

VERATIN LIMITED

ABN: 89 613 404 612

Financial report for the half year ended 31 December 2022

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Corporate Directory

Directors

Mr Ramiz Boulos
Mr David Vincent
Mr Giuseppe Lenzo

Registered Office and Principle Place of Business

Unit 1, 14 Hines Road
O'Connor WA 6163

Share Register

Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000
Tel: (02) 9698 5414

Stock Exchange Listing

National Stock Exchange of Australia Ltd
1 Blight Street
Sydney NSW 2000
Tel: (02) 8378 6400

Auditors

Stantons
Level 2, 40 Kings Park Road
West Perth WA 6005

Solicitors

HopgoodGanim Lawyers
Level 8, Waterfront Place
1 Eagle Street
Brisbane QLD 4000
Tel: (07) 3024 0000

VERATIN LIMITED DIRECTORS' REPORT

Your Directors present their report on Veratin Limited (the "Company" or "Veratin") for the half year period ended 31 December 2022 as required by the Corporations Act 2001 (the Act) and the NSX Listing Rules. In addition to the financial statements for the half year and the notes accompanying those statements, your Directors provide a declaration about those statements and notes.

Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

- | | |
|------------------|------------------------|
| • Ramiz Boulos | Executive Chairman |
| • David Vincent | Non-executive Director |
| • Giuseppe Lenzo | Non-executive Director |

Meetings of the Board of Directors

During the financial period, the following board of meetings were held

	Eligible to attended	Attended
Ramiz Boulos	4	4
Giuseppe Lenzo	4	4
David Vincent	4	4

Indemnities

There was no indemnity in place to directors against the costs and expenses incurred by them in defending any legal proceedings arising out of their contract while acting in the capacity of director of Veratin.

Principal activities

Undertake the development and commercialisation of high value products from waste wool.

Operating result

The Company's net loss for the half year ended 31 December 2022 is \$568,211 (half year ended December 2021: net loss of \$152,051).

Veratin's activities during the half-year included grant of its Verigrow Patent in Japan and acceptance of its Verigrow patent in the US. The Company filed a PCT patent for the biodegradable polymer it is commercialising for biodegradable plant pots and other products as well as filing a provisional patent for fermented wool-containing products targeting functional foods including beverages. The Company has continued to invest on research and development activities and completed product development for its Keratin-based shampoos and conditioners and set up online e-stores with Alibaba, Shopify and eBay to expand product reach. In October 2022, Veratin launched a new product - Verigrow premium potting mix. It showcased the premium potting mix with its Verigrow range of products at the Perth Garden and Outdoor Festival, its first major event.

Financial position

The Company had cash funds on hand of \$21,531 at 31 December 2022.

Corporate

There were 900,000 shares issued during the half year period.

Options and Performance Rights

There are outstanding 250,000 unlisted options at an exercise price of \$0.25 each which will expire on 01 December 2023.

There are 3,000,000 unlisted options at \$0.25 each which will expire on 30 June 2027. These were valued at \$184,149 per Black + Scholes valuation methodology.

There are 5,700,000 Performance Rights with vesting conditions which haven't been met. These options expire on 30 June 2027. The rights have been valued at \$0.10 per performance right.

There are another 1,900,000 Performance Rights which were issued to Peter Simpson with vesting conditions which haven't been met. These options expire on 30 June 2027. The rights have been valued at \$0.10 per performance right.

After balance date events

The Company received the Grant Certificate from Indonesia for the Patent "Organic fertiliser and soil improver comprising keratin" (Application No. P00201901691) with granting date as at 11 January 2023.

The Company has successfully raised \$293,557 additional funds under its Offer Information Statement (OIS) announced to the market on 21 December 2022 as an oversubscription of its anticipation for \$250,000. The associated allotment of shares under the OIS has occurred on 30 January 2023.

There are no other significant events which have arisen since the end of the period which may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial year.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the half year.

Environmental regulations

No environmental regulations have an effect on the operations of the Company.

Dividend paid or recommended

No dividends were paid or declared since the start of the half year. No recommendation for payment of dividends has been made at the date of this report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 can be found on page 5 and forms part of this report.

The Company has not, during or since the half year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defending legal proceedings.

Signed in accordance with a resolution of the Board of Director.

Ramiz Boulos
Director



21st March 2023



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21 March 2023

Board of Directors
Veratin Limited
Unit 1/14A Hines Rd
O'Connor WA 6163

Dear Sirs

RE: VERATIN LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Veratin Limited.

