



Wattle Health Australia Limited
ACN 150 759 363

Prospectus

This Prospectus is being issued for the following Offers:

1. **Entitlement Offer:** a pro-rata non-renounceable entitlement offer to Eligible Shareholders of up to 19,220,786 Entitlement Shares (subject to fractional rounding), at an issue price of 15 cents per Entitlement Share, to raise up to \$2.88 million (before costs), on the basis of 1 Entitlement Share for every 12 Shares held on the Record Date.
2. **Advisor Offer:** an offer of 13.5 million Class A Options (exercisable at 15 cents and expiring on 30 September 2023) and 7.5 million Class B Options (exercisable at 20 cents and expiring 24 months from the date of issue) (together, **Advisor Options**) to the Company's Advisor (and/or its nominee(s)).
3. **Lender Offer:** an offer of 35,195,448 Lender Shares and 23,097,724 Class B Options (**Lender Options**) (exercisable at 20 cents and expiring 24 months from the date of issue) to the Shareholder Lenders (and/or their nominee(s)).
4. **Placement Offer:** an offer of 13,865,143 Class B Options (**Placement Options**) (exercisable at 20 cents and expiring 24 months from the date of issue) to the Placement Investors.
5. **Consideration Offer:** an offer of 13,331,667 Consideration Shares, and the Consideration Options, to the Sellers under the Asset Sale Agreement.
4. **Noteholder Offer:** an offer of up to 23,333,333 Conversion Shares, and 11,666,667 free attaching Class B Options (each exercisable at 20 cents and expiring 24 months from the date of issue) (**Conversion Options**), on the basis of one free attaching Conversion Option issued for every 2 Conversion Shares received), to the Noteholder (and/or its nominee(s)), in conversion of the Note.

LEAD MANAGER
Reach Corporate Pty Ltd
ABN 17 090 611 680
AFSL 333297

CLOSING DATE: 5.00pm AEST on Monday, 7 June 2021

IMPORTANT NOTICE

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). This Prospectus does not, itself, contain all the information that is generally required to be set out in a document of this type, but refers to other documents, the information of which is deemed to be incorporated into this Prospectus. This Prospectus and any such incorporated documents should be read in their entirety before deciding whether to apply for New Securities. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The New Securities offered by this Prospectus should be considered speculative.

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Important Information

This Prospectus is dated 13 May 2021 and was lodged with ASIC on that date. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Shares and Class B Options offered by this Prospectus.

A copy of this Prospectus is available for inspection at the Company's registered office Level 21, 459 Collins Street, Melbourne, Victoria, during normal business hours. The Prospectus will also be made available in electronic form on the Company's website at www.wattlehealth.com.au. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 25).

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offers contemplated by this Prospectus are only available in electronic form to persons receiving an electronic version of this Prospectus within Australia and New Zealand.

The Securities offered by this Prospectus should be considered speculative. Please refer to Part D for details relating to investment risks.

Applications for Securities will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus. If the application is by BPAY® there is no need to return the original Application Form.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of the Offers in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This document is important and should be read in its entirety before deciding to participate in an Offer. This document does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Part D .

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Although the Company's Shares are, as at the date of this Prospectus, suspended from trading on the ASX, the Company continues to be subject to the continuous disclosure regime under the ASX Listing Rules. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act), and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

Definitions of certain terms used in this Prospectus are contained in Part G (Glossary). All references to currency are to Australian dollars and all references to time are to the time in Melbourne, Victoria, Australia, unless otherwise indicated.

Corporate Directory

Directors	Mr George Karafotias (Executive Director) Mr Kobe Li (Non-Executive Director) Mr Eric Jiang (Non-Executive Director)
Company Secretary	Mr Kobe Li
Company Details	Registered Office and Principal Place of Business Address Level 21, 459 Collins Street Melbourne VIC 3000 Telephone +61 3 8399 9419 Website www.wattlehealth.com.au
Stock Exchange Listing	Australian Securities Exchange ASX Code: WHA
Share Registry*	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotford VIC 3067 Telephone: 1300 787 272
Solicitors	Holding Redlich Level 8, 555 Bourke Street Melbourne VIC 3000
Lead Manager	Reach Corporate Pty Ltd Level 8, 525 Flinders Street Melbourne VIC 3000 Telephone: (03) 8080 5795
Auditors*	William Buck Level 20, 181 William Street Melbourne VIC 3000

**These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.*

Indicative Timetable

Event	Date (2021)
Company announces Offers under Listing Rule 3.10.3	Thursday, 13 May
Lodgement of Prospectus and Appendix 3B with ASIC / ASX	Thursday, 13 May
“Ex” Date (date from which Shares commence trading with the entitlement to participate in the Entitlement Offer)	Monday, 17 May
Record Date (date for determining Shareholder entitlements to participate in the Entitlement Offer)	7.00pm (AEST) on Tuesday, 18 May
Prospectus and Application Forms sent to Eligible Applicants and Company announces that this has been completed	Thursday, 20 May
Opening Date of all Offers	Thursday, 20 May
General Meeting to seek BSA Transaction Approvals and other Shareholder Approvals	Friday, 21 May
Last date to extend Closing Date of the Entitlement Offer	Wednesday, 2 June
Closing Date for all Offers	5.00pm (AEST) on Monday, 7 June
Announcement of results of Entitlement Offer	Thursday, 10 June
Completion of Brand Solutions Australia Transaction	Tuesday, 15 June
Issue of New Securities under the Offers, and lodgement of Appendix 2A applying for quotation of the Shares and Class B Options	Tuesday, 15 June
Quotation of Shares and Class B Options and reinstatement of Company’s securities to trading on ASX	Wednesday, 16 June
Dispatch of security holding statements for New Securities issued under Offers	Wednesday, 23 June

The above dates are indicative only and may change without notice, subject to the ASX Listing Rules. The Directors may extend the Closing Date of the Entitlement Offer by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the Securities offered under this Prospectus are expected to be issued and commence trading on ASX may vary. The Company also reserves the right not to proceed with the Offers at any time before the issue of New Securities.

Letter from the Board

Dear Shareholders,

We would like to express our appreciation for your patience and support, through what has been a very challenging time for Wattle Health, especially since the securities of the Company were voluntarily suspended from quotation on the ASX on 2 October 2019.

As Shareholders may be aware, last year the Company's attempts to raise sufficient funds to acquire the additional shares in Blend and Pack Pty Ltd were unsuccessful, due to the impact of the COVID-19 pandemic on capital markets and investor confidence generally.

These challenges were compounded in mid CY 2020 by the administration of our partner Organic Dairy Farmers of Australia Limited, which was a 50% co-shareholder with Wattle in Corio Bay Dairy Group Pty Ltd (**CBDG**), which made the value proposition marginal when also considering the additional capital required to complete the construction of the spray dryer.

It was determined that CBDG would be placed into administration. An orderly sale process was conducted for the sale of the partially completed CBDG organic spray drying facility, which resulted in the sale of the CBDG assets to Korean dairy company Maeil Dairy Co. Ltd (as announced to the ASX on 18 December 2020) for \$13.5 million.

The Company's cash resources have now significantly improved with the interim payment from the CBDG liquidator of \$11.0m, with a further payment to be received on the completion of the administration of CBDG.

As a result of the sale of the CBDG assets, the Board is taking steps to re-position Wattle, and on 13 April 2021 the Company announced that:

- Wattle had signed a binding asset sale agreement to acquire the Brand Solutions Australia and Pharma Solutions Australia businesses subject to a number of conditions including the Company obtaining necessary Shareholder approvals, and the Company's securities being reinstated to trading on the ASX; and
- Wattle intends to change its name to Wellnex Life Limited to better reflect the position and strategy of the company moving forward.

As part of the re-positioning, the Company is also seeking, amongst other things, to strengthen its balance sheet, by:

- Retiring debt, through the conversion of existing debt into Securities in the Company.
- Raising up to \$2.88 million through the issue of new Shares, through a 1-for-12 Entitlement Offer made to Eligible Shareholders of the Company. The Entitlement Offer price is \$0.15 per Share, being the issue price of Shares under the Company's capital raising placement completed on 5 May 2020.

The debt conversion and Entitlement Offer described above are also conditional upon the Company's securities being reinstated to trading on the ASX.

A General Meeting has been convened for Friday, 21 May 2021 to seek the necessary Shareholder approvals for the above matters, and we encourage you to attend and vote at the meeting.

If you are an Eligible Shareholder, you will be eligible to participate in the Entitlement Offer on the terms set out in this Prospectus. Shareholders may request for an electronic copy of their personalised Entitlement Offer Application Form here - <https://wattlehealth.investorportal.com.au/requestforms/>

The Company has appointed Reach Corporate Pty Ltd as Lead Manager to the Entitlement Offer. If you have any questions on the Entitlement Offer, please contact the Lead Manager on advisers@reachmarkets.com.au or (03) 8080 5795.

As always, keep in mind that an investment in Securities in the Company is subject to a wide range of material risks - any of which may impact the value of those Securities in the Company. Some of these main risks are highlighted in Part D of this Prospectus. Before making an investment decision, please carefully read the Prospectus and seek professional advice if required.

In the coming days, Executive Director George Karafotias will be giving an update on behalf of the Board, via a live and interactive online investor briefing where we will discuss the Entitlement Offer and key recent business achievements. **You can register your attendance here -** <https://wattlehealth.investorportal.com.au/shareholderbriefing/>

Once again, the Board thanks for your ongoing support.

On behalf of the Board of Wattle Health Australia Limited:



Kobe Li
Director
13 May 2021

1. Important Information and Investment Overview

1.1 Voluntary suspension from ASX and reinstatement to trading

- (a) At the request of the Company, the securities of the Company have been suspended from quotation on the ASX since 2 October 2019, and remain suspended as at the date of this Prospectus.
- (b) Notwithstanding the voluntary suspension, the Company continues to be subject to the continuous disclosure requirements under the ASX Listing Rules.
- (c) The Company is in consultation with the ASX regarding the reinstatement to trading of the Company's securities on the ASX (**Reinstatement**). The Company intends to satisfy all conditions to Reinstatement that ASX may impose.
- (d) It is expected by the Board that if the Brand Solutions Australia Transaction and all Offers under this Prospectus are successfully implemented, and subject to the Company's compliance with any other reinstatement conditions of ASX, the Company's securities will be reinstated to trading on the ASX.
- (e) The Offers are subject to and conditional upon Reinstatement (**ASX Reinstatement Condition**). If the ASX Reinstatement Condition is not satisfied, the Offers will not proceed, and no Securities will be issued pursuant to this Prospectus. If this occurs, the Company will return the relevant application monies (if any), without interest, in accordance with the Corporations Act.

1.2 Purpose of Prospectus

The primary purpose of this Prospectus is:

- (a) to facilitate the Offers of Securities being made under this Prospectus;
- (b) to raise funds under the Entitlement Offer;
- (c) to satisfy the conditions precedent to, and facilitate completion of, the Brand Solutions Australia Transaction;
- (d) to enable the Securities offered under this Prospectus to be on-sold without disclosure;
- (e) to enable the Shares that are issued upon exercise of the Options offered under this Prospectus to be on-sold without disclosure, pursuant to ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80; and
- (f) to satisfy any of ASX's conditions to Reinstatement, so as for the Company's securities to be Reinstated to trading on the ASX.

1.3 Quotation of Securities offered under Prospectus

- (a) The Company will, within seven days of the date of this Prospectus, apply to ASX for Official Quotation of all Shares and Class B Options offered under this Prospectus, being:
 - (i) the Entitlement Shares under the Entitlement Offer;
 - (ii) the Class B Options under the Advisor Offer;
 - (iii) the Lender Shares and Lender Options under the Lender Offer;

- (iv) the Placement Options under the Placement Offer;
 - (v) the Consideration Shares under the Consideration Offer; and
 - (vi) the Conversion Shares and Conversion Options under the Noteholder Offer,
(together, the **Quoted Securities**).
- (b) There is no assurance that the Company's application for Official Quotation will be granted. If ASX does not grant Official Quotation of the Quoted Securities before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), no Securities will be issued under this Prospectus, and application monies (if any) will be refunded to applicants without interest, within the time prescribed under the Corporations Act.
- (c) The fact that ASX may grant quotation of the Quoted Securities is not to be taken in any way as an indication of the merits of the Company, or the Quoted Securities offered for subscription.
- (d) Quotation of the Company's Securities (including the Quoted Securities offered under this Prospectus) is dependent upon the Company satisfying ASX's conditions to Reinstatement, so as for the Company's securities to be Reinstated to trading on the ASX.

1.4 Shareholder approvals at General Meeting

- (a) The Company will be holding its General Meeting on 21 May 2021. At this meeting, the Company will be seeking the following Shareholder approvals (amongst other things):
- (i) the BSA Transaction Approvals; and
 - (ii) Shareholder approval under Listing Rule 7.1 for the issue of Securities under each of: the Advisor Offer; the Lender Offer; the Placement Offer; and the Noteholder Offer (each a **Shareholder Approval**).
- (b) Shareholders are encouraged to attend and vote at the General Meeting.

1.5 Withdrawal of Offers

The Company reserves the right not to proceed with some or all of the Offers at any time before the issue of the New Securities, or to close the Offers early (subject to the ASX Listing Rules). If some or all of the Offers do not proceed, the Company will return the relevant application monies (if any), without interest, as soon as practicable after giving notice of its withdrawal.

1.6 CHES and Issuer Sponsorship

The Company will not be issuing share or option certificates for the Quoted Securities.

The Company participates in the Clearing House Electronic Sub-Register System, known as CHES, for those investors who have, or wish to have, a sponsoring broker. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Investors will be provided with holding statements (similar to bank statements) that sets out the number of Quoted Securities issued to them under the Prospectus. The notice will also advise

holders of their holder identification number or security holder reference number, and explain the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly holding statements will be sent to holders if there have been any changes to their security holding in the Company during the preceding month. Security holders may request a statement at any other time; however, a charge may be made for additional statements.

1.7 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

Entitlement Offer

The Company believes that it is unreasonable to extend the Entitlement Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Shares that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Entitlement Offer is not being extended and Entitlement Shares will not be issued to Ineligible Foreign Shareholders with a registered address which is outside of Australia or New Zealand.

The Entitlement Shares under the Entitlement Offer are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain. The Entitlement Offer to New Zealand Shareholders is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 6 of the *Corporations Act 2001* and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

Other Offers

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of the Other Offers in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of Securities pursuant to the Offers under this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

1.8 Application Monies held on trust

All Application Monies received for Securities under the Entitlement Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Entitlement Shares are issued. All Application Monies will be refunded (without interest) if the Entitlement Shares are not issued, and each Applicant waives the right to claim interest.

1.9 Prohibition on exceeding 20% voting power threshold

Potential investors must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when applying for Securities offered pursuant to this Prospectus, and exercising Options.

The Company has not appointed a nominee for the purposes of Listing Rule 7.7.1(c) and section 615 of the Corporations Act in respect of the Entitlement Offer.

The Company reserves the right to reject or scale back any application under the Offers which it considers may result in breach of section 606 of the Corporations Act. The Company expressly disclaims any responsibility for monitoring such applications or ensuring that individual investors do not breach section 606 as a result of participation in the Offers or exercise of Options.

Investors that may be at risk of exceeding the 20% voting power threshold in section 606 or increasing their voting power from a position above 20% as a result of application under the Offers or the acquisition of Shares following exercise of Options, should seek professional advice before applying under the Offers or exercising Options (as applicable).

