

Wattle Health Australia Limited

ACN 150 759 363

(Company)

Supplementary Prospectus

This Supplementary Prospectus supplements the Rights Issue Prospectus dated 18 November 2019 issued by the Company (**Rights Issue Prospectus**).

This Supplementary Prospectus must be read together with the Rights Issue Prospectus. Capitalised terms not defined in this Supplementary Prospectus have the meaning given to them in the Rights Issue Prospectus, unless the context requires otherwise. Terms and abbreviations defined in the Rights Issue Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Rights Issue Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus is dated 10 December 2019. A copy of this Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 10 December 2019. This Supplementary Prospectus will be issued as an electronic prospectus and may be accessed on the ASX platform and on the Company's website at www.wattlehealth.com.au.

ASIC, ASX Limited and their respective officers do not take any responsibility for the contents of this Supplementary Prospectus.

The Entitlement Offer is only open to those WHA shareholders (i) registered as a holder of Shares as at the Record Date and (ii) with an address on the WHA's share register in Australia or New Zealand (**Eligible Shareholders**). The Entitlement Offer contained in the Rights Issue 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 Eligible Shareholders on the Record Date are not entitled to apply for any New Shares.

1. Update on Rights Issue subscriptions

The Rights Issue Prospectus is conditional on the Company raising the **Minimum Subscription Amount** (of \$55 million before costs of the issue) under the aggregate of:

- (a) valid applications from Eligible Shareholders in respect of their Entitlement Offer under the Rights Issue Prospectus (section 2.7 of the Rights Issue Prospectus); plus
- (b) valid applications from Eligible Shareholders in respect of Additional Shares (section 2.9 of the Rights Issue Prospectus); plus
- (c) valid applications received by the Company from the Underwriter (as permitted under ASX Listing Rule 7.2 exception 2) and from investors which qualify under section 708 of the Corporations Act (as permitted under ASX Listing Rule 7.2 exception 3) as outlined in section 2.10 of the Rights Issue Prospectus,

within 3 months from the date of issue of the Rights Issue Prospectus.

As the Blend & Pack Share Purchase Agreement has an expiry date of 31 December 2019 (or as may be extended) to satisfy the preconditions of the purchase, including raising the necessary funding, **the Company will determine whether the Minimum Subscription Amount has been achieved immediately prior to the expiry date under the Blend & Pack Share Purchase Agreement**. If not achieved by that date, the Company will refund all applications received (as outlined in the Rights Issue Prospectus).

Since the issue of the Rights Issue Prospectus, the Company has to date received applications for a total of A\$9,672,589.60 under categories 1(a) and 1(b) above. The Company has undertaken discussions with a number of potential investors in respect of category 1(c) above; and, on the Close of the Entitlement Offer, after the Shortfall is fixed, the Company intends to invite binding applications for the Shortfall from those investors which qualify under section 708 of the Corporations Act. The Company will then provide an

update to the ASX market and its shareholders at the Company's general meeting on 16 December 2019.

2. Further details of the Claymore Capital Partial underwriting

As outlined in the Rights Issue Prospectus, the Entitlement Offer is only partially underwritten by Claymore Capital (in respect of category 1(c) above) to the first \$20 million sought to be raised under the Entitlement Offer (less the amount of applications received under categories 1(a) and 1(b) above).

This partial underwriting is included in calculating whether the Minimum Subscription Amount is achieved, but the Company cannot require any underwriting contribution by Claymore Capital unless the aggregate amount under categories 1(a) to 1(c) is equal to or exceeds the Minimum Subscription Amount. In this manner the Underwriting by Claymore Capital may be viewed akin to a partial placement of the Shortfall in the circumstances of Eligible Shareholders not taking up in full their Entitlements.

However it is important to note that (i) unless the Minimum Subscription Amount is achieved, the Company is **not** required to issue the Underwriting Options; and (ii) the placement of the Shortfall is permitted under the ASX Listing Rules.

The Company has established a data room and is continuing in dialogue with a number of interested parties in taking up that Shortfall but to date there is no change to the developments in sub-underwriting arrangements or binding Shortfall placement arrangements.

3. Timetable and consents

There is no change to the timetable for the Entitlement Offer as set out in the Rights Issue Prospectus - the information in this Supplementary Prospectus is only for clarification and by way of an update. Those persons who are named in the Rights Issue Prospectus have given their consent to the issue of this Supplementary Prospectus.

The Underwriter has confirmed to the Company that it does not intend to exercise any termination rights under the Underwriting Agreement in respect of the issue of this Supplementary Prospectus.

4. Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC. A director of the Company who is authorised to sign this Supplementary Prospectus on behalf of the Company pursuant to a resolution passed by the directors on 10 December 2019.



Lazarus Karasavvidis
Executive Director
Wattle Health Australia Limited