As Audit Director for the review of the financial statements of Veratin Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director



VERATIN LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Notes	DEC 2022 \$	DEC 2021 \$
Revenue	2	25,267	35,163
Other income	3	608	18,182
Materials and supplies and other direct costs		(50,343)	(13,504)
Advertising and promotions		(38,258)	(42,645)
Consulting and accounting expenses		(79,609)	(38,389)
Employee benefits expenses		(315,486)	(39,787)
Occupancy expenses		(11,035)	(9,861)
Finance costs		(1,168)	(299)
Depreciation & Amortisation	7, 8	(10,750)	(1,692)
Other expenses		(87,437)	(59,219)
(Loss) before income tax		(568,211)	(152,051)
Income tax expense		-	-
(Loss) after tax		(568,211)	(152,051)
Other comprehensive Income			
Items that may be reclassified to profit and loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total comprehensive (loss) for the year		(568,211)	(152,051)
		cents	cents
Basic (loss) per share	14	(0.59)	(0.18)
Diluted (loss) per share	14	(0.59)	(0.18)

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

VERATIN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	DEC 2022 \$	JUN 2022 \$
Current assets			
Cash and cash equivalents	4	21,531	344,394
Trade and other receivables	5	29,943	31,848
Prepayments		5,397	11,575
Inventories	6	42,347	49,996
Total current assets		<u>99,218</u>	<u>437,813</u>
Non-current assets			
Property, plant and equipment	7	124,936	83,880
Intangible assets	8	164,099	130,307
Total non-current assets		<u>289,035</u>	<u>214,187</u>
Total assets		<u>388,253</u>	<u>652,000</u>
Current liabilities			
Trade and other payables	9	89,782	144,735
Provisions	10	11,941	10,234
Loans payable	11	87,081	11,455
Total current liabilities		<u>188,804</u>	<u>166,424</u>
Non-current liabilities			
Loans payable	11	37,003	25,116
Total non-current liabilities		<u>37,003</u>	<u>25,116</u>
Total Liabilities		<u>225,807</u>	<u>191,540</u>
Net assets		<u>162,446</u>	<u>460,460</u>
Equity			
Contributed equity	12	1,319,121	1,241,842
Reserves	15	192,918	
Accumulated losses		<u>(1,349,593)</u>	<u>(781,382)</u>
Total Equity		<u>162,446</u>	<u>460,460</u>

The statement of financial position should be read in conjunction with the notes to the financial statements.

VERATIN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total \$
Balance as at 1 July 2022	1,241,842	(781,382)	-	460,460
(Loss) for the half year	-	(568,211)	-	(568,211)
Total comprehensive (loss) for the half year	-	(568,211)	-	(568,211)
Issue of shares (net of costs)	77,279	-		77,279
Share based payments	-		192,918	192,918
Balance as at 31 December 2022	1,319,121	(1,349,593)	192,918	162,446
Balance as at 1 July 2021	478,749	(379,301)		99,448
(Loss) for the half year	-	(152,051)		(152,051)
Total comprehensive (loss) for the half year	-	(152,051)		(152,051)
Issue of shares (net of costs)	130,239	-		130,239
Balance as at 31 December 2021	608,988	(531,352)		77,636

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

VERATIN LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Notes	DEC 2022 \$	DEC 2021 \$
Cash flow from operating activities			
Receipts from customers		29,485	30,174
Payments to suppliers and employees		(353,236)	(154,386)
R&D rebate received		-	17,771
Net cash (outflow) from operating activities		<u>(323,751)</u>	<u>(106,441)</u>
Cash flow from investing activities			
Payments for property, plant and equipment		(32,520)	(14,945)
Payments for intangible assets		(34,169)	(485)
Net cash (used in) investing activities		<u>(66,689)</u>	<u>(15,430)</u>
Cash flow from financing activities			
Receipts from borrowings		75,000	-
Repayment of borrowings		(5,308)	(2,850)
Share issue costs		-	115,239
Interest paid		(2,115)	(299)
Net cash provided by financing activities		<u>67,577</u>	<u>112,090</u>
Net decrease in cash and cash equivalents		(322,863)	(9,781)
Cash and cash equivalents at beginning of the year		344,394	13,851
Cash and cash equivalents at end of period	4	<u>21,531</u>	<u>4,070</u>

The statement of cash flows should be read in conjunction with the notes to the financial statements

VERATIN LIMITED
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1: Summary of significant accounting policies

a) Basis of preparation

(i) General purpose financial report

These general purpose condensed financial statements for the half-year ended 31 December 2022 have been prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting", as appropriate for for-profit entities.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of the Company for the year ended 30 June 2022.

The principle accounting policies adopted are consistent with those of the previous annual and half year reports.

