

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Wattle Health Australia Limited

ABN

77 150 759 363

We (the entity) give ASX the following information.

Part 1 – All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | <ul style="list-style-type: none">Fully Paid Ordinary Shares (Shares)Deposit Promissory Note (DPN) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ul style="list-style-type: none">Up to 155,602,512 Shares (New Shares) pursuant to the entitlement offer described in the ASX Announcement and Prospectus (Announcement Materials) lodged with the ASX on 15 November 2019. The exact number of New Shares to be issued pursuant to the entitlement offer is still to be finalised and is subject to the amount of applications received, reconciliation of securityholding entitlements and the effects of rounding.One DPN as per terms contained in Announcement Materials. |

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- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

- Each New Share will rank equally with and will be issued on the same terms as all other Shares on issue.
- The DPN has a face value of US\$4.5 million whereby Wattle Health Australia Limited (**Company**) agreed to pay Mason a non-refundable amount of US\$4.5 million as follows:
 - Where SPA Completion occurs, the Company will pay US\$4.5 million in cash on the date of completion; or
 - Where the B&P Share Purchase Agreement is terminated for any reason including the Company's failure to raise the minimum amount of \$55 million under the proposed Rights Issue, subject to section 606 of the Corporations Act and ASX Listing Rule 7.1, the Company will issue to Mason Shares to the total value of US\$4.5 million calculated at the volume weighted average market price (as defined in the ASX Listing Rules) for Shares in the Company over the last 5 days on which sales were recorded before the Termination Date (31 December 2019).

For more information on the DPN, refer to the Announcement Materials.

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4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<ul style="list-style-type: none"> Yes. Each New Share will rank equally with and will be issued on the same terms as all other Shares on issue. No for DPN. If Shares are going to be issued as per the terms of DPN, then each Share issued will rank equally with all other Shares on issue.
5	Issue price or consideration	<ul style="list-style-type: none"> \$0.40 per Share Face value of US\$4.5 million for DPN
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<ul style="list-style-type: none"> Shares issued and funds raised under the Entitlement Offer is to allow the Company to fund the cash component of the purchase price at completion under the Share Purchase Agreement for the acquisition of an additional 75% of the issued shares in Blend & Pack (US\$30 million), the replacement of the Prospere Loan (which is presently undrawn) for the Company's commitments to the CBDG Joint Venture, general working capital and costs of the Entitlement Offer. The DPN is issued as part of the initial non-refundable deposit to Mason for the purchase of the 75% interest in Blend & Pack.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes.
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2018

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6c	Number of +securities issued without security holder approval under rule 7.1	<ul style="list-style-type: none"> One Deposit Promissory Note, which may be converted into Shares in the Company in the event the Share Purchase Agreement is terminated (maximum number of Shares that can be issued is subject to the Company's Listing Rule 7.1 capacity, which is 29,175,471)
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>Listing Rule 7.1 – Nil</p> <p>Listing Rule 7.1A – 19,450,314</p>
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<ul style="list-style-type: none"> Proposed Issue Date for the Entitlement Offer is 17 December 2019. Issue Date for DPN is 15 November 2019.

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	Number	+Class
8 Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	194,503,140 (including 862,500 Shares subject to voluntary escrow)	Fully Paid Ordinary Shares

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	4,687,750	Options exercisable at \$1.60 expiring 21 May 2020
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The New Shares will rank equally with all other Shares on issue with respect to the Company's dividend policy. No dividends have been declared or paid to date.	

Part 2 - Pro rata issue

11 Is security holder approval required?	<ul style="list-style-type: none">• No
12 Is the issue renounceable or non-renounceable?	<ul style="list-style-type: none">• Non-renounceable
13 Ratio in which the +securities will be offered	<ul style="list-style-type: none">• 4 New Shares for every 5 Shares held by eligible shareholders at the Record Date (as described in item 15 below).
14 +Class of +securities to which the offer relates	<ul style="list-style-type: none">• Fully paid ordinary shares
15 +Record date to determine entitlements	<ul style="list-style-type: none">• 7.00pm (AEDT) Thursday 21 November 2019
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	<ul style="list-style-type: none">• N/A
17 Policy for deciding entitlements in relation to fractions	<ul style="list-style-type: none">• Fractional entitlements will be rounded down to the nearest whole number of New Shares.

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| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.</small> | <ul style="list-style-type: none">• The Entitlement Offer will only be offered to holders of Shares in Australia and New Zealand. |
| 19 | Closing date for receipt of acceptances or renunciations | <ul style="list-style-type: none">• 5.00pm (AEDT) Tuesday 10 December 2019. |

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20	Names of any underwriters	<ul style="list-style-type: none"> Claymore Capital Pty Ltd
21	Amount of any underwriting fee or commission	<ul style="list-style-type: none"> \$200,000 (plus GST)
22	Names of any brokers to the issue	<ul style="list-style-type: none"> JB Advisory Pty Ltd
23	Fee or commission payable to the broker to the issue	<ul style="list-style-type: none"> a management fee equal to 2% (plus GST) of all capital raised; a capital raising fee of 4% (plus GST) for all funds raised under the Entitlement Offer (with the exception of the Underwritten Amount of 20 million); and a fee of 2% for the Underwritten Amount.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	<ul style="list-style-type: none"> N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	<ul style="list-style-type: none"> N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	<ul style="list-style-type: none"> Tuesday - 26 November 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	<ul style="list-style-type: none"> Monday, 18 November 2019
28	Date rights trading will begin (if applicable)	<ul style="list-style-type: none"> N/A
29	Date rights trading will end (if applicable)	<ul style="list-style-type: none"> N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<ul style="list-style-type: none"> N/A
31	How do security holders sell <i>part</i>	<ul style="list-style-type: none"> N/A

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of their entitlements through a
broker and accept for the
balance?

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| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | <ul style="list-style-type: none">• N/A |
| 33 | +Issue date | <ul style="list-style-type: none">• Proposed issue date of Tuesday 17 December 2019 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) ☒ +Securities described in Part 1
- (b) ☐ All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 100px;"></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Director/Company secretary)

Date: 15 November 2019

Print name: Kobe Li

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	194,503,140
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	194,503,140

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	29,175,471
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	One Deposit Promissory Note, which may be converted into Shares in the Company in the event the Share Purchase Agreement is terminated (maximum number of Shares that can be issued is subject to the Company’s Listing Rule 7.1 capacity, which is 29,175,471)
“C”	29,175,471
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	29,175,471
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	29,175,471
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	194,503,140
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	19,450,314
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	Nil

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	19,450,314
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	19,450,314 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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