst engaged with us.

### **Contact details**

You may contact us using the details set out at above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.



24 November 2021

The Directors  
Veratin Pty Ltd  
Unit 1, 14A Hines Street,  
O'CONNOR WA 6163



Dear Sirs

## **Intellectual Property Report – Veratin Pty Ltd**

### **1. Introduction**

- 1.1 We are advised by Veratin Pty Ltd (“**Veratin**”) that this report is prepared for the purpose of inclusion in an Initial Public Offering Prospectus to be issued by Veratin.
- 1.2 The report sets out details regarding the patent applications in the name of Veratin that are discussed in the report. The information contained is current as of the date of the report.
- 1.3 The report is accurate to the best of our knowledge subject to any limitations and qualification set out in the report.

### **2. Summary**

- 2.1 Lord and Company are an Australian patent and trade mark attorney firm and are engaged to act on behalf of Veratin in matters relating to intellectual property protection.
- 2.2 Veratin has a family of patent applications relating to an organic fertiliser and soil improver comprising keratin. The details of the patent applications in this family are provided in section 3 below.

### **3. Veratin Patent Portfolio**

- 3.1 This report summarises the status of the patent applications. In compiling this report, the filing particulars have been confirmed and the current status ascertained.
- 3.2 The patent applications relate to an organic fertiliser and soil improver comprising keratin. In particular the claimed invention covers a fertiliser and/or soil improver comprising keratin obtained from deconstruction of waste wool using an eutectic melt, and a method of enhancing the growth of plants using

such a fertiliser. Experimental results included in the patent applications show that the organic fertiliser is effective in enhancing plant growth, particular in providing a bioavailable form of nitrogen to plants.

3.3 This family of patent applications claims priority from Australian provisional patent application 2016903498 filed on 1 September 2016. An international patent application number PCT/AU2017/000165, filed under Patent Cooperation Treaty was lodged on 14 August 2017 claiming priority from the abovementioned provisional patent application.

3.4 National patent applications based on the international patent application were filed in 2019 in the countries indicated in the table below

No.	Country	Application Number	Filing Date	Status
1	Australia	2017317798	1 March 2019	Pending
2	Brazil	11 2019 003962 7	26 February 2019	Pending
3	Canada	3034276	18 February 2019	Pending
4	China	201780000000	1 March 2019	Pending
5	Europe	EP 17844660.5	28 February 2019	Pending
6	Japan	2019-511535	21 February 2019	Pending
7	Indonesia	P00201901691	18 February 2019	Pending
8	New Zealand	751241	2 April 2019	Pending
9	South Africa	2019/01056	25 February 2019	Granted
10	United States	16/326795	20 February 2019	Pending

3.5 This patent family cannot be extended to further countries at this time, as the foreign filing deadline determined by the parent Patent Cooperation Treaty (PCT) application had already expired.

3.6 The status of the above patent cases will now be elaborated in more detail below.

3.6.1 The Australian application (2017317798) has received a first report following substantive examination. There are some prospects in overcoming the objections raised. Even if the objections cannot be overcome, the Australian Standard Patent Application can still be converted to obtain grant of an Innovation Patent in Australia.

3.6.2 The Brazilian application (11 2019 003962 7) is awaiting examination of a response recently filed in reply to an Office Action issued.

3.6.3 The Canadian application (3034276) is still awaiting examination.

3.6.4 The Chinese application (201780000000) has received the first examination report issued by the Chinese Patent Office. A response is to be filed in the near future in reply to the examination report. The

Chinese patent procedure permits re-examination, therefore there are a number of opportunities yet to overcome the objections raised in China.

3.6.5 The European application (EP 17844660.5) is awaiting examination of a response filed to the first examination report issued in this European application.

3.6.6 The Japanese application (2019-511535) is awaiting examination of a response filed to the first examination report issued. There is a reasonable prospect of a patent right being granted in Japan based on the objections raised to date in this application.

3.6.7 The Indonesia application (P00201901691) is awaiting examination of a response filed to the first examination report issued. If a patent right is granted in Japan, this could assist the grant of a patent right in Indonesia.

3.6.8 The New Zealand application (751241) is still awaiting examination.

3.6.9 The South African application (2019/01056) has been granted following a formalities examination.

3.6.10 The United States application (16/326795) is awaiting a response to be filed to the Non-Final Office Action issued. If the response is not able to overcome the objections raised, there will still be opportunities to Request Continued Examination or file a Continuation-in-Part Application in the US.

