



Apiam Animal Health Ltd ACN 604 961 024

Retail Entitlement Offer Booklet

An accelerated non-renounceable rights issue to Eligible Retail Shareholders of Apiam Animal Health Ltd (ASX: **AHX**) of 1 New Share for every 4.8 Share held at an Issue Price of \$0.70 per New Share to raise up to approximately \$20.25 million before costs of the Retail Entitlement Offer.

The Lead Managers and Underwriters of the Entitlement Offer are Shaws and Partners and Morgans Corporate. **The Entitlement Offer is fully underwritten.**

Retail Entitlement Offer Closes at 5:00 pm (AEST) on 17 June 2022. Your Entitlement and Acceptance Form must be received by the Share Registry with your payment by noted later than 5:00pm (AEST) on 17 June 2022.

This document is important, and it should be read in its entirety. This document is not a prospectus (nor any other form of disclosure document) issued pursuant to the *Corporations Act 2001* (Cth).

This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

If, after reading this document, you have any questions about the securities being offered for issue under it or any other matter, then you should consult your stockbroker, accountant, or other professional advisors.

Not for release to US wire services nor for distribution United States.

ShawandPartners

GRT LAWYERS ●●●

morgans

IMPORTANT NOTICE

This Retail Offer Booklet is dated 30 May 2022.

The Entitlement Offer made pursuant to this Retail Offer Booklet is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company.

This Retail Offer Booklet is not a disclosure document for the purposes of chapter 6D of the Corporations Act. The Company is offering the securities under this Retail Offer Booklet without disclosure to investors under Chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*). Accordingly, the level of disclosure contained in this Retail Offer Booklet is significantly less than that required under a prospectus, and Eligible Retail Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX, and should consult their professional advisors before deciding whether to accept the Offer.

Securities will only be issued on the basis of this Retail Offer Booklet in accordance with the terms set out in this Retail Offer Booklet.

As of the date of this Retail Offer Booklet, the Company has complied with:

- the provisions of chapter 2M of the Corporations Act, as they apply to the Company; and
- section 674 and 674A of the Corporations Act.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

Foreign Shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person and the New Shares, and the Entitlements may not be offered or sold, in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Retail Shareholders with registered addresses outside of Australia and New Zealand, having regard to the number of Retail Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places.

Accordingly, the Retail Entitlement Offer is not being extended to and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders

having registered addresses outside Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Entitlement Offer may only be accepted by Eligible Retail Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Retail Offer Booklet in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Retail Offer Booklet should observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See Sections 1.6 and 6.7 for more information.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This Retail Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Retail Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Retail Offer Booklet have not been, and will not be, registered under the *US Securities Act of 1933* and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration requirements under the *US Securities Act* and applicable US state securities laws.

Forward-looking statements

Some of the information contained in this Retail Offer Booklet constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be

significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Retail Offer Booklet details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Retail Offer Booklet.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 2 of this Retail Offer Booklet .

Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and to carry out any associated administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that the Company holds about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Retail Offer Booklet.

The collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

No representation

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in this Retail Offer Booklet may not be relied on as having been authorised by the Company or its officers. This Retail Offer Booklet does not provide investment advice or advice on the taxation consequences of accepting the Retail Entitlement Offer. The Retail Entitlement Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Taxation consequences for Applicants

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 7 of this Retail Offer Booklet provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders who are Australian tax residents holding Shares on capital account. The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. The Company recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Past performance

The past Share price or performance of the Company provides no guarantee or guidance as to future Share price performance.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in Section 2.

Important Information

Entitlement and Acceptance Forms

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. A number of terms and abbreviations used in this Retail Offer Booklet have defined meanings, which are explained in the Glossary. Money, as expressed in this Retail Offer Booklet, is in Australian dollars or otherwise as indicated.

Summary of the Entitlement Offer

Issue Price	\$0.70 per New Share
Entitlement Offer Ratio	1 New Share for every 4.8 existing Shares
Maximum number of New Shares to be issued under the Retail Entitlement Offer	11,934,845 New Shares
Maximum number of New Shares to be issued under the Institutional Entitlement Offer	8,768,498 New Shares
Maximum number of New Shares to be issued under the Institutional Shortfall Placement	8,221,210 New Shares
Total net proceeds (after deducting costs of the Entitlement Offer)	\$19,300,000

* Some allowance has been made for rounding, with Fractional Entitlements being rounded up.

