

Wattle Health Australia Limited

ACN 150 759 363

ASX Code: WHA

PROSPECTUS

For a non-renounceable pro-rata rights issue to Eligible Shareholders of up to 30,286,785 New Shares on the basis of 1 New Share for every 5 Shares held by Shareholders at the Record Date at an issue price of \$1.25 per New Share to raise approximately \$37.9 million before costs (**Entitlement Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety.

This is a replacement prospectus dated 23 May 2018. It replaces the original prospectus dated 21 May 2018.

If, after reading this Prospectus, you have any questions about the Offer Securities (including the New Shares) being offered under this Prospectus or any other matter relating to the Offers, then you should consult your professional adviser. An investment in the Offer Securities offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

This Prospectus has also been prepared in accordance with Section 708A(11) of the Corporations Act for the purpose of removing any trading restrictions on the sale of New Shares or other Shares that may be issued by the Company prior to the Closing Date without disclosure under Chapter 6D of the Corporations Act.

IMPORTANT NOTICE

1. Prospectus

This is a replacement prospectus dated 23 May 2018 which replaces the prospectus lodged by the Company dated 21 May 2018 (**Original Prospectus**). The changes in this Prospectus from the Original Prospectus are:

- including a statement in the Chairman's Letter confirming that the proposed CBDG JV complements the Company's current business model (which remains unchanged);
- highlighting the CFDA approval risk;
- confirming the use of funds raised under this Prospectus.

A copy of this Prospectus has been lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus.

No Offer Securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus (**Expiry Date**).

This Prospectus is a transactional specific prospectus for an offer of continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been made to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Further information is provided in Sections 7.6 and 7.7 of this Prospectus.

Wattle Health Australia Limited (**WHA** or the **Company**) will apply to ASX within 7 days of the date of this Prospectus for quotation of the Offer Securities offered under this Prospectus. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the merits of the Company.

Applications for New Shares offered pursuant to this Prospectus including for any Additional Securities can only be submitted on the applicable original Entitlement and Acceptance Form which accompanies this Prospectus.

Applications for the Shortfall Offer can only be submitted by invitation from the Company. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

2. Disclaimer

The information contained in this Prospectus is not investment advice. Before deciding to invest in the Company, you should read and understand the entire Prospectus and, in particular, in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance. You should carefully consider these risk factors in Section 6 in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

None of the Company, the Directors or any other person gives any guarantee as to the success of the Company, the repayment of capital, the payment of dividends, the future value of the Offer Securities or the price at which the Offer Securities will trade on the ASX.

Any references to past performance of the Company is no guarantee of future performance.

3. No Representations other than this Prospectus

No person or entity is authorised to give any information or to make any representation in connection with the Offers that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company.

The Entitlement and Acceptance Form accompanying this Prospectus is important. Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of the Entitlement Offer. Applications for the Entitlement Offer can only be submitted on the Entitlement and Acceptance Form that is available with this Prospectus.

Applications for the Shortfall Offer can only be submitted by invitation from the Company.

4. Forward looking information

Some of the statements appearing in this Prospectus may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or results may differ materially from the events or

results expressed or implied in any forward looking statement and any variation may be materially positive or negative. Forward looking information (including forecast financial information) is subject to uncertainty and contingencies, many of which are outside the control of the Company.

5. No cooling off rights apply to this Offer

Cooling off rights do not apply to an investment pursuant to the Offers. This means that, in most circumstances, you cannot withdraw your Entitlement and Acceptance Form once it has been lodged.

6. Offer Restrictions on Distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia. This Prospectus is not to be distributed in, and the Offers are not to be made in, countries other than Australia and New Zealand.

The New Shares have not been and will not be registered under the US Securities Act of 1933 and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong nor is any offer under this Prospectus to be made to persons or entities resident in Hong Kong. You are advised to exercise caution in relation to the offer.

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may the shares be offered or sold or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand. Shareholders outside Australia (Ineligible Foreign Shareholders) should refer to Section 2.13 of this Prospectus for details of how their Entitlement will be dealt with.

7. Prospectus availability

Those investors who receive this Prospectus electronically are advised that the issue of securities under the electronic prospectus is only available to persons receiving the electronic prospectus within Australia. A paper copy of this Prospectus may be obtained free of charge from the Company or downloaded from the ASX website. The information on www.wattlehealth.com.au does not form part of this Prospectus.

8. Minimum Subscription Amount

The Entitlement Offer under this Prospectus is conditional on the Company receiving subscriptions for the minimum subscription amount of \$30 million, including the amounts received by the Company from subscriptions for New Shares under (i) the Shortfall facility for shareholders (see section 2.10) plus (ii) any Entitlement shortfall placed by the Directors as permitted under ASX Listing Rule 7.2 exception 3 (**Minimum Subscription Amount**).

If the Minimum Subscription Amount is not satisfied then the Company will not proceed with the Entitlement Offer, the Placement would not proceed and the Company will repay all Application Monies received without interest.

9. Definitions and glossary, financial amounts and time

Definitions of certain terms used in this Prospectus are contained in Section 9. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time are to Melbourne, Victoria time.

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IMPORTANT DATES

Event	Date
Announcement of the non-renounceable Entitlement Offer and the Placement	Prior to commencement of trading on Monday, 21 May 2018
Appendix 3B lodged with ASX for Entitlement Offer. Prospectus lodged with ASIC, with copy to ASX. Suspension of Shares lifted.	
Letter to Shareholders containing the timetable information and the Appendix 3B information required in relation to the Entitlement Offer	
"Ex" date - Trading commences on an ex-entitlement basis	Before commencement of trading Wednesday, 23 May 2018
Record Date	7:00pm (AEST) Thursday, 24 May 2018
Opening Date of Entitlement Offer	Tuesday, 29 May 2018
Despatch of the Prospectus and Entitlement and Acceptance Form to Eligible Shareholders (and announcement of despatch) WHA despatches ineligible shareholders letter.	
Last day to extend the Closing Date for Entitlement Offer	
Closing Date for acceptances under the Entitlement Offer	5:00pm (AEST) on Friday, 8 June 2018
Securities quoted on a deferred settlement basis	Tuesday, 12 June 2018
Announce results of Entitlement Offer and undersubscriptions	Thursday, 14 June 2018
Settlement Date for Entitlement Offer and Placement (Settlement Date)	Thursday, 14 June 2018
Issue date of New Shares and entry into subregisters of Shares issued Issue and quotation of the Placement Shares. WHA lodges updated Appendix 3B with ASX for Entitlement Offer and Placement	No later than noon, Friday, 15 June 2018
Quotation of Shares issued under Entitlement Offer and (T+2) trading of New Shares expected to commence	Monday, 18 June 2018
Despatch of holding statements for New Shares issued under Entitlement Offer	Tuesday, 19 June 2018

The above dates are indicative only and subject to change. All dates and times referenced are Australian Eastern Standard Time (AEST). The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of the Entitlement and Acceptance Form, or to delay or withdraw the Entitlement Offer at any time without prior notice. If withdrawn, all Application Monies for New Shares which have not been issued will be refunded (without interest) as soon as practicable.

WHAT YOU NEED TO DO TO APPLY FOR NEW SHARES

Read

Read this Prospectus in full paying careful attention to the benefits and risks associated with acceptance of the Offers.

Consider and Consult

After reading the Prospectus, consider whether the investment is suitable for you in light of your particular financial position and investment objectives. If necessary, please consult with your financial or investment adviser before making an investment decision.

Complete Entitlement and Acceptance Form

If you are an Eligible Shareholder and have decided to take up your Entitlement in full or in part, complete the Entitlement and Acceptance Form accompanying this Prospectus and lodge the form together with your Application Money by 5.00pm (AEST) on 8 June 2018.

If you have any queries concerning the Entitlement Offer or what to do with this Prospectus, please contact:

Computershare Investor Services Pty Limited
Information telephone numbers:
1300 850 505 or +61 (3) 9415 4000 (outside Australia)

Contact your stockbroker or professional adviser for advice concerning this Entitlement Offer or the Shortfall Offer.

Letter from the Chairman

Dear Shareholder

As announced by Wattle Health Australia Limited (**WHA** or the **Company**) on 6 April 2018, the Company is in the process of raising additional capital in order to fund its commitments under the CBDG joint venture and for general working capital to expand the business.

On behalf of the Board of the Company, I am pleased to be able to invite you to participate in an entitlement offer, which will be undertaken through a 1 for 5 pro-rata non-renounceable rights issue at a price of \$1.25 per New Share to raise approximately \$37.9 million (before costs) (**Entitlement Offer**).

WHA has previously announced the entry into various conditional agreements (as summarised in section 7.4 of this Prospectus) relating to the establishment and operation of an incorporated joint venture (**CBDG**) for the design, construction and operation of an organic dried milk powder plant by CBDG at Corio Bay Geelong. It is proposed that WHA will acquire a 45% interest in CBDG and the major part of the proceeds of the Entitlement Offer will go towards funding the design, construction and operation of the CBDG facility. The proposed CBDG joint venture complements WHA's current business which will be continuing. The CBDG joint venture is intended to expand the Company's product offering to include organic milk powders and is in line with the Company's vertical integration strategy. If WHA cannot raise the required funding, then WHA is not obliged to proceed with the CBDG joint venture. See Section 7.4(a) of this Prospectus for further information on the terms of the CBDG Shareholders Agreement.

The Entitlement Offer is summarised as follows:

- The Entitlement Offer is being conducted by way of a pro-rata non-renounceable entitlement offer.
- Australian and New Zealand residents holding WHA Shares may subscribe under the Offer for 1 New Share for every 5 held as at the Record Date of 7.00pm (AEST) on 24 May 2018.
- Approximately 30,286,785 New Shares will be issued under the Entitlement Offer. These shares will rank equally with existing Shares in all respects from the date of issue of the New Shares.
- The Entitlement Offer allows Eligible Shareholders to apply for additional New Shares (**Additional Securities**) on the basis that some existing Shareholders may be either ineligible or may fail to fully take up their personal Entitlement.
- New Shares are priced at \$1.25 New Share. The Offer Price under the Entitlement Offer is the same issue price to be paid by institutional investors under the Placement.
- Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. If you take no action or your application is not supported by cleared funds, your Entitlement will lapse and you will not be issued New Shares.

At the time of lodging this Prospectus, all your Directors have indicated that they will not take up their Entitlements under the Entitlement Offer.

An investment in Shares in the Company is subject to a range of material risks which may impact the value of shares in the Company - including CBDG JV risks and CFDA approval risks. The main risks are highlighted in Section 6 of this Prospectus.

On behalf of the Board, I recommend the Entitlement Offer to you. Before making your decision to invest, I ask you to carefully read the Prospectus and seek professional advice if required. The Company is at an exciting stage, with 2018 expected to be a transformational year for WHA and its shareholders.

Your Board looks forward to your continued support.
Kind regards

Lazarus Karasavvidis
Executive Chairman

1. INVESTMENT OVERVIEW

1.1 Overview of the Entitlement Offer

This Section is not intended to provide full information for investors intending to apply for New Shares offered pursuant to this Prospectus. This Prospectus and all of its Sections should be read and considered in their entirety.

Question	Response	Where to find more information
<p>What is the Entitlement Offer?</p>	<p>The Entitlement Offer is a non-renounceable pro rata offer of New Shares in the Company.</p> <p>Under the Entitlement Offer, Eligible Shareholders will be given an Entitlement to subscribe for 1 New Share for every 5 Shares held as at the Record Date of 7.00pm (AEST) on 24 May 2018 at an Offer Price of \$1.25 per New Share.</p> <p>The Entitlement Offer seeks to issue up to 30,286,785 New Shares to raise up to approximately \$37.9 million (before costs).</p> <p>Application will be made for the New Shares (subject to compliance with ASX's standard requirements) to be quoted on ASX.</p>	<p>Sections 2.1 to 2.3</p>
<p>The Placement</p>	<p>At the same time as the Entitlement Offer; the Company with the Joint Lead Managers is undertaking a private placement to wholesale investors of 16,000,000 Shares at the same price as the Entitlement Offer. The amount to be raised under the Placement will be approximately \$20.0 million. As at the date of this Prospectus, the Joint Lead Managers have received commitments from wholesale investors for approximately \$20.0 million. However, the Placement is conditional on the Company raising the minimum of \$30 million under this Entitlement Offer.</p>	
<p>Loan Facility</p>	<p>Prospere Advisor Limited company number HS-333282 (Prospere) and WHA have entered into a Loan Facility Agreement whereby Prospere has granted to WHA a committed term loan facility in the principal amount of AUD\$20.0 million.</p> <p>WHA may draw down on the Loan Facility for a period of up to 24 months from the date the pre-conditions under the Loan Facility are met and</p>	<p>Section 7.5</p>