1.10 Overview of the Offers

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Question	Response	Reference
What is being offered?	<p>This Prospectus contains a number of offers of Securities, being:</p> <ul style="list-style-type: none"> ▪ an Entitlement Offer of Entitlement Shares to Eligible Shareholders; ▪ an Advisor Offer of Advisor Options to the Advisor (and/or its nominee(s)); ▪ a Lender Offer of Lender Shares and Lender Options to the Shareholder Lenders (and/or their nominee(s)) in conversion of the Shareholder Loans; ▪ a Placement Offer of Placement Options to the Placement Investors (who participated in the April 2020 Placement); 	Part A

Question	Response	Reference
	<ul style="list-style-type: none"> ▪ a Consideration Offer of Consideration Shares and Consideration Options to the Sellers under the Asset Sale Agreement; and ▪ a Noteholder Offer of Conversion Shares and Conversion Options to the Noteholder (and/or its nominee(s)) in conversion of the Note. 	
Entitlement Offer		
What is the Entitlement Offer?	The Entitlement Offer is a pro-rata non-renounceable entitlement offer to Eligible Shareholders, on the basis of 1 Entitlement Share for every 12 Shares held on the Record Date.	Section 2.1
Am I eligible to participate in the Entitlement Offer?	<p>An Eligible Shareholder, being a person who is eligible to participate in the Entitlement Offer, is a person registered as the holder of Shares on the Record Date, whose registered address is in Australia or New Zealand.</p> <p>The Entitlement Offer is not being extended to any Shareholders whose registered address is outside Australia or New Zealand.</p>	Section 2.1
How many new securities will be issued under the Entitlement Offer?	Under the Entitlement Offer, up to 19,220,786 Entitlement Shares (subject to fractional rounding) will be issued.	Section 2.1
What is the price payable per Entitlement Share?	\$0.15 per Entitlement Share.	Section 2.1
Is the Entitlement Offer underwritten?	<p>The Entitlement Offer is not underwritten.</p> <p>Reach Corporate Pty Ltd has been appointed as Lead Manager of the Entitlement Offer (see Section 26.2 for further details).</p>	Section 2.1
How much will be raised through the Entitlement Offer?	If the Entitlement Offer is fully subscribed, the Company will raise approximately \$2.88 million (before costs), through the issue of approximately 19,220,786 Entitlement Shares.	Section 2.1
How will the proceeds of the Entitlement Offer be used?	<p>The funds raised under the Entitlement Offer will be used:</p> <ul style="list-style-type: none"> ▪ to pay for the costs in connection with the Offers; and ▪ for general working capital purposes. 	Section 3.6
How do I apply under the	There are two ways you can apply for your Entitlement if you are an Eligible Shareholder:	Part B

Question	Response	Reference
Entitlement Offer?	<ul style="list-style-type: none"> ▪ paying your Application Monies via BPAY®, in accordance with the instructions on your personalised Application Form which accompanies this Prospectus, by the Closing Date; or ▪ submitting your completed Application Form and sending it to the Share Registry together with a cheque, bank draft or money order for your Application Monies, so that it is received by no later than the Closing Date. <p>You may accept all or part of your Entitlement.</p>	
Can I sell my Entitlements under the Entitlement Offer?	No. The rights to Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, your Entitlement will lapse.	Section 2.1
Can I apply for additional Shares in excess of my Entitlement?	Yes. Eligible Shareholders who subscribe for their full Entitlement may apply for Additional Shares at the same issue price of \$0.15 under the Shortfall Facility described in Section 2.7. To do this, Eligible Shareholders should follow the instructions on their personalised Application Form which accompanies this Prospectus.	Sections 8.2(b) and 8.4
How will the Shortfall (if any) under the Entitlement Offer be allocated?	The Company reserves the right to scale back any applications for Additional Shares in its absolute and sole discretion, in consultation with the Lead Manager. When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought additional Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.	Section 2.7
Is the Entitlement Offer conditional?	<p>The Entitlement Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied.</p> <p>The Entitlement Offer is not subject to any minimum subscription condition.</p>	Section 1.1(e)
How can further information be obtained?	<ul style="list-style-type: none"> ▪ Contact Computershare Investor Services Pty Limited on 1300 850 505 or +61 (3) 9415 4000 (from outside Australia) at any time between 8:30am and 5:00pm (AEST) Monday to Friday until the Closing Date; ▪ Contact the Lead Manager on (03) 8080 5795 or at advisers@reachmarkets.com.au; or ▪ For advice, actively consult your broker, accountant or other professional adviser 	Section 38

Question	Response	Reference
Advisor Offer		
What is the Advisor Offer?	<p>The Advisor Offer is an offer of 13.5 million Class A Options and 7.5 million Class B Options to the Advisor (and/or its nominee(s)), as consideration for corporate advisory services provided by the Advisor in relation to the Company's Note Financing in October 2020.</p> <p>Each Class A Option has an exercise price of 15 cents, and an expiry date of 30 September 2023.</p> <p>Each Class B Option has an exercise price of 20 cents, and an expiry date 24 months from the date of issue.</p> <p>The Company is seeking Shareholder Approval under Listing Rule 7.1 for the issue of the Advisor Options at the General Meeting.</p>	Sections 3.1, 20 and 21
Who is eligible to participate in the Advisor Offer?	Only the Advisor (and/or its nominee(s)) is entitled to participate in the Advisor Offer.	Section 3.1
Is the Advisor Offer conditional?	The Advisor Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied, and Shareholder Approval (as it relates to the Advisor Offer) being obtained.	Sections 1.1(e) and 1.4(a)(ii)
When will the Advisor Options be issued?	Subject to the above conditions being satisfied, the Company intends to issue the Advisor Options in accordance with the Indicative Timetable.	Section 3.1
Will any funds be raised from the Advisor Offer?	<p>No funds will be raised from the issue of the Advisor Options, as they are being issued as consideration for services provided by the Advisor.</p> <p>Funds will be raised by the Company upon exercise of any of the Advisor Options. If all the Advisor Options are exercised, the Company will raise approximately \$3.53 million. In the event that any funds are raised through the exercise of Advisor Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.</p>	Section 3.6
Lender Offer		
What is the Lender Offer?	<p>The Shareholder Lenders have loaned the Company a total of \$5,542,222, to support the Company's working capital requirements and business activities (Shareholder Loans).</p> <p>The Lender Offer is an offer of the following securities to the Shareholder Lenders (and/or their nominee(s)), which will be issued by the Company in conversion of the Shareholder Loans:</p> <ul style="list-style-type: none"> ▪ an aggregate of 35,195,448 Lender Shares; and ▪ an aggregate of 23,097,724 Lender Options. 	Sections 4.1 and 20

Question	Response	Reference
	<p>Each Lender Option has an exercise price of 20 cents, and an expiry date 24 months from the date of issue.</p> <p>The Company is seeking Shareholder Approval under Listing Rule 7.1 for the issue of the Lender Shares and Lender Options at the General Meeting.</p>	
Who is eligible to participate in the Lender Offer?	Only the Shareholder Lenders (and/or their nominee(s)) are entitled to participate in the Lender Offer.	Section 4.1
Is the Lender Offer conditional?	The Lender Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied, and Shareholder Approval (as it relates to the Lender Offer) being obtained.	Sections 1.1(e) and 1.4(a)(ii)
When will the Lender Shares and Lender Options be issued?	Subject to the above conditions being satisfied, the Company intends to issue the Lender Shares and Lender Options in accordance with the Indicative Timetable.	Section 4.1
Will any funds be raised from the Lender Offer?	<p>No funds will be raised from the issue of the Lender Shares and Lender Options, as they are being issued in conversion of the Shareholder Loans; however, if the Lender Offer is fully subscribed, the Company will be relieved from its obligations to make cash repayments of the Shareholder Loans (totalling \$5,542,000).</p> <p>Funds will be raised by the Company upon exercise of any of the Lender Options. If all the Lender Options are issued and exercised, the Company will raise approximately \$4.62 million. In the event that any funds are raised through the exercise of Lender Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.</p>	Section 4.1
Placement Offer		
What is the Placement Offer?	<p>The Placement Offer is an offer of an aggregate of 13,865,143 Placement Options to the Placement Investors.</p> <p>Each Placement Option has an exercise price of 20 cents, and an expiry date 24 months from the date of issue.</p> <p>The Company is seeking Shareholder Approval under Listing Rule 7.1 for the issue of the Placement Options at the General Meeting.</p>	Section 5.1
Who is eligible to participate in the Placement Offer?	Only those investors who participated in the April 2020 Placement are entitled to participate in the Placement Offer.	Section 5.1

Question	Response	Reference
Is the Placement Offer conditional?	The Placement Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied, and Shareholder Approval (as it relates to the Placement Offer) being obtained.	Sections 1.1(e) and 1.4(a)(ii)
When will the Placement Options be issued?	Subject to the above conditions being satisfied, the Company intends to issue the Placement Options in accordance with the Indicative Timetable.	Section 5.1
Will any funds be raised from the Placement Offer?	<p>No funds will be raised from the issue of the Placement Options, as they are being issued as free attaching options to the Shares (on a 1 for 2 basis) issued under the April 2020 Placement. The Company raised approximately \$4.16 million under the April 2020 Placement.</p> <p>Funds will be raised by the Company upon exercise of any of the Placement Options. If all the Placement Options are exercised, the Company will raise approximately \$2.77 million. In the event that any funds are raised through the exercise of Placement Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.</p>	Section 5.6
Consideration Offer		
What is the Consideration Offer?	<p>The Consideration Offer is an offer of securities to the Sellers, as part consideration for the Company's acquisition of the BSA Businesses under the Asset Sale Agreement.</p> <p>Under the Consideration Offer, the Company will issue the following securities to the Sellers:</p> <ul style="list-style-type: none"> ▪ 13,331,667 Consideration Shares; ▪ the FY22 Consideration Option; ▪ the FY23 Consideration Option; and ▪ the FY24 Consideration Option. 	Sections 6.1 and 22
Who is eligible to participate in the Consideration Offer?	Only the Sellers are entitled to participate in the Consideration Offer.	Section 6.1
Is the Consideration Offer conditional?	<p>The Company is seeking the BSA Transaction Approvals (being Shareholder approval under Listing Rule 7.1 for the issue of the Consideration Shares and Consideration Options, and under Listing Rule 11.1.2 for a change in scale and nature of its activities as a result of the Brand Solutions Australia Transaction) at the General Meeting.</p> <p>The Consideration Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied, the BSA Transaction Approvals</p>	Sections 1.1(e) and 1.4(a)(ii)

Question	Response	Reference
	being obtained, and the satisfaction of all other conditions precedent under the Asset Sale Agreement.	
When will the Consideration Shares and Consideration Options be issued?	Subject to the above conditions being satisfied, the Consideration Shares and Consideration Options will be issued at completion of the Brand Solutions Australia Transaction, in accordance with the Indicative Timetable.	Section 6.1
Will any funds be raised from the Consideration Offer?	No funds will be raised from the issue of the Consideration Shares and Consideration Options (or the issue of Shares underlying the Consideration Options), as they are being issued as part consideration for the Company's acquisition of the BSA Businesses.	Section 6.11
Noteholder Offer		
What is the Noteholder Offer?	<p data-bbox="432 860 1297 1032">In October 2020, the Company issued the Noteholder with the Note under the Note Deed, pursuant to which the Noteholder made available a financing facility to the Company. Pursuant to the Note financing facility, the Company has drawn down a total loan principal amount of \$3,500,000 (being the total subscription price of the Note).</p> <p data-bbox="432 1055 1297 1191">Under the terms of the Note (further detailed in Section 7.2) the Noteholder may elect, subject to Shareholder and other required approvals being obtained, to convert all or part of the amounts owing under the Note:</p> <ul data-bbox="448 1227 1297 1442" style="list-style-type: none"> <li data-bbox="448 1227 1297 1294">▪ into Shares, at a Conversion Price of \$0.15 (Conversion Shares); and <li data-bbox="448 1339 1297 1442">▪ where every 2 Conversion Shares issued will entitle the Noteholder (and/or its nominee(s)) to receive 1 free attaching Conversion Option. <p data-bbox="432 1464 1297 1601">The Company is seeking, at the General Meeting, the required Shareholder Approval under Listing Rule 7.1 for the issue of the maximum number of Conversion Shares and Conversion Options which may be required to be issued upon conversion of the Note.</p> <p data-bbox="432 1624 1297 1872">The Noteholder Offer is an offer to the Noteholder (and/or its nominee(s)) of the maximum number of Conversion Shares and Conversion Options which may be required to be issued upon conversion of the Note. The Noteholder Offer is also being made to facilitate secondary trading of Conversion Shares and Conversion Options issued under this Prospectus (if any), and any Shares issued upon exercise of the Conversion Options, without disclosure.</p> <p data-bbox="432 1895 1297 1984">The number of Conversion Shares and Conversion Options to be issued under the Noteholder Offer will depend on the extent to which the Noteholder elects to convert the Note (if at all).</p>	Sections 7.1 and 7.2)

Question	Response	Reference
	<p>As at the date of this Prospectus, the total loan principal amount owing under the Note is \$3,500,000. If the Noteholder elects to convert the total loan principal amount at the Conversion Price of \$0.15, the maximum number of Conversion Shares and Conversion Options which may be issued to the Noteholder (and/or its nominee(s)) under the Noteholder Offer, is:</p> <ul style="list-style-type: none"> ▪ 23,333,333 Conversion Shares; and ▪ 11,666,667 free attaching Conversion Options, on the basis of 1 free attaching Conversion Option for every 2 Conversion Shares issued. 	
Who is eligible to participate in the Noteholder Offer?	Only the Noteholder (and/or its nominee(s)) is entitled to participate in the Noteholder Offer.	Section 7.1
Is the Noteholder Offer conditional?	The Noteholder Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied, and Shareholder Approval (as it relates to the Noteholder Offer) being obtained.	Sections 1.1(e) and 1.4(a)(ii)
When will the Conversion Shares and Conversion Options be issued?	If the Noteholder elects to convert part or all of the Note, then subject to the above conditions being satisfied, the Company intends to issue the relevant number of Conversion Shares and Conversion Options in accordance with the Indicative Timetable.	Section 7.1
Will any funds be raised from the Noteholder Offer?	<p>No funds will be raised from the issue of any Conversion Shares and Conversion Options, as they will be issued in conversion of part or all (as applicable) of the Note.</p> <p>Pursuant to the Note financing facility, the Company has drawn down a total loan principal amount of \$3,500,000 (being the total subscription price of the Note).</p> <p>Funds will be raised by the Company upon exercise of any of the Conversion Options. If the maximum number of 11,666,667 Conversion Options are issued (where the Note is fully converted), and if all those Conversion Options are exercised, the Company will raise approximately \$2.33 million.</p> <p>In the event that any funds are raised through the exercise of Conversion Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.</p>	Section 7.1
Control effect of Offers		

Question	Response	Reference
What will be the effect of the Offers on the control of the Company?	<p>The effect of the Entitlement Offer on the control of Wattle will depend upon the level of Shareholder participation in the Entitlement Offer and the Shortfall Facility (if relevant) and the identity of Shareholders; and</p> <p>In respect of each other Offer, the control effect will be proportionate to the number of Securities issued to each recipient under each of the Offers.</p>	Section 13

Key risks

What are the key risks of an investment in the Company?	<p>There are many risks associated with an investment in the Company, including relating to the Company's business, its regulatory environment, its financial requirements generally and its proposed acquisition of the BSA Businesses.</p> <p>Wattle currently faces challenges in product development, profile/brand building and market penetration for its products (in both local and overseas markets), but intends to diversify its product range to be able to reach a greater market within the health and wellness segment.</p> <p>These risks will in part turn upon the Company's ability to:</p> <ul style="list-style-type: none"> ▪ develop and market new product lines; ▪ ensure distribution of new product lines; ▪ manage capital expenditure in producing and marketing the products to consumers; and ▪ ensure customer acceptance on the portfolio of products. <p>There are also a number of general risks associated with an investment in the Company, such as:</p> <ul style="list-style-type: none"> ▪ Economic risks; ▪ Market conditions; ▪ COVID-19 pandemic; ▪ Liquidity risk; ▪ Force majeure; ▪ Taxation and government regulations; ▪ Litigation risk; and ▪ Insurance risk. 	Part D
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Part A - Details of the Offers

2. Entitlement Offer

2.1 Details of Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 Entitlement Share for every 12 existing Shares held as at the Record Date of 7.00pm (AEST) on Tuesday, 18 May 2021, at the offer price of \$0.15 per Entitlement Share.

