



Half Year Results

- **Wattle Health Australia continues to grow its distribution base and sales**
- **1H18 revenue of \$661,261 which represents 71% of the revenue received FY17**
- **1H18 Gross Profit of \$384,954 compared to the \$152,200 FY17 an increase of 253%**
- **Sales 1H18 plus January was \$990,261 which represents 107% of Sales FY17**
- **WHA expects Sales to continue to grow in 2H18 with the acquisition of Little Innoscents and on the attainment of CFDA**

Wednesday 28 February 2018: Wattle Health Australia Limited (**ASX:WHA**) is pleased to release its results for the first half of the 2018 financial year.

WHA continues to grow its distribution base both domestically and internationally thus increasing brand awareness and most importantly sales. With WHA also increasing its product offering with baby food, increasing its nutritional dairy range and more recently skin care, it will enable WHA to enter new markets and further grow the brand.

Revenue for the first half of the 2018 financial year was \$661,261 and with the sales received in January 2018 of \$329,000, this exceeds the total sales for the full financial year 2017 of \$990,261.

WHA has managed to increase its margins on products with gross profit for 1H18 at 58.22% compared to 16.39% for financial year 2017, which reflects the changing structure of the business with WHA having a direct relationship with retailers.

Net Loss for 1H18 was \$13,080,506 with the main cost being a non-cash expense in regard to the issuance of loan funded employee shares (**LFES**) of \$9,607,861.

On 20 November 2017, shareholders approved the issue of 6,000,000 LFES to Directors of the Company at an exercise price of \$2.15. On 21 December 2017, a further 7,347,500 LFES were issued to employees at an exercise price of \$2.15, when the market price of the shares at time of issue was \$1.535.



In the event that all LFES which were issued during the half year are exercised the company will receive up to \$28.9 million in cash.

WHA's net asset position at the end of 1H18 was \$15,301,981 compared to \$6,980,005 at the end of FY17, an increase of 219%.

WHA anticipates continued growth in sales in 2H18 as distribution channels continue to activate, WHA obtaining CFDA accreditation and the continued growth of the newly acquired skin care company, Little Innoscents.

Lazarus Karasavvidis, Executive Chairman said: "This has been an exciting period for the Company. We are pleased to see Wattle Health gain traction in the market both domestically and internationally.

Wattle Health, in a short period of time has laid the foundation; with its' acquisition of Blend and Pack as our partners and the successful lodgment of CFDA, we continue to grow brand awareness and revenue."

Lazarus Karasavvidis
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