



ASX Announcement

17th July 2019

VSEP Update

17th July 2019: Wattle Health Australia Limited (**WHA** or **Company**) provides an update in relation to the supply agreement with Vasudevan and Sons Exim Private Limited (**VSEP**).

As previously announced to the market, the Company entered into a supply agreement with VSEP in India for the supply of the Company's natural baby food range (**VSEP Supply Agreement**) (see ASX announcement dated 4th September 2018).

The Company has provided further updates to the market regarding the VSEP Supply Agreement:

- 31 January 2019: WHA currently developing packaging for proposed first shipment planned for Q1 2019; and
- 30 April 2019: WHA has submitted application to the Indian authorities for product registration (which registration would trigger the commencement of the 12 month supply period and the requirement for provision of the VSEP bank guarantee to the Company).

WHA product registration has been completed in India and as a consequence WHA has demanded VSEP provide its bank guarantee (as required under the Supply Agreement) and to comply with the VSEP Supply Agreement.

Despite the Company's request, VSEP has not yet provided the full amount of the bank guarantee and VSEP is in breach of the VSEP Supply Agreement. The Company has therefore now initiated legal action in India against VSEP to protect its commercial interest and with a view to recover losses. It should be noted that the Company has received a deposit of A\$100,000 from VSEP in December 2018, which is not refundable under the VSEP Supply Agreement.

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About Wattle Health Australia Limited

Wattle Health aspires to become a company globally recognised for offering superior quality, organic and sustainable products which promote health and wellness at all stages of life.

Wattle Health uses natural ingredients derived from Australia's pure water, clean air and organically fertile soils. We carefully prepare and pack in ways designed to preserve nutrients. Wherever possible, we source certified organic ingredients which are totally free of fertiliser or pesticide residues. Our pristine Australian provenance and quality-assured supply chain guarantees the highest possible standards of purity.

We support Australian farmers who embrace these soil management practices. We translate consumer demand for pure organic nutrition into a reward for maintaining soil biodiversity, to produce naturally superior products that can be enjoyed for generations to come. Ultimately, our aim is to make the sustainable Australian goodness of certified organic health and wellness products widely available to families across the globe.