The Entitlement Offer is not underwritten, and there is no minimum subscription condition under the Entitlement Offer.

If the Entitlement Offer is fully subscribed, the Company will issue approximately 19,220,786 Entitlement Shares (subject to fractional rounding), and raise \$2.88 million (before costs).

Eligibility to participate

As explained in Section 1.7, the Entitlement Offer is only being made to Eligible Shareholders, being persons registered as the holder of Shares on the Record Date, whose registered address is in Australia or New Zealand.

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and is therefore able to participate in the Entitlement Offer, or an Ineligible Foreign Shareholder and is therefore unable to participate in the Entitlement Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Foreign Shareholder.

Your Entitlement

The number of Entitlement Shares to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Entitlement Offer Application Form. The Application Form also allows you to apply for New Shares in addition to your Entitlement (refer to Section 8.4 for instructions on how to do this).

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of an Entitlement Share, such fraction will be rounded up to the nearest whole Share.

The rights to Securities under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, your Entitlement will lapse.

2.2 Purpose of the Entitlement Offer

The primary purpose of the Entitlement Offer is to raise funds, of up to \$2.88 million (before costs). The Company proposes to use the proceeds of the Entitlement Offer:

- to pay for the costs in connection with the Offers; and
- for general working capital purposes.

The exact application of the funds raised from the Entitlement Offer may vary at the Directors' discretion.

2.3 Rights attaching to Entitlement Shares

Entitlement Shares issued under the Entitlement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Entitlement Shares (being Shares) is set out in Section 19.

2.4 Quotation of Entitlement Shares

The Company will apply to ASX for Official Quotation of the Entitlement Shares within seven days of the date of this Prospectus.

There is no assurance that the application will be granted. If ASX does not grant Official Quotation of the Entitlement Shares before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), no Entitlement Shares will be issued under this Prospectus. For further information, refer to Section 1.3.

2.5 Entitlement Offer conditional

The Entitlement Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied. There is no minimum subscription condition under the Entitlement Offer.

2.6 Timetable of Entitlement Offer

The Company will accept Application Forms for the Entitlement Offer from the date it dispatches the Prospectus until 5.00pm (AEST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

Subject to the conditions the Entitlement Offer being satisfied, the Entitlement Shares will be issued, and security holding statements for those Entitlement Shares will be dispatched, in accordance with the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Entitlement Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

2.7 Shortfall Facility – Application for Additional Shares

Any Entitlements not taken up may become available as Additional Shares which may be applied for under the Shortfall Facility. Eligible Shareholders (other than Directors and related parties of the Company) who subscribe in full for their Entitlement may, in addition to their Entitlement, apply for Additional Shares under the Shortfall Facility, by completing the accompanying Application Form in accordance with the instructions set out on that form.

It is possible that there will be few or no Additional Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlement Offer that Applicants applying for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for, if so allocated. If a lesser number of Additional Shares is allocated to them than applied for, excess Application Monies will be refunded without interest. The Company reserves the right to scale back any applications for Additional Shares under the Shortfall Facility in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application for Additional Shares, the Company may take into account a number of factors, including the size of

an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.

2.8 Shortfall Offer

The Directors, as permitted under ASX Listing Rule 7.2 exception 3, reserve the right at their discretion to place any Shortfall remaining after the satisfaction of applications for Entitlement Shares by Eligible Shareholders (including applications for Additional Shares under the Shortfall Facility). The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer, and will remain open for up to 3 months after the Closing Date of the Entitlement Offer.

Any investor who is not an Eligible Shareholder at the Record Date and who the Company invites to participate in the Shortfall Offer, will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

Allocation Policy under Shortfall Offer

The Company shall allot and issue any Shortfall Shares under the Shortfall Offer in accordance with the allocation policy set out below:

- (a) The Shortfall Shares will be issued to "Exempt Offerees" (as defined in the Corporations Act), which may include sophisticated investors introduced to the Company by the Lead Manager.
- (b) To the extent that is commercially practicable and taking into account the Company's requirement for funds, the Directors (working in conjunction with the Lead Manager) will endeavour to allot the Shortfall Shares to a spread of investors, in order to mitigate any control effects which may arise from issuing the Shortfall Shares to a single or small number of investors.
- (c) In any event, the allocation will be done in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall Shares under the Shortfall Offer, hold a relevant interest of more than 19.99% of all of the Shares in the Company after the Offers.
- (d) No related party (including the Directors) will be entitled to participate in the Shortfall Offer.
- (e) The Company will not allocate or issue Shares under the Shortfall Offer where it is aware that to do so would result in a breach of the Corporations Act, the ASX Listing Rules or any other relevant regulation or law. Investors wishing to apply for Shares under the Shortfall Offer must consider whether or not the issue of the Shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances.

3. Advisor Offer

3.1 Details of the Advisor Offer

The Company has agreed to issue 13.5 million Class A Options and 7.5 million Class B Options to the Advisor (and/or its nominee(s)), as consideration for corporate advisory services provided by the Advisor in relation to the Company's Note Financing in October 2020.

Each Class A Option has an exercise price of 15 cents, and an expiry date of 30 September 2023.

Each Class B Option has an exercise price of 20 cents, and an expiry date 24 months from the date of issue.

3.2 Separate Offer

The offer of the Advisor Options is a separate offer pursuant to this Prospectus, and only the Advisor (and/or its nominee(s)) is entitled to participate in the Advisor Offer.

3.3 Advisor Offer conditional

The Company is seeking Shareholder Approval under Listing Rule 7.1 for the issue of the Advisor Options at the General Meeting.

The Advisor Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied, and Shareholder Approval (as it relates to the Advisor Offer) being obtained.

Subject to the above conditions being satisfied, the Company intends to issue Advisor Options in accordance with the Indicative Timetable.

3.4 Rights attaching to the Advisor Options

A summary of the rights and liabilities attaching to the Class A Options offered under the Advisor Offer is set out in Section 20.

A summary of the rights and liabilities attaching to the Class B Options offered under the Advisor Offer is set out in Section 21.

3.5 Quotation of Advisor Options

The Company will not apply for Official Quotation of the Class A Options offered under the Advisor Offer.

The Company will apply to ASX for Official Quotation of the Class B Options offered under the Advisor Offer within seven days of the date of this Prospectus.

There is no assurance that the application will be granted. If ASX does not grant Official Quotation of the Class B Options before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), no Advisor Options will be issued under this Prospectus. For further information, refer to Section 1.3.

3.6 Use of funds raised

No funds will be raised from the issue of the Advisor Options, as they are being issued as consideration for services provided by the Advisor.

Funds will be raised by the Company upon exercise of any of the Advisor Options. If all the Advisor Options are exercised, the Company will raise approximately \$3.53 million. In the event that any funds are raised through the exercise of any Advisor Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.

4. Lender Offer

4.1 Details and purpose of Lender Offer

- (a) The Shareholder Lenders have provided the Shareholder Loans (totalling \$5,542,000) to the Company. The Shareholder Loans, which are unsecured and interest-free, were provided by

the Shareholder Lenders to facilitate the Company's working capital requirements, and to fund the Company's business activities.

- (b) Each Shareholder Lender has agreed with the Company, to convert its Shareholder Loan into Lender Shares and Lender Options..
- (c) The purpose of the Lender Offer is to enable the Company to retire a total of \$5,542,000 in debt under the Shareholder Loans, through the issue of an aggregate of 35,195,448 Lender Shares and 23,097,724 Lender Options to the Shareholder Lenders (and/or their nominee(s)) under the Lender Offer, in full satisfaction of the Company's obligations to repay the Shareholder Loans.

4.2 Separate Offer

The Lender Offer is a separate offer pursuant to this Prospectus and only the Shareholder Lenders (and/or their nominees(s)) are entitled to participate in the Lender Offer.

4.3 Lender Offer conditional

The Company is seeking Shareholder Approval under Listing Rule 7.1 for the issue of the Lender Shares and Lender Options at the General Meeting.

The Lender Offer is subject to and conditional upon such Shareholder Approval being obtained, and the ASX Reinstatement Condition being satisfied.

Subject to the above conditions being satisfied, the Company intends to issue the Lender Shares and Lender Options in accordance with the Indicative Timetable.

4.4 Rights attaching to the Lender Shares and Lender Options

The Lender Shares will be issued as fully paid ordinary shares, and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Lender Shares (being fully paid ordinary Shares) is set out in Section 19.

The Lender Options are Class B Options, and each have an exercise price of 20 cents and an expiry date 24 months from the date of issue. A summary of the rights and liabilities attaching to the Lender Options (being Class B Options) is set out in Section 21.

4.5 Quotation of Lender Shares and Lender Options

The Company will apply to ASX for Official Quotation of the Lender Shares and Lender Options within seven days of the date of this Prospectus.

There is no assurance that the application will be granted. If ASX does not grant Official Quotation of the Lender Shares and Lender Options offered pursuant to the Lender Offer before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), no Lender Shares or Lender Options will be issued under this Prospectus. For further information, refer to Section 1.3.

4.6 Use of funds raised

No funds will be raised from the issue of the Lender Shares and Lender Options, as they will be issued in conversion of the Shareholder Loans. If the Lender Offer is fully subscribed, the Company will be relieved from its obligations to make cash repayments of the Shareholder Loans (totalling \$5,542,000).

Funds will be raised by the Company upon exercise of any of the Lender Options. If all the Lender Options are issued and exercised, the Company will raise approximately \$4.62 million. In the event that any funds are raised through the exercise of Lender Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.

5. Placement Offer

5.1 Details of Placement Offer

On 5 May 2020, the Company announced that it had completed a placement of 27,730,286 Shares to sophisticated investors (**Placement Investors**) at 15 cents per Share, raising an aggregate amount of approximately \$4.16 million (**April 2020 Placement**).

The Company proposes to issue free attaching Class B Options (each with an exercise price of 20 cents, and an expiry date 24 months from the date of issue) to the Placement Investors, on the basis of one free Class B Option for every two Shares subscribed for and issued under the April 2020 Placement (**Placement Options**). Where the determination of a Placement Investor's entitlement results in a fraction of a Placement Option, such fraction will be rounded up to the nearest whole number.

Based on the number of Shares issued under the April 2020 Placement, a maximum of 13,865,143 Placement Options (subject to fractional rounding) will be issued to Placement Investors under the Placement Offer.

5.2 Separate Offer

The Placement Offer is a separate offer pursuant to this Prospectus and only the Placement Investors are entitled to participate in the Placement Offer.

5.3 Placement Offer conditional

The Company is seeking Shareholder Approval under Listing Rule 7.1 for the issue of the Placement Options at the General Meeting.

The Placement Offer is subject to and conditional upon such Shareholder Approval being obtained, and the ASX Reinstatement Condition being satisfied.

Subject to the above conditions being satisfied, the Company intends to issue the Placement Options in accordance with the Indicative Timetable.

5.4 Rights attaching to the Placement Options

A summary of the rights and liabilities attaching to the Placement Options (being Class B Options) is set out in Section 21.

5.5 Quotation of Placement Options

The Company will apply to ASX for Official Quotation of the Placement Options within seven days of the date of this Prospectus.

There is no assurance that the application will be granted. If ASX does not grant Official Quotation of the Placement Options offered pursuant to the Placement Offer before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), no Placement Options will be issued under this Prospectus. For further information, refer to Section 1.3.

5.6 Use of funds raised

No funds will be raised from the issue of the Placement Options, as they are being issued as free attaching options to the Shares (on a 1 for 2 basis) issued under the April 2020 Placement. The Company raised approximately \$4.16 million under the April 2020 Placement.

Funds will be raised by the Company upon exercise of any of the Placement Options. If all the Placement Options are exercised, the Company will raise approximately \$2.77 million. In the event that any funds are raised through the exercise of Placement Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.

6. Consideration Offer

6.1 Brand Solutions Australia Transaction

As announced to the ASX on 13 April 2021, the Company and its wholly owned subsidiary (**WHA Subsidiary**) have entered into an asset sale agreement (**Asset Sale Agreement**) for the acquisition of the Brand Solutions Australia and Pharma Solutions Australia businesses (**BSA Businesses**) from Siebelco Pty Ltd and Ecopure Health Pty Ltd (collectively, the **Sellers**) (**Brand Solutions Australia Transaction**).

The terms of the Asset Sale Agreement are described in Section 26.1.

6.2 Details of Consideration Offer

Under the Asset Sale Agreement, the Company has agreed to issue the following Consideration Shares and Consideration Options to the Sellers, as part consideration for the acquisition of the BSA Businesses:

- (a) 13,331,667 Consideration Shares at a deemed issue price of 15 cents per Share;
- (b) the FY22 Consideration Option, which is convertible into Shares as part of the deferred earn out consideration payable for the FY22 Earn Out Period;
- (c) the FY23 Consideration Option, which is convertible into Shares as part of the deferred earn out consideration payable for the FY23 Earn Out Period; and
- (d) the FY24 Consideration Option, which is convertible into Shares as part of the deferred earn out consideration payable for the FY24 Earn Out Period.

6.3 Shareholder approval required under Listing Rule 11.1

- (a) Listing Rule 11.1 provides that if an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to the ASX as soon as practicable, and in any event, before making the change.
- (b) In response to a submission made by the Company to the ASX under Listing Rule 11.1, ASX has advised that, based on the information provided by the Company:
 - (i) ASX requires the Company to obtain Shareholder approval under Listing Rule 11.1.2, for a change in scale and nature of its activities as a result of the Brand Solutions Australia Transaction; and

- (ii) ASX will not exercise its discretion under Listing Rule 11.1.3 to require the Company to re-comply with Chapters 1 and 2 of the Listing Rules in relation to the Brand Solutions Australia Transaction.

6.4 Conditions precedent to completion of Brand Solutions Australia Transaction

- (a) Completion of the Brand Solutions Australia Transaction under the Asset Sale Agreement is subject to a number of conditions precedent being satisfied, including:
 - (i) the Company's lodgement of a prospectus which includes an offer of the Consideration Shares to the Sellers;
 - (ii) Reinstatement of the Company's securities to trading on the ASX; and
 - (iii) the Company having obtained the requisite Shareholder approvals for completion of the Brand Solutions Australia Transaction, and the issue of the Consideration Shares and Consideration Options to the Sellers.
- (b) In order to satisfy the conditions precedent to the Brand Solutions Australia Transaction:
 - (i) the Company is lodging this Prospectus, which includes the Consideration Offer;
 - (ii) the Company is seeking Reinstatement of its securities to trading on the ASX (refer to Section 1.1); and
 - (iii) the Company is seeking the following Shareholder approvals at its General Meeting on 21 May 2021:
 - (A) Shareholder approval under Listing Rule 11.1.2 for a change in scale and nature of its activities as a result of the Brand Solutions Australia Transaction; and
 - (B) Shareholder approval under Listing Rule 7.1 for the issue of the Consideration Shares and Consideration Options to the Sellers,(together, the **BSA Transaction Approvals**).