Question	Response	Where to find more information
	<p>the final repayment date is 36 months from drawdown.</p> <p>The terms and conditions of the Loan Facility are described in further detail in Section 7.5 of this Prospectus.</p>	
<p>What is the purpose of the Entitlement Offer?</p>	<p>The funds raised under the Entitlement Offer together with the funds raised under the Placement and Loan Facility is to allow WHA to:</p> <ul style="list-style-type: none"> • to fund the design, construction and operation of the CBDG facility; • to fund WHA's subscription for a 45% interest in CBDG; • meet the costs of the Entitlement Offer; and • general working capital. <p>For more information on WHA's funding commitments under the CBDG JV please see Section 7 of this Prospectus.</p>	<p>Sections 3.1 and 7</p>
<p>Am I an Eligible Shareholder?</p>	<p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <p>(a) are the registered holder of Shares as at 7:00pm (AEST) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p>	<p>Definition of "Eligible Shareholder" and section 2.1</p>
<p>Is there a minimum subscription amount?</p>	<p>Yes – there is a Minimum Subscription Amount under the Entitlement Offer of \$30.0 million, including the amounts received by the Company from subscriptions for New Shares under (i) the Shortfall facility for shareholders (see section 2.10) plus (ii) any Entitlement shortfall placed by the Directors as permitted under ASX Listing Rule 7.2 exception 3.</p> <p>If the Minimum Subscription Amount is not raised then the Company will not proceed with the Entitlement Offer and the Shortfall Offer and will repay all Application Monies received without interest.</p>	<p>Section 2.14</p>
<p>Is the Entitlement Offer</p>	<p>The Entitlement Offer is not underwritten. However, the Ord Minnett Limited and JB</p>	<p>Sections 2.6</p>

Question	Response	Where to find more information
underwritten?	Advisory Pty Ltd will act as Joint Lead Managers to the Placement and Entitlement Offer. The Directors reserve the right under ASX Listing Rule 7.2 exception 3 to place any Entitlement shortfall at their discretion at an issue price no less than the Offer Price under this Entitlement Offer. The Directors intend to consult with the Joint Lead Managers in respect of the placement of any Entitlement Offer shortfall.	
What will be the effect of the combined Entitlement Offer and Placement on control of the Company?	The effect of the combined Entitlement Offer and the Placement on the control of the Company will vary with the level of Entitlements and Additional Securities taken up by Eligible Shareholders under the Entitlement Offer. There is no Shareholder whose interest would exceed 19.9% on the completion of the Entitlement Offer.	Sections 2.18 and 3.3
How do I apply for New Shares under the Entitlement Offer?	Eligible Shareholders can apply for New Shares by completing the relevant sections of the Entitlement and Acceptance Form accompanying this Prospectus and sending it to the Share Registry together with payment by cheque or BPAY® in the amount of Entitlement applied for. You may accept all or part of your Entitlement.	Sections 4.1, 4.2 and 4.3
Can I apply for Additional Securities?	Yes, Eligible Shareholders (other than Directors and related parties) may also apply for Additional Securities regardless of the size of their present holding. However, there may be few or no Additional Securities available for issue depending on the level of take up of Entitlements by Eligible Shareholders. There is no guarantee that you will receive any or all of the Additional Securities you apply for. Further if there remains any Entitlement shortfall after allocation of the Additional Securities, the Directors reserve the right to place any Entitlement shortfall at their discretion at a price no less than the Offer Price.	Sections 2.10 and 4.3
How will the Additional Securities be	The Company, together with the Joint Lead Managers, reserve the right to scale back any applications for Additional Securities in their	Sections 2.10

Question	Response	Where to find more information
allocated?	absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company and the Joint Lead Managers may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought additional Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.	
Can I sell my Entitlements under the Entitlement Offer?	No. The Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive a value or payment for such Entitlements.	Sections 2.8 and 2.9
How can I obtain further information?	Contact Computershare Investor Services Pty Limited on 1300 850 505 or +61 (3) 9415 4000 (from outside Australia) at any time between 8:30am and 5:00pm (AEST) Monday to Friday until the Closing Date. For advice, actively consult your broker, accountant or other professional adviser.	-
CBDG JV risk factors	<p>There are many risks associated with an investment in the Company including relating to the Company's business, its regulatory environment and its financial requirements generally. WHA is relatively a new entrant in the market for quality nutritional health and food products and, as an early stage growth company, WHA currently faces challenges in product development, profile / brand building and market penetration for its products (in both local and overseas markets). These risks will in part turn upon the Company's ability to:</p> <ul style="list-style-type: none"> • continue to build its infrastructure and product sourcing requirements; • expand through new distribution channels and continue to develop within Australian domestic and export markets for its products; • ability to successfully commercialise its current formulations and being able to 	Please refer to Section 6 of this Prospectus and the material contract summaries in Section 7.4 for further information.

Question	Response	Where to find more information
	<p>distribute the resulting new products;</p> <ul style="list-style-type: none"> • comply with regulatory requirements (reflecting the sensitive regulatory nature or highly regulated environment in which the Company's domestic and export infant formula are sold). <p>Of particular relevance is that the Company has just announced the entry into the CBDG incorporated joint venture under which the Company, Organic Dairy Farmers' of Australia (ODFA) and Niche Dairy Pty Ltd (Niche) are establishing a company (CBDG) to develop and operate an organic spray drying facility at Corio Bay Geelong, Victoria. It is anticipated that the Company would fund \$63 million of the aggregate funding of \$70 million (including GST) to acquire the land and design, construct and commence commercial operations of this drying facility and initial working capital, and apply the funds subscribed pursuant to the Offer to subscribe for its shareholding of 45% of the issued shares in the CBDG joint venture company (CBDG Shares).</p> <p>This investment in and funding of CBDG carries significant risks including but not limited to:</p> <ul style="list-style-type: none"> • Construction risk; which the Company has sought to mitigate to a degree by requiring CBDG to have a fixed price construction contract; • Operational risk where after construction, the risks inherent in the operation of a commercial scale spray drying facility (particularly during commercial scale up); • Supply risk in having sufficient supply of wet organic milk for the spray dryer; which the Company has sought to mitigate with the CBDG supply agreement with ODFA; • Offtake risk in CBDG sourcing sufficient offtake sales of the dried milk powder to pay for the plant operation and for CBDG to pay for its minimum take obligations under the ODFA supply agreement; and • Loan risks and cash flow considerations inherent in the debt obligations (including repayment) in respect of the Loan Facility. <p>There can be no assurance that WHA can</p>	

Question	Response	Where to find more information
	successfully manage these risks (some of which will be outside the control of WHA) and achieve any or all of the above initiatives / strategies.	
CFDA risks factors	WHA is seeking CFDA registration for a number of its infant formulations (as announced to the market). From 1 January 2018 CFDA registration is required for the exportation of particular food products into China and enables those products to be sold in all traditional retail channels. As at the date of this Prospectus, WHA has not obtained CFDA registration for its infant formulations. WHA can not give any assurance that it will obtain CFDA registration for its products, or when such registration will be achieved.	Please refer to Section 6.4 of this Prospectus

2. DETAILS OF THE OFFER

2.1 Eligible Shareholders

Eligible Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares as at the Record Date;
- (b) have an address on the WHA's share register in Australia or New Zealand; and
- (c) are eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.

Shareholders who do not satisfy each of the above mentioned criteria are Ineligible Foreign Shareholders. Ineligible Foreign Shareholders will be sent a letter in the form lodged with ASX.

2.2 Entitlement Offer

The Company is making a non-renounceable pro-rata rights issue to Eligible Shareholders of up to 30,286,785 New Shares on the basis of 1 New Share for every 5 Shares held at the Record Date at an Offer Price of \$1.25 each to raise approximately \$37.9 million before costs (**Entitlement Offer**).

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and is therefore able to participate in the Entitlement Offer, or an Ineligible Foreign Shareholder and is therefore unable to participate in the Entitlement Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Foreign Shareholder.

2.3 Entitlement Offer

Eligible Shareholders are being offered the opportunity to subscribe for 1 New Share for every 5 Shares held at 7:00pm (AEST) on 24 May 2018, at the Offer Price of \$1.25 per New Share.

Eligible Shareholders (other than Directors and related parties) will also be able to apply for Additional Securities. Further details of which are contained in section 2.10.

The Entitlement Offer and the Shortfall Offer under this Prospectus are conditional on the Company receiving subscriptions for the Minimum Subscription Amount of \$30.0 million including the amounts received by the Company from subscriptions for New Shares under any Entitlement shortfall.

If the Minimum Subscription Amount is not satisfied then the Company will not proceed with the Entitlement Offer or Shortfall Offer and will repay all Application Monies received without interest.

2.4 Fractional Entitlements

Fractional Entitlements of the Entitlement Offer will be rounded down to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for the calculation of Entitlements.

2.5 **Brokerage and Stamp Duty Costs**

No brokerage or stamp duty is payable by Eligible Shareholders on the issue of New Shares under this Prospectus.

2.6 **Underwriting**

The Entitlement Offer is not underwritten. However the Joint Lead Managers have been appointed to manage the Entitlement Offer and Placement.

The Entitlement Offer will open for receipt of acceptances on 29 May 2018. The Closing Date for acceptances is 5:00pm (AEST) on 8 June 2018.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of the Entitlement and Acceptance Form, or to delay or withdraw the Entitlement Offer at any time without prior notice. If withdrawn, all Application Monies for New Shares which have not been issued will be refunded (without interest) as soon as practicable.

2.7 **Purpose of the Entitlement Offer**

The Company expects to receive up to approximately \$37.9 million under the Entitlement Offer (before costs) and proposes to use the proceeds as set out in Section 3. In addition the Company expects to receive approximately \$20.0 million under the Placement (before costs) and will have access to \$20.0 million under the Loan Facility.

2.8 **Entitlements under the Entitlement Offer**

Eligible Shareholders who are on the Company's Share register at 7:00pm (AEST) on the Record Date, will receive rights to acquire 1 New Share for every 5 Shares held at Record Date, at the Offer Price of \$1.25 per New Share.

A personalised Entitlement and Acceptance Form setting out an Eligible Shareholder's Entitlement to New Shares accompanies this Prospectus.

2.9 **Non Renounceable Entitlement Offer – Entitlements are not tradeable**

The Entitlement Offer is non-renounceable. As such, an Eligible Shareholder's Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

2.10 **Application for Additional Securities**

Any Entitlements not taken up may become available as Additional Securities. Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to their Entitlement, apply for Additional Securities, by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

It is possible that there will be few or no Additional Securities available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlement Offer that Applicants applying for Additional Securities will be bound to accept a lesser number of Additional Securities allocated to them than applied for, if so allocated. If a lesser number of Additional Securities is allocated to them than applied for, excess Application Monies will be refunded without interest. The Company together with the Joint Lead Managers reserve the right to scale back any applications for Additional Securities in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company and the Joint Lead Managers may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.

2.11 Shortfall Offer

The Directors as permitted under ASX Listing Rule 7.2 exception 3 reserve the right at their discretion to place any Shortfall remaining after the satisfaction of applications for New Shares by Eligible Shareholders (including applications for Additional Securities made in accordance with Section 2.10 (**Shortfall Offer**)).

The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer, and will remain open for up to three months from the Closing Date unless closed earlier.

Any investor who is not an Eligible Shareholder at the Record Date and who the Company invites to participate in the Shortfall Offer, will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

2.12 Application required for New Shares

A detailed explanation of the actions required by Eligible Shareholders to apply for New Shares is set out in Section 4.

2.13 Treatment of Overseas Shareholders under the Entitlement Offer

The Company is of the view that it is unreasonable to make the Entitlement Offer to any Shareholder whose registered address as at the Record Date is outside of Australia or New Zealand having regard to:

- (a) the number of Shareholders outside these jurisdictions;
- (b) the number and value of the New Shares that could be offered outside these jurisdictions; and
- (c) the cost of complying with applicable regulations in jurisdictions outside these jurisdictions.

This Prospectus has not been and will not be registered under the securities laws of jurisdictions outside these jurisdictions. Accordingly, no Entitlement and Acceptance Forms or Shortfall application forms will be sent, and no offers will be made, to Ineligible Foreign Shareholders. The Prospectus is sent to those Shareholders for information only.

Non-Australian Eligible Shareholders should note that the Entitlement Offer is being conducted in accordance with the laws in force in Australia and the Listing Rules.

The Entitlement Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Financial Markets*

Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients of this Prospectus may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia (other than to Eligible Shareholders).

2.14 **Minimum Subscription Amount**

The Minimum Subscription Amount for the Entitlement Offer is \$30.0 million including the amounts raised under the subscription for New Shares (i) the Shortfall facility for shareholders (see section 2.10) plus (ii) any Entitlement shortfall placed by the Directors as permitted under ASX Listing Rule 7.2 exception 3).

The Entitlement Offer is conditional on the Company receiving subscriptions for the Minimum Subscription Amount. If the Minimum Subscription Amount is not raised then the Company will not proceed with the Entitlement Offer and the Shortfall Offer and will repay all Application Monies received without interest.

2.15 **Applying for quotation of New Shares**

The Company will apply to the ASX within 7 days after the date of this Prospectus for the New Shares to be granted quotation.

The fact that the ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

2.16 **Issue of New Shares under the Entitlement Offer**

New Shares will only be issued after all Application Monies have been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on or about 15 June 2018 and normal trading of the New Shares on ASX is expected to commence on or about 18 June 2018.

All Application Monies received before New Shares are issued will be held in a special purpose account. After any Application Money is refunded (if required) and New Shares are issued to Applicants, the balance of funds in the account plus any accrued interest will be received by the Company.