(ii) 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.

(iii) New Accounting Standards and interpretations adopted by the Company

The company has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards and interpretations that are not yet mandatory have not been early adopted.

(iv) 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 31 December 2022, the Company had net assets of \$162,446 (30 June 2022: \$460,460) and net current liability of \$89,586 (net current asset of \$271,389 as at 30 June 2022), and in the half year then ended incurred a net loss of \$568,211 (the previous half year ended 31 December 2021: \$152,051) and net operating cash outflows of \$323,751 (half year ended 31 December 2021: \$106,441). These conditions give rise to a material uncertainty that may cast significant doubt upon 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 Directors have a reasonable expectation that the business will be able to do this, and therefore has adopted the going concern basis in preparing this financial report.

The Company made a significant investment in R&D, HR and plant and equipment in FY 2022. This investment will see the Company well positioned to exploit growth opportunities. After the Company identified new potential distributors for its flagship product Verigrow; the Company now has a supply contract in place with a distributor in NSW (since November 2022). In addition, the Company had

VERATIN LIMITED
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

also setup an Alibaba store for its Verigrow range and has been investigating export opportunities with the very first order from United States in this half year.

(v) 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) Critical accounting 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:

- assessable income is derived of a nature, and of an amount sufficient to enable the benefit from the deductions to be realised
- conditions for deductibility imposed by law are complied with; and
- 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.

2: Revenue

	DEC 2022	DEC 2021
	\$	\$
Sales of goods	25,267	35,163
	<u>25,267</u>	<u>35,163</u>

(a) Operating segments

The Company operates in one geographic segment, being Australia.

3: Other income

	DEC 2022	DEC 2021
	\$	\$
Other Income		
• R&D rebates	-	17,771
• Others	608	411
	<u>608</u>	<u>18,182</u>

4: Cash and cash equivalents

	DEC 2022	JUN 2022
	\$	\$
Cash at bank	20,285	342,890
Cash on hand	1,246	1,504
	<u>21,531</u>	<u>344,394</u>

VERATIN LIMITED
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

5: Trade and other receivables

	DEC 2022	JUN 2022
	\$	\$
Current		
Trade receivables	1,369	4,817
GST receivables	16,294	16,863
Other receivables	11,865	9,649
Receivable from related parties	415	519
	29,943	31,848

Trade and other receivables are non-interest bearing and are generally settled on a 30-60 days term.

None of the receivables are past due and not impaired.

6: Inventories

	DEC 2022	JUN 2022
	\$	\$
Lower of cost or net realisable value		
Stock on Hand – cost	289	2,318
Raw Materials & Supplies – cost	34,673	39,173
Packaging – cost	7,070	8,190
Manufacturing related supplies – cost	315	315
	42,347	49,996

7: Property, plant and equipment

	DEC 2022	JUN 2022
	\$	\$
Vehicles – at cost	29,449	29,449
Vehicles - accumulated depreciation	(5,298)	(1,815)
Vehicles - carrying value at the end of the period	24,151	27,634
Plant & equipment - at cost	117,005	65,576
Plant & equipment - accumulated depreciation	(16,220)	(9,330)
Plant & equipment - carrying value at the end of the period	100,785	56,246
Total property, plant & equipment	124,936	83,880

8: Intangible assets

	DEC 2022	JUN 2022
	\$	\$
Patents		
Cost	161,446	128,377
Accumulated amortisation	(377)	-
	161,069	128,377
Trademark, at cost	3,030	1,930
Total	164,099	130,307

9: Trade and other payables

	DEC 2022	JUN 2022
	\$	\$
Current		
Trade payables	23,705	34,638
Sundry payables and accrued expenses	66,077	110,097
	89,782	144,735

Trade payables are non-interest bearing and are generally settled on 30-60 day terms. Trade and other payables that are past due as at 31 December 2022 amounted to \$446 (30 June 2022: \$1,043).

VERATIN LIMITED
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

10: Provisions

	DEC 2022	JUN 2022
	\$	\$
Current		
Provision for Annual Leave	11,941	10,234
	11,941	10,234

11: Loans payable

	DEC 2022	JUN 2022
	\$	\$
Current		
Loans payable to related parties (i)	75,000	-
Loans payable to third party (ii)	2,299	5,567
Hire Purchase Liability (iii), (iv)	9,782	5,888
	87,081	11,455
Non-current		
Hire Purchase Liability (iii) (iv)	37,003	25,116
	37,003	25,116

(i) During this half year, the following loans were provided by related parties of the Company;

- A loan of \$75,000 was provided by an entity related to the Executive Director on 21 December and the full payment was made on 24 January 2023.

