



ASX Announcement

23 January 2020

WHA to Commence Ranging of Uganic and Little Innoscents in Chemist Warehouse

Thursday 23rd January 2020: Wattle Health Australia Limited (**WHA** or **Company**) advises that as announced on 13 January 2020, the Company will start ranging WHA's Uganic's infant formula range and Little Innoscents organic skin care range across Chemist Warehouse's retail network in March 2020.

The Company advises that it has today issued 4,103,208 fully paid ordinary shares under the Chemist Warehouse agreement, with the second and third tranche share issues being subject to shareholder approval in the upcoming shareholder meeting.

The attached Appendix 3B relates to the 4,103,208 Shares issued under the Chemist Warehouse agreement and the issue today of the amended Deposit Promissory Note, issued as security under the Share Purchase Agreement with Mason, also as announced on 13 January 2020.

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

ENDS-

For further information, contact:

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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.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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)amended Deposit Promissory Note security (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">4,103,208 Shares.One amended DPN as per terms contained in the ASX Announcement dated 13 January 2020 in relation to the revised B&P transaction terms (Announcement). |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

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 amended DPN has an aggregate face value of US\$7.5 million, but as the original DPN has already issued (with approval of shareholders on 16 December 2019) with a face value of US\$4.5million, the security being issued as described in this Appendix 3B has a face value of US\$3.0 million. Pursuant to the amended DPN, the Company agrees to pay Mason a non-refundable deposit at completion of the Blend & Pack share purchase agreement announced on 13 January 2020 (SPA) in an amount of US\$7.5 million as follows:

(a) Where SPA Completion occurs, the Company will pay US\$7.5 million in cash on the date of completion (in discharge of the obligations under the amended DPN) and no Shares will issue under the amended DPN; or

(b) Where the SPA is terminated for any reason, 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\$7.5 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 date the SPA is terminated, capped at a maximum number of shares that may issue of 25,072,263.

+ See chapter 19 for defined terms.

<p>4 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 the amended DPN security. If Shares are issued as per the terms of amended DPN, then each Share issued will rank equally with all other Shares on issue.
<p>5 Issue price or consideration</p>	<ul style="list-style-type: none"> • Deemed issue price of \$0.40 per Share • Amended DPN is issued as security for payment of the deposit under the SPA. If Shares are issued under the amended DPN security, the issue price will be as described at item 3 (paragraph (b)) above
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ul style="list-style-type: none"> • 4,103,208 Shares are issued in connection with the Chemist Warehouse (CW) agreement as announced on 6 December 2019 (as varied on 13 January 2020), 3,000,000 of which are issued to CW as the first tranche and 1,103,208 to a third party in return for professional services provided associated with the CW agreement. • The DPN security increase of US\$3 million is issued as an amendment to the initial DPN security provided to Mason (with a value of US\$4.5 million, as approved by shareholders on 16 December 2019) as part of the purchase price under the SPA.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>27 November 2019</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<ul style="list-style-type: none"> • 4,103,208 Shares • One amended Deposit Promissory Note, which may be converted into that number of Shares in accordance with the formula described at item 3 (paragraph (b) above), capped at a maximum number of Shares that can be issued is subject to the Company's Listing Rule 7.1 capacity, namely 25,072,263 Shares.
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>N/A</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>N/A</p>
<p>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.</p>	<p>N/A</p>
<p>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</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

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	Listing Rule 7.1 – Nil Listing Rule 7.1A – 19,450,314
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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>	23 January 2020
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	Number	+Class		
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">198,606,348 (including 862,500 Shares subject to voluntary escrow)</td> <td style="width: 50%; padding: 5px;">Fully Paid Ordinary Shares</td> </tr> </table>	198,606,348 (including 862,500 Shares subject to voluntary escrow)	Fully Paid Ordinary Shares
198,606,348 (including 862,500 Shares subject to voluntary escrow)	Fully Paid Ordinary Shares			

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	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?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
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>	

+ See chapter 19 for defined terms.

19 Closing date for receipt of
acceptances or renunciations

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 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 | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

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

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- 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 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

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: 23 January 2020

Print name: Kobe Li

+ See chapter 19 for defined terms.

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	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	194,503,140
<i>Add</i> 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 <p><i>Note:</i></p> <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> 	
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	194,503,140

+ See chapter 19 for defined terms.

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><i>Insert</i> 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> 	<ul style="list-style-type: none"> • 4,103,208 Shares on 23 January 2020. • 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 25,072,263)
“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 Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – 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>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</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	Nil

+ See chapter 19 for defined terms.

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

+ See chapter 19 for defined terms.