



Market Update

- **Corio Bay Dairy Group (CBDG) placed into Voluntary Administration**
- **WHA working with administrators to realise best outcome for shareholders**

Wattle Health Australia (**Wattle Health** or the **Company**) (ASX: WHA) announces that it has issued a default notice to Corio Bay Dairy Group (**CBDG**) under its secured loan agreements. WHA is the only secured creditor of CBDG and will work with the Administrator to ensure it protects the Company's circa \$44 million investment in CBDG. David Mutton of RSM Australia (**Administrator**) has been appointed as the administrator of CBDG.

The uncertain business environment that has developed globally, and more recently within Victoria, due to the Covid-19 pandemic, presented CBDG with a challenging environment, particularly following WHA's joint venture partner, Organic Dairy Farmers of Australia (**ODFA**), being placed into administration. The CBDG administration process will provide WHA with time to assess a range of opportunities to realise the best outcome for its shareholders.

Wattle Health's Managing Director and Chief Executive Officer, Dr Tony McKenna said: "The CBDG administration does not impact the current operations of Wattle Health, including its Uganic and Little Innocents ranges. The outcome of a successful administration process will likely strengthen our financial position during a time of market uncertainty and/or forge new strategic partnerships that will contribute to the growth of the Company. Our current focus remains on building our sales platform and developing our capability to provide consumers with premium organic products from an Australian-based manufacturing supply-chain,"

Shepparton Partners Collective (SPC)

Given the above circumstances, the proposed transaction with Shepparton Partners Collective (SPC), as announced on 1 May 2020, was not finalised within the 3-month exclusivity period and has been terminated.

ODFA Update

As announced on 15 June 2020, the Organic Dairy Farmers of Australia Ltd (**ODFA**) was placed into administration. WHA understands a potential buyer has now been identified by ODFA's administrators / receivers for the ODFA's assets / milk processing plant located at Corio Bay Geelong (on an adjacent site to the CBDG spray drying facility).

As a result of the ODFA administration, CBDG terminated ODFA's milk supply agreement. Although it was also proposed that ODFA's shares in CBDG would be purchased, this transaction is not proceeding because the requisite third party consents were not obtained. Despite this, WHA remains secured over ODFA's shares in CBDG.

Wattle Health Operations and Funding

The administration of CBDG does not impact the current operations of Wattle Health including its Uganic range of products which continues to perform well. WHA has this year restructured its operations resulting in a positive turnaround in its financial performance while further strengthening its capability to provide consumers with premium quality products from its Australian-based manufacturing supply-chain. The Board of Wattle Health is currently working with its advisers on a proposed capital raising plan, with details to be announced to the market as soon as possible.

The release of this announcement was authorized by the WHA Board.

ENDS

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