6.5 Purpose of Consideration Offer

The primary purpose of the Consideration Offer under this Prospectus is:

- (a) to satisfy the relevant conditions precedent to the Brand Solutions Australia Transaction;
- (b) to facilitate the offer of the Consideration Shares and Consideration Options to the Sellers;
- (c) to enable the Consideration Shares offered under this Prospectus to be on-sold without disclosure; and
- (d) to enable the Shares that are issued upon exercise of the Conversion Options offered under this Prospectus to be on-sold without disclosure, pursuant to ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

6.6 Separate Offer

The Consideration Offer is a separate offer pursuant to this Prospectus and only the Sellers are entitled to participate in the Consideration Offer.

6.7 Consideration Offer conditional

The Consideration Offer is subject to and conditional upon the ASX Reinstatement Condition being satisfied, the BSA Transaction Approvals being obtained, and the satisfaction of all other conditions precedent under the Asset Sale Agreement.

Subject to the above conditions being satisfied, the Consideration Shares and Consideration Options will be issued at completion of the Brand Solutions Australia Transaction, in accordance with the Indicative Timetable.

6.8 Rights attaching to the Consideration Shares and Consideration Options

The Consideration Shares will be issued as fully paid ordinary shares, and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Consideration Shares (being fully paid ordinary Shares) is set out in Section 19.

A summary of the rights and liabilities attaching to the Consideration Options is set out in Section 22.

6.9 Escrow of Consideration Shares

- (a) All Consideration Shares will be subject to voluntary escrow for a period of 12 months commencing on their date of issue (**Share Escrow Period**).
- (b) During the Share Escrow Period, the holders of Consideration Shares must not do any of the following in respect of their Consideration Shares:
 - (i) dispose of, or agree or offer to dispose of, the relevant Consideration Shares;
 - (ii) create or agree or offer to create, any encumbrance over the relevant Consideration Shares unless the Company provides prior written consent, and the holder of the encumbrance agrees to comply with the escrow provisions as if it were the holder of the Consideration Shares;
 - (iii) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the relevant Consideration Shares; or
 - (iv) participate in a return of capital undertaken by the Company.
- (c) The escrow restrictions will cease to apply if, during any Share Escrow Period, Zlatko Bozinovski (the founder of the BSA Businesses and controller of the Sellers) ceases to be a director of the Company for any reason other than as a result of his resignation; his disqualification as director; a felony or crime involving fraud or any other act or omission involving dishonesty; his serious and wilful misconduct, gross negligence or breach of law; or his persistent failure to properly perform his duties as a director.
- (d) The escrow restrictions on Consideration Shares do not apply to any disposal which arises as a result of:
 - (i) the acceptance of a bona fide takeover offer in respect of the relevant Consideration Shares;
 - (ii) the transfer or cancellation of the relevant Consideration Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act;

- (iii) participation in an equal access share buy-back, equal capital return or equal capital reduction, in each case made in accordance with the Corporations Act; or
- (iv) if the disposal is required by applicable law,

provided that, if for any reason any or all Consideration Shares are not transferred or cancelled in accordance with a takeover offer, scheme of arrangement or other transaction described above, the escrow restrictions will continue to apply to all Consideration Shares not so transferred or cancelled.

6.10 Quotation of Consideration Shares and Consideration Options

The Company will not apply for Official Quotation of the Consideration Options.

The Company will apply to ASX for Official Quotation of the Consideration Shares within seven days of the date of this Prospectus.

There is no assurance that the application will be granted. If ASX does not grant Official Quotation of the Consideration Shares offered pursuant to the Consideration Offer before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), no Consideration Shares will be issued under this Prospectus. For further information, refer to Section 1.3.

6.11 Use of funds raised

No funds will be raised from the issue of the Consideration Shares and Consideration Options (or from the issue of Shares upon exercise of the Conversion Options), as they are being issued as part consideration for the Company's acquisition of the BSA Businesses.

7. Noteholder offer

7.1 Details of the Noteholder Offer

- (a) In October 2020, the Company issued the Noteholder with the Note under the Note Deed, pursuant to which the Noteholder made available a financing facility to the Company.
- (b) Pursuant to the Note financing facility, the Company has drawn down a total loan principal amount of \$3,500,000 (being the total subscription price of the Note).
- (c) Under the terms of the Note (further detailed in Section 7.2), the Noteholder may elect, subject to Shareholder and other required approvals being obtained, to convert all or part of the amounts owing under the Note:
 - (i) into Conversion Shares, at a Conversion Price of \$0.15; and
 - (ii) where every 2 Conversion Shares issued will entitle the Noteholder (and/or its nominee(s)) to receive 1 free attaching Class B Option (with an exercise price of 20 cents, and an expiry date 24 months from the date of issue) (**Conversion Option**).
- (d) The Company is seeking, at the General Meeting, the required Shareholder Approval under Listing Rule 7.1 for the issue of the maximum number of Conversion Shares and Conversion Options which may be required to be issued upon conversion of the Note.
- (e) The Noteholder Offer is an offer to the Noteholder (and/or its nominee(s)) of the maximum number of Conversion Shares and Conversion Options which may be required to be issued upon conversion of the Note.

- (f) The number of Conversion Shares and Conversion Options to be issued under the Noteholder Offer will depend on the extent to which the Noteholder elects to convert the Note (if at all).
- (g) As at the date of this Prospectus, the total loan principal amount owing under the Note is \$3,500,000. If the Noteholder elects to convert the total loan principal amount at the Conversion Price of \$0.15, the maximum number of Conversion Shares and Conversion Options which may be issued to the Noteholder (and/or its nominee(s) under the Noteholder Offer, is:
 - (i) 23,333,333 Conversion Shares; and
 - (ii) 11,666,667 free attaching Conversion Options, on the basis of 1 free attaching Conversion Option for every 2 Conversion Shares issued.

7.2 Summary of Note terms

The terms of the Note are governed by the Note Deed between Company and the Noteholder. The key terms of the Note are as follows:

- (a) **(Repayment Date)** The Repayment Date of the Note is 9 October 2021.
- (b) **(Interest)** Interest accrues on the outstanding amount under the Note, at a rate of 12% per annum. Accrued interest is payable every 90 days during the term of the Note.
- (c) **(Fees payable)** Under the terms of the Note, the Company has paid an arrangement fee of \$240,000 to the Advisor (a related entity of the Noteholder, who facilitated the Note Financing). As further consideration for its services in respect of the Note Financing, the Company is required to issue the Advisor with the Advisor Options.
- (d) **(Redemption)** If all or part of the Note has not been converted by the Repayment Date (or upon an earlier event of default), the Company must redeem the outstanding amount under the Note in cash.

7.3 Separate Offer

The Noteholder Offer is a separate offer pursuant to this Prospectus and only the Noteholder (and/or its nominees(s)) is entitled to participate in the Noteholder Offer.

7.4 Noteholder Offer conditional

The Company is seeking, at the General Meeting, the required Shareholder Approval under Listing Rule 7.1 for the issue of the maximum number of Conversion Shares and Conversion Options which may be required to be issued upon conversion of the Note.

The Noteholder Offer is subject to and conditional upon the ASX Reinstatement Condition, and Shareholder Approval (as it relates to the Noteholder Offer) being obtained.

If the Noteholder elects to convert part or all of the Note, then subject to the above conditions being satisfied, the Company intends to issue the relevant number of Conversion Shares and Conversion Options in accordance with the Indicative Timetable.

7.5 Rights attaching to the Conversion Shares and Conversion Options

The Conversion Shares will be issued as fully paid ordinary shares, and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Conversion Shares (being fully paid ordinary Shares) is set out in Section 19.

The Conversion Options are Class B Options, and each have an exercise price of 20 cents and an expiry date 24 months from the date of issue. A summary of the rights and liabilities attaching to the Conversion Options (being Class B Options) is set out in Section 21.

7.6 Quotation of Conversion Shares and Conversion Options

The Company will apply to ASX for Official Quotation of the Conversion Shares and Conversion Options within seven days of the date of this Prospectus.

There is no assurance that the application will be granted. If ASX does not grant Official Quotation of the Conversion Shares and Conversion Options offered pursuant to the Noteholder Offer before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), no Conversion Shares or Conversion Options will be issued under this Prospectus. For further information, refer to Section 1.3.

7.7 Use of funds raised

No funds will be raised from the issue of any Conversion Shares and Conversion Options, as they will be issued in conversion of part or all (as applicable) of the Note.

Pursuant to the Note financing facility, the Company has drawn down a total loan principal amount of \$3,500,000 (being the total subscription price of the Note).

Funds will be raised by the Company upon exercise of any of the Conversion Options. If the maximum number of 11,666,667 Conversion Options are issued (where the Note is fully converted), and if all those Conversion Options are exercised, the Company will raise approximately \$2.33 million.

In the event that any funds are raised through the exercise of Conversion Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.

Part B - Applications under Offers

8. Entitlement Offer

8.1 Applications under the Entitlement Offer

The Company will send this Prospectus, together with a personalised Application Form, to all Eligible Shareholders. An Eligible Shareholder's Entitlement will be set out in their personalised Application Form accompanying this Prospectus.

Eligible Shareholders will be entitled to subscribe for 1 Entitlement Share for every 12 Shares held as at the Record Date.

If you have more than one holding of Shares, you will receive more than one set of Offer documents (being the Prospectus and Application Form), and you will have a separate Entitlement for each holding.

8.2 Options available to Eligible Shareholders

If you are an Eligible Shareholder, you may:

- (a) take up all of your Entitlement (see Section 8.3 for instructions on how to do this);
- (b) in addition to applying for all of your Entitlement, apply for Additional Shares under the Shortfall Facility described in Section 2.7 (see Section 8.4 for instructions on how to do this);
- (c) take up part of your Entitlement and allow the balance of your Entitlement to lapse (see Section 8.3 for instructions on how to do this); or
- (d) allow all of your Entitlement to lapse (see Section 8.8).

8.3 Acceptance of Entitlement in full or in part

Your Entitlement to participate in the Entitlement Offer will be determined on the Record Date. The number of Entitlement Shares to which you are entitled will be shown on your personalised Application Form. Your Application Form will allow you to apply for less Entitlement Shares than your Entitlement.

You may take up all or part of your Entitlement by submitting an Application in accordance with the instructions contained in Section 8.5 by no later than 5.00pm (AEST) on the Closing Date.

8.4 Applying for Additional Shares

Eligible Shareholders who subscribe for their full Entitlement may apply for Additional Shares under the Shortfall Facility described in Section 2.7. To do this, Eligible Shareholders should enter the number of Additional Shares they wish to apply for at the bottom of the Application Form where it states "Number of additional New Shares applied for".

The Application Form and Application Monies (including Application Monies for the Additional Shares applied for under the Shortfall Facility) must be submitted in accordance with the instructions contained in Section 8.5 by no later than 5.00pm (AEST) on the Closing Date.

The amount of Application Monies that Eligible Shareholders submit with their Application Forms or pay via BPAY® must be equal to the issue price per New Share (\$0.15) multiplied by the total number of New Shares applied for (including Additional Shares).

There is no guarantee that an Eligible Shareholder will receive Additional Shares and the Directors do not represent that any Applications for Additional Shares will be successful. By applying under the Shortfall Facility, you agree to accept a lesser number of Additional Shares than that applied for in your Application Form. If the number of Additional Shares allotted to an Eligible Shareholder is less than the number applied for by that Eligible Shareholder, surplus Application Monies will be refunded in full. Interest will not be paid on monies refunded.

8.5 Payment options

Payment of Application Monies (Application Monies must be equal to the issue price per New Share of \$0.15 multiplied by the total number of New Shares applied for, including Additional Shares) will only be accepted in Australian currency. Applications will be deemed not to have been received until the Company is in receipt of cleared funds of the relevant Application Monies.

You may pay your Application Monies via BPAY®, or by cheque, bank draft or money order, in accordance with the instructions below and on the Application Form. Applicants are encouraged to pay by BPAY®.

Shareholders are requested not to forward cash as cash payment will not be accepted. Receipts for payment will not be provided. Neither the Company nor the Share Registry accepts any responsibility if you lodge your Application Form and payment at any other address or by any means other than those detailed in this Prospectus and in the Application Form.

If the amount of Application Monies provided is insufficient to pay in full for the number of New Shares including any Additional Shares you applied for, or is more than the number of New Shares including any Additional Shares you applied for, then you will be taken to have applied for such whole number of New Shares including any Additional Shares which is covered in full by your Application Monies. Alternatively, the Company may in its discretion reject your Application, in which case any Application Monies will be refunded to you, without interest.

8.6 Payment via BPAY®

If you elect to pay your Application Monies by BPAY®, which is highly recommended, it is not necessary to return the Application Form. Your payment must be received by the Share Registry before 5.00pm (AEST) on the Closing Date.

To pay via BPAY®, you must use the specific biller code and Customer Reference Number detailed on your personalised Application Form.

If you have multiple holdings you will have multiple Customer Reference Numbers. To ensure you receive New Securities in respect of the correct holding, you must use the specific biller code and the Customer Reference Number shown on each personalised Application Form when paying for any New Shares that you wish to accept in respect of that holding.

If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have accepted the New Shares to which that Customer Reference Number applies and any excess amount will be treated as an application for Additional Shares on that holding.

You should be aware that your own financial institution may implement earlier cut off times with regards to electronic payment and it your responsibility to ensure that funds are submitted through BPAY® by the Closing Date. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

8.7 Payment via cheque, bank draft or money order

If you wish to pay your Application Monies via cheque, bank draft or money order, you must return your completed personalised Application Form along with your Application Monies, as follows:

- (a) complete your personalised Application Form;
- (b) attach your payment of Application Monies, which must be drawn on an Australian bank or an Australian branch of a financial institution and be made payable in Australian currency;
- (c) address the cheque, bank draft or money order to 'Wattle Health Australia Limited' and cross 'Not Negotiable'; and
- (d) return the completed Application Form and Application Monies payment by no later than 5.00pm (AEST) on the Closing Date to the Company's Share Registry (by post) at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3000

8.8 Entitlements not taken up

If you do not wish to accept any of your Entitlement under the Entitlement Offer, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement. Your shareholding in the Company however, will be diluted.

9. Applications under Other Offers

9.1 Applications under Advisor Offer

The Advisor Offer is an offer to the Advisor (and/or its nominee(s)) only. Only the Advisor (and/or its nominee(s)) may apply for Advisor Options under the Advisor Offer.

A personalised Advisor Offer Application Form will be issued to the Advisor (and any of its nominees), together with a copy of this Prospectus. Completed Advisor Offer Application Forms must be mailed or delivered to the address set out on the Advisor Offer Application Form, so that they are received by no later than the Closing Date.

9.2 Applications under Lender Offer

The Lender Offer is an offer to the Shareholder Lenders (and/or their nominee(s)) only. Only the Shareholder Lenders (and/or their nominee(s)) may apply for Securities under the Lender Offer.

A personalised Lender Offer Application Form will be issued to the Shareholder Lenders (and any of their nominees), together with a copy of this Prospectus. Completed Lender Offer Application Forms must be mailed or delivered to the address set out on the Lender Offer Application Form, so that they are received by no later than the Closing Date.

9.3 Applications under Placement Offer

The Placement Offer is an offer to the Placement Investors only. Only the Placement Investors may apply for Placement Options under the Placement Offer.

A personalised Placement Offer Application Form will be issued to the Placement Investors, together with a copy of this Prospectus. Completed Placement Offer Application Forms must be mailed or delivered to the address set out on the Placement Offer Application Form, so that they are received by no later than the Closing Date.

