

27 April 2021

Gallin

Gallin Pty Ltd
Level 16, 644 Chapel Street
South Yarra, Victoria 3141

27 April 2021

The Manager
ASX Market Announcements
ASX Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

On-market takeover offer by Gallin Pty Ltd (ACN 648 845 738) for all of the shares on issue in McPherson's Limited (ACN 004 068 419)

For the purposes of section 647 of the *Corporations Act 2001* (Cth), attached is a fourth supplementary bidder's statement and an accompanying letter to be sent to McPherson's shareholders.



Nicholas Perkins, Director
Gallin Pty Ltd

This document is a fourth supplementary bidder's statement pursuant to section 643 of the Corporations Act 2001 (Cth) issued by Gallin Pty Ltd (ACN 648 845 738) (**Gallin**) in relation to the on-market takeover offer by Gallin to acquire all of the ordinary shares in McPherson's Limited (ACN 004 068 419) (**McPherson's**) for \$1.34 cash per share (**Offer**). It is the fourth supplementary bidder's statement to the bidder's statement dated 25 March 2021 and lodged with ASIC and ASX on that date in relation to the Offer (**Original Bidder's Statement**) as supplemented by the first supplementary bidder's statement dated 30 March 2021 (**First Supplementary Bidder's Statement**), the second supplementary bidder's statement dated 6 April 2021 (**Second Supplementary Bidder's Statement**) which attached the replacement bidder's statement dated 6 April 2021 (**Replacement Bidder's Statement**) and the third supplementary bidder's statement dated 20 April 2021 (**Third Supplementary Bidder's Statement**). This supplementary bidder's statement supplements, and should be read together with, the Original Bidder's Statement, the First Supplementary Bidder's Statement, the Second Supplementary Bidder's Statement, the Replacement Bidder's Statement and the Third Supplementary Bidder's Statement.

ACCEPT NOW

**\$1.34 cash per share Offer Price declared Final
Offer expected to close 10 May 2021¹**

KEY REASONS TO ACCEPT THE OFFER:

- **McPherson's has a long history of underperformance and its refusal to provide a trading update is concerning and raises a number of red flags regarding current performance**
- **There is a real risk that revenues and earnings will fall if poor performance continues, adversely impacting both the share price and future dividends**
- **Same entrenched leadership has had ample time to improve shareholder value and the pending 'Operational Review' provides little hope of any change**
- **There is no competing offer for McPherson's and the share price may fall following the Offer close**
- **Gallin's Offer provides immediate and certain value for your McPherson's shares at a premium to the share price prior to the Offer being announced**

Gallin declares its Offer Price of \$1.34 cash per share **FINAL** in the absence of a competing proposal¹. The Offer is currently scheduled to close at 4.00pm on Monday, 10 May 2021 (unless extended).

Nick Perkins, Director of Gallin said *"Despite numerous requests, McPherson's has refused to provide shareholders with any clarity around current or future trading performance, which raises a number of serious red flags regarding the outlook. Gallin's \$1.34 cash per share, on the other hand, is unconditional and delivers shareholders immediate and certain value for their McPherson's shares. It represents a 9.8% premium to the last close prior to our Offer² and gives a real opportunity for shareholders to realise value in an uncertain environment"*.

Gallin urges shareholders to **ACCEPT** the Offer for all, or some, of their shares without delay.

¹ The price under Gallin's takeover offer (the **Offer Price**) is final subject to no competing proposal for McPherson's shares at the same or higher price being announced. Gallin also reserves the right to either buy or sell McPherson's shares post close of the Offer in the ordinary course of ASX trading or off market at prices determined by Gallin. The Offer is scheduled to close at the end of trading on the ASX on 10 May 2021 (unless extended).

² Based on closing price of \$1.22 on 24 March 2021, the day prior to Gallin's announcement on the ASX.

1. McPherson's has a long history of underperformance and its refusal to provide a trading update is concerning and raises a number of red flags regarding current performance

On February 17, McPherson's withdrew its specific guidance for FY21 but stated "*it remains likely that underlying profit before tax and earnings per share for 2H FY21 and FY21 will be materially below 2H FY20 and FY20*".³

Despite only ~9 weeks remaining until the end of the financial year⁴, McPherson's refuses to provide its shareholders with a trading update and forecast. This refusal to provide any clarity on these critical matters is disrespectful and does not provide any confidence the future financial performance of the Company will improve.

2. There is a real risk that revenues and earnings will fall if poor performance continues, adversely impacting both the share price and future dividends

Based on its 1H FY21 results, it is clear export sales to the critical China export market fell significantly and sales for Global Therapeutics in December 2020 (the purchase for which McPherson's raised equity capital in October 2020) were lower than that achieved in FY20 (on a run-rate basis)⁵.

Earnings Per Share ("EPS") in 1H FY21 was also down 26% compared to the prior comparative period⁶ and should these trends of poor performance continue there is a real risk to the quantum of dividends McPherson's can pay.

3. Same entrenched leadership has had ample time to improve shareholder value and the pending 'Operational Review' provides little hope of any change

McPherson's requires corporate renewal and a business turnaround. The pending 'Operational Review' is unlikely to yield any benefit with the new CEO, an 'internal hire' who was directly involved in many of the mis-steps McPherson's has made in recent years.

4. There is no competing offer for McPherson's and the share price may fall following the Offer close

Gallin's Offer remains the only takeover offer available for acceptance by shareholders. Accordingly, post the Offer closing there is a real risk the share price will fall.