(ii) Loans payable to a third party is for insurance funding. The terms of the finance arrangement are as follows:

- Insurance Funding \$5,625
 - Amount financed: \$5,550
 - Additional fee: \$60
 - Start date: 16 June 2022
 - Expiry date: 15 June 2023
 - Monthly repayments: \$492.26
 - Finance term: 12 months
 - Interest rate: 6.43%
 - Maturity: 16 May 2023

(iii) Loans payable a motor vehicle. The terms of the finance arrangement are as follows:

Motor Vehicle Loan \$31,386 (Hire purchase)

- Amount financed: \$30,849
- Additional fee & registration: \$1,860
- Start date: 06 May 2022
- Expiry date: 06 April 2027
- Monthly repayments of \$610.26
- Finance term: 60 months
- Interest rate: 5.14%
- Maturity: 05 April 2027
- Maturity analysis of future hire purchase payments

	Amount
	\$
Within one year	6,038
Later than one year and not later than five years	25,696
Total	31,734

(iv) Loans payable for a forklift. The terms of the finance arrangement are as follows:

Forklift Loan \$21,239.90 (Hire purchase)

- Amount financed: \$20,800
- Additional fee & registration: \$440
- Start date: 26 July 2022
- Expiry date: 26 June 2027
- Monthly repayments of \$452.89
- Finance term: 60 months
- Monthly fee: \$8.00
- Interest rate: 4.92%
- Maturity: 26 June 2027
- Maturity analysis of future hire purchase payments

VERATIN LIMITED
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Amount
	\$
Within one year	3,744
Later than one year and not later than five years	20,712
Total	<u>24,456</u>

12: Contributed equity

	DEC 2022	JUN 2022
	\$	\$
Share Capital		
Fully paid Ordinary Shares	1,319,121	1,241,842
<i>Movement in Share Capital</i>		
At beginning of the year	1,241,842	478,749
Shares issued during the year		
Shares issued in lieu of Director fees ⁽¹⁾	60,000	-
Shares issued for vested Performance Rights (PI) ⁽²⁾	30,000	-
LESS: share issue costs	(12,721)	
Initial Public Offering ("IPO")	-	632,854
Additional shares issued	-	130,239
At end of the year	<u>1,319,121</u>	<u>1,241,842</u>
	DEC 2022	JUN 2022
	Number	Number
Shares on issue at beginning of year	95,066,734	85,683,750
Shares issued during the year		
Shares issued in lieu of Director fees ⁽¹⁾	600,000	-
Shares issued for vested Performance Rights (PI) ⁽²⁾	300,000	-
Initial Public Offering ("IPO")	-	7,715,000
Additional shares issued	-	1,667,984
Shares in issue at end of the year	<u>95,966,734</u>	<u>95,066,734</u>

⁽¹⁾ At Annual General Meeting held on 05 September 2022, shareholders passed the Resolution 5 and Resolution 6 allowing the issue of shares in lieu of the Directors fee at \$0.10 per share.

⁽²⁾ and ⁽³⁾ At Annual General Meeting held on 05 September 2022, shareholders passed the Resolution 7 to grant Ramiz Boulos 6,000,000 performance rights at \$0.10 per right. During this half year period, 300,000 of these shares were issued after the associated vesting conditions were satisfied.

The Notice of Meeting and the Disclosure of Proxy Votes for the shares issued during this period can be located on the NSX website.

<https://www.nsx.com.au/ftp/news/021741170.PDF>

<https://www.nsx.com.au/ftp/news/021741017.PDF>

13: Commitments and contingencies

The Company has no commitments at period end other than those reflected in the 30 June 2022 Annual Report.

The Company has no contingent liabilities as at the date of the financial report.

VERATIN LIMITED
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

14: Loss per share

	DEC 2022	DEC 2021
	\$	\$
(a) Reconciliation of loss used in calculating loss per share		
Loss attributable to the ordinary equity holders used in calculating basic loss per share	(568,211)	(152,051)
(b) Weighted average number of shares		
Ordinary shares used as the denominator in calculating basic loss per share	95,966,734	87,351,734
Ordinary shares used as the denominator in calculating diluted loss per share	95,966,734	87,351,734
	Cents	Cents
(c) Loss per share		
Basic loss per share	(0.59)	(0.18)
Diluted loss per share	(0.59)	(0.18)

