



WATTLE HEALTH AUSTRALIA COMPLETES CAPITAL RAISING FOR CBDG JOINT VENTURE

- **Wattle Health Australia Limited (WHA) has completed the Entitlement Offer raising approximately \$33.9 million.**
- **WHA is now fully funded to meet its funding obligations as part of the CBDG Joint Venture.**
- **Transformational CBDG Joint Venture will see WHA become one of only a few vertically integrated nutritional dairy companies.**

14 June 2018: Wattle Health Australia Limited (ASX: **WHA**) is pleased to announce the completion of its 1 for 5 pro rata non-renounceable entitlement offer (**Entitlement Offer**), announced on 21 May 2018.

The Entitlement Offer closed on Friday, 8 June 2018, which raised a total of approximately \$16.0 million. Eligible shareholders subscribed for approximately 8.0 million new shares under the Entitlement Offer and approximately 4.8 million new shares under the top-up facility. Entitlements not taken up by eligible shareholders were offered to new and existing institutional and sophisticated investors (**Shortfall Offer**). The Shortfall Offer raised approximately \$17.9 million bringing the total amount raised under the Entitlement Offer to \$33.9 million.

The Entitlement Offer raised a total of \$33.9 million and together with the commitments from institutional investors to subscribe for approximately \$20.0 million (**Placement**), results in a total equity capital raising of \$53.9 million. Settlement of the Entitlement Offer and Placement are expected to occur on Thursday, 14 June 2018, with the new shares issued expected to commence trading on ASX on Monday, 18 June 2018.

Funds raised from the Entitlement Offer and Placement, together with the loan facility secured with Prospere Advisor Limited (**Prospere**) as announced on 21 May 2018, fully funds WHA's obligations under the CBDG Joint Venture.

WHA through its participation in the CBDG Joint Venture will become a vertically integrated Australian organic nutritional dairy company, having influence (and investment) in the entire value chain from farm to consumer.

With Organic Dairy Farmers of Australia Limited (**ODFA**) controlling approximately 75% of all organic fresh milk produced in Australia and WHA having first right of refusal of all products produced by CBDG,



this provides WHA a distinct competitive advantage given the strong growth in demand for organic nutritional dairy product domestically and internationally.

Executive Chairman of WHA, Mr Lazarus Karasavvidis said *“WHA would like to thank all shareholders and all parties who participated in the entitlement offer and the placement to allow us to proceed with this transformational transaction with Organic Dairy Farmers that provides WHA with a distinct advantage in the organic nutritional dairy market.”*

“Wattle Health looks forward to proceeding with the construction of the first dedicated organic nutritional spray dryer in Australia and supplying the market both domestically and internationally a truly Australian organic nutritional dairy range.”

Chief Executive Officer of ODFA, Mr Stewart Price said *“It certainly is a very exciting and important time for our cooperative members. Establishing the CBDG Joint Venture with WHA has been a primary objective of our cooperative over the past year. The joint venture with WHA enables the business to manage additional supply and extend our membership to new farmers seeking to transition to organic dairy production. Our farmers have been committed and loyal to ODFA’s endeavour to find a solution to surplus Spring milk and the opportunity to secure a premium milk price.*

The ability of ODFA to offer premium milk prices to members is a key driver of the business, and this venture empowers our farmers to grow their business profitably.

The opportunity for both businesses to come together in the form of CBDG creates the opportunity to consolidate manufacturing and processing of organic milk at the Australian Organic Dairy Centre in North Geelong to achieve efficiencies and synergies to pass on through the vertically integrated supply chain.”

The Capital Raising was joint lead managed by Ord Minnett Limited and JB Advisory Pty Ltd, and WHA would like to thank them for their support.

Global law firm K&L Gates acted for WHA in its original pre-IPO funding, its IPO / ASX listing and the subsequent capital raisings and investment in the CBDG Joint Venture.

ENDS

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