There is increased risk of further share price declines should McPherson's subsequently announce further negative news in relation to its operations (e.g. inventory provisioning, poor China export sales, Global Therapeutics performing below expectations, etc.), without the benefit of Gallin's Offer supporting the share price.

5. Gallin's Offer provides immediate and certain value for your McPherson's shares at a premium to the share price prior to the Offer being announced

The Offer is unconditional. You are permitted to immediately sell your McPherson's Shares for 100% cash consideration at \$1.34 per share on market and will be paid cash 2 Trading Days after your acceptance.

Importantly, you do have the ability to sell either all or some of your shares.

WE URGE YOU TO ACCEPT THE GALLIN OFFER WITHOUT DELAY

To accept the Offer before the Offer ends (currently scheduled for the close of trading on the ASX on 10 May 2021) please contact your broker without delay.

³ Based on page 4 of McPherson's 1H FY21 Results Release

⁴ Between the date of this Supplementary Bidder's Statement (27 April 2021) and 30 June 2021

⁵ Global Therapeutics December 2020 revenue of \$1.2m revenue based on page 1 of McPherson's 1H FY20 Appendix 4D released on 17 February 2021, implying a 12 months run-rate revenue of c.\$14.1m. FY20 actual sales revenue of \$19.5m is based on page 15 of the "Equity Raising Presentation" released on 27 October 2020.

⁶ Per page 26 of McPherson's 1H FY21 Appendix 4D. Basic earnings per share excluding significant items of 4.0c in 1H FY21 compared to 5.4c in 1H FY20.

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Gallin

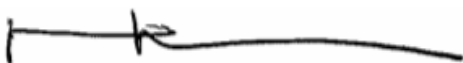
Gallin Pty Ltd
Level 16, 644 Chapel Street
South Yarra, Victoria 3141

If you have any questions about this document or the Offer generally, please contact the Offer Information Line on 1300 038 212 (within Australia) or +61 2 8022 7915 (outside Australia), or consult with your professional adviser.

This fourth supplementary bidder's statement has been approved by a resolution passed by the directors of Gallin.

Dated 27 April 2021.

Signed for and on behalf of Gallin Pty Ltd by:



Nicholas Perkins, Director

This document will prevail in the event of any inconsistency with the Original Bidder's Statement, the First Supplementary Bidder's Statement, the Second Supplementary Bidder's Statement, the Replacement Bidder's Statement and the Third Supplementary Bidder's Statement. Unless the context requires otherwise, terms defined in the Replacement Bidder's Statement have the same meaning where used in this document. A copy of this document was lodged with ASIC on and is dated 27 April 2021. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

This document includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge) please contact the Offer Information Line below. Gallin will provide a copy of the document (or part) within 2 Business Days.

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should contact your legal, financial, tax or other professional advisor immediately.

Offer Information Line: 1300 038 212 (within Australia) or +61 2 8022 7915 (from outside Australia)

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Level 16, 644 Chapel Street
South Yarra, Victoria 3141

27 April 2021

Dear Shareholder,

ACCEPT THE OFFER

\$1.34 cash per McPherson's share
Offer Price declared FINAL
Offer expected to close 10 May 2021¹

I am writing to inform you that Gallin Pty Ltd ("Gallin") has now declared the price under its takeover offer (the **Offer**) of \$1.34 cash per share **FINAL**¹ in the absence of a competing proposal. The Offer is currently scheduled to close at 4.00pm on Monday, 10 May 2021 (unless extended).

We believe there are a number of key reasons to accept the Offer, including:

1. **McPherson's has a long history of underperformance and its refusal to provide a trading update is concerning and raises a number of red flags regarding current performance**
2. **There is a real risk that revenues and earnings will fall if poor performance continues, adversely impacting both the share price and future dividends**
3. **Same entrenched leadership has had ample time to improve shareholder value and the pending 'Operational Review' provides little hope of any change**
4. **There is no competing offer for McPherson's and the share price may fall following the Offer close**
5. **Gallin's Offer provides immediate and certain value for your McPherson's shares at a premium to the share price prior to the Offer being announced**

Despite numerous requests, McPherson's has refused to provide shareholders with any clarity around current or future trading performance, which raises a number of serious red flags regarding the outlook. The \$1.34 cash per share, on the other hand, is unconditional and delivers you immediate and certain value for your shares. It represents a 9.8% premium to the last close prior to our Offer² and gives a real opportunity to realise value in an uncertain environment.

Importantly, you do have the ability to sell either all or some of your shares.

WE ARE URGING YOU TO ACCEPT THE OFFER WITHOUT DELAY

To accept the Offer before the Offer ends (currently scheduled for the close of trading on the ASX on 10 May 2021) please contact your broker without delay.

If you have any questions about the matters in this letter or the Offer generally, please contact the Offer

¹ The price under Gallin's takeover offer is final subject to no competing proposal for McPherson's shares at the same or higher price being announced. Gallin also reserves the right to either buy or sell McPherson's shares post close of the Offer in the ordinary course of ASX trading or off market at prices determined by Gallin. The Offer is scheduled to close at the end of trading on the ASX on 10 May 2021 (unless extended).

² Based on closing price of \$1.22 on 24 March 2021, the day prior to Gallin's announcement on the ASX.

Information Line on 1300 038 212 (within Australia) or +61 2 8022 7915 (outside Australia), or consult with your professional adviser. Shareholders can also obtain further information on the Offer by reading Gallin's bidder's statement and supplementary bidder's statements available on the ASX announcements platform or on request from the Offer Information Line.

We look forward to receiving your acceptance.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nicholas Perkins', with a horizontal line extending to the right.

Nicholas Perkins
Director, Gallin Pty Ltd