If the New Shares are not quoted by ASX within three months after the date of this Prospectus, the Company will refund all Application Monies in full (without interest).

2.17 **CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS, operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement that sets out the number of New Shares issued to each successful Applicant under this Prospectus.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares. Applicants who sell New Shares before they receive their statement do so at their own risk.

2.18 Effect of the Entitlement Offer on the Control of the Company

Generally, Eligible Shareholders who take up their Entitlements in full should not have their interest in the Company diluted by the Entitlement Offer (subject to immaterial movements as a result of the rounding of Entitlements).

The potential effect of the Entitlement Offer on the control of the Company is as follows:

- » If all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company. However, the interests of those Eligible Shareholders will be diluted by any Placement Shares.
- » If some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders will be diluted.
- » The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Entitlement Offer.
- » There is no Shareholder who would on the completion of the Entitlement Offer have an interest which would exceed 19.9%.

2.19 Rights attaching to New Shares

The New Shares issued under this Prospectus will be on a fully paid basis and will rank equally in all respects with existing Shares.

A summary of the important rights attaching to the New Shares is contained in Section 5.1 of this Prospectus.

2.20 Risk Factors

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The Offer Securities should be considered speculative. The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for Offer Securities pursuant to this Prospectus.

The detailed risk factors affecting an investment in the Company are discussed in Section 6 of this Prospectus.

3. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

3.1 Purpose of the Entitlement Offer

The funds raised from the Entitlement Offer will be applied towards the following:

- to fund the Company's commitments of \$63 million under the CBDG joint venture (as announced on 10 April 2018). Please see section 7.4(c) of this Prospectus for more information about the Company's funding commitments and how CBDG is to utilise the funding from WHA;
- meeting the costs of the Entitlement Offer; and
- general working capital.

Should only the Minimum Subscription Amount of \$30.0 million be raised, the Company anticipates that together with the Placement funds of approximately \$20.0 million and the funds available under the Loan Facility of \$20.0 million, the Company will have sufficient funding to proceed with its commitments under the CBDG joint venture.

Where the Company receives the maximum subscriptions available under this Prospectus of approximately \$37.9 million (together with the Placement funds and funds available under the Loan Facility), the additional funds received above the Minimum Subscription Amount are intended to be applied for further development of the Company's commercialisation strategies and general working capital.

The exact application of the funds raised from the Entitlement Offer may vary at the Directors' discretion.

3.2 Effect of the Entitlement Offer

The principal effects of the Entitlement Offer (when combined with the Placement and the funds available under the Loan Facility) will be to:

- (a) increase the Company's cash reserves by up to approximately \$77.9 million assuming the Entitlement Offer is fully subscribed and the Loan Facility is fully drawn down (before taking into account the costs of the Entitlement Offer / Placement and prior to the deployment of those funds for example in relation to the CBDG joint venture) together with the funds raised under the Placement;
- (b) provide the Company with additional capital for the purposes referred to in Section 3.1; and
- (c) increase the total number of issued Shares (refer to Section 3.3).

Pro forma financial information summarising the effects of the Entitlement Offer is provided in Section 3.4 below.

3.3 Effect of the Entitlement Offer on Capital Structure

Set out below, for illustrative purposes only, is the existing capital structure (as at the date of this Prospectus) together with the impact of the issue of New Shares under the Entitlement Offer (assuming it is fully subscribed) and also the issue of the Placement Shares.

The table below assumes that prior to the Closing Date there will be no other Share issues by the Company and that there will be no securities convertible into Shares issued

and converted prior to the Closing Date except where the Company will immediately update the market in accordance with the requirements of the ASX Listing Rules.

Capital Structure	Number on Issue
Shares currently on issue - quoted	91,465,178
Shares currently on issue - unquoted (restricted)	59,968,750
New Shares to be issued pursuant to this Prospectus (assuming full subscription under the Entitlement Offer)	30,286,785
Placement Shares to be issued pursuant to the Placement	16,000,000
<i>Options on issue or convertible notes on issue*</i>	<i>Nil but see note below*</i>
Total Shares (assuming Full Subscription)	197,720,713

** Please note that under the Loan Facility, the Company has committed to issue to Prospere Advisor Limited 4,687,500 loan facility fee options to subscribe for Shares in the Company at an exercise price of \$1.60 per share. Prospere Advisor Limited can exercise in full or in part the options at any time within 24 months of the grant date (which is subject to a number of pre-conditions as described in Section 7.5 of this Prospectus). Once granted, if the loan facility fee options are exercised in full, the Company would receive a total of AUD\$7,500,000. There are no other options or convertible securities on issue by the Company.*

3.4 Effect of the Entitlement Offer on the Company's Financial Position

Set out below for illustrative purposes is an unaudited consolidated statement of financial position including the effect of the Entitlement Offer, assuming:

- (a) the issue of 30,286,785 New Shares offered pursuant to the Entitlement Offer and the Placement at \$1.25 to raise approximately \$37.9 million (before costs);
- (b) the estimated costs of the Entitlement Offer and the Placement of approximately \$3.45 million, including Joint Lead Managers fee / commission which will be approximately 6.0% of the proceeds of the amount actually raised plus those funds raised under the Placement; and
- (c) the Loan Facility is fully drawn down.

The accounting policies upon which the Pro-Forma Statement of Financial Position are based are contained in the audited financial report for the year ended 31 December 2017.

Below are separate Pro Forma Statements of Financial Position which demonstrate the impact of the Offer (first) assuming the minimum capital raise is achieved, and (secondly) assuming the maximum capital raise is achieved:

Wattle Health Australia Limited
Statement of Financial Position
(Minimum Capital Raise)

	Dec-31		Pro Forma		Pro Forma
	Actual		Post Capital		Post ODFA
			Raise		Transaction
<u>Assets</u>					
Current assets					
Cash and cash equivalents	9,597,786	1	79,597,786	2	16,897,786
Trade and other receivables	101,343		101,343		101,343
Inventory	1,142,393		1,142,393		1,142,393
Investment in Sustainable Soils & Farms	-		-		-
Prepayments	315,327		315,327		315,327
Total current assets	11,156,849		81,156,849		18,156,849
Non-current assets					
Investments	5,163,953		5,208,953	3	68,208,953
Prepaid Cost of Debt	-		2,479,732	4	2,479,732
Intangibles	33,779		33,779		33,779
Total non-current assets	5,197,732		7,722,464		70,722,464
Total assets	16,354,581		88,879,313		88,879,313
<u>Liabilities</u>					
Current liabilities					
Trade and other payables	935,318		4,135,318	5	4,135,318
Provisions	82,846		82,846		82,846
Total current liabilities	1,018,164		4,218,164		4,218,164
Non-current liabilities					
Loan	0		20,000,000	6	20,000,000
Provisions	34,436		34,436		34,436
Total non-current liabilities	34,436		20,034,436		20,034,436
Total liabilities	1,052,600		24,252,600		24,252,600
Net assets	15,301,981		64,626,713		64,626,713
<u>Equity</u>					
Issued capital	24,675,432		77,200,164		77,200,164
Reserves	9,452,196		9,452,196		9,452,196
Accumulated losses	(18,825,647)		(22,025,647)		(22,025,647)
Total equity	15,301,981		64,626,713		64,626,713

Notes

1. Cash as at Dec 31 plus \$70,000,000
2. Payment of \$63 million by way of loan to CBDG
3. Investments as at Dec 31 plus \$45,000 equity investment in CBDG
4. Value of Options issued to Lender
5. Trade and Others Payable plus cost of offer and loan
6. Loan from Prospere for \$20.0 million is fully drawn but is reduced by expenses associated with the loan - being an initial establishment fee of \$200,000 plus the value attributed to the Company's options issued to the Lender. The value of those options and the associated expenses of the issue of the options has been calculated in the following manner:

The fair value has been determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, expected daily price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The key assumptions used in the calculation are as follows;

- Grant date June 2018
- Expiry date 24 months from grant
- Exercise price \$1.60
- Volatility 91%
- Dividend Yield 0%
- Risk Free Rate 2%
- Fair value at Grant Date \$0.5333

The cost of the Share Based payment are recognised as an expense with a corresponding increase in the share based payments reserve

Following the transaction with ODFA, Wattle Health Australia Limited will own 45% of the issued share capital of Corio Bay Dairy Group Pty Ltd. The directors on the board of the newly formed entity are expected to take an active role in the running and executive decision making of the entity. As at the stage of preparing this pro-forma document, the directors of Wattle Health Australia Limited are yet to determine whether or not the investment and the provisions in the (joint venture) agreement to establish Corio Bay Dairy Group Pty Ltd will constitute the accounting definition of control, as outlined in AASB 10, and for the time being, have determined that the investment in the entity will grant, at a minimum, a significant influence over the affairs of the entity.

Wattle Health Australia Limited
Statement of Financial Position
(Maximum Capital Raise)

	Dec-31		Pro Forma		Pro Forma
	Actual		Post Capital		Post ODFa
			Raise		Transaction
<u>Assets</u>					
Current assets					
Cash and cash equivalents	9,597,786	1	87,456,268	2	24,456,268
Trade and other receivables	101,343		101,343		101,343
Inventory	1,142,393		1,142,393		1,142,393
Investment in Sustainable Soils & Farms	-		-		-
Prepayments	315,327		315,327		315,327
Total current assets	11,156,849		89,015,331		26,015,331
Non-current assets					
Investments	5,163,953		5,208,953	3	68,208,953
Prepaid Cost of Loan	-		2,479,732	4	2,479,732
Intangibles	33,779		33,779		33,779
Total non-current assets	5,197,732		7,722,464		70,722,464
Total assets	16,354,581		96,737,795		96,737,795
<u>Liabilities</u>					
Current liabilities					
Trade and other payables	935,318		4,635,318	5	4,635,318
Provisions	82,846		82,846		82,846
Total current liabilities	1,018,164		4,718,164		4,718,164
Non-current liabilities					
Loan	0		20,000,000	6	20,000,000
Provisions	34,436		34,436		34,436
Total non-current liabilities	34,436		20,034,436		20,034,436
Total liabilities	1,052,600		24,752,600		24,752,600
Net assets	15,301,981		71,985,195		71,985,195
<u>Equity</u>					
Issued capital	24,675,432		85,058,646		85,058,646
Reserves	9,452,196		9,452,196		9,452,196
Accumulated losses	(18,825,647)		(22,525,647)		(22,525,647)
Total equity	15,301,981		71,985,195		71,985,195

Notes

1. Cash as at Dec 31 plus \$78,158,482
2. Payment of \$63 million by way of loan to CBDG
3. Investments as at Dec 31 plus \$45,000 equity investment in CBDG
4. Value of Options issued to Lender
5. Trade and Others Payable plus cost of offer and loan
6. Loan from Prospere for \$20.0 million is fully drawn but is reduced by expenses associated with the loan - being an initial establishment fee of \$200,000 plus the value attributed to the Company's options issued to the Lender. The value of those options and the associated expenses of the issue of the options has been calculated in the following manner:

The fair value has been determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, expected daily price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The key assumptions used in the calculation are as follows;

- Grant date June 2018
- Expiry date 24 months from grant
- Exercise price \$1.60
- Volatility 91%
- Dividend Yield 0%
- Risk Free Rate 2%
- Fair value at Grant Date \$0.5333

The cost of the Share Based payment are recognised as an expense with a corresponding increase in the share based payments reserve

Following the transaction with ODFA, Wattle Health Australia Limited will own 45% of the issued share capital of Corio Bay Dairy Group Pty Ltd. The directors on the board of the newly formed entity are expected to take an active role in the running and executive decision making of the entity. As at the stage of preparing this pro-forma document, the directors of Wattle Health Australia Limited are yet to determine whether or not the investment and the provisions in the (joint venture) agreement to establish Corio Bay Dairy Group Pty Ltd will constitute the accounting definition of control, as outlined in AASB 10, and for the time being, have determined that the investment in the entity will grant, at a minimum, a significant influence over the affairs of the entity.

3.5 Market Price of Shares

The highest and lowest closing market prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales, are:

Highest:	\$2.90 on 27 February 2018
Lowest:	\$1.68 on 11 January 2018

The volume weighted average sale price on ASX of the Shares during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC (**VWAP**) is \$2.296.

The Offer Price represents a discount of approximately 47.4% to the 20-day VWAP of \$2.377 before the date the Company went into suspension for the purposes of this capital raise.

The latest available market sale price of the Shares on ASX prior to the day of lodgement of this Prospectus with ASIC was \$2.26 on 6 April 2018.

The Company's shares have been in voluntary suspension since 6 April 2018. An application was made to the ASX to recommence trading effective on the date of this Prospectus.

4. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

4.1 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled (**your Entitlement**) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted (refer to Section 2.18 above).

As an Eligible Shareholder you may:

- » take up all or part of your Entitlement (refer to Section 4.2 below);
- » take up all of your Entitlement and apply for Additional Securities (refer to Section 4.3 below);
- » allow all or part of your Entitlement to lapse (refer to Section 4.5 below).

Eligible Shareholders who take no action in respect of their Entitlement may receive no benefit and their Entitlement will lapse.

