

4 June 2021

Dear Shareholder,

Australian Pharmaceutical Industries Limited (API) – Interim Dividend payment

Further to our half year financial results announcement on 22 April 2021, I am pleased to enclose the details of your fully franked interim dividend payment for the six months ended 28 February 2021.

We are pleased to be paying an interim dividend for the half year ending 28 February 2021, which has been enabled by a resilient revenue position despite the ongoing impacts of COVID-19 on our business, particularly in the retail environment. The dividend of 1.5¢ per share for HY21 represents a payout of 47% of NPAT.

API's Pharmacy Distribution business remains strong, with revenue broadly consistent with the prior period and Pharmacy Distribution prescription medication growth in line with the market.

The Priceline Pharmacy market share held despite decreases in market demand for cosmetics and reduced foot traffic in many locations (especially central business districts) due to lockdowns and the trend toward working from home. The majority of Priceline stores outside of CBD locations reported like-for-like sales growth. Priceline's online sales were up 52% compared with the previous corresponding period, reflecting our digital strategy. Our focus remains on targeting areas with high foot traffic for new Priceline stores.

Clear Skincare Clinics continues to improve its key metrics, with Revenue up 11.0% and Gross Profit up 12% on the prior corresponding period, driven by an increase in demand for cosmetic injectables, sales of which were up 46% for the 12 months to 28 February 2021. There are now 75 clinics in the network, up 16 clinics on the prior corresponding period, with a strong growth pipeline.

Thank you for your ongoing support. We look forward to updating you on our full year performance in October 2021.

Yours sincerely,

Ken Gunderson - Briggs

Kenneth W Gunderson-Briggs

Chair



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