3.6.11 As noted in the below Disclaimer and Limitation section, we have made no comments on the validity of the claims of the identified Patent Applications. We additionally make no promise on the potential for obtaining enforceable patent protection in the listed countries.

#### **4. Intellectual Property Protection**

4.1 The following section details information relevant to the understanding of intellectual property matters, in particular patents.

##### **4.1 Patents**

4.1.1 A patent is a statutory monopoly granted by a government for an invention that works or functions differently from other inventions. A granted patent will protect the intellectual property that has been created in the invention. A patent grants the right to prevent or authorise others when using, selling, making or otherwise exploiting the invention within the particular region of protection or importing into the particular region of protection. Patent rights, in whole or in part,

may be granted to other parties through mechanisms such as sales, assignments or licences.

- 4.1.2 Patents are considered as an incentive to innovation and can be a benefit when conducting research and development and seeking to commercialise the product.
- 4.1.3 Patent protection lasts for a particular duration depending on the type of application, the content of the application and the country in which the patent is granted. In Australia, depending on the type of patent sought protection may be obtained for an invention for up to 20 years.
- 4.1.4 It is necessary for the invention to be ‘novel’ and ‘inventive’ when compared to what has been done before. This means the invention must be new, as in not have been within the public knowledge, and offers a contribution beyond what would be considered obvious to a person skilled in the relevant field given the general knowledge of that person. The date on which novelty and inventiveness is determined in relation to the invention is the date on which the first application for the invention was filed (known as the priority date).
- 4.1.5 Patents are granted by governments for protection within their respective territories. However, there are international agreements, conventions and treaties in place which allow for different governments to recognise applications made in other countries for determining the priority of the invention. Thus, an entity may file a patent application in a first country (establishing a priority date) and further seek protection in a second country, within a specified time frame, wherein the application within the second country would recognise and uphold the priority date established by the first application.
- 4.1.6 It should be noted that intellectual property rights are governed by laws that differ from country to country. Whilst there are many similarities in legal systems in relation to intellectual property care must be given to ensure that local practices are complied with.
- 4.1.7 Patents are document with a specification which is principally comprised of a description, which details the knowledge of the invention, and a set of claimed features of the invention. The scope of protection afforded by a patent is determined by the claims within the specification. Claims cover the necessary features of what makes the invention worthy of patent protection and typically cover other features which are improvements, modifications and/or elaborations beyond the necessary features.
- 4.1.8 The scope of patent protection may vary from country to country depending on modifications made to conform to national practice, overcome different objections raised by different government Patent Offices or differences in interpretation between translations.

4.1.9 Patent applications are subject to formality reviews by the respective government offices. This typically ensures that application was filed in accordance with local practice.

4.1.10 Many patent offices require the application to undergo substantive examination prior to being granted. Substantive examination involves a government appointed Examiner reviewing the specification of the application against the available documented technical understanding of relevant field. The Examiner may raise objections against the application (typically that the invention is not novel or inventive in light of the already available knowledge in the field) and the holder of the application has the opportunity to respond to the objections with arguments or amendments in order to overcome the objections.

## **4.2 Inventorship and Ownership**

4.2.1 A patent for an invention may be granted to the inventor or a person who derives title to the invention from the inventor. For the patent applications mentioned in section 3, we confirm that Veratin is the applicant and has derived these rights from the inventor BOULOS, Ramiz by virtue of an assignment dated 01-09-2016. Thus, Veratin is entitled to the rights stemming from the patent applications.

## **4.3 Maintenance of Patents**

4.3.1 Patent protection lasts for a particular duration, within which in order to maintain the status of the rights issuing from the patent maintenance fees are required to be paid to the respective government office. The regularity and payment dates of maintenance fees vary from country to country, but in many cases, they are paid annually on the anniversary of the national application. Further, depending on the country maintenance fees may only require payment after the grant of the respective application or regardless of the status of the patent.

## **4.4 Patent Validity**

4.4.1 Whilst a patent may be granted by a government office, there is no guarantee that the granted patent is valid. Validity of patents may be challenged depending on the mechanisms available within the specific country (for example, re-examination, opposition actions, or proceedings before the government office or court).

## **4.5 Freedom to Operate**

4.5.1 The grant of a patent does not provide protection against if the invention would infringe the rights of an earlier patent. The prosecution of the applications mentioned in section 3 does not allow for any conclusions to be drawn as to whether the grant of those applications would allow for freedom of a rights holder to operate without infringing the rights of a holder of an earlier patent.