The Company is not required to determine whether or not any registered shareholder is acting as a nominee or the identity or residence of any beneficial owners of securities. Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

In accordance with ASX Listing Rule 7.12, a buyer under a contract note from a member organisation of ASX on or before the Record Date will be entitled to participate in the Entitlement Offer if a certified copy of the contract note is provided to the Company.

Ineligible Foreign Shareholders may not take any of the steps set out in Sections 4.2 to 4.3.

4.2 Taking up all or part of your Entitlement

You may take up all or part of your Entitlement by completing the Entitlement and Acceptance Form and attaching payment to reach Computershare Investor Services Pty Limited (**Share Registry**) by no later than 5:00pm (AEST) on the Closing Date or by paying by BPay[®].

The Offer Price for each New Share accepted under your Entitlement is payable on application. You have the following payment options:

- » By attaching to your completed Entitlement and Acceptance Form a cheque, bank or money order in Australian currency for the amount of your Application Monies to "**WHA Australia Limited**" and crossed "**Not Negotiable**".
- » You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay for in full the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

- » If paying via BPay®:
 - (i) Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPay® by the date and time mentioned above;
 - (ii) you must follow the instructions for BPay® set out in the Entitlement and Acceptance Form;
 - (iii) you do not need to return the Entitlement and Acceptance Form but are taken to make each of the statements and representations on that form; and
 - (iv) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

4.3 Applying for Additional Securities

As detailed in Section 2.10 above, Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Securities in excess of their Entitlements. If you wish to subscribe for Additional Securities in addition to your Entitlement, then you should nominate the maximum number of Additional Securities you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement and the Additional Securities (at the Offer Price of \$1.25 for each Additional Share).

If your payment is being made by BPay®:

- » you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations on that form; and
- » if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Securities which is covered in full by your Application Monies.

Eligible Shareholders who apply for Additional Securities may be allocated a lesser number of Additional Securities than applied for, or may be allocated no Additional Securities at all, in which case excess Application Monies will be refunded without interest (See section 2.10 for further details).

4.4 Shortfall Offer

Other investors may also apply for New Shares under the Shortfall by completing a Shortfall application form upon invitation by the Company. All New Shares issued under the Shortfall Offer will be issued at the same Offer Price of \$1.25 per New Share. (See section 2.11 for further details).

4.5 Allow all or part of your Entitlement to lapse

If you do not wish to allow all of your Entitlement to lapse, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps in Section 4.2. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up that part of

your Entitlement. As this is a non-renounceable offer, your Entitlements are not tradeable. Refer to Section 2.9 for further information in relation to this.

4.6 Enquiries

If you have any questions about your Entitlement, please contact the Company's Share Registry, Computershare Investor Services Pty Limited, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus. For advice on the Entitlement Offer, contact your stockbroker or other professional adviser.

4.7 Privacy

Applicants will provide personal information to the Company and the Share Registry. Company laws and tax laws require some of the information to be collected and kept. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Entitlement and Acceptance Form is not provided, the Company and the Share Registry may not be able to process the relevant application.

The Company may disclose personal information for purposes related to Shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- (a) the Share Registry for ongoing administration of the shareholder register;
- (b) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- (c) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the New Shares and for associated actions.

The Company complies with its legal obligations under the *Privacy Act 1988* (Cth).

Shareholders may request access to their personal information held by (or on behalf of) the Company, and may be required to pay a reasonable charge to the Share Registry in order to access this personal information. Request for access to personal information should be made by writing to or telephoning the Share Registry, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus.

5. RIGHTS AND LIABILITIES ATTACHING TO THE NEW SECURITIES

5.1 Rights attaching to the New Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including New Shares) are described in the Constitution and are regulated by the Corporations Act, Listing Rules and the general law.

The New Shares will rank equally in all respects with, and have the same rights as, existing Shares. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours. In applying for New Shares, the Applicant agrees that it and the New Shares to issue upon that exercise are bound by the terms of the Constitution.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares (including the Placement Shares). This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

General Meetings and Notice

Each Shareholder is entitled to receive notice of all general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules. 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.

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:

- » each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- » on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder entitled to vote has one vote; and
- » on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder entitled to vote shall, in respect of each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for every fully paid Share, but in respect of partly paid Shares shall have a fraction of a vote equal to the proportion that the amount paid bears to the issue price of the Shares.

Dividend Rights

While there is no guarantee of any dividends or distributions by the Company, the Directors may from time to time declare dividends in compliance with the Corporations Act. Subject to the rights of persons entitled to Shares with special rights as to dividends (at present there are none), all dividends are paid in the proportion that the amounts paid on those Shares bear to the issue price of the Shares.

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 or she 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.

Transfer of Shares

Shares in the Company are freely transferable, subject to formal requirements, and so long as the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer is not in breach of the Corporations Act or the Listing Rules.

Variation of Rights

The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of Shareholders in the affected class, vary or abrogate the rights attaching to Shares.

6. RISKS

This section identifies some of the major risks associated with an investment in the Company. Eligible Shareholders should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which WHA intends to operate before any decision is made to subscribe for New Shares.

6.1 Speculative nature of investment

Eligible Shareholders should be aware that subscribing for New Shares involves various risks. The New Shares to be issued pursuant to the Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. The Offer Price under this Prospectus (of \$1.25) is a 47.4% discount to the 20-day VWAP of \$2.377 before the date the Company went into suspension for the purposes of this capital raise. Therefore investors should consider that there may be a material change to the price at which the New Shares may trade after the Company's present suspension is lifted. The Company's business is also in its early growth stage, where it is continuing to build its branding and market penetration. Accordingly an investment in New Shares in WHA should therefore be considered very speculative.

6.2 CBDG risks

WHA is relatively a new entrant in the market for quality nutritional health and food products and, as an early stage growth company, WHA currently faces challenges in product development, profile / brand building and market penetration for its products (in both local and overseas markets).

Of particular relevance is that the Company has just announced the entry into the CBDG incorporated joint venture under which the Company, Organic Dairy Farmers of Australia Limited (**ODFA**) and Niche Dairy Pty Ltd (**Niche**) are establishing a company (**CBDG**) to develop and operate an organic spray drying facility at Corio Bay Geelong, Victoria. It is anticipated that the Company would fund \$63 million of the aggregate funding of \$70 million (including GST) to acquire the land and design, construct and commence commercial operations of this drying facility and to provide some initial working capital via a Placement, the terms of which have not yet been finalised and commitments from any subscribers not yet received or confirmed. The Company intends to apply a portion of the amount raised under this Offer to the subscription for its shareholding of 45% of the shares in the joint venture company (**CBDG Shares**). The investment in the CBDG joint venture and its design, construction and operation carries significant risks including:

- (a) **Construction risk:** The Company has sought to mitigate the construction risk (e.g. costs) by proposing that CBDG enter into a fixed price construction contract. There is no guarantee that CBDG will be able to negotiate a fixed price construction contract. Further, a fixed price construction contract in itself involves counterparty risk in the experience and financial position of the building company to be retained for design, engineering, construction and commissioning of the proposed CBDG plant. In addition there is the risk of warranty coverage for the commission / operating plant. CBDG does not intend to take out insurance for these counterparty risks.
- (b) **Operational risk:** After the construction of the spray drying facility, there are risks inherent in the operation of a commercial scale spray drying facility. Such spray drying plants for example operate at high temperatures and limited tolerances - and its operation therefore has inherent risks. Further the proposed CBDG plant will only have access to limited storage tanks for wet milk (approximately 24 hours storage) and therefore disruption to the plant operation may adversely impact on the CBDG financial position (and WHA as a major investor / shareholder). It is intended that

CBDG will seek to take out insurance cover for the plant costs and normal operational risks (as to be advised by an insurance broker to be retained).

- (c) **Supply risk:** There is a supply risk in having sufficient supply of wet organic milk for the spray dryer which the Company has sought to mitigate with the CBDG supply agreement with ODFA. This also involves counterparty risk in ODFA performing under that contract.
- (d) **Offtake risk:** There is an offtake risk in CBDG sourcing sufficient offtake sales to pay for the plant operation and for CBDG to pay for its minimum take obligations under the ODFA supply agreement. CBDG (and in turn WHA as a 45% shareholder in CBDG) is exposed to prevailing market prices for dried milk powder and as a result market demand for its offtake product. While WHA has first rights over that offtake, there is no guarantee that WHA will have sufficient distributor / customer demand for its consumer products to take up the dried milk offtake from CBDG. This would adversely impact on CBDG's take or pay obligations under the ODFA Supply Agreement.
- (e) **Due diligence risk:** WHA has undertaken a limited due diligence review in respect of the proposed CBDG joint venture. Despite taking reasonable efforts, WHA is not able to verify the accuracy, reliability or completeness of all the information provided against independent data. Additionally, there is a risk that information provided to WHA during its due diligence investigations (including financial information) is incomplete, inaccurate or unreliable and there is no assurance that the due diligence was conclusive or identified all material issues in relation to the CBDG joint venture. In this regard, WHA has limited contractual rights regarding the adequacy and accuracy of the materials disclosed or prepared during the due diligence process. Much of the financial modelling is dependent on forecast expenditure / costs and also potential future sales. Such matters may be subject to significant change outside the control of WHA or any of the other CBDG participants.

6.3 Loan funding risk

- (a) **Current financing arrangements:** As detailed in Section 7.5 of this Prospectus, the Company has finance facilities with Prospere Advisor Limited (Company No. HS-333282). These financing arrangements are subject to a number of draw down conditions and conditions precedent. If the Company fails to meet such conditions, the Company will not have access to the funds under the Loan Facility. This could have a material impact on the Company's ability to fund the CBDG joint venture.
- (b) **Repayment of debt / cash flow risks:** Under the Loan Facility, if the Company draws down on the loan, the Company will have a primary obligation under the terms of the Loan Facility to pay interest and on maturity (36 months from drawdown) to repay principal in full. At present the Company does not have sufficient resources to repay that amount but anticipates both payments to the Company by CBDG; increases in its own product sales (by the Company) and the ability to re-finance or raise capital to fund such repayment obligations under the Loan Facility. However investors should note there is no guarantee the Company will have sufficient cash resources to repay the Loan Facility and where there is an occurrence of an event of default under the Company's Loan Facility (including lending to valuation covenants); this can result in an acceleration of the Company's obligation to repay its debt prior to the maturity date.

6.4 China registration risk

- (a) CFDA registration risk:** Prior to January 2018, CIQ registration was required to sell infant formula products into China. While existing manufactured CIQ-registered infant formula can still be sold into China, after 1 January 2018 any newly manufactured infant formula must be CFDA-registered to be imported and sold into China (i.e. this replaces the old CIQ registration process). WHA is seeking CFDA registration for a number of its infant formulations (as announced to the market). As at the date of this Prospectus, the Company has not obtained CFDA registration for its infant formula products. CFDA registration is required for the exportation of particular food products into China and enables those products to be sold in all traditional retail channels. The rigorous requirements which must be satisfied in order to obtain CFDA registration may act as a barrier to entry for many other competitor businesses wanting to export their goods into China. Accordingly, CFDA registration is anticipated to be an important competitive advantage to WHA. However, there have been recent changes in the Chinese regulatory bodies and CFDA registrations have been delayed. WHA can not give any assurance that it will obtain CFDA registration for its products, or when such registration will be achieved. Even where CFDA registration is achieved, the process required to maintain the CFDA registration is onerous and includes regular audits by the relevant authorities. If WHA was not able to obtain or maintain CFDA registration for its export infant formula products (for example, as a result of a change in government, legislation, or breach in its CFDA conditions) or if it became easier for competitors to obtain CFDA registration due to regulatory changes, this would adversely impact the financial performance of the Company in its ability to access the export markets in Asian countries. Presently CFDA registration is only required for sales into China and lack of CFDA registration would not prohibit or prevent sales into other Asian countries.
- (b) CNCA manufacturing risk:** From 1 January 2018, each manufacturer of infant formula must register each of its products with the CFDA in order for that infant formula to be sold in China. Additionally, each manufacturer of infant formula can only register three brands and nine different products with the CFDA. As there are only thirteen Australian CNCA accredited manufacturers (each limited to three brands and nine products), there is a risk that the CNCA manufacturer (being Blend and Pack) could refuse to supply the Company with its CFDA approved products. The Company has to a degree mitigated this risk by obtaining an equity stake in Blend and Pack as previously announced to the market. However, WHA does not have a long term contractual entitlement to acquire supply from Blend and Pack.

6.5 Other business or operational risks associated with the Company

- (c) Sufficiency of funding:** WHA has limited financial resources and will need to raise additional funds from time to time to finance the complete development and commercialisation of its products and its other longer-term objectives. WHA may never achieve profitability. The Company's ability to raise additional funds and the price at which any funds are raised, will be subject to, among other things, factors beyond the control of WHA and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by WHA on favourable terms, if at all.
- (d) Business strategy execution risk:** The Company's future growth and financial performance is dependent on the Company's ability to successfully execute its business strategy. This will be impacted by a number of factors, including the Company's ability to:

- expand through new distribution channels and continue to develop within Australian domestic and export markets for its current commercialised products;
- ability to successfully commercialise its current formulations and being able to distribute these products;
- innovate and successfully commercialise new products that are appealing to the consumer;
- comply with regulatory requirements (reflecting the sensitive regulatory nature or highly regulated environment in which the Company's domestic and export infant formula are sold).

