



Ahead of the curve

Presentation to:
Select Equities –
2nd Annual Doing Business
in China Investor Conference

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Agenda

- Long term vision
- Summary of achievements
- Sustainable quality supply chain
- True Australian Organic
- Financial performance
- China challenges and growth
- Your questions



Ahead of the curve

A sustainable value proposition

To build a long term, sustainable business model aimed at supplying the needs of consumers across Australia and Asia.

Sustainable supply platform

To build a premium quality, highly reliable, integrated nutritional product supply chain across equity-secured platforms.

China is a first world quality food importer

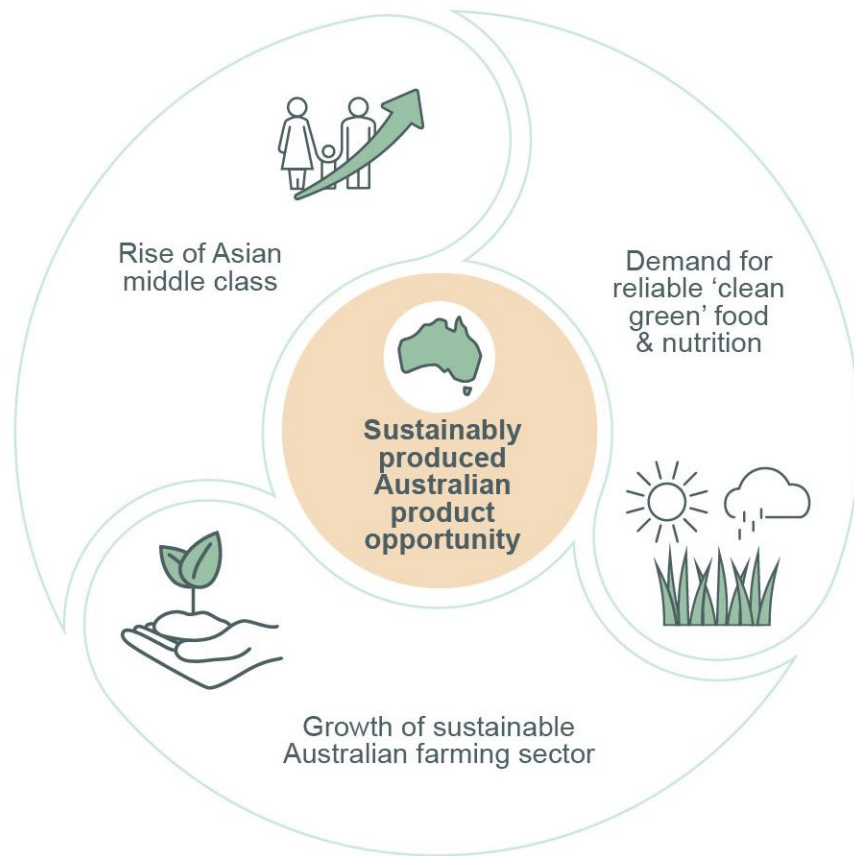
Key partnerships and developing core infrastructure has placed Wattle Health well ahead of the curve in terms of meeting requirements in mainland China.



Long term vision

Wattle Health's growth model is underpinned by three key insights:

- In developing markets there is rapid, ongoing growth in middle class consumers
- Consumers are willing to pay a premium for products from Australia and New Zealand.
- There is an ever-increasing supply of sustainably grown and certified organic produce in Australia



Achievements to date

Building Wattle Health as a proud Australian company

Built core product portfolio:

- Infant Formulas
- Nutritional Milk powders
- Natural Baby Foods

Acquired Little Innoscents

Building an Australian organic milk quality supply chain and brand

Creating a customer journey experience based on end-to-end transparency and support



Sustainable quality supply chain focus

Our ultimate aim is to create a secure and vertically integrated supply chain.

We have developed long-term supply arrangements and equity-based partnerships in our production and packaging processes.



Australian organic milk focus

True Australian Organic milk-based products, are a cut above the rest.

Organic milk powder is synonymous with ultra-premium products in China and commands a significantly higher price when compared with non-organic products.



“The market size of organic milk powder (both online and offline sales) reached over **3 billion yuan** in 2016, **doubled in 2017**, and is predicted to climb to **over 10 billion yuan in 2018.**”

Organic Infant Formula in China:
Market Access and Future Development,
<https://food.chemlinked.com/report>, Sept 2018

True Australian Organic quality chain

Wattle Health has:

- A long term supply agreement linked to a Joint Venture with the Organic Dairy Farmers of Australia (ODFA) to build a new milk spray dryer
- Acquired an equity stake in CNCA approved Blend & Pack business
- Embraced the use of Blockchain technology to offer independent assurance of product provenance and compliance standards throughout its sourcing, processing and shipment



Corporate partnerships

We are proudly integrated with these companies.

These relationships are critical to our long term success.



- Australia's only organic dairy farmer cooperative
- About 75% of Australia's organic milk production
- JV partners in Corio Bay Dairy Group (CBDG)



- Joint Venture between ODFA and Wattle Health
- Dedicated organic milk spray drier facility
- Close to ODFA farmers
- Capacity for peak spring volumes



- Australia's first CNCA approved milk powder plant
- 5% owned by Wattle Health
- Committed to provide first 'slot' to organic brand



- Australia's leading international organic milk based brand marketeer
- Secure CIQ licences for organic milk based products
- Create blockchain quality assurance system
- Negotiate local supply arrangements

True Australian organic purity

We have the world's cleanest,
greenest provenance

We only use milk from cows on
organically certified farms

Our products are free from impurities

We offer nutritionally superior
formulations



Growing brand footprint

Beginning with Infant Formula, Nutritional Milk and Milk Powders, our range will rapidly expand to meet growing consumer demand in other categories.



Financial snapshot FY18

We have demonstrated the ability to sustain margins well above industry average, and to raise the capital necessary to realise our substantial infrastructure-based organic supply platform.

Revenues up

68%*

Net assets

\$62m

Up 815%*

Shares on issue

194,503,140

Above average gross margin

≈55%

Net tangible assets per
ordinary security up

413%*

Market
Capitalisation

\$199.3m

*compared to FY17

Market penetration



International Supplies & Distribution Company (ISDC):

- 42 month minimum volume agreement, supported by Bank Guarantee

Shangdong Weihai Port International Trade Co Pty Ltd:

- 36 month minimum supply agreement

Alyingdao:

- Launch in 100 stores, with potential to expand to 1,000+ stores with approval

Tesco Lotus Supermarkets:

- Launch range on mainland in 2017

China Duty Free:

- Products available through selected stores

China regulatory challenges

New SAMR/CFDA accreditation requirements introduced in 2018

Blend & Pack is already CNCA accredited

SAMR accreditation for existing Infant Formula range is pending

CBDG plant designed to be CNCA accredited

New true Australian organic infant formula products to be submitted for approval once CBDG formulation is confirmed

B2C cross border arrangements now in place to evolve in line with new requirements



In conclusion

Wattle Health has a sustainable sourcing and production infrastructure focus

Enduring, distinctive brand promise for our True Australian Organic brand into the Australian market

We are ahead of the curve in terms of what it takes to succeed in China's regulated export market

We have the resources to go the distance



Your questions and Thank you