15: Share based payments and Reserves

(a) Reserves

	DEC 2022	DEC 2021
	\$	\$
Share based payment Reserve – Directors – opening	-	-
Share based payment Reserve – Directors – this period	192,130	-
Share based payment Reserve – Directors – closing	192,130	-
Share based payment Reserve – Non-directors – opening	-	-
Share based payment Reserve – Non-directors – this period	788	-
Share based payment Reserve – Non-directors – closing	788	-
Total	192,918	-

The rights have been valued at \$0.10 per Black + Scholes valuation methodology

(b) Performance rights

	DEC 2022	DEC 2021
Outstanding at the beginning of the period	-	-
Granted	7,900,000	-
Converted	(300,000)	-
Cancelled	-	-
Outstanding at the end of the period	7,600,000	-

The rights have been valued at \$0.10 per Black + Scholes valuation methodology

(c) Options

	DEC 2022	DEC 2021
Outstanding at the beginning of the period	250,000	-
Granted on 14/12/2021	-	250,000
Granted on 05/09/2022	3,000,000	-
Outstanding at the end of the period	3,250,000	250,000
Exercisable at the end of the period	3,250,000	250,000

The options have an exercise price of \$0.25 each and have been valued per Black + Scholes valuation methodology

VERATIN LIMITED
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

16: Related Party Transactions

(d) Key Management Personnel Compensation

The aggregate compensation paid to the Directors of the Company is as follows:

	DEC 2022	DEC 2021
	\$	\$
Executive Director (Ramiz Boulos) - Wages and salaries	36,260	36,170
Executive Director (Ramiz Boulos) – Superannuation	3,807	3,617
Executive Director (Ramiz Boulos) – paid in issued shares	30,000	-
Executive Director (Ramiz Boulos) – share based payments	69,365	-
Non-Executive (Giuseppe Lenzo) – Director Fee	7,671	-
Non-Executive (Giuseppe Lenzo) – share based payments	61,383	-
Non-Executive (David Vincent) – Director Fee	7,671	-
Non-Executive (David Vincent) – share based payments	61,383	-
Provision for annual leave	1,418	5,716
	278,958	45,503

- The Directors' Fees haven't been paid during this half year. Their service agreements of \$10,000 p.a (inclusive of superannuation) will be settled in the form of cash payments. The agreements cover the period from 18 August 2022 to 18 August 2023.

(e) Other related party transactions

- A \$75,000 loan was provided to the Company by BOULOS & COOPER SMSF (Ramiz Boulos's related party) on 21 December and the full payment was made on 24 January 2023.

17: Events occurring after the reporting period

The Company has successfully raised \$293,557 additional funds under its Offer Information Statement (OIS) announced to the market on 21 December 2022 as an oversubscription of its anticipation for \$250,000. The associated allotment of shares under the OIS has occurred on 30 January 2023.

There are no other significant events which have arisen since the end of the year which may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial year.

VERATIN LIMITED
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Veratin Limited, the directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations, and
 - b. give a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the year ended.
2. In the director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Ramiz Boulos
Director



Dated this the 21st March 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
VERATIN LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Veratin Limited, which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Veratin Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Veratin Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 21 March 2023.

Emphasis of matter – Raw materials

The Company has an inventory balance of \$42,347 at 31 December 2022 (30 June 2022: \$49,996). This balance includes raw materials of \$34,674 (30 June 2022: \$39,174). The audit opinion for the year ended 30 June 2022 included a qualification on the raw materials as we did not perform a stock count on the opening balance therefore we were unable to obtain sufficient appropriate audit evidence on the existence and completeness of raw materials.

As ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* does not require a stock count observation to be performed, our opinion is not modified in respect of this matter.

Material Uncertainty in Relation to Going Concern

As referred to in Note 2 to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2022, the Company had cash and cash equivalents of \$21,531 and incurred a loss after income tax of \$568,211. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is subject to the future profitability of the Company. In the event that the Company is not successful in being profitable, the Company may not be able to meet its liabilities as and when they fall due and the realisable value of the Company's assets may be significantly less than book values.

Responsibility of the Directors for the Financial Report

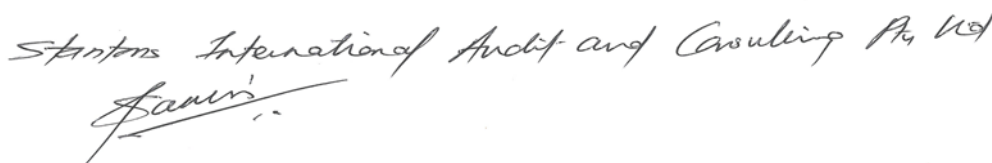
The directors of Veratin Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Samir Tirodkar
Director

West Perth, Western Australia
21 March 2023