There can be no assurance that WHA can successfully achieve any or all of the above initiatives / strategies. The failure by WHA to successfully execute its business strategy could have a material adverse effect on the Company's business, financial condition and results of operations.

(e) Limited history in the nutritional health and food products market risk: WHA is relatively a new entrant in the market of quality nutritional health and food products (FMCG category). It therefore faces the risks common to any new company including:

- building its depth and infrastructure;
- successfully obtaining market penetration and strategic partners to secure market share;
- increasing its product / brand recognition; and
- obtaining acceptance by the end consumers.

Investors should consider WHA's business and prospects in light of the risks, uncertainties, expenses and challenges that it may face as an early-stage business. If WHA is not successful in addressing such risks, WHA's business prospects and financial performance may be materially and adversely affected.

(f) Manufacturing/production risks: The manufacturing of quality nutritional health and food products is very complex and associated with uncertainties in relation to issues such as the costs of goods, manufacturing capacity for large scale manufacturing and the environment. The Company currently intends to source its products from external third party manufacturers and suppliers. WHA has currently entered into a manufacturing / supply agreement with Blend and Pack which is a CNCA accredited manufacturer for the manufacture of WHA's Export Infant Formula product range. Details of the current Blend and Pack Nutritional Powders Supply Agreement have previously been disclosed to the market. WHA has also entered into a non-exclusive manufacturing / supply agreement with Nature One Dairy for its Australian and New Zealand operations (being the supply of its domestic infant formula product range). Should difficulties or delays occur in the production of the Company's products (e.g. mechanical breakdowns), any increases in the cost of manufacturing such products or if adverse weather (such as fire, drought and flooding) halts or reduces production, such occurrences are likely to have an adverse material impact on the financial performance of the Company.

(g) Counterparty risk: As a party to many contracts and agreements, the Company will have various contractual rights in the event of non-compliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties or in the case of a breach that the Company will be successful in securing compliance with the terms of each contract by the relevant counterparties to its contracts. There is also no assurance as to the financial strength of the parties to complete their obligations under the various contracts (including without limitation

under the CBDG Operational Agreements or the Loan Facility) when such financial obligations fall due.

- (h) Reliance on major suppliers:** WHA is not a manufacturer, thus relies on third party manufacturers to supply all its products. For the Australian domestic market, WHA has an ongoing supply agreement for the production of its domestic infant formula products with Nature One Dairy. The supply agreement with Nature One Dairy does not cover the manufacture of WHA's China CFDA commercialised product being its export infant formula product range, as Nature One Dairy is not a CNCA approved manufacturer. CNCA approval is required for the exportation of WHA's export infant formula range into China. The Company sources its export infant formula product range (which is CFDA registered) from a CNCA accredited manufacturer, Blend and Pack. However, it is important to note that Blend and Pack has no contractual obligation to continue to supply WHA with its export infant formula product range. Where Blend and Pack accepts a product order from WHA, the order is fulfilled on the terms of a Blend and Pack supply agreement which is entered into on an order by order basis. In this regard, WHA does not have an ongoing manufacturing agreement with any CNCA accredited manufacturer or its export infant formula product range. Accordingly, there is a material risk to the Company's business if a significant supplier / manufacturer for any reason is unable or refuses to supply / manufacture the products for WHA as required, breaches or terminates any supply arrangement with the Company.
- (i) Dependence on service providers:** As outlined, the Company's sourcing and product distribution is reliant on third party service providers. Thus, WHA intends to operate a significant amount of its key activities through a series of contractual relationships with independent contractors and suppliers. Typically, outsourced arrangements carry a risk that the third parties may not adequately or fully comply with its or their respective rights and obligations. A failure may lead to termination and/or significant damage to the Company's business including loss of profit and business/sale opportunities. Additionally, while WHA intends to source its products from a range of suppliers, a loss of one or multiple suppliers, or a significant disruption in the supply chain could have a material adverse effect on the Company.
- (j) Logistics risk:** WHA is heavily reliant on out-sourced logistics. Accordingly, if an adverse event occurs such as a strike, poor logistics technology, increases in the price of energy, changes in transport services and the physical destruction of infrastructure (e.g. roads and railways), WHA (or its third party providers) may not be able to efficiently supply and deliver the Company's products. This may have an adverse impact on the Company's financial performance.
- (k) Reduced demand for the Company's products:** The future success of WHA will be reliant on the sustained and potential growth in demand for its products primarily in Australian domestic markets and export markets (in Asian countries). There is a risk that demand for such products may decrease for reasons outside the Company's control including the introduction of new taxes, aggressive selling by other countries and similar / substitute products being made available. This may adversely affect the Company's financial performance.
- (l) Competition risk:** The sale of quality nutritional health and food products in the FMCG category is highly competitive and includes large multinational consumer product companies with significantly greater financial, technical, human, development and marketing resources than the Company. Some of these competitors may be able to respond more effectively to changing business and economic conditions. Competition in nutritional health and food products is largely based on branding presence, pricing of products, quality of products, perceived value of products, in-

store presence and visibility and, promotional activities (including online advertising). WHA cannot predict what its competitors will do in these areas or whether new competitors offering comparable products at more attractive prices will emerge. As a consequence, the Company's current and future products may become uncompetitive, resulting in adverse effects on revenue, margins and profitability. Additionally, WHA's ability to compete will also depend on a number of other factors such as the continued strength of the Company's brand and products and its ability to enter into new markets and increase its presence in existing markets.

- (m) Product safety and liability risk:** Adverse events could expose WHA to product liability claims or litigation, resulting in product recall and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage. Additionally, product safety or quality failures (whether actual or perceived) or allegations of defective products, even when false or unfounded, could significantly damage the Company's reputation and reduce consumer demand for the Company's products resulting in adverse effects on revenue margins, profitability, the business and its operations.
- (n) New product risk:** There is no guarantee WHA products as commercialised will be successful. Any failure to successfully launch and commercialise a new product may have a material adverse effect on WHA including loss of business opportunity and profitability. The risks with supplying a new product include but are not limited to costs (including advertising, promotional and marketing expenses) exceeding expectations and sales being less than expected due to customers not being willing to pay for the products.
- (o) Customer credit risk:** A general decline in economic conditions or business downturn may negatively impact an existing retailer customer's ability to purchase the Company's products. Such financial difficulties could result in WHA reducing or ceasing its business with that retailer customer. Alternatively, WHA may extend further credit to its retailer customers. The Company's inability to collect such receivables (i.e. bad debts) from one or a group of retailer customers could have a material adverse effect on the Company's financial performance. If a retailer customer were to go into liquidation, WHA could incur additional costs if WHA decides to buy back the retailer customer's inventory of the Company's products to protect its brand.
- (p) Currency risk:** Revenue and expenditures in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. Where a material proportion of the Company's revenue is in the future generated in foreign currencies, the Company will be exposed to the risk of changes in exchange rates of such foreign currency against the Australian dollar. WHA has no plans at this stage to hedge its foreign currency payments.
- (q) Reputational risk:** WHA's failure to protect its reputation or the failure of its third party suppliers or distributors to protect their reputation or failure in product quality from WHA's sourced manufacturers - all could have a material adverse effect on WHA including its brand and profitability. The Company's brand could be jeopardised if it fails to maintain a supply of high quality products or if the Company, or the third parties with whom it does business, fail to comply with regulations or accepted business practices (including ethical, social, product, labour and environmental standards, or related political considerations). Additionally, WHA depends on the reputations of its third party suppliers, which can be affected by matters outside of the Company's control. If damage were to occur to the Company's reputation or the reputation of its third party suppliers, the demand for the Company's products may be reduced and/or the Company's products may be boycotted. This will

likely have an adverse effect on revenue margins, profitability and the Company's operations.

- (r) Business disruption risk:** WHA is engaged in the development, sourcing and sale of quality nutritional health and food products. Accordingly, WHA is subject to the risks inherent in such activities, including environmental events, strikes and other labour disputes, industrial accidents, disruptions in supply chain, product quality control, safety and regulatory issues and other events outside of the Company's control including natural disasters.
- (s) Growth risk:** Where commercialisation and market penetration of a product is successful, WHA may through lack of availability of products, materials, packaging, human resources or other unforeseen circumstances be unable to supply its products in a timely manner to meet the demand of its customers. Alternatively even with market penetration, demand for food products similar to WHA's products may reduce for reasons not in the control of WHA. Such events could have an adverse effect on the reputation of WHA as well as its profitability.
- (t) Reliance on key personnel:** WHA currently employs a number of key management personnel and the Company's future depends on retaining and attracting suitably qualified personnel. WHA has included in its employment with key personnel provisions aimed at providing incentives and assisting in the recruitment and retention of such personnel. It has also, as far as legally possible, established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor or compete directly with the Company. Despite these measures, however, there is no guarantee that WHA will be able to attract and retain suitably qualified personnel, and a failure to do so could materially and adversely affect the business, operating results and financial prospects.
- (u) Market and consumer trend risk:** The Company's continued success depends on its ability to anticipate, react and adapt quickly to changes in industry trends as well as consumer preferences / attitudes toward its products. WHA must continually work to develop, commercialise and market new products and enhance the recognition of its branding. Failure to anticipate, react and adapt to industry trends in a timely and cost effective manner may affect the Company's financial results. Additionally, the increasing use of social media (such as Facebook, Instagram, Twitter, WeChat and Weibo) by consumers affects the speed at which information and opinions are shared, which may result in the rapid change of industry trends / consumer preferences. If WHA is unable to anticipate, respond and adapt to new trends in the market / changes to consumer preferences, the Company's financial performance may suffer.
- (v) Regulatory risks:** WHA and its products are subject to various laws and regulations including but not limited to accounting standards, tax laws, environmental laws, product content requirements, labelling / packaging regulations, import and customs regulations. Changes in these laws and regulations (including interpretation and enforcement) could adversely affect the Company's financial performance. Laws and regulations are specific to each geographic location. In this regard, there is a risk that a certain product may not be able to be supplied in another jurisdiction because it fails to meet that jurisdiction's regulatory requirements (e.g. product registration requirements). Additionally, if WHA fails to remain up to date with these various regulatory requirements, there is a risk that the Company's financial performance could be adversely affected.
- (w) Changes to import or export trade barriers:** Any adverse changes to trade tariffs or duties, the subsidisation of local producers or the introduction of other important

trade barriers could reduce the Company's profitability and make the exportation of such products financially unsustainable.

- (x) **Insurance coverage risk:** While WHA currently has in place what it reasonably believes to be sufficient levels of insurance to cover general and product liability, directors' and officers' liability and workers compensation claims, there is a possibility that events may arise which are not covered by the Company's insurance policies. In those circumstances, WHA will be liable to cover such costs regardless of the quantum. This could affect the Company's ability to conduct and operate its business.
- (y) **Information technology risks:** WHA relies and uses information technology in conducting its business including (but not limited to) using the internet to process, transmit and store electronic and financial information, for digital marketing purposes, to manage a variety of business processes and activities such as inventory control, financial management and reporting database management. If WHA is unable to protect against service interruptions, data corruption, cyber security breaches or network security breaches, the Company's business operations could be negatively affected. The Company's information technology systems (some of which may be managed by a third party), may be vulnerable to disruptions, damage or shutdowns as a result of failures during the process of upgrading or replacing software, computer viruses, power outages, hardware failures, computer hacking, user errors or other similar events. If the Company's information technology systems suffer severe damage, disruption or shutdown and WHA does not efficiently resolve such issues, the sale of the Company's product may be materially and adversely affected. While WHA will use all reasonable endeavours to prevent such security breaches, if WHA fails to do so, it may suffer financial and reputational damage and potentially penalties because of the unauthorised use and disclosure of confidential information belonging to WHA or to its distributors, customers or suppliers.
- (z) **Force majeure:** WHA may be adversely impacted by risks outside the control of WHA including labour, unrest, war, sabotage, extreme weather conditions (e.g. fires and floods), quarantine restrictions, explosions or other similar incidents.
- (aa) **Counterfeit products risk:** Third parties may distribute and sell counterfeit versions of the Company's products, which may be inferior in quality and/or pose safety risks for consumers. Consumers could confuse the Company's products with these counterfeit products, which could cause them to refrain from purchasing the Company's brands in the future or turn to the Company's competitors. Such an occurrence could adversely affect the Company's financial performance. The presence of counterfeit versions of the Company's products in the market could also dilute the value of the Company's brands or otherwise have a negative impact on its reputation and business. WHA may be unable to prevent all counterfeiting of its products or the infringement of its intellectual property rights.

6.6 Stock market Volatility

Regardless of the performance of the Company, the day to day performance of the share market and general share market conditions may affect WHA and the price at which its Shares trade on a share market, such as the ASX. The share market has in the past and may in the future be affected by a number of matters including:

- economic conditions, in general terms and in particular to the industry that a business operates in;
- interest rates;
- market confidence;
- supply and demand for money;

- currency exchange rates;
- general economic outlook; and
- changes in government policy.

