



ASX Announcement

2 January 2020

Update on Right Issue Offer and B&P Transaction

Thursday 2 January 2020: Wattle Health Australia Limited (**WHA** or **Company**) announces that pursuant to the Rights Issue Prospectus dated 18 November 2019 (**Prospectus**), the Company received a total of \$11,670,447.20 from existing Eligible Shareholders via the Company's share registry Computershare. The total shortfall amount is \$50,570,322.40. The Rights Issue was partially underwritten for \$20 million. During the offer period, the Company conducted investor roadshows and was in discussion with a number of interested parties for the shortfall funding. The Company received interest from potential investors in addition to the \$11.6 million application from existing shareholders. However, the Company was unable to secure the full amount of \$55 million funding, required as the minimum offer amount under the Prospectus. As a result of this, the underwriting agreement with Claymore Capital Pty Ltd lapsed on the 31 December 2019.

Whilst it was a very disappointing outcome for WHA, the Company and Mason Financial Holdings (**Mason**) have agreed to extend the Sunset Date of the proposed transaction to acquire 75% of Blend and Pack (**B&P**) pursuant to the Share Purchase Agreement as announced to the ASX on 15 November 2019 (**SPA**) from 31 December 2019 to 7 January 2020 (**Extension**). This Extension would allow both parties to further negotiate on a potential amended proposal in light of the circumstances arising from the outcome of Rights Issue Offer. It should be noted that there is no guarantee that a new agreement can be reached with Mason.

Further, the Company is currently undertaking a major operational restructure and will provide an update to the market in due course.

The Company's shares will remain in voluntary suspension, pending a further update, which will be provided to the market in due course.

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

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Wattle Health Australia Limited
ABN 77 150 759 363
17/71 Victoria Crescent,
Abbotsford Victoria 3067, Australia.
info@wattlehealth.com Phone: +61 3 8399 9419

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.