

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

APIAM ANIMAL HEALTH LIMITED (the Company)

ACN

604 961 024

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | <ol style="list-style-type: none">1. Issue of Performance Rights to Senior Management Team2. Issue of Fully Paid Ordinary Shares (Shares) on conversion of Tranche 1 of the Performance Rights referred to in Point 1 above3. Issue of Shares on conversion of existing Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">1. 510,640 Performance Rights to be issued to Senior Management Team2. 148,939 Shares issued on conversion of Tranche 1 of the Performance Rights referred to in Point 1 above3. 330,878 Shares to be issued on conversion of existing Performance Rights |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ol style="list-style-type: none">1. 510,640 Performance Rights are to be issued to the Senior Management Team under the Company's Employee & Executive Incentive Plan (the Plan) as approved by Shareholders at 24 November 2016 Annual General Meeting. <p>The terms of the Performance Rights are summarised below:</p> <ol style="list-style-type: none">a. The Performance Rights are subject to a number of vesting conditions |

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	and continuous employment (Performance Conditions) b. Subject to the satisfaction of the Performance Conditions, the Performance Rights holders will receive one fully paid ordinary share in the Company for each vested Performance Right. c. No cash consideration is payable for the issue of the underlying shares upon the vesting of Performance Rights. 2. The Performance Conditions for 148,939 (Tranche 1) of the Performance Rights referred to in Point 1 have been satisfied. Accordingly, they will automatically vest and are converted into an equivalent number of Shares. 3. Fully paid ordinary shares	
4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	1. The Performance Rights will not be quoted. However, Shares issued on the vesting of Performance Rights will be quoted and rank equally with all other ordinary shares then on issue in the Company. 2. The Shares will be quoted and will rank equally with all other ordinary shares on issue in the Company. 3. As above.
5	Issue price or consideration	1. The Performance Rights were issued for nil cash consideration. 2. The Shares issued on vesting and conversion of Performance Rights are issued for nil consideration. 3. As above.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. The Performance Rights were issued to the Executives of the Company under the Plan which was approved by Shareholders at the 24 November 2016 Annual General Meeting 2. Shares are issued on vesting of Performance Rights that were issued to the executives of the Company under the Plan as approved by Shareholders at the 24 November 2016 Annual General Meeting.

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	3. As above.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i
6b	The date the security holder resolution under rule 7.1A was passed
6c	Number of +securities issued without security holder approval under rule 7.1
6d	Number of +securities issued with security holder approval under rule 7.1A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)
6f	Number of +securities issued under an exception in rule 7.2
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

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7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	7 November 2019												
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>106,066,165</td><td>Fully Paid Ordinary Shares</td></tr><tr><td>129,102</td><td>Fully paid ordinary Shares escrowed until 19 March 2020</td></tr><tr><td>920,622</td><td>Fully paid ordinary Shares escrowed until 8 June 2020</td></tr><tr><td>2,894,060</td><td>Fully Paid Ordinary Shares escrowed until 1 October 2020</td></tr><tr><td>2,894,060</td><td>Fully Paid Ordinary Shares escrowed until 1 October 2021</td></tr></table>	Number	+Class	106,066,165	Fully Paid Ordinary Shares	129,102	Fully paid ordinary Shares escrowed until 19 March 2020	920,622	Fully paid ordinary Shares escrowed until 8 June 2020	2,894,060	Fully Paid Ordinary Shares escrowed until 1 October 2020	2,894,060	Fully Paid Ordinary Shares escrowed until 1 October 2021
Number	+Class													
106,066,165	Fully Paid Ordinary Shares													
129,102	Fully paid ordinary Shares escrowed until 19 March 2020													
920,622	Fully paid ordinary Shares escrowed until 8 June 2020													
2,894,060	Fully Paid Ordinary Shares escrowed until 1 October 2020													
2,894,060	Fully Paid Ordinary Shares escrowed until 1 October 2021													
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>536,208</td><td>Performance Rights</td></tr></table>	Number	+Class	536,208	Performance Rights								
Number	+Class													
536,208	Performance Rights													
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Rank equally with the existing shares												

Part 2 - Pro rata issue

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

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18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)

- (a) ☒ +Securities described in Part 1*

**The Company is only applying for quotation of the Shares the subject of this Appendix 3B.*

- (b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- | | | |
|----|--|-----|
| 38 | Number of +securities for which +quotation is sought | N/A |
|----|--|-----|

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39	+Class of +securities for which quotation is sought	N/A					
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/A					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	<table border="1"> <tr> <th>Number</th> <th>+Class</th> </tr> <tr> <td>N/A</td> <td>N/A</td> </tr> </table>	Number	+Class	N/A	N/A	
Number	+Class						
N/A	N/A						

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Quotation agreement

- 1 *Quotation of our additional *securities is in ASX's absolute discretion. ASX may quote the *securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the *securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those *securities should not be granted *quotation.
 - An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sophie Karzis
Company Secretary
8 November 2019

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	105,274,747
Add the following: - Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	622,981 fully paid ordinary shares issued on 24 April 2019 635,289 fully paid ordinary shares issued on 24 October 2019 330,878 fully paid ordinary shares issued on 7 November 2019
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	0
“A”	106,863,895
Step 2: Calculate 15% of “A”	
“B”	0.15 [Note: this value cannot be changed]
Multiply “A” by 0.15	16,029,584

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Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺equity securities issued or agreed to be issued in that 12-month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	251,994 fully paid ordinary shares issued on 10 September 2019 5,788,120 fully paid ordinary shares issued on 1 October 2019
“C”	6,040,114
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 Note: number must be same as shown in Step 2	16,029,584
Subtract “C” Note: number must be same as shown in Step 3	6,040,114
Total [“A” x 0.15] – “C”	9,989,470 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	
“E”	
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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