**Assumes that the maximum number of New Shares are issued pursuant to the Entitlement Offer as a whole (Institutional and Retail) are exercised

Key dates for Eligible Retail Shareholders

Key Dates	
Announcement of the Offer and Lodgement of Appendix 3B and Notice under section 708AA(2)(f) of the Corporations Act	Thursday 26 May 2022
Lodgement of Offer Booklet with ASX	Monday 30 May 2022
Offer Record Date	7.00pm AEST Monday 30 May 2022
Offer Opening Date Dispatch of Offer Booklet, Entitlement & Acceptance Forms Company announces dispatch has been completed Notice sent to Ineligible Shareholders	Thursday 2 June 2022
Last day to extend Offer closing date	Tuesday 14 June 2022
Offer Closing Date	Friday 17 June 2022
Offer Shortfall Notification Date Company announces results of the Offer and notifies ASX of under-subscriptions (if any)	Tuesday 21 June 2022
Offer Allotment Date	Friday, 24 June 2022

Issue date under Offer – Deferred settlement trading ends Lodgement of Appendix 2A	
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The dates set out in the above table are subject to change and are indicative only. The Company, in conjunction with the Lead Managers, vary the dates subject to the Corporations Act and the Listing Rules. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Retail Entitlement Offer opens. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

TABLE OF CONTENTS

Director's Letter	4
1 Description and effect of the Entitlement Offer	5
2 Investor Presentation and Risks	9
3 Effect of Entitlement Offer on Control of AHX	13
4 How to Apply	16
5 Material Contracts	20
6 Additional information	23
7 Australian Tax Consequences	26
8 Definitions and Glossary	29
Corporate Directory	33

DIRECTOR'S LETTER

30 May 2022

Dear Shareholder,

On behalf of the Directors, I am pleased to invite you, as a valued Shareholder of Apiam Animal Health Limited (**AHX** or the **Company**), to participate in the Company's 1 New Share for 4.8 Shares, pro-rata accelerated non-renounceable entitlement offer of new ordinary shares in the Company (**New Shares**) at an issue price of \$0.70 per New Share (the **Entitlement Offer**).

The Lead Managers and Underwriters of the Entitlement Offer are Shaws and Partners and Morgans Corporate. **The Entitlement Offer is fully underwritten.**

On 26 May 2022, the Company announced its intention to raise approximately \$20.25 million through an Entitlement Offer. The Entitlement Offer comprises an accelerated institutional component to raise approximately \$11.90 million (**Institutional Entitlement Offer**), and a retail component to raise approximately \$8.35 million (**Retail Entitlement Offer**).

The Institutional Entitlement Offer was successfully completed on 30 May 2022. This offer booklet (**Retail Offer Booklet**) relates to the Retail Entitlement Offer.

The proceeds of the Entitlement Offer will be applied towards funding the cash portion of the acquisitions of Victorian Equine Group and Romsey Veterinary Surgery, and to pay down debt as set out in the Investor Presentation lodged on the ASX platform on 26 May 2022 which can be viewed at <https://www.apiam.com.au/ahx-capital-raising-and-acquisitions-presentation-26-05-2022/>.

The number of New Shares that you are entitled to subscribe for under the Retail Entitlement Offer (the **Entitlement**) is set out in your personalised Entitlement and Acceptance Form that accompanies this Retail Offer Booklet.

If you are an Eligible Retail Shareholder and you wish to accept your Entitlement pursuant to the Retail Entitlement Offer, you will need to complete the Entitlement and Acceptance Form accompanying this Retail Offer Booklet and return it and make payment of the appropriate Application Monies to the Company's Share Registry or otherwise paying for your New Shares through BPAY® before **5:00pm (AEST)** on the Closing Date of **17 June 2022**.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. I encourage you to consider this Offer carefully.

Pursuant to the Corporations Act, AHX is not required to prepare a prospectus for the Entitlement Offer. A summary of the key information with respect to the Entitlement Offer is set out in this Retail Offer Booklet. Please read the Retail Offer Booklet carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisers.

On behalf of the Directors, I encourage you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely,



