



Wattle Health's Uganic and Little Innoscents Ranges

to be sold in Chemist Warehouse

- **Wattle Health Australia Limited (WHA) signs long term supply agreement with Chemist Warehouse for its Uganic range of certified organic nutritional dairy products and Little Innoscents organic skin care range.**
- **Chemist Warehouse to receive equity in WHA for marketing support and ranging across the Chemist Warehouse retail network including China and online.**
- **Chemist Warehouse is the largest pharmacy retailer in Australia with the largest presence in online sales in China via Tmall (a subsidiary of Alibaba) and the largest infant formula retailer in Australia.**

Friday 6 December 2019: Wattle Health Australia Limited (WHA) is pleased to announce it has entered into a 10-year supply agreement with Chemist Warehouse (**CW**) for its full certified organic nutritional dairy range, including its premium range of Uganic infant formula and the Little Innoscents organic skin care range. Ranging will commence on nine product SKUs across the Uganic and Little Innoscents product ranges.

CW is the largest pharmacy chain in Australia by total sales with over \$A5 billion annually from more than 450 stores in Australia, New Zealand and China, with infant formula sales representing over \$A200 million. CW Tmall Global store is the largest in the world by gross merchandise volume, and under this agreement all

the Uganic and Little Innoscents product range will be sold across CW retail stores including its domestic and Tmall online stores reaching global consumers.

Wattle Health Australia Limited CEO and Co-Founder Lazarus Karasavvidis hailed the agreement as providing a springboard for the recently launched and refreshed WHA retail brands. "It's an important addition to Wattle Health's vertical integrated supply chain which extends from securing supply of Australian certified organic fresh milk through to a dedicated organic spray drying facility, and the proposed majority owned blending and packing plant all the way to the end consumer.

"We launched Uganic in September 2019 with a powerful proposition for the discerning consumer, offering them a certified organic, traceable and highly nutritious range of dairy products. The early reception from consumers at trade shows and from direct sales has been extremely positive and with Chemist Warehouse we will have Uganic prominently positioned in one of Australia's biggest sellers of infant formula."

Mr Jack Gance, Chairman and Co-Founder of Chemist Warehouse said, "Chemist Warehouse is committed to bringing the best brands and value to our customers. Increasingly, consumers around the world show a preference for products, particularly infant formula, that are certified organic and produced to the highest standards, especially from Australia. I am excited about this strategic partnership with Wattle Health Australia and the future prospects it brings to both our businesses and the consumer."

WHA as part of the supply agreement with CW will issue the following equity on specific milestones (subject to shareholder approval under ASX Listing Rule 7.1):

- 3,000,000 fully paid ordinary shares (FPO) on the signing of the long-term supply agreement.
- 5,000,000 FPO on CW providing equivalent value in marketing support and the ranging of the Uganic infant formula range across the CW retail network.
- 10,869,792 FPO on CW providing equivalent value in marketing support and the ranging of our proposed ultra-premium certified organic A2 protein based infant formula range across the CW retail network.
- 1,130,208 FPO for professional services.

WHA over the first 5 years of this arrangement will spend a circa \$A1.2 million annually in marketing support to build brand awareness, sales and brand loyalty.

This agreement with CW is subject to WHA finalising the proposed acquisition of Blend and Pack, including obtaining shareholder approval for the acquisition, via the current Rights Issue. It is also subject to WHA raising a minimum of \$A62 million via a rights issue by 31 December 2019 and any issues of securities under this agreement is subject to shareholder approval under ASX Listing Rule 7.1 at an EGM.

The release of this announcement was authorised by the Company Secretary and Non-Executive Director, Mr Kobe Li on behalf of the Board.

For further information, contact:

Corporate Affairs & International Investor Relations

Peter Nesveda

Email: peter.n@wattlehealth.com.au

Tel: +61 412 357 375

About Wattle Health Australia

Founded in 2011 and ASX listed since 2017, Wattle Health Australia aspires to become a company globally recognised as a producer of sustainable certified organic premium products made in Australia that promote health and wellness at all stages of life.

Wattle Health's commitment to traceable and sustainable production has been the motivating factor in delivering Australia's first vertically integrated organic dairy supply chain. Wattle Health are proud of their premium product range developed through their vertical integration process. By embracing local farmers with sustainable organic practices, milk from Australia's oldest and largest Organic Dairy Co-op organic farms is spray dried at a state of the art dedicated organic facility and manufactured in Australia's leading and largest blending and packing facility (by volume) to deliver the ultimate standard for natural nutrition for the whole family.

About Chemist Warehouse

Chemist Warehouse is the largest drug store chain network in Australia with the largest presence in online sales in China via TMall (a subsidiary of Alibaba) and is the franchisor of a number of stores throughout Australia and New Zealand. Chemist Warehouse has sales of over \$A5 billion from over 450 stores in Australia, New Zealand and China