9.4 Applications under Consideration Offer

The Consideration Offer is an offer to the Sellers only. Only the Sellers may apply for Securities under the Consideration Offer.

A personalised Consideration Offer Application Form will be issued to the Sellers, together with a copy of this Prospectus. Completed Consideration Offer Application Forms must be mailed or delivered to the address set out on the Consideration Offer Application Form, so that they are received by no later than the Closing Date.

9.5 Applications under Noteholder Offer

The Noteholder Offer is an offer to the Noteholder (and/or its nominee(s)) only. Only the Noteholder (and/or its nominee(s)) may apply for Securities under the Noteholder Offer.

A personalised Noteholder Offer Application Form will be issued to the Noteholder (and any of its nominees), together with a copy of this Prospectus. Completed Noteholder Offer Application Forms must be mailed or delivered to the address set out on the Noteholder Offer Application Form, so that they are received by no later than the Closing Date.

10. Effect of Application

10.1 Submission of Application

Applications under the Offers must be made using the relevant Application Form. Investors should note that by completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company. The Application Form does not need to be signed to be a binding application for Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Board's decision as to whether to treat the Application Form as valid and how to construe, amend or complete the Application Form, is final.

By completing and returning your Application Form with the requisite Application Monies (if applicable), or making a payment via BPAY®, you will be deemed to have:

- (a) represented and warranted that you are an Eligible Applicant for the relevant Offer;
- (b) represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;

- (c) agreed to be bound by the terms of the relevant Offer;
- (d) declared that all details and statements in the Application Form are complete and accurate;
- (e) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (f) authorised the Company and its respective officers or agents, to do anything on your behalf necessary for the Securities to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (g) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the Securities are suitable for you given your investment objectives, financial situation or particular needs;
- (h) acknowledged the statement of risks in Part D and that an investment in the Company is subject to risk;
- (i) authorised the Company to place your name on the Company's register in respect of the Securities issued to you under the relevant Offer, and agreed to be bound by the Company's constitution in respect of those Securities; and
- (j) acknowledged that the Securities offered under this Prospectus have not, and will not be, registered under the securities laws in any jurisdictions outside Australia.

10.2 Enquiries concerning an Application Form or your Entitlement

For all enquiries please contact the Lead Manager on (03) 8080 5795 or at advisers@reachmarkets.com.au.

Part C - Effect of the Offers

11. Effect of Offers on Wattle's capital structure

11.1 Current capital structure of Wattle

As at the date of this Prospectus, the Company has 230,649,436 Shares on issue. The Company does not have any other securities on issue as at the date of this Prospectus.

11.2 Effect of Offers on Wattle's capital structure

Assuming that the maximum number of Securities are fully subscribed for and issued under the Offers, the capital structure of the Company will be as follows:

Particulars	Shares	Class A Options ¹	Class B Options ²	Consideration Options ³
On issue at the date of this Prospectus	230,649,436	0	0	0
To be issued under Entitlement Offer	19,220,786 ⁴	0	0	0
To be issued under Advisor Offer	0	13,500,000	7,500,000	0
To be issued under Lender Offer	35,195,448	0	23,097,724	0
To be issued under Placement Offer	0	0	13,865,143	0
To be issued under Consideration Offer	13,331,667	0	0	3
To be issued under Noteholder Offer ⁵	23,333,333	0	11,666,667	1
TOTAL	321,730,670	13,500,000	56,129,534	3

¹ The terms of the Class A Options are set out in Section 20.

² The terms of the Class B Options are set out in Section 21.

³ The terms of the Consideration Options are set out in Section 22. The Consideration Options are exercisable into Shares. The number of Shares underlying the Consideration Options is not currently known, as this number will depend on the Earn Out Amounts (if any) which will be payable in respect of each Earn Out Period. However, the maximum number of Shares that may be issued to the Sellers in total is capped at the Consideration Share Cap.

⁴ This number (which is subject to rounding for fractional entitlements) assumes that the Entitlement Offer is fully subscribed, and that no Securities are issued prior to the Record Date.

⁵ Represents the maximum number of Conversion Shares and Conversion Options which may be issued, upon full conversion of the Debt Note. The number of Conversion Shares and Conversion Options to be issued under the Noteholder Offer will depend on the extent to which the Noteholder elects to convert the Debt Note (if at all).

12. Pro forma consolidated statement of financial position

Set out below for illustrative purposes is:

- (a) the audit-reviewed (but unaudited) consolidated statement of financial position of the Company as at 31 December 2020 (**Balance Date**);
- (b) the unaudited significant changes since the Balance Date;
- (c) the unaudited effects of the Offers (assuming completion of the Brand Solutions Australia Transaction, and that the maximum number of Securities are fully subscribed for and issued under the Offers); and
- (d) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraphs (b) and (c).

The statements of financial position have been prepared to provide investors with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted below. The historical and pro forma information is presented in abbreviated form and does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

Adjustment note	Note	Wattle Health Australia Limited @ 31 December 2020	BSA @ 31 December 2020	Pro-forma adjustments	After completion of Offers and BSA Transaction
		AUD '000s	AUD '000s	AUD '000s	AUD '000s
		Reviewed			
Current assets					
Cash and cash equivalents	1	110	112	8,213	8,435
Trade and other receivables		12,456	2,000	(13,000)	1,456
Inventory		1,152	2,488	(2,488)	1,152
Investments		0	0	0	0
Prepayments and other		37	0	0	37
Total current assets		13,755	4,600	(7,275)	11,080
Non-current assets					
Other financial assets		1,100	0	0	1,100
Property, plant and equipment		0	6	0	6
Right-of-use assets		145	0	0	145
Intangibles and Other		487	0	0	487
Total non-current assets		1,732	6	0	1,738
Total assets		15,487	4,606	(7,275)	12,818
Liabilities					
Current liabilities					
Trade and other payables	2	1,881	3,898	(5,779)	0
Borrowings	2	8,042	600	(8,642)	0
Lease Liabilities		36	0	0	36

Employee benefit provisions		59	11	0	70
Total current liabilities		10,018	4,509	(14,421)	106
Non-current liabilities					
Borrowings		0	0	0	0
Lease Liabilities		118	0	0	118
Employee benefit provisions		16	0	0	16
Total non-current liabilities		134	0	0	134
Total liabilities		10,152	4,509	(14,421)	240
Net assets		5,335	97	7,146	12,578
Equity					
Issued capital		91,726	1	11,922	103,649
Reserves		0	0	0	0
(Accumulated losses) / retained earnings		(86,309)	96	(4,776)	(90,989)
Equity attributable to the owners of Wattle Health Australia Limited		5,417	97	7,146	12,660
Non-controlling interest		(82)	0	0	(82)
Total equity		5,335	97	7,146	12,578

Notes to the pro-forma Statement of Financial Position

Note 1 – Cash

	AUD '000s
Cash position of Group before pro-forma adjustments	222
Effect of pro forma adjustments	
CBDG distribution (1)	11,000
Cash consideration payable upon completion of BSA acquisition (2)	(2,750)
BSA acquisition completion adjustment amounts (2), (3)	(590)
BSA debt amount (2)	(500)
Accounts payable	(1,481)
Funds raised under Entitlement Offer	2,880
Costs of Offers	(346)
Total pro forma adjustments	8,213
Total Cash	8,435

- (1) Interim distribution received from CBDG's liquidator for the sale of CBDG assets
- (2) The upfront cash consideration payable by the Company at completion of the BSA acquisition is:
 - a. \$2.75 million in cash (plus or minus completion adjustments – see item 3 below); and
 - b. up to \$500,000 in cash to repay existing debt of the BSA Businesses.
- (3) BSA acquisition completion adjustment amounts are estimated as follows:

	AUD '000s
Trade and Other Receivables	2,000
Inventory	2,488
Minus Trade and Other Payables	(3,898)
Total	590

Note 2 – Trade and Other Payables & Borrowings

	AUD '000s
Balance before pro-forma adjustments	
Trade and other payables	5,779
Shareholder Loans	5,642
Note financing (4)	3,000
Total	14,421
Effects on pro forma adjustments	
BSA Adjustment Trade and Other Payables	(3,898)
Accounts Payable	(1,381)
Shareholder Loans/Others Payable – Conversion to equity	(5,542)
Note financing – Conversion to equity (4), (5)	(3,000)
Elimination of BSA Loan	(600)
Total pro-forma Adjustments	(14,421)

- (4) As at 31 December 2020, the loan amount drawn down under the Note was \$3,000,000. Subsequent to 31 December 2020, the Company drew down a further \$500,000 under the Note, bringing the total loan principal amount of the Note to \$3,500,000 as at the date of this Prospectus.
- (5) Assumes full (and not partial) conversion of Note.

13. Effect of Offers on control of the Company and dilution

13.1 Control effect of Entitlement Offer

The effect of the Entitlement Offer on the control of Wattle will depend upon a number of factors including:

- (a) the level of Shareholder participation in the Entitlement Offer and the identity of Shareholders who participate in the Entitlement Offer;
- (b) if applicable, the level of Shareholder participation in the Shortfall Facility and the identity of Shareholders who participate in the Shortfall Facility; and
- (c) if applicable, the level of investor participation in the Shortfall Offer and the identity of investors who participate in the Shortfall Offer.

The following can be said about the potential effect of the Entitlement Offer on the control of Wattle:

- (d) If every Eligible Shareholder was to take up their full Entitlement, there would be a minimal effect on the control of Wattle (having regard to the small shareholdings of Ineligible Foreign Shareholders), as the Entitlement Offer is made pro-rata and in that case there would not be any scope for any Shareholder to apply for Additional Shares under the Shortfall Facility, or for any other investors to participate in the Shortfall Offer;
- (e) The effect of the Entitlement Offer on the control of Wattle will be limited by the 20% voting threshold under the general takeovers prohibition in section 606 of the Corporations Act. The Company has not appointed a nominee for the purposes of section 615 of the Corporations Act in respect of the Entitlement Offer. Accordingly, participation in the Entitlement Offer is subject to the 20% voting threshold under the general takeovers prohibition in section 606 of the Corporations Act, and no person will be permitted to acquire Entitlement Shares in reliance on the 'rights issue' exception (in item 10, section 611 of the Corporations Act) to the general takeovers prohibition set out in section 606 of the Corporations Act.
- (f) Even where the Entitlement Offer is significantly undersubscribed by Eligible Shareholders, with the result that a large number of Shortfall Shares reverts to the Shortfall Offer, the effect of any such Shortfall Offer on the control of Wattle is likely to be limited by the allocation policy described in Section 2.8, which is designed to mitigate potential control effects of any Shortfall Offer.

13.2 Shareholder dilution effect of Entitlement Offer

If you are an Eligible Shareholder and subscribe for your full Entitlement under the Entitlement Offer, you will not be diluted as a result of the Entitlement Offer.

If you are an Ineligible Foreign Shareholder, or an Eligible Shareholder who does not exercise your full Entitlement under the Entitlement Offer, your holdings will be diluted as a result of the Entitlement Offer (as compared to your holdings and number of Shares on issue as at the date of the Prospectus).

The table below demonstrates the dilutionary impact of the Entitlement Offer on Shareholders under the following scenarios:

- (a) where a Shareholder subscribes for no Entitlement Shares (including where the Shareholder is an Ineligible Foreign Shareholder);
- (b) where a Shareholder subscribes for 25% of its full Entitlement; and
- (c) where a Shareholder subscribes for 50% of its full Entitlement.

Shareholding as at Record Date		Entitlement under Entitlement Offer (1 for 12)	Shareholding after Entitlement Offer if 0% Entitlement accepted		Shareholding after Entitlement Offer if 25% Entitlement accepted		Shareholding after Entitlement Offer if 50% Entitlement accepted	
Number	%		Number	%	Number	%	Number	%
30,000,000	13.01	2,500,000	30,000,000	12.01	30,625,000	12.26%	31,250,000	12.51%
10,000,000	4.34	833,334	10,000,000	4.00	10,208,333	4.09%	10,416,667	4.17%
5,000,000	2.17	416,667	5,000,000	2.00	5,104,167	2.04%	5,208,333	2.08%

The table above assumes that:

- (d) the Company has 230,649,436 Shares on issue as at the Record Date (being the number of Shares on issue as at the date of the Prospectus)
- (e) the Entitlements not taken up are issued under the Shortfall Facility and/or Shortfall Offer, such that the maximum number of Entitlement Shares available under the Entitlement Offer are issued.
- (f) no further Shares (other than under the Entitlement Offer) are issued. The table above does not include the Shares to be issued under the Other Offers, and does not factor in the dilutionary impact of those Other Offers.

In the event that all Entitlements are not accepted, and some or all of the resulting Shortfall was not subsequently placed under the Shortfall Facility or Shortfall Offer, the dilution effect for each Shareholder not accepting their full Entitlement would be a lesser percentage.

13.3 Control effect of Other Offers

The table below explains the potential effects of the Other Offers on the control of Wattle, by demonstrating the impact of the Offers on the Shareholdings of Eligible Applicants under the Other Offers. The table below is based on the following assumptions:

- (a) the maximum number of Securities are fully subscribed for and issued under all the Offers;
- (b) the Note is fully converted, and the maximum number of Conversion Shares and Conversion Options are issued under the Noteholder Offer;
- (c) no other Securities are issued after the date of this Prospectus, other than under the Offers;
- (d) the Securities under the Other Offers are issued to the Eligible Applicants of those Offers (and not their nominees) (**Recipients**), and the Recipients:
 - (i) do not dispose of or acquire any Securities after the date of this Prospectus (other than under the Other Offers); and
 - (ii) do not acquire any Shares under the Entitlement Offer (including under the Shortfall Offer);

- (e) the Recipients' Shareholdings after the Offers are calculated on an "as converted basis", which:
- (i) assumes that all Class B Options and Class A Options issued under the Offers have been exercised, and that all Shares underlying those Options have been issued (including to the Recipients, as applicable); but
 - (ii) disregards the potential issue of any Shares upon exercise of the Consideration Options (noting that the number of Shares underlying the Consideration Options is not currently known, as this number will depend on the Earn Out Amounts (if any) which will be payable in respect of each Earn Out Period).

Recipient(s)	Shareholding as at Prospectus date ⁶		No. of Securities issued under Other Offers			Total Shares issued under Other Offers on as converted basis	Shareholding after Offers on as converted basis	
	Number	%	Shares	Class A Options	Class B Options		Number	%
Advisor	0	0%	0	13,500,000	7,500,000	21,000,000	21,000,000	5.37%
Shareholder Lenders	24,281,853	10.53%	35,195,448	0	23,097,724	58,293,172	82,575,025	21.10%
Placement Investors ⁷	27,730,286	12.02%	0	0	13,865,143	13,865,143	41,595,429	10.63%
Sellers	0	0%	13,331,667	0	0	13,331,667	13,331,667	3.41%
Noteholder	0	0%	23,333,333	0	11,666,667	35,000,000	35,000,000	8.94%

⁶ Based on the Company's register as at the date of the Prospectus.

⁷ Assumes that the only Shares held by the Placement Investors are the Shares issued to them under the April 2020 Placement.

Part D - Risk Factors

14. Introduction

This section identifies some of the major risks associated with an investment in the Company. Investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which Wattle intends to operate before any decision is made to subscribe for New Securities.

Also, generally, global economic outlook is still facing uncertainty due to the COVID-19 pandemic, which has had and continues to have a significant impact on capital markets and share prices. The Company's Share price may also be adversely affected by the economic uncertainty caused by COVID-19. Further, any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may materially adversely impact the Company's operations and Share price.