## **4.6 Enforcement**

4.6.1 Enforcement of patent rights is only available upon grant of the patent and only within the territory of the granted patent. Rights still exist whilst a patent application is still pending and damages may be claimable (after grant) against actions that were found to infringe this time period, subject to national requirements being met. In Australia, the grant of an Innovation Patent does not render it enforceable. The Innovation Patent will need to undergo examination and become certified in order to have enforceable rights in Australia.

4.6.2 Infringement proceedings are typically carried out before the relevant national court.

4.6.3 Infringement will be determined by analysis as to whether the alleged infringement falls within the scope of the claims of the patent. Counter actions against cases of infringement may be available to parties being alleged to infringe (e.g., claiming that the patent is invalid).

## **5. Disclaimer and Limitations**

5.1 This report is not to be construed as a legal opinion as to the registrability of patent applications. It should also be appreciated that the report is not a validity or freedom-to-operate opinion. No conclusions on validity based on the report should be made. Moreover, the report does not provide any guarantee that the subject invention(s) may be commercially exploited without risk of infringement of earlier patents.

## **6. Patent Disclaimer**

6.1 It should be emphasised that the precision with which the patent office databases have been constructed and maintained is critical to the information provided on the status of the patent cases. No patent search has been conducted to determine whether the invention(s) infringe on any patents or patent applications currently in force in Australia or elsewhere. An infringement search in Australia would necessitate a thorough search of Australian Patent Office records, and an infringement search elsewhere would necessitate a thorough search of any other country's patent records.

6.2 Examination Reports in One Country Not Binding in Other Countries

Patent applications in most countries are subject to an independent search and assessment by the local Patent Office, the results of which are not binding in other jurisdictions. In the same way, international search and examination reports (as conducted for the parent PCT application from which the listed national patent applications stem) are not binding on national patent applications during national phase examination. As a result, such reports should be treated as illustrative rather than definitive of patentability. It's also worth noting that the grant of a patent in one nation does not guarantee that a patent will be granted in another.



### 6.3 Scope of Claims May Vary during Examination

During substantive examination of a patent application, it is frequently required to change the claims to further define the invention in order to differentiate the claimed invention from significant prior art. As a result of this process, claims may differ between nations, reflecting, in part, differences in inspection procedures and patentability threshold requirements under national laws. While this is a fairly normal practice, in some cases, such adjustments may have an impact on the breadth and thus the commercial significance of the patent protection that results.

## 7. Lord and Company's Interest

- 7.1 Lord and Company has been engaged by Veratin to provide services and advice on matters relating to the patent portfolio listed in section 3.

## 8. Consent

- 8.1 Lord and Company consents to the inclusion of this report in a prospectus to be issued by Veratin.

Yours sincerely  
for LORD AND COMPANY



ZHI LING ZENG

Managing Partner

# ANNEXURE D

## Summary of Earnings

	2021	2020	2019
Sales	40,996	17,282	-
Other income	49,527	31,724	-
<i>Earnings before interest, tax &amp; depreciation</i>			
EBITDA	(66,909)	(67,044)	(206,625)
Interest	(50)	(280)	-
Tax	-	-	-
Depreciation	(3,588)	(2,949)	(668)
<b>Net loss</b>	<b>(70,547)</b>	<b>(70,273)</b>	<b>(207,293)</b>
<i>Extraordinary items</i>			
Earnings before extraordinary items	(104,523)	(80,273)	(207,293)
EMD Grant	23,976	-	-
Cash flow boost	10,000	10,000	-
<b>Net loss</b>	<b>(70,547)</b>	<b>(70,273)</b>	<b>(207,293)</b>
Loss per share	\$ (0.08)	\$ (3.25)	\$ (15.07)

# ANNEXURE E

## Summary of Earnings

	2021	2020	2019
Sales	40,996	17,282	-
Other income	49,527	31,724	-
<i>Earnings before interest, tax &amp; depreciation</i>			
EBITDA	(66,909)	(67,044)	(206,625)
Interest	(50)	(280)	-
Tax	-	-	-
Depreciation	(3,588)	(2,949)	(668)
<b>Net loss</b>	<b>(70,547)</b>	<b>(70,273)</b>	<b>(207,293)</b>
<i>Extraordinary items</i>			
Earnings before extraordinary items	(104,523)	(80,273)	(207,293)
EMD Grant	23,976	-	-
Cash flow boost	10,000	10,000	-
<b>Net loss</b>	<b>(70,547)</b>	<b>(70,273)</b>	<b>(207,293)</b>
Loss per share	\$ (0.08)	\$ (3.25)	\$ (15.07)