6.7 **Prospective Information**

No assurance as to future profitability or dividends can be given as they are dependent on successful product development, future earnings and the working capital requirements of the Company. There can be no guarantee that the assumptions on which the financial forecasts and development strategies of the Board, or those upon which WHA bases its decisions to proceed, will ultimately prove to be valid or accurate. The forecasts and development strategies depend on various factors, many of which are outside the control of the Company. Changes in interest rates, exchange rates, government budgetary measures, relevant taxation and other legal regimes and Government policies may adversely affect the Company. The Board can give no assurance, however, that WHA's current business objectives can be met without future financing or, if future financing is necessary, that it can be obtained on favourable terms.

6.8 **Concluding Comment**

The above list of risk factors ought not to be taken as an exhaustive one of the risks faced by WHA or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of WHA and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Investment in WHA must be regarded as highly speculative and neither WHA nor any of its Directors or any other party associated with the preparation of this Prospectus guarantee that any specific objectives of WHA will be achieved or that any particular performance of WHA or of the New Shares, including those offered by this Prospectus, will be achieved.

7. ADDITIONAL INFORMATION

7.1 Nature of the Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a transaction specific prospectus in relation to offers of securities (or options to acquire such securities) where those securities are of a class which have been quoted for 12 months before the date of that prospectus.

7.2 Indemnification of Directors

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by the person as an officer of the Company.

7.3 Taxation

The acquisition of Offer Securities and disposal of Offer Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the consequences of acquiring Offer Securities from a taxation viewpoint and generally.

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with subsequent disposal of any Offer Securities subscribed for under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Directors recommend that all Eligible Shareholders consult their own professional tax advisers.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

7.4 Material contracts re CBDG (incorporated joint venture)

As announced to the ASX market on 10 April 2018 the Company has entered into a number of contracts relating to the establishment of the CBDG incorporated joint venture under which WHA, ODFA and Niche are establishing a company (i.e Corio Bay Dairy Group Pty Ltd (**CBDG**)) to develop and operate an organic milk spray drying facility at Corio Bay Geelong, Victoria.

These contracts are conditional on WHA raising necessary capital to fund its commitment under the CBDG joint venture. It is anticipated that WHA would fund \$63 million of the aggregate funding of \$70 million (including GST) for the joint venture CBDG to acquire the land and design, construct and commence commercial operations of this drying facility and provide some initial working capital.

As mentioned WHA intends to fund its commitment of \$63 million to CBDG via the proposed capital raising under this Prospectus and the Placement, as well as through funds under the Loan Facility (under which WHA aims to raise a maximum of approximately \$77.9 million in aggregate). WHA's funding into CBDG will be via secured loan arrangements as detailed in item 7.4(c) below and WHA's shareholding interest in CBDG will be 45%.

A summary of the key contracts and material terms is set out below:

(a) **CBDG Shareholders Agreement**

(i) Overview

Agreement between WHA; Niche; ODFA; and CBDG pursuant to which WHA, Niche and ODFA have agreed upon the basis upon which they will operate and own the joint venture company CBDG. The issued share capital of CBDG is held by ODFA (50%), WHA (45%) and Niche (5%). The shareholders have the usual pre-emptive rights with respect to all new issues of shares in CBDG (**CBDG Shares**).

(ii) Operations

CBDG intends:

- to obtain the exclusive use of land situated at Corio Bay in Geelong adjacent to ODFA's existing processing centre (**Site**);
- to construct a dedicated organic powdered milk and infant formula spray drying plant (**Facility**);
- after commissioning of the Facility to purchase organic milk from ODFA (as detailed in Supply Agreement at section 7.4(b) below) and process that wet milk to produce dried organic milk powder;
- to provide WHA / Niche with a first right of refusal and ODFA a second right of refusal to the spray dried milk products (under the terms of the Purchase Option Agreement detailed in section 7.4(d) below);
- subject to that first right of refusal, to sell that processed spray dried organic milk product to third parties.

(iii) Conditions Precedents

The obligations of the CBDG Shareholders are subject to WHA successfully raising at least \$70.0 million and the Parties entering the Loan Agreements (on terms as reasonably required by WHA and Niche).

(iv) Branding / trademark

After construction and commissioning of the Facility, the Products are intended to be sold under the "True Organic" brand licensed by CBDG from ODFA pursuant to the terms of a royalty free licence agreement date the same date as the Shareholders Agreement (**Licence Agreement**).

(v) Funding

WHA and Niche have agreed (in their respective proportions) to provide CBDG secured loans - a loan for the initial working capital requirements (**Working Capital Loan**) and a loan for the purchase of the Site, construction of the Facility and associated works (**Facility Loan**) (collectively the **Loans**). Further details of the loan terms are set out in section 7.4(c) below.

Profits generated from the operations of CBDG are to be applied first in repayment of these loans in priority to any distributions to the CBDG shareholders. Included within these loan amounts are certain sums that WHA and Niche have already advanced CBDG to provide the necessary funding to secure the Site and commence the necessary engineering designs, plans, Facility specifications and associated works.

(vi) Board Composition

The CBDG board shall comprise 6 Directors, with ODFA entitled to nominate 3 Directors (provided it continues to hold at least 50% of the issued CBDG Shares) and Niche and WHA between them the remaining 3 Directors (provided between them they continue to hold at least 50% of the issued CBDG Shares).

(vii) Decision making at the CBDG Board / CBDG Shareholders meetings during "Threshold Period"

During the **Threshold Period** (being the time until the date CBDG makes or procures partial repayment of the secured loan from WHA and Niche to reduce the total amount outstanding to be less than \$30 million:

(A) ODFA shall not be entitled to vote with respect to a CBDG Shareholders meeting or CBDG Directors resolution, other than to the extent of a resolution directly involving a breach under or termination of an Operational Agreement and only vote provided:

- it relates to an Operational Agreement (other than the Supply Agreement) until conclusion of a mediation conducted in accordance with the terms described in the Shareholders Agreement, and
- where the breach is of the Supply Agreement and alleged to have been committed by ODFA, only in a restricted manner once it is determined by the Mediator that ODFA is in default.

(B) If a CBDG Shareholder meeting or CBDG board vote relates to:

- a breach of an Operational Agreement where a party has been found to be in default under a Mediation for a breach of an Operational Agreement (which excludes a breach of the Supply Agreement by CBDG for failure to pay or supply) and where the dispute is settled by a Mediator, or
- a breach of the Supply Agreement by ODFA or CBDG, or
- the occurrence of an insolvency event of a defaulting CBDG Shareholder,

then the party in default shall not be entitled to vote at the meeting in respect of the CBDG Operational Agreement.

Following expiry of the Threshold Period the above restrictions (A) and (B) above shall not apply and subject to those decisions requiring special majority approval (including those listed below), all CBDG Shareholder or Board decisions are to be determined by ordinary resolution.

(viii) Special Majority Voting

Subject to the above restrictions during the Threshold Period, certain matters require a Special Resolution (holders of 75% or more of the CBDG Shares) by CBDG Shareholders.

(ix) Share Transfers

A CBDG Shareholder may not transfer their CBDG Shares within the first 3 years (**Initial Period**). In addition, other than certain permitted transfers, no CBDG Shares may be transferred by CBDG Shareholders unless and until:

- the loans from CBDG Shareholders are repaid in full; and
- the transferee agrees in writing to be bound by the terms of the CBDG Shareholders Agreement; and
- the transfer is for all of the transferors CBDG shares and only for cash.

Before a CBDG Shareholder proceeds with a share transfer, it must offer its CBDG Shares for purchase by the other CBDG Shareholders in their respective proportions pursuant to conventional pre-emptive rights provisions. Usual drag along and tag along rights also apply (after the expiry of the Initial Period) to majority CBDG Shareholders (holders of at least 75% of the CBDG Shares) and minority shareholders, respectively, with respect to third party offers to purchase the CBDG Shares from any of the CBDG Shareholders.

(x) Dispute Resolution

(A) General dispute resolution:

There is a general dispute resolution clause which, other than with respect to an Insolvency Event, includes the usual provision for the service of a default notice by one party requiring the defaulting party to remedy the default within 14 days, failing which:

- other than for an alleged breach of the Supply Agreement for failure to pay or accept milk, the parties must undertake Mediation;
- any Director appointed by the defaulting Party cannot vote on any matter considered at Board meetings whilst default continues
- all rights attaching to CBDG Shares of defaulting party will be suspended until default remedied;
- where a default is not remedied after Mediation as required above, the Defaulting Party is said to have issued a Transfer Notice for their CBDG Shares at a price equal to their Fair Value less 10% discount;
- during the above 14 day period relating to a breach of an Operational Agreement (other than for a breach of the Supply Agreement for failure to pay or accept milk), the breach can be referred by a CBDG Shareholder to an Industry Expert for mediation, and if no agreement is reached, for determination by that Expert;
- if it is agreed at Mediation, or determined by the Mediator, that there was a default then the Defaulting Party's rights in relation to that Operational Agreement are suspended.

(B) Disputes concerning the Supply Agreement:

There are specific dispute resolution provisions relating to a breach or alleged breach of the Supply Agreement:

- If ODFA is in breach of the Supply Agreement and does not remedy that default within 3 Business Days, CBDG may seek alternative wet milk supplies and the Mediation process must be immediately undertaken and if ODFA is determined to be in breach then Niche and Wattle, in addition to seeking damages, may elect to be issued further CBDG Shares equal in value to the costs of seeking and securing the alternative wet milk supplies, or

- If CBDG is in breach of the Supply Agreement for failure to pay or accept milk and if this is not remedied for 3 business days (after notice of the default) and the working capital is insufficient to discharge an outstanding invoice the shortfall may be referred to the CBDG Board for determination as to whether or not the CBDG Board will require CBDG Shareholders to contribute further funding. If the CBDG Board determines that further funding is required, to the extent that this funding is not provided by CBDG Shareholders ODFA may request the CBDG Board to issue further CBDG Shares to compensate ODFA. If after this issue of the further CBDG Shares to ODFA there is a subsequent default notice for failure to pay or accept milk which is not remedied in 3 business days, then ODFA may terminate the Supply Agreement with CBDG on 30 days written notice

(xi) Shareholder Insolvency

Where there is the occurrence of an insolvency event in respect of a CBDG Shareholder (**Defaulting Party**), the Defaulting Party is taken to have issued a transfer notice to the CBDG Board for all the Defaulting Party's CBDG Shares at "fair value" (less discount of 10%) and the pre-emptive rights for all other CBDG Shareholders shall apply.

(b) ODFA / CBDG Organic Milk Supply Agreement

CBDG and ODFA entered into a supply agreement (**Supply Agreement**) whereby ODFA has agreed to supply organic milk and other milk to CBDG. CBDG is to use the milk supplied by ODFA in the Facility to manufacture organic and other spray dried milk powders including infant formula. A summary of the key terms of the Supply Agreement is set out below.

Supply of organic milk and other milk

From the Facility Commencement Date (subject to the scale up period noted below), ODFA has agreed to sell and CBDG has agreed to purchase a minimum annual quantity of organic milk of up to 46 million litres per year or such other amount as agreed by the parties (**Minimum Organic Milk Supply Amount**).

For the first 4 months after the Facility Commencement Date, there will be a scale up period whereby ODFA has agreed to supply and CBDG has agreed to purchase a reduced quantity of organic milk.

In addition to the Minimum Organic Milk Supply Amount required to be supplied by ODFA to CBDG, CBDG can provide to ODFA forecasts of its requirements for milk above the Minimum Organic Milk Supply Amount. Such forecasts will not exceed CBDG's production capacity of 200,000 litres per day. Where the forecast provided by CBDG is accepted by ODFA, the forecast becomes binding on the parties - i.e. CBDG must purchase and ODFA must supply the forecasted milk amount (**Agreed Forecast Volume**).

ODFA must offer to CBDG in priority to any third party (who is not an existing customer of ODFA at the date of the Supply Agreement), any surplus milk of ODFA above the Minimum Organic Milk Supply Amount. There is no obligation of CBDG to purchase such surplus milk.

Exclusivity

The Supply Agreement is exclusive. However, in certain circumstances, CBDG can source milk from third parties, including where:

- ODFA has notified CBDG that it is or expects to be unable to satisfy the Minimum Organic Milk Supply Amount or the Agreed Forecast Volume;
- there is a change in the market conditions which has a material impact on the price of organic milk and / or other milk, and the parties cannot agree on a variation to the price of such milk in accordance with the terms of the Supply Agreement; or
- a force majeure event occurs.

Price

The parties have agreed a commercial price per litre of Organic Milk and Other Milk which is subject to annual review. CBDG will also pay to ODFA a fee for the separation, standardisation and handling of organic milk and other milk (as required) to meet the formulations set by CBDG for the manufacture of the dried milk products.

CBDG's take or pay obligation

CBDG must pay to ODFA the price in full and on time on a per litre basis for the supplied milk. Save for a force majeure event or the delivery of defective milk, CBDG must accept and pay for deliveries by ODFA in accordance with the Minimum Organic Milk Supply Amount and Agreed Forecast Volumes (up to a daily maximum limit of 200,000 litres) for the term of the Supply Agreement.

Specifications and warranties

Organic milk and / or other milk provided by ODFA must comply with the specifications agreed to by CBDG. ODFA must provide to CBDG on each delivery of organic milk and / or other milk, a document which confirms that the relevant organic milk and / or other milk conforms to the required specifications and is not defective or damaged. CBDG will also conduct sampling and testing procedures on delivery to confirm the same. ODFA provides a number of warranties under the Supply Agreement

Term and Termination

The Supply Agreement commences on the Agreement Date and continues until terminated by either party in accordance with the Supply Agreement.