Eligible Shareholders should be aware that subscribing for New Securities involves various risks. The New Securities to be issued pursuant to the Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Securities. Investors should consider that there may be a material change to the price at which the New Securities may trade after the Company's present suspension is lifted. The Company's business is also in its early growth stage, where it is continuing to build its branding and market penetration. Accordingly an investment in New Securities in Wattle should therefore be considered very speculative.

Risks associated with investments have materially increased in this volatile and uncertain market due to COVID-19.

15. Risks specific to the Offers

15.1 Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. In addition, existing Shareholders will have their holding in the Company diluted following completion of the Other Offers.

15.2 Control

The Directors intend to take reasonable steps through the Shortfall Facility and Shortfall Offer to maximise dispersion of any Shortfall under the Entitlement Offer, so as to reduce the control effects of the Entitlement Offer on the Company. However, assuming some Shareholders take up their Entitlement and others do not, there is a risk that voting power may be consolidated among fewer Shareholders and the interests of these Shareholders may not align with other Shareholders' interests.

16. Company and industry risks

The risks outlined below are specific to the Company's operations.

16.1 Risk as a relatively new entrant in the health and wellness market

Wattle is a relatively new entrant in the health and wellness industry and, as an early stage growth company, Wattle currently faces challenges in product development, profile / brand building and market penetration for its products and services (in both local and overseas markets). The proposed acquisition of Brand Solutions Australia with its established business and experience will mitigate but not eliminate this risk.

These risks will in part turn upon the Company's ability to:

- (a) continue to build on customer acceptance on current and proposed new products in the health and wellness segment;
- (b) maintain and source high quality manufacturers to produce the current and proposed products;
- (c) maintain and expand distribution channels (such as Chemist Warehouse) and continue to develop within Australian domestic and export markets; and
- (d) have the required capital to maintain and expand operations including investing in marketing.

16.2 Sufficiency of funding

Wattle has limited financial resources and will need to raise additional funds from time to time to finance the complete development and commercialisation of new and current product lines and its other longer-term objectives. It is likely that Wattle in the future may require additional capital (debt or equity) for working capital and, if that occurs by way of an equity issue, there is no guarantee of the issue price at which such additional equity capital is raised and there is potential dilution for existing shareholders.

The Company's ability to raise additional funds and the price at which any funds are raised, will be subject to, among other things, factors beyond the control of Wattle and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by Wattle on favourable terms, if at all.

16.3 Financial Performance

Wattle has since incorporation incurred losses from its operations and there is no assurance that Wattle will achieve profitability. The proposed acquisition of Brand Solutions Australia with its established presence in the market with growing revenue and profitability will assist in the company achieving profitability, but no assurance can be given that Wattle will achieve profitability.

16.4 Reinstatement to trading on ASX

The Company is in consultation with the ASX regarding the reinstatement to trading of the Company's securities on the ASX. The Company intends to satisfy all conditions to reinstatement that ASX may impose. It is expected by the Board that if the Brand Solutions Australia Transaction and all Offers under this Prospectus are successfully implemented, and subject to the Company's compliance with any other reinstatement conditions of ASX, the Company's securities will be reinstated to trading on the ASX. While every endeavour will be made to satisfy ASX's reinstatement conditions, there can be no guarantee that the Company will be able to do so, or that its securities will be reinstated to trading on ASX. In the event that the Company is unable to

comply with the requirements of ASX, the Shares will remain suspended from trading and there will be no readily available market for Shares.

The Offers are subject to and conditional upon the ASX Reinstatement Condition being satisfied. If the ASX Reinstatement Condition is not satisfied, the Offers will not proceed, and the Brand Solutions Australia Transaction will not complete.

16.5 Trading price of Shares

At the request of the Company, the securities of the Company have been suspended from quotation on the ASX since 2 October 2019, and remain suspended as at the date of this Prospectus. Following the lifting of the suspension, it is not possible to predict what the value of the Company or its Shares will be. Accordingly, following completion of the Offers, the Directors do not make any representations as to the value of the Company or the Shares.

16.6 Business strategy execution risk

The Company's future growth and financial performance is dependent on the Company's ability to successfully execute its business strategy. This will be impacted by a number of factors, including the Company's ability to:

- (a) Continue to build on customer acceptance on current and proposed new products in the health and wellness segment.
- (b) Maintain and source high quality manufacturers to produce the current and proposed products.
- (c) Maintain and expand distribution channels (such as Chemist Warehouse) and continue to develop within Australian domestic and export markets;
- (d) Have the required capital to maintain and expand operations including investing in marketing

There can be no assurance that Wattle can successfully achieve any or all of the above initiatives / strategies. The failure by Wattle to successfully execute its business strategy could have a material adverse effect on the Company's business, financial condition and results of operations.

16.7 Manufacturing/production risks

Wattle is reliant on third parties to manufacture its current products. The Company will have various contractual rights in the event of non-compliance by contracting party.

However, no assurance can be given that all contracts will be fully performed by all contracting parties or in the case of a breach that the Company will be successful in securing compliance with the terms of each contract by the relevant counterparties to its contracts. There is also no assurance as to the financial strength of the parties to complete their obligations under the various contracts when such financial obligations fall due.

16.8 Counterparty risk

As a party to many contracts and agreements, the Company will have various contractual rights in the event of non-compliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties or in the case of a breach that the Company will be successful in securing compliance with the terms of each contract by the relevant counterparties to its contracts. There is also no assurance as to the financial strength of

the parties to complete their obligations under the various contracts when such financial obligations fall due.

16.9 Logistics risk

Wattle is heavily reliant on out-sourced logistics. Accordingly, if an adverse event occurs such as a strike, poor logistics technology, increases in the price of energy, changes in transport services and the physical destruction of infrastructure (e.g. roads and railways), Wattle (or its third party providers) may not be able to efficiently supply and deliver the Company's products. This may have an adverse impact on the Company's financial performance.

16.10 Competition risk

The health and wellness business is highly competitive. Some of these competitors may be able to respond more effectively to changing business and economic conditions. Competition in nutritional health and food products is largely based on branding presence, pricing of products, quality of products, perceived value of products, in-store presence and visibility and, promotional activities (including online advertising).

16.11 Customer credit risk

A general decline in economic conditions or business downturn may negatively impact an existing purchasing customer's ability to purchase the Company's products or services. Such financial difficulties could result in Wattle reducing or ceasing its business with that retailer customer. Alternatively, Wattle may extend further credit to its retailer customers. The Company's inability to collect such receivables (i.e. bad debts) from one or a group of retailer customers could have a material adverse effect on the Company's financial performance. If a retailer customer were to go into liquidation, Wattle could incur additional costs if Wattle decides to buy back the retailer customer's inventory of the Company's products to protect its brand.

16.12 Currency risk

Revenue and expenditures in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. Where a material proportion of the Company's revenue is in the future generated in foreign currencies, the Company will be exposed to the risk of changes in exchange rates of such foreign currency against the Australian dollar. Wattle has no plans at this stage to hedge its foreign currency payments.

16.13 Business disruption risk

Wattle is engaged in developing and distributing products. Accordingly, Wattle is subject to the risks inherent in such activities, including environmental events, strikes and other labour disputes, industrial accidents, disruptions in supply chain, product quality control, safety and regulatory issues and other events outside of the Company's control including natural disasters.

16.14 Market and consumer trend risk

The Company's continued success depends on its ability to anticipate, react and adapt quickly to changes in industry trends as well as consumer preferences / attitudes toward its products and services. Wattle must continually work to develop, commercialise and market new products and enhance the recognition of its branding. Failure to anticipate, react and adapt to industry trends in a timely and cost effective manner may affect the Company's financial results. Additionally, the increasing use of social media (such as Facebook, Instagram, Twitter, WeChat and Weibo) by consumers affects the speed at which information and opinions are shared, which may result in the rapid change of industry trends / consumer preferences. If Wattle is unable to anticipate,

respond and adapt to new trends in the market / changes to consumer preferences, the Company's financial performance may suffer.

16.15 Information technology risks

Wattle relies and uses information technology in conducting its business including (but not limited to) using the internet to process, transmit and store electronic and financial information, for digital marketing purposes, to manage a variety of business processes and activities such as inventory control, financial management and reporting database management. If Wattle is unable to protect against service interruptions, data corruption, cyber security breaches or network security breaches, the Company's business operations could be negatively affected.

The Company's information technology systems (some of which may be managed by a third party), may be vulnerable to disruptions, damage or shutdowns as a result of failures during the process of upgrading or replacing software, computer viruses, power outages, hardware failures, computer hacking, user errors or other similar events. If the Company's information technology systems suffer severe damage, disruption or shutdown and Wattle does not efficiently resolve such issues, the sale of the Company's product may be materially and adversely affected.

17. General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

17.1 Economic risks

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates, access to debt and capital markets, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters, and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions may have an adverse impact on the Company's business or financial condition. No guarantee can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

17.2 Market conditions

An investment in the Company's Shares has the general risks associated with any investment in the share market. Returns from an investment in Shares will depend on general stock market conditions as well as the performance of the Company. The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. The trading price of the Company's Shares may be subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, announcements of new contracts by the Company or its competitors, announcements by the Company or its competitors of significant acquisitions, technological developments, capital commitments, additions or departures of key personnel and other events or factors, many of which are beyond the Company's control.

Further, general share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment; the demand for, and supply of, capital; and terrorism

or other hostilities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

17.3 COVID-19 pandemic

As a result of the COVID-19 pandemic, global credit and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the Securities trade, regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

17.4 Liquidity Risk

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

17.5 Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

17.6 Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors. The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of the Company.

17.7 Litigation risk

The Company is not currently engaged in any litigation. However, the Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

17.8 Insurance risk

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

18. Concluding comment

The above list of risk factors ought not to be taken as an exhaustive one of the risks faced by Wattle or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Wattle and the value of

the New Securities offered under this Prospectus. Therefore, the New Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value or price at which those New Securities may be traded.

Investment in Wattle must be regarded as highly speculative and neither Wattle nor any of its Directors or any other party associated with the preparation of this Prospectus guarantee that any specific objectives of Wattle will be achieved or that any particular performance of Wattle or of the New Securities, including those offered by this Prospectus, will be achieved.

Part E - Rights and liabilities attaching to New Securities

19. Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

At the date of this Prospectus, all Shares on issue in the Company are of the same class and rank equally in all respects. The New Shares issued pursuant to this Prospectus will rank equally with existing Shares on issue.

Voting at a general meeting	At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.
Meetings of members	Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules.
Dividends	The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment
Transfer of shares	Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by a written instrument of transfer that complies with the Constitution or by any other method permitted by the Corporations Act, Listing Rules or ASX Settlement Operating Rules. The Board may refuse to register a transfer of Shares where the transfer is not in registrable form, the Company has a lien over any of the Shares transferred, and where otherwise permitted to do so under the Corporations Act, Listing Rules or ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required by the Corporations Act, Listing Rules or ASX Settlement Operating Rules.
Issue of further shares	Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of further Shares on such terms and conditions as the Board resolves.
Winding up	If the Company is wound up, then subject to any rights or restrictions attached to a class of Shares, any surplus must be divided among the Company' members in proportion to the number of Shares held by them. The amount unpaid on Shares held by a member is to be deducted from the amount that would otherwise be distributed to that member.

Unmarketable parcels	Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.
Share buy backs	Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may buy back Shares in itself on terms and at times determined by the Board.
Variation of class rights	At present, the Company's only class of shares on issue is ordinary Shares. The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of Shareholders in the affected class, vary or abrogate the rights attaching to Shares.

20. Rights and liabilities attaching to Class A Options

The material terms and conditions of the Class A Options being offered under the Advisor Offer are as follows:

20.1 Entitlement

Each Class A Option entitles the holder to subscribe for one Share in the Company upon exercise of the Option.

20.2 Exercise Price

The amount payable upon exercise of each Class A Option will be \$0.15 (**Exercise Price**).

20.3 Expiry Date

The expiry date of each Class A Option is 30 September 2023 (**Expiry Date**). Any Class A Options not exercised by the Expiry Date will automatically lapse on the Expiry Date.

20.4 Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

20.5 Notice of Exercise

The Class A Options may be exercised during the Exercise Period by notice in writing to the Company in the manner acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Class A Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

20.6 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

20.7 Timing of issue of Shares on exercise

On receipt by the Company of the Notice of Exercise and payment in full of the Exercise Price, the Company must within 2 Business Days (and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX) (**ASX Listing Rules**):

- (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
- (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s;
- (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised, and
- (d) apply to the ASX in accordance with the Listing Rules for all Shares issued upon the exercise of an Option to be admitted to quotation.

20.8 Shares issued on exercise

Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.

20.9 Participation in new issues

An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options.

However, the Company will use reasonable endeavours to ensure that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 business days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.

20.10 Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

20.11 Reconstruction

If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).

20.12 Quotation and transferability

The Options are not transferable without the prior written consent of the Company, and will not be listed on the ASX.

21. Rights and liabilities attaching to Class B Options

The material terms and conditions of the Class B Options being offered under the Advisor Offer, Lender Offer, Placement Offer and Convertible Note Offer pursuant to this Prospectus are as follows:

21.1 Entitlement

Each Option entitles the holder to subscribe for one Share in the Company upon exercise of the Option.

21.2 Exercise Price

The amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

21.3 Expiry Date

The expiry date of each Option is 24 months from their date of issue (**Expiry Date**). Any Options not exercised by the Expiry Date will automatically lapse on the Expiry Date.

21.4 Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

21.5 Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

21.6 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

21.7 Timing of issue of Shares on exercise

On receipt by the Company of the Notice of Exercise and payment in full of the Exercise Price, the Company must within 2 Business Days (and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX) (**ASX Listing Rules**):

- (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
- (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s;
- (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised, and
- (d) apply to the ASX in accordance with the Listing Rules for all Shares issued upon the exercise of an Option to be admitted to quotation.

21.8 Shares issued on exercise

Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.

21.9 Participation in new issues

An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options.

However, the Company will use reasonable endeavours to ensure that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 business days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.

21.10 Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

21.11 Reconstruction

If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).

21.12 Quotation and transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws, and it is intended that application will be made to ASX for Official Quotation of the Options.

22. Rights and liabilities attaching to Consideration Options

The material terms and conditions of the Consideration Options offered pursuant to the Consideration Offer are set out below.

22.1 Background

- (a) The Consideration Options (along with the Consideration Shares) will be issued to the Sellers under the Consideration Offer, as part consideration for the Company's acquisition of the BSA Businesses under the Asset Sale Agreement.
- (b) Under the Asset Sale Agreement, following completion of the Brand Solutions Australia Transaction, the Sellers will be entitled to receive the Earn Out Amounts (as deferred consideration), in respect of the Earn Out Periods (being FY22, FY23 and FY24), if certain EBITDA targets are met by the BSA Businesses during those Earn Out Periods.

22.2 Earn Out Amounts

- (a) The Earn Out Amounts are calculated for each Earn Out Period by comparison of the actual EBITDA performance of the BSA Businesses for that Earn Out Period (as determined by the Company's auditor) (**Actual EBITDA**), against a target EBITDA of \$791,667 (**EBITDA Hurdle**).
- (b) If the Actual EBITDA for an Earn Out Period:
 - (i) is less than or equal to the EBITDA Hurdle, no Earn Out Amount is payable in respect of that Earn Out Period.
 - (ii) is greater than the EBITDA Hurdle, an Earn Out Amount equal to:
 $(6.0 \times \text{Actual EBITDA for relevant Earn Out Period, less the Completion Amount}) \times 50\%$ is payable for that Earn Out Period.
- (c) Payment of an Earn Out Amount (if payable) will be satisfied in the following manner:
 - (i) 25% of the Earn Out Amount will be paid in cash; and
 - (ii) Payment of 75% of the Earn Out Amount (**Share Earn Out Amount**) will be satisfied through the issue of Consideration Option Shares to the Sellers for nil cash consideration, upon exercise of the relevant Consideration Option.