# ANNEXURE F

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## CORPORATE DIRECTORY

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Issuer's sponsor

N/A

**Financial Advisers**

N/A

**Principal Bankers**

National Australia Bank  
Level 28, 395 Bourke Street  
MELBOURNE VIC 3000

**Nominated adviser and solicitors**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

**Auditor**

Stantons International Audit and  
Consulting Pty Limited  
Level 2, 1 Walker Avenue  
WEST PERTH WA 6005

*Stantons is an Authorised Audit Company  
and an Australian Financial Service  
Licensee, in accordance with the  
requirements of the Australian Securities  
and Investments Commission.*

**Share Registry**

Automic Pty Ltd  
Level 5, 191 St Georges Terrace  
PERTH WA 6000

Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000  
GPO Box 2799 Perth WA 6001  
Telephone: +61 8 9321 4000  
Facsimile: +61 8 9321 4333  
Web: [www.steinpag.com.au](http://www.steinpag.com.au)

**Perth | Melbourne**

17 December 2021

Your Ref:  
Our Ref: TAH:AMB:4934-06  
Contact: Toby Hicks  
Partner  
[THicks@steinpag.com.au](mailto:THicks@steinpag.com.au)

Ms Kristina Gjeleska  
Admissions Manager  
National Stock Exchange of Australia  
1 Bligh Street  
SYDNEY NSW 2000

**By Email: [Kristina.Gjeleska@nsx.com.au](mailto:Kristina.Gjeleska@nsx.com.au)**

Dear Kristina

**VERATIN LIMITED (ACN 613 404 612) - APPLICATION FOR WAIVER OF NSX LISTING RULE 2.2**

We act for Veratin Limited (ACN 613 404 612) (**Company**). The Company is seeking a waiver of Listing Rule 2.2 which requires that new applicants for listing must be sponsored by a participant of the NSX which is on the approved list of sponsors maintained by the NSX.

**1. BACKGROUND**

On the same date as this letter, the Company lodged its formal application for listing on the NSX (**Listing**).

The Company is currently being advised on its Listing by Steinepreis Paganin.

**2. SUBMISSIONS**

The Company respectfully applies for a waiver of Listing Rule 2.2 which requires new applicants for listing to be sponsored by a participant of the NSX which is on the approved list of sponsors maintained by the NSX.

Listing Rule 2.2 states that the sponsor must ensure that the issuer receives fair and impartial guidance and advice as to the application of the Listing Rules and that all necessary documents supporting an application are lodged with the NSX.

NSX also states that sponsoring brokers are important to help provide liquidity and better access to financial markets to raise the required capital.

We submit that given:

- (a) the Company has received and continues to receive fair and impartial guidance and advice as to the application of the Listing Rules from Steinepreis Paganin (Nominated Adviser); and
- (b) the Company is an established operating business and has demonstrated through its prior seed raisings the ability to raise capital and access financial markets,

that the purposes of Listing Rule 2.2 have been met by the Company by alternative means. Accordingly, we are of the view that the Company does not require a sponsoring broker.

### **3. PREVIOUS NSX WAIVERS**

We note that NSX has previously granted waivers for Listing Rule 2.2 for the following participants:

- (a) NSX:KTE – waiver approved on 9 June 2021;
- (b) NSX:SAL – waiver approved on 8 April 2021; and
- (c) NSX:VTL – waiver approved on 29 March 2021.

If you have any questions regarding the content of this letter, please do not hesitate to contact us.

Yours faithfully



**STEINEPREIS PAGANIN**

# ANNEXURE H

## APPENDIX 1: DECLARATION

TO: The National Stock Exchange of Australia Limited


FROM: Veratin Limited ACN 613 404 612 (**Issuer**)


To the best of the Issuer's knowledge, information and belief:

- 1) save as specified in the application letter, all the qualifications for listing set out in Chapter 3 of Section IIA of the Listing Rules have, in so far as applicable and required to be met and fulfilled prior to application, been met or fulfilled in relation to the issuer and the securities of the issuer the subject of the application;
- 2) all information required to be included in the disclosure document pursuant to Rule 4.8 and the Corporations Act will be included; and
- 3) there are no other facts bearing on the issuer's application for listing which, in the issuer's opinion, should be disclosed to the Exchange.

Dated this *17* day of December 2021.

**EXECUTED** by **RAMIZ BOULOZ, DIRECTOR**  
in the presence of:

  
\_\_\_\_\_  
Signature of witness

  
\_\_\_\_\_  
Signature

*Anna Barningham*  
\_\_\_\_\_  
Name of witness