(c) WHA / Niche Funding Arrangements

The aggregate funding for the CBDG joint venture of \$70 million is to be provided by way of secured loans as to \$63 million by WHA and \$7 million by Niche - in each case to CBDG and secured over the assets of CBDG.

The secured loans will attract varying interest rates and be paid in priority to any dividends or distributions of any nature by CBDG to the CBDG Shareholders.

The Company will also subscribe with a portion of the funds to be raised from this Offer for its CBDG Shares (the CBDG Subscription) to acquire a 45% interest in CBDG pursuant to the CBDG Shareholders Agreement.

(d) WHA First Right of Refusal on CBDG offtake (dried organic milk powder)

CBDG has granted to WHA and Niche a first right of refusal, under which Wattle/Niche have a first right (in priority to all third parties and ODFA), but not an obligation, to purchase the CBDG processed products.

WHA/Niche may (but has no obligation) under this first right purchase some or all of the CBDG processed product, but must provide written notice to CBDG and ODFA (**Wattle/Niche Acceptance Notice**) within the refusal period (as outlined in the agreement) as to quantities of which of those CBDG products (if any) it agrees to purchase.

CBDG has also granted ODFA a second right of refusal on terms substantially the same as above for WHA / Niche - after which CBDG is free to sell the processed products on terms no more favourable than offered under the rights of refusal.

7.5 Loan Facility Agreement

The Company has signed a fee letter and entered into a AUD \$20.0 million loan facility agreement with Prospere Advisor Limited (company No. HS-333282) (**Loan Facility Agreement**). Under the Loan Facility Agreement, Prospere Advisor Limited has provided the Company with a AUD \$20.0 million secured loan with a 3 year term (**Secured Loan Facility**).

The key terms of the Loan Facility Agreement are summarised below.

(a) Drawdown conditions

The ability for the Company to draw down on the Secured Loan Facility is subject to a number of preconditions including (but not limited to):

- (i) WHA raising \$50.0 million (being the Minimum Subscription Amount under the Entitlement Offer and the Placement funds);
- (ii) payment to the Lender of an arrangement fee of \$200,000;
- (iii) payment of a commitment fee of 0.5% per annum on the undrawn balance and un-cancelled amount available under the Secured Loan Facility;
- (iv) the issue of 4,687,500 loan facility fee options to the Lender to subscribe for Shares in the Company at an exercise price of \$1.60 per share. The loan facility fee options are exercisable anytime within 24 months of the grant date;
- (v) the Lender receiving a legal opinion of its legal advisors in Australia (the contents of which are acceptable to the Lender; and
- (vi) all the necessary authorisations from the relevant governmental / regulatory bodies with respect to the Secured Loan Facility have been obtained to the full satisfaction of the Lender,

(Pre-conditions).

Subject to the Pre-conditions, for any drawdown of:

- (vii) the first 50% of the funds available under the Secured Loan Facility, evidence that CBDG has completed 50% of the construction of the CBDG facility is required;
- (viii) the remaining 50% of the Secured Loan Facility, evidence that the CBDG facility is fully commissioned (i.e. the Facility Commencement Date has occurred) is required.

(b) Interest

The Company shall pay interest on the outstanding balance of each drawdown at a rate of 8.0% per annum.

If the Company fails to repay any amount payable under the Loan Facility Agreement by the due date, a default interest rate of 5.0% will also apply.

(c) Repayment

The Company must repay each drawdown with any accrued and unpaid interest thereon as follows:

- (i) 30% of the amount of each drawdown upon the second anniversary of the date the relevant loan amount was drawn down (**Drawdown Date**); and
- (ii) the balance of the outstanding amount of each drawdown upon the third anniversary of the Drawdown Date for that drawdown.

The Company can at any time and without the prior consent of the Lender re-pay the whole or part of any amount drawn down under the Secured Loan Facility.

(d) Security and negative covenant

The Company has agreed to maintain a loan-to-equity ratio (**LTV Ratio**) at 75% or below at the end of each financial year, where the LTV Ratio shall be determined as the outstanding balance of the funds drawn under the Secured Loan Facility due to the Lender divided by the fair market value of the Company's loans to CBDG, with such fair market value as of end of each financial year to be determined by an independent valuer acceptable to the Lender.

The Company has also agreed to secure the funds drawn under the Secured Loan Facility entering into a security deed with the Lender under which the Company grants a security interest over all its rights and interests under the CBDG Loan Agreements.

(e) Representations and warranties

The Loan Facility Agreement contains a number of customary representations and warranties by the Company and CBDG (the **Group**).

(f) Events of default

The amounts drawn under the Secured Loan Facility and all other fees and charges (including legal costs and expenses) will become due and payable by the Company and payable on demand by the Lender on the occurrence of any of the following events of default namely:-

- (i) if the Company fails to pay on the due date any sum payable under the Loan Facility Agreement or to comply with any term, condition, covenant or provision of the Loan Facility Agreement or to perform any obligation or liability of the Company to the Lender and any such failure is not remedied within 10 banking days of the earlier of the Lender giving the Company notice of the failure or the Company becoming aware of the failure to comply;
- (ii) any financial indebtedness of the Company of more than \$250,000 becomes or is capable of being declared payable prior to its stated maturity or is not paid when due or if any security interest created by the Company (other than a permitted security interest) is enforced;

- (iii) if a petition is presented or an order is made or analogous proceedings are taken for the liquidation, administration, winding-up and/or voluntary arrangement of the Group which is not set aside within 21 days;
- (iv) if an incumbrancer takes possession or exercises or attempts to exercise any power of sale or a receiver is appointed of the whole or any part of the property assets or revenues of the Group which is not set aside within 21 days;
- (v) if any final judgment or order made against the Group for an amount exceeding \$250,000 is not set aside or complied with within ten banking days or if an execution distress sequestration or other process is levied or enforced upon against any part of the property assets or revenues of the Group for an amount exceeding \$250,000 is not set aside with within ten banking days of being obtained;
- (vi) if the Group enters into any arrangement, composition or compromise with or assignment for the benefit of its creditors generally or any class of such creditors or proceedings are commenced to sanction any such arrangement, composition or compromise;
- (vii) if the Group stops payment or agrees to declare a moratorium or becomes or is deemed to be insolvent or unable to pay its debts;
- (viii) if without the prior written consent of the Lender, any material part of the property or assets of the Group is sold or disposed of or threatened to be sold or disposed of (otherwise than in the ordinary course of business);
- (ix) any representation or warranty made or deemed to be made in the Loan Facility Agreement or in connection with the Loan Facility Agreement proves to have been untrue when made or deemed made. However, no event of default will occur, in relation to an incorrect or misleading representation or warranty deemed to be made after the date of the first drawdown, if the circumstances causing it to be incorrect or misleading are capable of remedy and are remedied within 10 banking days of the earlier of the Lender giving notice to the Company and the Company becoming aware of the incorrect or misleading representation or warranty;
- (x) if any license authorisation consent or registration at any time necessary or desirable to enable the Company to comply with its obligations to the Lender or to carry on its business in the normal course shall be revoked withheld or materially modified or shall fail to be granted or perfected or shall cease to remain in full force and effect and such event has or is likely to have a material adverse effect;
- (xi) for any financial year of the Company which, or part of which, falls between the first Drawdown Date and 36 months after the drawdown (**Last Final Repayment Date**), the Company fails to provide its audited consolidated financial statements for such financial year to the Lender within four (4) months after the end of such financial year; or
- (xii) for any financial quarter of the Company which, or part of which, falls between the Drawdown Date and the last Final Repayment Date, the Borrower fails to provide its consolidated management accounts for such financial quarter to the Lender within two (2) months after the end of such financial quarter.

(g) Cancellation fee

The Company has the right to cancel any undrawn balance under the Secured Loan Facility by providing a 10 banking days advance notice to the Lender, subject to a payment of a cancellation fee of an amount equal to 1.0% of the undrawn balance of the Secured Loan Facility being cancelled.

7.6 Continuous Disclosure and Documents Available for Inspection

This Prospectus is issued pursuant to section 713 of the Corporations Act.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are, and have been for a period of 12 months, disclosing entities.

The Company is a "disclosing entity" for the purposes of section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which requires it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- (a) the Annual Report for the financial year ended on 30 June 2017, being the annual financial report most recently lodged with ASIC by the Company; and
- (b) any continuous disclosure notices given by the Company after the lodgement of the Annual Report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC. Such notices are listed below under the heading "ASX Releases" in Section 7.7.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

7.7 ASX Releases

ASX releases of the Company since the date of lodgement of the Company's latest annual report and prior to the date of lodgement of this Prospectus are listed below:

Date	ASX Announcement title
22 May 2018	WHA Secures Supply Agreement with Metcash
21 May 2018	WHA 3B Letter
21 May 2018	Ineligible Shareholders Letter
21 May 2018	Reinstatement to Official Quotation
21 May 2018	Chairman's Letter
21 May 2018	Investor Presentation
21 May 2018	Appendix 3B
21 May 2018	Rights Issue Prospectus
21 May 2018	WHA Finalises Funding for CBDG JV
8 May 2018	Update on CBDG Joint Venture
30 Apr 2018	Quarterly Activities and Cashflow Statement
20 Apr 2018	Extension of Voluntary Suspension
10 Apr 2018	WHA Enters into JV with ODFA
6 Apr 2018	Suspension from Official Quotation
6 Apr 2018	Quarterly Sales

5 Apr 2018	WHA Signs Distribution Deal for China
28 Feb 2018	Half Year Review
28 Feb 2018	Appendix 4D and Half Year Report
6 Feb 2018	WHA Acquires Little Innoscents
1 Feb 2018	WHA Secures First Order from Macau
30 Jan 2018	WHA Secures First Order for India
24 Jan 2018	Quarterly Activities and Cashflow Statement
15 Jan 2018	WHA Secures Second Brand Slot for CFDA Accreditation
12 Jan 2018	Trading halt
21 Dec 2017	Change in substantial holding
21 Dec 2017	Appendix 3B
21 Dec 2017	Issue of Shares under ESP
7 Dec 2017	WHA Secures Distribution with API
5 Dec 2017	Trading Halt
30 Nov 2017	Replacement Cleansing Prospectus
28 Nov 2017	Appendix 3B
28 Nov 2017	Change in substantial holding
27 Nov 2017	Amended Results of Meeting
21 Nov 2017	Cleansing Prospectus
21 Nov 2017	Change of Director's Interest Notice – Eric Jiang
21 Nov 2017	Change of Director's Interest Notice – Peter Biantes
21 Nov 2017	Change of Director's Interest Notice – Lazarus Karasavvidis
21 Nov 2017	Appendix 3B
20 Nov 2017	Results of Annual General Meeting
20 Nov 2017	AGM Presentation
20 Nov 2017	Chairman's Address - AGM
20 Nov 2017	CFDA Update
6 Nov 2017	Response to ASX Price Query
26 Oct 2017	Quarterly Activities and Cashflow Statement
20 Oct 2017	Notice of Annual General Meeting/Proxy Form
28 Sep 2017	Appendix 4G
28 Sep 2017	Corporate Governance Statement
28 Sep 2017	Annual Report to Shareholders
28 Sep 2017	WHA Completes Acquisition of Blend and Pack
21 Sep 2017	Appendix 3B
20 Sep 2017	WHA Launches New Website
15 Sep 2017	Results of Meeting
31 Aug 2017	Preliminary Final Report - Commentary
31 Aug 2017	Preliminary Final Report)
14 Aug 2017	Notice of General Meeting/Proxy Form
10 Aug 2017	Prospectus
10 Aug 2017	Appendix 3B
10 Aug 2017	Completion of Placement
08 Aug 2017	WHA Incorporates Vietnam Subsidiary
07 Aug 2017	Change in substantial holding
03 Aug 2017	Investor Presentation
03 Aug 2017	Reinstatement to Official Quotation
03 Aug 2017	WHA Successfully Closes Commitments for Placement
28 Jul 2017	Appendix 4C - quarterly
27 Jul 2017	Voluntary Suspension
25 Jul 2017	Trading Halt

19 Jul 2017	Appendix 3B
19 Jul 2017	WHA Signs HOA with Organic Dairy Farmers of Australia
13 Jul 2017	Tesco Lotus Ranges WHA Products
12 Jul 2017	Reinstatement to Official Quotation
12 Jul 2017	WHA Acquires Strategic Holding in Blend and Pack
07 Jul 2017	Voluntary Suspension
05 Jul 2017	Trading Halt
26 Jun 2017	WHA Signs Supply Agreement with Metcash
27 Apr 2017	WHA Signs Distribution Agreement with Malaysian Distributor
27 Apr 2017	Appendix 4C - quarterly
18 Apr 2017	WHA signs HOA with Major Chinese Retailer
12 Apr 2017	Change in substantial holding
29 Mar 2017	WHA Signs Supply Agreement with Baby Mode
15 Mar 2017	Initial Directors Notice - Eric Jiang
15 Mar 2017	Initial Directors Notice - Peter Biantes
15 Mar 2017	Initial Directors Notice-Lazarus Karasavvidis
15 Mar 2017	Wattle Health Australia Commences Trading on the ASX
14 Mar 2017	Pre-Quotation Disclosure Letter with Various Confirmations
14 Mar 2017	Reviewed Accounts Half Year 31 December 2016
14 Mar 2017	Audited Accounts Period End 31 October 2016
14 Mar 2017	Audited Accounts Year End 30 June 2016
14 Mar 2017	Audited Accounts Year End 30 June 2015
14 Mar 2017	Top 20 Shareholders and Distribution Schedule
14 Mar 2017	Corporate Governance Policy (inclusive of trading policy)
14 Mar 2017	Constitution
14 Mar 2017	Information Form and Checklist
14 Mar 2017	Appendix 1A
14 Mar 2017	Replacement Prospectus
14 Mar 2017	ASX Notice - Admission and Quotation
14 Mar 2017	Admission to the Official List

The Company may make further ASX announcements after the date of this Prospectus.