22.3 Acceleration of payment of Earn Out Amounts and exercise of Consideration Options

If the Company is the subject of a takeover or a scheme of arrangement (each an **Exit Event**) prior to 30 June 2024, and if neither Zlato Bozinovski nor Lenca Bozinovski (a key employee of the BSA Businesses) has been classified as a "bad leaver" before the occurrence of the Exit Event, the Asset Sale Agreement provides for the acceleration of payment of the Earn Out Amounts and exercise of Consideration Options, with additional cash payments, as follows:

- (a) if the Exit Event occurs prior to 30 June 2022, the Sellers will not be entitled to payment of the actual FY22 Earn Out Amount, FY23 Earn Out Amount or the FY24 Earn Out Amount, but the Sellers will receive a cash payment of \$3 million, and all Consideration Options will be automatically exercised for nil cash consideration into the number of Consideration Option Shares equal to the Consideration Share Cap; or
- (b) if the Exit Event occurs after 30 June 2022 and prior to 30 June 2023, the Sellers will not be entitled to payment of the actual FY23 Earn Out Amount or the FY24 Earn Out Amount, but:
 - (i) the Sellers will be entitled to payment of the actual FY22 Earn Out Amount;
 - (ii) The FY23 Consideration Option and FY24 Consideration Option will be automatically exercised for nil cash consideration into the number of Consideration Option Shares equal to 2/3 of the Consideration Share Cap; and
 - (iii) the Sellers will be paid an amount equal to \$3 million minus the cash component of the FY22 Earn Out Amount received by the Sellers prior to the relevant Exit Event; or
- (c) if the Exit Event occurs after 30 June 2023 and prior to 30 June 2024, the Sellers will not be entitled to payment of the actual FY24 Earn Out Amount but:
 - (i) the Sellers will be entitled to payment of the actual FY22 Earn Out Amount and the FY23 Earn Out Amount;

- (ii) The FY24 Consideration Option will be automatically exercised for nil cash consideration into the number of Consideration Option Shares equal to 1/3 of the Consideration Share Cap; and
- (iii) the Sellers will be paid an amount equal to \$3 million minus the aggregate of the cash components of the FY22 Earn Out Amount and the FY23 Earn Out Amount received by the Sellers prior to the relevant Exit Event.

22.4 Automatic exercise of Consideration Options into Consideration Option Shares

After the end of each Earn Out Period, provided that an Earn Out Amount is payable, the relevant Consideration Option will be automatically exercised into Consideration Option Shares.

22.5 Number of Consideration Option Shares to be issued upon exercise of Consideration Option

- (a) Subject to this Section 22.5, and any accelerated exercise of Consideration Options under Section 22.3, the number of Consideration Option Shares to be issued upon exercise of a Consideration Option will be calculated as the Share Earn Out Amount for the relevant Earn Out Period, divided by the “**Relevant Price**”, where the Relevant Price will be the lower of:
 - (i) the VWAP of Shares over the 5 day period ending the due date of payment of the relevant Earn Out Amount; or
 - (ii) if any capital raisings are undertaken by the Company in the 6 month period prior to the due date of payment of the relevant Earn Out Amount, the lowest price paid for Shares under those capital raisings,

provided that the Relevant Price will be no less than \$0.15.
- (b) If the number of Consideration Option Shares to be issued upon exercise of a Consideration Option is not a whole number, then:
 - (i) subject always to the Consideration Share Cap, any fractional entitlement to Consideration Option Shares which is 0.5 or greater will be rounded up to the nearest whole number of Consideration Option Shares; and
 - (ii) any fractional entitlement to Consideration Option Shares which is less than 0.5 will be rounded down to the nearest whole number of Consideration Option Shares.
- (c) If the issue of Consideration Option Shares upon exercise of a Consideration Option would result in the Sellers collectively holding more than the Consideration Share Cap, then the Company must:
 - (i) issue to the Sellers the number of Consideration Option Shares equal to the Consideration Share Cap; and
 - (ii) pay the balance of the relevant Share Earn Out Amount to the Sellers in cash.

22.6 Description of Consideration Options

The Consideration Options comprise:

- (a) the **FY22 Consideration Option**, which is exercisable, for nil cash consideration, into the number of Consideration Option Shares calculated as:

$$\text{FY22 Share Earn Out Amount} / \text{Relevant Price}$$

- (b) the **FY23 Consideration Option**, which is exercisable, for nil cash consideration, into the number of Consideration Option Shares calculated as:

$$\text{FY23 Share Earn Out Amount} / \text{Relevant Price}$$

- (c) the **FY24 Consideration Option**, which is exercisable, for nil cash consideration, into the number of Consideration Option Shares calculated as:

$$\text{FY24 Share Earn Out Amount} / \text{Relevant Price}$$

22.7 Lapse of Consideration Options

The Consideration Option (in respect of an Earn Out Period) shall lapse, and will not be exercisable into Consideration Option Shares and otherwise will no longer be of any effect, if it is determined that the Actual EBITDA for the relevant Earn Out Period is less than or equal to the EBITDA Hurdle.

22.8 Shares issued upon exercise

- (a) Consideration Option Shares issued on upon the exercise of Consideration Options will be fully paid ordinary Shares, ranking equally in all respects with the other fully paid ordinary shares of the Company, including in respect of any dividend or distribution declared, paid or made by reference to a record date on or after their respective issue dates.
- (b) On or before each issue of Consideration Option Shares, the Company must do all such acts, matters and things that are necessary to procure the Official Quotation of the Consideration Option Shares including (as applicable):
- (i) applying for official quotation of the Consideration Option Shares on ASX by lodging an Appendix 2A; and
 - (ii) lodging with ASX a cleansing notice in accordance with section 708A(5)(e) of the Corporations Act in respect of the Consideration Option Shares, or in the alternative, if the Company is unable to issue a cleansing notice, it must take such action (including issuing a prospectus), which is necessary in order that the relevant Consideration Option Shares may be traded (subject to any applicable escrow restrictions) on and from the date of issue.

22.9 Escrow of Consideration Option Shares

All Consideration Option Shares will be subject to voluntary escrow for a period of 12 months commencing on their date of issue, in accordance with the provisions of Section 6.9 (*Escrow of Consideration Shares*) (with the appropriate modifications, such that references to 'Consideration Shares' in Section 6.9 are taken to be references to 'Consideration Option Shares').

22.10 Participation in new issues

A Consideration Option does not confer the right on its holder to participate in new issues of capital offered to holders of Shares.

22.11 Change in exercise price

A Consideration Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Consideration Option can be exercised.

22.12 Reconstruction

If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs during the term of a Consideration Option, the rights of the Consideration Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

22.13 Quotation and transferability

The Consideration Options are non-transferable. The Company will not apply for Official Quotation of the Consideration Options on the ASX.

Part F - Additional Information

23. Company is a disclosing entity

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus” issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 25 below).

24. Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

25. Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (a) the annual financial report of the Company for the 12 month period ended 30 June 2020 (being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus) which was lodged with the ASX on 1 September 2020;
- (b) the half-yearly report for the 6 months ended 31 December 2020, which was lodged with the ASX on 24 March 2021; and
- (c) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from 12 December 2020 (being the

date of lodgement of the 2020 annual financial report with ASX) to the date of this Prospectus:

Date lodged	Title of ASX Announcement
22/04/2021	Updated Investor Presentation
20/04/2021	Notice of Annual General Meeting/Proxy Form
15/04/2021	Investor Presentation
14/04/2021	Appendix 4C and Quarterly Report for March 2021 Quarter
13/04/2021	Wattle Health Announces Acquisition of BSA
24/03/2021	Wattle Health Releases Half Year Report
24/03/2021	Appendix 4D and Half Year Accounts
22/03/2021	Change of Company Address
12/02/2021	Wattle Health Acquires Remaining 20% of Little Innoscents
04/02/2021	Appendix 3Y – EJ
04/02/2021	Appendix 3Y – GK
04/02/2021	Form 484 – Cancellation of Loan Shares
04/02/2021	Final share buy-back notice – Appendix 3F
01/02/2021	Appendix 4C and Quarterly Report
14/01/2021	Announcement of buy-back – Appendix 3C
14/01/2021	Cancellation of Loan Shares and Company Update
21/12/2020	Appendix 4G and Corporate Governance Statement
21/12/2020	WHA Releases Annual Report
21/12/2020	Annual Report
18/12/2020	CBDDG Update
14/12/2020	Wattle Health Australia Secures Ranging with API
11/12/2020	WHA Receives First Order from Verdure
10/12/2020	Uganic Expands to the Middle East
09/11/2020	Initial Director's Interest Notice
09/11/2020	Final Director's Interest Notice
09/11/2020	Resignation of MD & CEO and Appointment of Director
02/11/2020	Appendix 4C and Quarterly Report
21/10/2020	Market Update
01/09/2020	Wattle Health Releases Appendix 4E and Preliminary Results

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (d) this Prospectus;
- (e) the Constitution; and
- (f) the consents referred to in Section 35.

26. Material Contracts

Other than contracts previously disclosed, the Company has entered into the following material contracts:

26.1 Asset Sale Agreement – Brand Solutions Australia Transaction

The Company and its wholly owned subsidiary (**WHA Subsidiary**) are parties to an Asset Sale Agreement dated 13 April 2021 for the acquisition of the BSA Businesses from the Sellers. The key terms of the Asset Sale Agreement are set out below.

-
- (a) **(Assets being acquired)** The WHA Subsidiary will acquire the businesses and assets of the BSA Businesses from the Sellers.
- (b) **(Guarantee)** The Company is required to guarantee the performance of WHA Subsidiary's obligations under the Asset Sale Agreement.
- (c) **(Conditions Precedent)** Completion of the Brand Solutions Australia Transaction under the Asset Sale Agreement (**Completion**) is subject to a number of conditions precedent being satisfied or waived (**Conditions Precedent**), being:
- (i) the Company obtaining all shareholder approvals required under the ASX Listing Rules and Corporations Act for the Brand Solutions Australia Transaction and the issue of the Consideration Shares and Consideration Options;
 - (ii) the Company's shares being reinstated to quotation on the ASX;
 - (iii) the Sellers obtaining novation or assignment of certain material contracts of the BSA Businesses;
 - (iv) the Company lodging a prospectus which includes an offer of the Consideration Shares (which are to be issued at Completion) to the Sellers; and
 - (v) Key employees (including the founder of the BSA Businesses, Zlato Bozinovski) entering into employment agreements with the Company on agreed terms.
- (d) **(Consideration)**
- (i) The consideration payable by the Company:
 - (A) will be a combination of cash and the issue of Shares; and
 - (B) comprises an upfront consideration component (cash and Consideration Shares) and a deferred earn-out consideration component (cash and Consideration Option Shares), which will be payable progressively upon achievement of prescribed EBITDA targets of the BSA Businesses during the deferred earn out periods.
 - (ii) The upfront consideration payable at Completion will be:
 - (A) the "**Completion Amount**", being: \$2.75 million in cash (plus or minus Completion adjustments); and \$2 million to be satisfied through the issue of 13,331,667 Consideration Shares at a deemed issue price of \$0.15 per Share; and
 - (B) up to \$500,000 in cash to repay existing debt of the BSA Businesses.
 - (iii) Deferred consideration payable after Completion
 - (A) Subsequent to Completion, and subject to the continuous employment of founder Zlato Bozinovski, Earn Out Amounts will be payable to the Sellers in respect of the Earn Out Periods, if certain EBITDA targets are met by the BSA Businesses during those Earn Out Periods.
 - (B) Earn Out Amounts will be paid in cash and through the issue of new Consideration Option Shares (which will be issued upon automatic exercise of the Consideration Options).

- (A) Details of the Consideration Options, as well as the relevant Earn Out Amounts, are set out in Section 22.
- (e) **(Warranties)** The Asset Sale Agreement contains warranties and indemnities from the Sellers and the Company, which are considered standard for an agreement of this nature. The period within which a warranty claim can be made by the Company is 18 months from Completion.
- (f) **(Sellers' costs)** The Company has agreed to pay the Sellers' reasonable costs incurred in respect of the Brand Solutions Australia Transaction, capped at a maximum of \$100,000.
- (g) **(Termination)** Either the Sellers on one hand, or the Company on the other hand, has the right to terminate the Asset Sale Agreement if:
- (i) the Conditions Precedent are not satisfied by 30 June 2021 (or such later date agreed by the parties); or
 - (ii) the Sellers or the Company (as applicable) fails to comply with their obligations to complete the transaction (after it becomes unconditional).
- (h) **(Break fee)** The Company will pay the Sellers a break fee of \$250,000, if the Brand Solutions Australia Transaction is terminated other than as a result of the Sellers failing to comply with their obligations to complete the transaction (after it becomes unconditional).
- (i) **(Non-Competition)** The Sellers and Zlato Bozinovski, have each agreed not to compete and to use all reasonable efforts to procure that its associates do not compete with the BSA Businesses from Completion up until payment of the FY24 Earn Out Amount (unless terminated earlier).
- (j) **(Appointment to Board)** Subject to Completion, the Company has agreed to appoint Zlato Bozinovski as a director of the Company.

26.2 Lead Manager Mandate

The Company has appointed Reach Corporate Pty Ltd as lead manager of the Entitlement Offer (**Lead Manager**), pursuant to a mandate agreement dated 29 March 2021 (**Mandate**). The key terms of the Mandate are set out below:

- (a) **(Lead manager services)** The Lead Manager's services include: maximising participation in the Entitlement Offer; managing Shareholder engagement; running a fully integrated sales and marketing campaign to capture Shareholder interest; and the provision of corporate advisory services in relation to the Entitlement Offer.
- (b) **(Fees)** The Lead Manager is entitled to receive a Mandate fee of \$10,000, payable upon execution of the Mandate. In addition, the Lead Manager is entitled to receive a capital raising fee of 6% of the funds raised under the Entitlement Offer.
- (c) **(Termination)** The Mandate may be terminated:
- (i) by either party prior to the commencement of provision of services by the Lead Manager;
 - (ii) if one of the parties materially breaches the terms of the Mandate, by the non-breaching party;

- (iii) by the Lead Manager if the Company has not met relevant compliance or other regulatory or good business standards, or has otherwise acted in a manner contrary to good faith; or
- (iv) by either party with 30 days' notice in writing.

If the Mandate is terminated by the Lead Manager under sub-paragraphs (ii) or (iii), or by either party under sub-paragraph (iv) above, and the Lead Manager has already substantially completed its services under the Mandate, the Company will be liable to pay all fees applicable to the services within 14 days of termination.

- (d) **(Right of first refusal)** If the Company intends to undertake a substantially similar transaction during the 12 month period following the expiration or termination of the Mandate, the Company must offer the Lead Manager the right to be appointed as corporate advisor for any such transaction.
- (e) **(Representations and warranties)** The Mandate contains various representations and warranties between the parties in respect of their powers and capacities, their conduct, information documents issued by the Company, the information provided (including financial information), insolvency, the conduct of the Entitlement Offer, litigation and insurance.
- (f) **(Indemnity)** The Company agrees to keep the Lead Manager and certain of its affiliated parties indemnified from any loss or claim arising directly or indirectly from the Mandate, subject to customary exclusions (wilful misconduct and gross negligence).