Copies of the abovementioned announcements (as well as any further announcements) will be available on the ASX website, www.asx.com.au under the Company's code "WHA". You are advised to refer to the ASX's website and the Company's website for announcements or updates relating to the Company.

7.8 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the Listing Rules and which the Board considers would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to New Shares in the Company.

7.9 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with 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 its promotion or formation or in connection with the offer of New Shares; or
- (c) the offer of New Shares, other than as ordinary Shareholders,

and no amounts or benefits have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:

- (d) to induce him or her to become, or to qualify him, as a Director; or
- (e) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Shares.

The Directors' and their nominees' current shareholdings and interests in Shares and options are as follows:

	Lazarus Karasavvidis ^{(1) (2)}	Eric Jiang ⁽²⁾	Peter Biantes ⁽²⁾
Current Number of Shares	38,014,734	2,872,371	1,050,000
Current percentage holding	25.10%	1.89%	0.69%
Current number of options	nil	Nil	Nil
Maximum number of Shares following the Entitlement Offer ⁽²⁾	38,014,734	2,872,371	1,050,000
Maximum percentage of Shares following the completion of the Entitlement Offer	19.20%	1.45%	0.53%

- 34,014,734 of the shares are jointly held with Martin Glenister (sales executive). This assumes that Lazarus Karasavvidis does not take up his full entitlement under the Entitlement Offer.
- This assumes that none of the Directors take up their entitlements under the Entitlement Offer.

The remuneration paid (including superannuation and non-cash share based payments) to Directors or their nominees during the past two financial years preceding the lodgement of this Prospectus with ASIC is set out below:

Director	Remuneration
Lazarus Karasavvidis	\$602,250**
Eric Jiang	\$52,000
Peter Biantes	\$52,000

**Lazarus Karasavvidis' employment agreement include cash bonus structures based on WHA's gross revenue.

7.10 Related Party Transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

7.11 Restricted securities

The Company as at the date of this Prospectus has 59,968,750 of its issued securities classified as 'restricted securities' (as defined in the Listing Rules).

7.12 Estimated Costs of the Entitlement Offer / Placement and Loan Facility

If the Entitlement Offer is fully subscribed, the expenses of the Entitlement Offer, Placement and the Loan Facility (exclusive of GST) are estimated to be approximately as follows:

Expenses	\$
Lead Manager fees (maximum, including commission for the Placement)	\$3.49 million
Loan Facility establishment costs	\$200,000
Imputed non-cash expense of the grant by the Company to the lender of the facility fee options **	\$2,479,732
Legal	\$78,000
Printing, postage and share registry	\$20,000
Other	\$2,000
Total	\$6,269,732

If the Entitlement Offer is fully subscribed, the expenses of the Entitlement Offer alone (exclusive of GST) are estimated (from the table above) to be approximately \$2,374,000.

7.13 Consents and Interests of Parties

Each of the parties referred to in this Section does not make, or purport to make, any statement in this Prospectus other than as specified in this Section and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified in this Section.

(a) Lead Manager - Ord Minnett Limited

Ord Minnett Limited has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as Lead Manager to the offer of securities under this Prospectus, in the form and context in which it is named. Ord Minnett Limited was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Ord Minnett Limited makes no express or implied representation or warranty in relation to the Company, this Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Ord Minnett Limited. To the maximum extent permitted by law, Ord Minnett Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

(b) Lead Manager - JB Advisory Pty Ltd

JB Advisory Pty Ltd has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as Lead Manager to the offer of securities under this Prospectus, in the form and context in which it is named. JB Advisory Pty Ltd was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. JB Advisory Pty Ltd makes no express or implied representation or warranty in relation to the Company, this Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by JB Advisory Pty Ltd. To the maximum extent permitted by law, JB Advisory Pty Ltd expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

(c) Share Registry - Computershare Investor Services Pty Limited

Computershare Investor Services Pty Limited has given and not withdrawn its written consent to be named herein as the share registry to the Company in the form and context in which it is so named. Computershare Investor Services Pty Limited does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- » the formation or promotion of the Company;
- » property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Shares to this Prospectus; or
- » the offer of New Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of New Shares issued pursuant to this Prospectus.

The Joint Lead Managers have agreed to act as lead manager and arranger of the Placement. They will receive a commission of 6.0% of the amount received by the Company under both the Entitlement Offer (including shortfalls) and the Placement. The total expenses of the Entitlement Offer (including the Placement and the Loan Facility) are estimated to be approximately \$6,269,732 (including commissions, ASIC lodgement fees, legal fees, accounting fees, share registry fees and printing and other administrative expenses).

7.14 Directors' authorisation

Each Director of the Company has given, and has not withdrawn, their consent to the lodgement of this Prospectus with ASIC.

8. DIRECTORS' STATEMENT

The Directors have made all reasonable enquiries in the preparation of this Prospectus and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Lazarus Karasavvidis
Executive Chairman
Wattle Health Australia Limited
23 May 2018

9. DEFINITIONS

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

\$ or AUD Australian dollar.

Additional Securities means New Shares applied for by an Eligible Shareholder that are in excess of the Eligible Shareholder's Entitlement.

Appendix 3B means the ASX form for the new issue announcement and application for quotation of additional securities and agreement.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application Money means money payable by Applicants in respect of their applications for New Shares under the Entitlement Offer.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or Australian Securities Exchange (as applicable).

ASX Settlement Operating Rules means ASX Settlement Pty Limited's operating rules.

Board means the board of Directors of the Company from time to time.

Business Day has the meaning ascribed to it in the Listing Rules.

CBDG means Corio Bay Dairy Group Pty Ltd ACN: 618 921 092.

CBDG joint venture means the incorporated joint venture referred to in section 7.4.

CBDG Operational Agreements means the contracts between CBDG and certain of its shareholders being the ODFA Supply Agreement; the Loan Agreements, the Purchase Option Agreement and the Licence Agreement.

CBDG Shares means fully paid ordinary shares in the capital of CBDG.

CBDG Subscription means the subscription by the Company of \$45,000 for new shares in CBDG pursuant to the CBDG Shareholders Agreement.

CBDG Shareholders Agreement means the shareholders agreement described in Section 7.4(a) of this Prospectus.

Constitution means the constitution of the Company.

CHESS means Clearing House Electronic Subregister System.

Closing Date means 5:00pm (AEST) on 8 June 2018 (subject to the right of the Directors to change this date without notice).

Company or WHA means Wattle Health Australia Limited ACN 150 759 363.

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

Directors means the directors of the Company in office at the date of this Prospectus.

Eligible Shareholder has the meaning given in Section 2.1 and excludes an Ineligible Foreign Shareholder.

Entitlement means an Eligible Shareholder's entitlement to participate in the Entitlement Offer as it appears on the Entitlement and Acceptance Form.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Prospectus that sets out the Entitlements of Shareholders to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement Offer means the non-renounceable entitlement offer to Eligible Shareholders at the Record Date of 1 New Share for every 5 Shares held at the Offer Price.

Expiry Date has the meaning given to that term in the Important Notices section.

Facility Commencement Date means with respect to the CBDG facility, the day on which the CBDG facility:

- is approved by CBDG as being built in accordance with the building specifications, permits, and the building contract;
- is certified by Dairy Food Safety Victoria, NASAA and the Australian Quarantine and Inspection Service (DAFF) as being in a full operational condition to receive and process the first supply of Organic Milk pursuant to the terms of the Supply Agreement; and

has the production capacity equivalent to 200,000 litres per day of organic milk or other milk (from fresh or recombined organic or other milk powder) and has completed a comprehensive test run.

Farmer Contracts means the contracts entered by ODFA with farmers supplying ODFA with organic milk for the purposes of the Supply Agreement.

Ineligible Foreign Shareholder means a Shareholder, at the Record Date whose registered address is not situated in Australia or New Zealand.

Joint Lead Managers or JLM means Ord Minnett Limited and JB Advisory Pty Ltd.

Listing Rules means the listing rules of the ASX as amended from time to time.

Loan Facility means the committed term loan facility granted by Prospere Advisor Limited company No. HS-333282 (incorporated in the Cayman Islands) to WHA in the principal amount of AUD\$20 million subject to the terms and conditions described in Section 7.5 of this Prospectus.

Minimum Subscription Amount is \$30.0 million, including (i) the Shortfall facility for shareholders (see section 2.10) plus (ii) any Entitlement shortfall placed by the Directors in their discretion as permitted under ASX Listing Rule 7.2 exception 3.

New Shares means the Shares to be issued under the Entitlement Offer.

ODFA means Organic Dairy Farmers of Australia Pty Ltd ACN 123 072 766.

Offers means each of the:

- (a) Entitlement Offer; and

(b) Shortfall Offer.

Offer Condition has the meaning given to that term in the "Important Notice" Section.

Offer Price means \$1.25 per New Share.

Offer Securities means each of the New Shares under this Prospectus.

Opening Date means the opening date of the Entitlement Offer being 29 May 2018 (subject to the right of the Directors to change this date without notice).

Original Prospectus means the Company's prospectus dated 21 May 2018.

Placement means the 16,000,000 Shares to be issued by the Company in respect of the private placement to wholesale investors as announced by the Company on the date of this Prospectus.

Placement Shares means the shares issued by the Company under the Placement.

Prospectus means this replacement prospectus dated 23 May 2018 which replaces the Original Prospectus.

Record Date means 7:00pm (AEST) on Tuesday, 24 May 2018.

Rights means the right to subscribe for New Shares held at the Record Date pursuant to the Entitlement Offer.

Settlement Date has the meaning given to that term in the Important Dates section.

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

Share Registry means Computershare Investor Services Pty Limited.

Shareholder means a holder of Shares.

Shortfall or **Shortfall Shares** means those New Shares under the Entitlement Offer not applied for by Eligible Shareholders pursuant to the Prospectus by the Closing Date.

Please note that references in this Prospectus to "Sections" are to sections of this Prospectus.

10. CORPORATE DIRECTORY

DIRECTORS

Lazarus Karasavvidis, Executive Chairman and Chief Executive Officer
Eric Jiang, Independent Non Executive Director
Peter Biantes, Independent Non Executive Director

COMPANY SECRETARY

George Karafotias

REGISTERED OFFICE & CONTACT DETAILS

17/71 Victoria Crescent Abbotsford, Victoria 3067
Telephone: +61 3 8399 9419
Facsimile: +61 3 8692 8676

ENTITLEMENT OFFER INFORMATION LINE

1300 850 505 or +61 (3) 9415 4000 (outside Australia)
Opening Hours: 8:30am and 5:00pm (AEST) Monday to Friday until the Closing Date

WEBSITE

www.wattlehealth.com.au

Joint Lead Managers

Ord Minnett Limited
JB Advisory Pty Ltd

SHARE REGISTRY

Computershare Investor Services Pty Limited

For all enquiries:


Phone:
 (within Australia) 1300 850 505
(outside Australia) 61 3 9415 5000

Web:
 www.investorcentre.com/contact

WHA

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:

 See overleaf for details of the Offer and how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5.00pm (AEST) Friday, 8 June 2018**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Replacement Prospectus dated 23 May 2018.

Choose one of the payment methods shown below.

BPAY[®]: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Wattle Health Australia Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.


Turn over for details of the Offer →

Entitlement and Acceptance Form with Additional Shares

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STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
7.00pm (AEST) Thursday, 24 May 2018:

Entitlement to New Shares
on a 1 for 5 basis:

Amount payable on full acceptance
at \$1.25 per New Share:

4,000

1

\$0.01

STEP 2 Make Your Payment

	Biller Code: 284323 Ref No: 1234 5678 9123 4567 89
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Pay by Mail:



Make your cheque, bank draft or money order payable to "**Wattle Health Australia Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5.00pm (AEST) Friday, 8 June 2018. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Wattle Health Australia Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5.00pm (AEST) Friday, 8 June 2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Wattle Health Australia Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

[Detach here](#)

Wattle Health Australia Limited Acceptance Payment Details

Entitlement taken up:

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Number of Additional New
Shares applied for:

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Amount enclosed at \$1.25 per
New Share:

A\$

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Entitlement No: 12345678

Payment must be received by 5.00pm (AEST) Friday, 8 June 2018

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ **Daytime Telephone** _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

123456789123456789+000000001-3051+14