27. Information excluded from continuous disclosure notices

Other than as disclosed in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

28. Market price of Shares

The Company's Shares have been voluntarily suspended from quotation on the ASX since 2 October 2019, and remain suspended as at the date of this Prospectus. Accordingly, the highest and lowest market sale prices of the Shares on ASX during the 3 months immediately preceding the date of this Prospectus is not available.

The last recorded closing sale price of Shares on ASX prior to the date of this Prospectus was \$0.53 on 29 September 2019.

The highest and lowest closing market prices of the Shares on ASX during the 3 months of trading preceding 2 October 2019, being the date that the Company went into voluntary suspension, and the respective dates of those sales, are:

Highest: \$0.71 on 23 September 2019

Lowest: \$0.37 on 16 September 2019

The volume weighted average sale price (**VWAP**) on ASX of the Shares during the 3 months immediately preceding 2 October 2019, being the date that the Company went into voluntary suspension, is \$0.5091.

However, due to the Company's suspension, these market prices are not a reliable indicator as to the potential value of Shares after completion of the Offers and Reinstatement to trading on ASX.

29. Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

30. Litigation

30.1 Claim for success fee

- (a) The Company has received a letter of demand from a third party, under which the third party has claimed payment of a \$300,000 success fee for its alleged facilitation of the sale of the assets of Corio Bay Dairy Group Pty Ltd (in liquidation) (**CBDG**) to Maeil Dairy Co. Ltd., pursuant to an agreement allegedly entered into between the Company and the third party.
- (b) The Directors consider that the claim lacks proper basis and has no merit, for reasons which include:
 - (i) the Directors deny that the Company is party to any agreement with the third party, including in respect of the facilitation of sale of the CBDG assets, or the payment of any success fee in respect of such sale (as alleged by the third party); and
 - (ii) the Directors do not consider that the third party has any contractual entitlement to claim payment of a success fee.
- (c) Accordingly, the Company has rejected the third party's claim. Further, the Directors consider that where Court proceedings are issued by the third party in respect of its claim, the Company has reasonable prospects of successfully defending such a claim.

30.2 Other litigation

Save for as otherwise disclosed, the Directors are not aware of any material legal proceedings which have been threatened or actually commenced against the Company.

31. Interests of Directors

31.1 Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (d) as an inducement to become, or to qualify as, a Director; or

- (e) for services provided in connection with the formation or promotion of the Company, or the Offers.

31.2 Security holdings

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below:

	Mr George Karafotias	Mr Eric Jiang	Mr Kobe Li
Current Number of Shares	504,704	1,872,371	Nil
Current percentage holding	0.002%	1.15%	0%

31.3 Remuneration

The remuneration paid (including superannuation and non-cash share based payments) to Directors or their nominees during in the previous two financial years ended 30 June 2020 and 30 June 2019 is as follows:

Table of benefits and payments for the financial year ended 30 June 2020

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Superannuation	Long Service Leave	Equity-settled shares	
	\$	\$	\$	\$	\$
Directors					
George Karafotias ⁸	315,000	21,003	3,151	-	339,154
Kobe Li	155,625 ⁹	-	-	-	155,625
Eric Jiang	52,000	4,940	-	-	56,940
Total	522,625	25,943	3,151	-	551,719

Table of benefits and payments for the financial year ended 30 June 2019

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Superannuation	Long Service Leave	Equity-settled shares	

⁸ Mr Karafotias was Chief Financial Officer of the Company until November 2020, when he was appointed as Executive Director.

⁹ Mr Li's remuneration comprised director's fees of \$40,000, fees of \$50,000 for Company secretarial services and fees of \$65,625 for additional secretarial and consulting services outside the scope of normal director and agreed company secretarial work.

	\$	\$	\$	\$	\$
Directors					
George Karafotias	313,935	28,500	1,944	-	344,379
Kobe Li	21,944 ¹⁰	-	-	-	21,944
Eric Jiang	52,000	4,940	-	-	56,940
Total	387,879	33,440	1,944	-	423,263

32. Related party transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

33. Substantial Shareholders

Based on information known to the Company as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial holder	Number of Shares	% of Share capital
Wattle Trading Pty Ltd ¹¹	22,027,890	9.55
Mason Strategic Investments (Asia) Limited	18,105,303	8.368
GGP Investments Pty Ltd <GGP Superannuation Fund A/C>	19,292,760	8.36
Jamata Pty Ltd + LLEA LK Pty Ltd <LMB Wattle Trading Unit A/C> ¹²	11,986,844	5.20

34. Interests of other persons

(a) Except as disclosed in this Prospectus, no:

(i) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(ii) promoter of the Company

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

¹⁰ Appointed as director on 16 January 2019, and Company Secretary on 11 April 2019.

¹¹ Both Wattle Trading Pty Ltd and Jamata Pty Ltd +LLEA LK Pty Ltd <LMB Wattle Trading Unit A/C> are jointly controlled by Lazarus Karasavvidis (former Executive Chairman and CEO of Wattle Health) and Martin Glenister (former Head of Sales of Wattle Health).

¹² See footnote 10.

- (iii) the formation or promotion of the Company;
- (iv) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (v) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with the formation or promotion of the Company, or the Offers.

- (b) Holding Redlich has acted as solicitors to the Company in relation to the Offers. The Company estimates that it will pay fees of approximately \$60,000 (plus GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, fees totalling \$23,524 (excluding GST and disbursements) have been paid or are payable to Holding Redlich for the provision of legal services to the Company.
- (c) Reach Corporate Pty Ltd will be paid up to \$182,800 in relation to its services as Lead Manager to the Entitlement Offer. During the 24 months preceding lodgement of this Prospectus with ASIC, Reach Corporate Pty Ltd and its related entities have been paid fees totalling \$308,000 (excluding GST) for the provision of capital raising services to the Company, and \$10,000 (excluding GST) for corporate advisory services.

35. Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, and any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

The below parties have consented to being named in the Prospectus and to the distribution of the Prospectus:

- (a) Holding Redlich has given its written consent to being named as the Solicitors to the Company in this Prospectus; and
- (b) Reach Corporate Pty Ltd has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

None of the above parties have authorised or caused the issue of the Prospectus or the making of the Offers. No party has withdrawn its consent prior to lodgement of this Prospectus with ASIC.

36. Estimated costs and expenses of the Offers

The estimated costs and expenses (excluding GST) payable by the Company in relation to the Offers are set out below. These costs and expenses will be funded by the proceeds of the Entitlement Offer.

Fees/Expenses	\$
ASIC & ASX fees	\$33,000
Lead Manager fee for the Entitlement Offer (assuming full subscription of Entitlement Offer)	\$182,800
Legal fees	\$60,000
Printing and mailing expenses and other miscellaneous costs (including Share Registry fees)	\$70,200
Total	\$346,000

37. Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by an Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

38. Enquiries

For enquires regarding this Prospectus or the Offers, please contact the Lead Manager on (03) 8080 5795 or at advisers@reachmarkets.com.au.

For enquiries concerning the Application Form or your shareholding in the Company, please contact the Share Registry, Computershare Investor Services Pty Limited on 1300 850 505 or +61 (3) 9415 4000 (from outside Australia).

For general Shareholder enquiries, please contact the Company Secretary on Kobe.l@wattlehealth.com

39. Directors' Authorisation

This Prospectus is dated 13 May 2021 and is issued by Wattle Health Australia Limited.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Wattle Health Australia Limited has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Wattle Health Australia Limited



Wattle Health Australia

13 May 2021

Part G - Glossary

Additional Shares has the meaning given to that term by Section 2.7.

Advisor means Reach Corporate Pty Ltd (ABN 17 090 611 680).

Advisor Offer means the offer of Advisor Options to the Advisor under this Prospectus.

Advisor Options means the 13.5 million Class A Options and 7.5 million Class B Options being offered pursuant to the Advisor Offer.

AEST means Australian Eastern Standard Time.

April 2020 Placement has the meaning given to that term by Section 5.1.

Applicant means an Eligible Applicant who submits an Application.

Application means a valid application for Securities by an Eligible Applicant pursuant to an Offer, whether through submission of an Application Form accompanied by the relevant Application Monies (if any), or arranging for payment of the relevant Application Monies (if any) through BPAY® in accordance with the instructions on the Application Form.

Application Form means the Application Form accompanying this Prospectus in respect of an Offer.

Application Monies means the amount of money in dollars and cents payable for Entitlement Shares at \$0.15 per Entitlement Share pursuant to the Entitlement Offer.

Asset Sale Agreement has the meaning given to that term in Section 6.1.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires).

ASX Reinstatement Condition has the meaning given to that term in Section 1.1(e).

Board means the board of Directors of the Company, as constituted from time to time.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

Brand Solutions Australia Transaction has the meaning given to that term in Section 6.1.

BSA Businesses has the meaning given to that term in Section 6.1.

BSA Transaction Approvals has the meaning given to that term in Section 6.4(b)(iii).

CHESS means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Class A Option means an Option with such rights and liabilities attaching to it as set out in Section 20.

Class B Option means an Option with such rights and liabilities attaching to it as set out in Section 21.

Closing Date means the closing date of the Offers being 5.00pm (AEST) on Monday, 7 June 2021 (unless extended).

Company or **Wattle** means Wattle Health Australia Limited (ACN 150 759 363).

Consideration Offer means the offer of Consideration Shares and the Consideration Options to the Sellers under this Prospectus.

Consideration Options means the FY22 Consideration Option, FY23 Consideration Option, and FY24 Consideration Option, and **Consideration Option** means any one of them (as the context requires).

Consideration Option Share means a Share issued on upon the exercise of a Consideration Option.

Consideration Shares means 13,331,667 Shares to be issued to the Sellers, as part consideration for the acquisition of the BSA Businesses, under the Asset Sale Agreement.

Consideration Share Cap means the maximum number of Consideration Option Shares that could be issued to the Sellers (regarded as associates for the purposes of this definition) such that the Consideration Share Cap, when combined with all Shares already held by the Sellers or any of their related entities or associates at that time, would result in the Sellers collectively holding 19.9% of the total number of issued Shares in the Company.

Constitution means the Company's constitution, as amended or replaced from time to time.

Conversion Option has the meaning given to that term in Section 7.1(c)(ii).

Conversion Price means \$0.15 per Conversion Share.

Conversion Shares means the Shares issued to the Noteholder upon part or full conversion of the Note, at a Conversion Price of \$0.15.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Dollars, \$ and cents are references to Australian currency.

Earn Out Amount means, in respect of the Brand Solutions Australia Transaction, the earn out amount in respect of FY22, FY23 or FY24 (as the context requires) under the Asset Sale Agreement, as determined under Section 22.2.

Earn Out Period means FY22, FY23 or FY24 (as the context requires).

EBITDA means the consolidated earnings of the business before interest, tax, depreciation and amortisation expenses.

Eligible Applicant means:

- (a) in respect of the Entitlement Offer, the Eligible Shareholders;
- (b) in respect of the Advisor Offer, the Advisor (and/or its nominee(s));
- (c) in respect of the Lender Offer, the Shareholder Lenders (and/or their nominee(s));

- (d) in respect of the Placement Offer, the Placement Investors;
- (e) in respect of the Consideration Offer, the Sellers; and
- (f) in respect of the Noteholder Offer, the Noteholder (and/or its nominee(s)).

Eligible Shareholder means a person registered as a holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the pro-rata entitlement of a Shareholder to subscribe for Entitlement Shares under the Entitlement Offer, being 1 Entitlement Share for every existing 12 Shares held on the Record Date.

Entitlement Offer means the non-renounceable pro-rata entitlement offer under this Prospectus of approximately 19,220,786 Entitlement Shares, at an issue price of \$0.15 per Entitlement Share.

Entitlement Shares means the Shares offered under the Entitlement Offer, at an issue price of \$0.15 per Entitlement Share.

FY22 means the financial year ending 30 June 2022;

FY23 means the financial year ending 30 June 2023;

FY24 means the financial year ending 30 June 2024;

FY22 Consideration Option has the meaning provided in Section 22.6(a)

FY23 Consideration Option has the meaning provided in Section 22.6(b)

FY24 Consideration Option has the meaning provided in Section 22.6(c)

General Meeting means the Company's annual general meeting scheduled to be held on 21 May 2021 at 10.00am (AEST).

GST means goods and service tax levied in Australia pursuant to *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Indicative Timetable means the indicative timetable (as varied from time to time) of the Offers under this Prospectus as outlined on page 4 of this Prospectus.

Ineligible Foreign Shareholder means a person registered as a holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.

Issuer Sponsored means Shares issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

Lead Manager means Reach Corporate Pty Ltd (ABN 17 090 611 680).

Lender Offer means the offer of 35,195,448 Lender Shares and 23,097,724 Lender Options to the Shareholder Lenders under this Prospectus.

Lender Options means the Class B Options being offered pursuant to the Lender Offer.

Lender Shares means the Shares being offered pursuant to the Lender Offer.

Listing Rules means the official listing rules of ASX and any other rules of ASX which are applicable while any Securities are admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

New Options means the Options offered under this Prospectus, being the Advisor Options, Lender Options, Placement Options, Consideration Options and Conversion Options (as the context requires).

New Securities means the New Options and New Shares.

New Shares means the Shares offered under this Prospectus, being the Entitlement Shares, Lender Shares and Consideration Shares (as the context requires).

Note means the secured debt note issued to the Noteholder by the Company on 8 October 2020 under the Note Deed, pursuant to the Note Financing.

Note Deed means the note deed entered into between the Company and the Noteholder on 8 October 2020 (as varied), as described in Section 7.2.

Note Financing means the financing facility made available to the Company by the Noteholder under the Note Deed, through the issue of the Note by the Company to the Noteholder.

Noteholder means a related entity of the Advisor.

Noteholder Offer means the offer of 23,333,333 Conversion Shares and 11,666,667 Conversion Options to the Noteholder (and/or its nominee(s)) in conversion of the Note.

Offers means the Entitlement Offer, Advisor Offer, Lender Offer, Placement Offer, Consideration Offer and Noteholder Offer made under this Prospectus, and **Offer** means any one of them (as the context requires).

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Option means an option to acquire a Share in the capital of the Company and includes an Advisor Option, a Lender Option, a Placement Option, a Conversion Option and a Consideration Option (as the context requires).

Optionholder means a holder of an Option.

Other Offers means the Offers, other than the Entitlement Offer.

Placement Investors means the sophisticated investors who participated in the April 2020 Placement.

Placement Offer means the offer of 13,865,143 Placement Options to the Placement Investors under this Prospectus.

Placement Options means the Class B Options being offered pursuant to the Placement Offer.

Prospectus means this prospectus dated 13 May 2021.

Quoted Securities has the meaning given to that term in Section 1.3(a):

Record Date means 7.00pm (AEST) on Tuesday, 18 May 2021.

Reinstatement has the meaning given to that term in Section 1.1(c).

Section means a section of this Prospectus.

Securities means any securities including Shares or Options issued or granted by the Company.

Sellers means Siebelco Pty Ltd (ACN 143 340 372) and Ecopure Health Pty Ltd (ACN 160 516 736).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shareholder Approval has the meaning given to that term in Section 1.4(a)(ii).

Shareholder Lenders means the Shareholders of the Company who provided the Shareholder Loans.

Shareholder Loans means the loans in the aggregate amount of \$5,542,222 from the Shareholder Lenders to the Company.

Share Registry means Computershare Investor Services Pty Limited.

Shortfall means those Entitlement Shares offered under the Entitlement Offer not validly applied for by Shareholders under their Entitlements by the Closing Date, and which will revert to the Shortfall Facility, and subsequently to the Shortfall Offer (if applicable).

Shortfall Facility has the meaning given to that term in Section 2.7.

Shortfall Offer has the meaning given to it by Section 2.8.