Dr Chris Richards,

1 DESCRIPTION AND EFFECT OF THE ENTITLEMENT OFFER

1.1 Overview

- (a) The Entitlement Offer is an accelerated non-renounceable offer of approximately 28,924,553 New Shares at a price of \$0.70 per New Share to raise approximately \$20,247,187.10 million (before direct costs of the Offer including legal fees and fees paid to lead managers, advisers and to providers of specific services to cover share registry, printing and postage costs).
- (b) The proceeds of the Entitlement Offer will be applied towards funding the cash portion of the acquisitions of Victorian Equine Group and Romsey Veterinary Surgery, and to pay down debt. The funds will also be used for other growth initiatives, to pay creditors, to provide additional working capital, and fund the costs of the Entitlement Offer.
- (c) The Entitlement Offer has the following components:
 - (i) the **Institutional Entitlement Offer** - an initial offer to Eligible Institutional Shareholders;
 - (ii) the **Institutional Shortfall Bookbuild** – New Shares not taken up in the Institutional Entitlement Offer were sold through a bookbuild process at the Issue Price; and
 - (iii) the **Retail Entitlement Offer** - an offer to Eligible Retail Shareholders.
- (d) The Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of.
- (e) The Lead Managers and Underwriters of the Entitlement Offer are Shaws and Partners and Morgans Corporate. **The Entitlement Offer is fully underwritten.**
- (f) This Issue Price represents a:
 - (i) 9.1% discount to the closing price of Shares (being \$0.770) as on 25 May 2022;
 - (ii) 10.6% discount to the 5-day VWAP (being \$0.783) on 25 May 2022
 - (iii) 7.6% discount to the TERP (being \$0.758) on 25 May 2022
- (g) Official Quotation of the New Shares to be issued under the Retail Entitlement Offer is expected to occur on or about 24 June 2022. The Directors may (in consultation with the Lead Managers and Underwriters) at any time decide to withdraw this Retail Offer Booklet and the offer of New Shares made under this Retail Offer Booklet, in which case the Company will return all applications money (without interest) within 28 days of giving notice of such withdrawal.

1.2 Institutional Entitlement Offer

- (a) The Company raised approximately \$11.9 million under the Institutional Entitlement Offer from Eligible Institutional Shareholders.
- (b) New Shares issued under the Institutional Entitlement Offer were issued at the same price and at the same ratio as those being offered under the Retail Entitlement Offer.

- (c) The Company announced the completion of the Institutional Entitlement Offer on 30 May 2022, and New Shares are expected to be issued under the Institutional Entitlement Offer on 2 June 2022.

1.3 Retail Entitlement Offer

- (a) The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*), which allows rights issues without a prospectus provided certain conditions are satisfied.
- (b) The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders only. The Retail Entitlement Offer will raise approximately \$8.35 million.
- (c) Eligible Retail Shareholders who are on the Company register on the Record Date are entitled to acquire 1 New Share for every 4.8 Shares held on the Record Date (**Retail Entitlement**).
- (d) Fractional Entitlements will be rounded down to the nearest whole number of New Shares.
- (e) The Retail Entitlement Offer is non-renounceable. Accordingly, Retail Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.
- (f) An Entitlement and Acceptance Form setting out your Entitlement accompanies this Retail Offer Booklet. Eligible Retail Shareholders may subscribe for all or part of their Retail Entitlement. Eligible Retail Shareholders who do not take up all of their Retail Entitlements will have their percentage shareholding in the Company diluted.
- (g) Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are summarised in Section 2 of this Retail Offer Booklet and the Investor Presentation.

1.4 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only. Eligible Retail Shareholders are Retail Shareholders on the Record Date who:

- (a) have a registered address in Australia or New Zealand or is a Shareholder that the Company has otherwise determined is eligible to participate;
- (b) are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other disclosure document to be lodged or registered.

1.5 Ineligible Retail Shareholders

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Retail Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, Retail Shareholders having registered addresses outside Australia or New Zealand.

1.6 Notice to nominees and custodians

Eligible Retail Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up the Retail Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.7 Minimum subscription

There is no minimum subscription. The Entitlement Offer is fully underwritten. See Section 5.1 for details of the Underwriting Agreements.

1.8 New Share terms

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.9 Proposed use of funds

The Entitlement Offer is to raise approximately \$20.25 million (before costs). The estimated proceeds of the Entitlement Offer will be used to fund the cash portion of the acquisitions of Victorian Equine Group and Romsey Veterinary Surgery, and to pay down debt. The funds may also be used for other growth initiatives, to pay creditors, provide additional working capital, and fund the costs of the Entitlement Offer as set forth in the following Table.

Source of funds	\$m	Use of Funds	\$m
Proceeds raised under the fully underwritten 1 for 4.8 entitlement offer	20.25	Cash consideration for Acquisitions	9.80
Institutional Entitlement Offer	11.90	Debt reduction and future acquisitions	9.55
Retail Total Offer	8.35	Costs of the Entitlement Offer	0.90
Total	20.25	Total	20.25

The above statement is a statement of current intentions as of the date of this Retail Offer Booklet.

As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

1.10 Lead Managers and Underwriters

Shaws and Partners and Morgans Corporate have been appointed as the Lead Managers and Underwriters to the Entitlement Offer pursuant to an Underwriting Agreements dated 26 May 2022. Further details of the terms of appointment and fees of the Lead Manager are set out in section 5.1.

1.11 Firm Commitments and Sub-underwriting

Pursuant to clause 2.5 of the Underwriting Agreement, the Joint Lead Managers may at any time in consultation with the Company appoint or may have appointed, sub-underwriters to sub-underwrite all or part of the Offer.

1.12 Allotment and allocation policy

- (a) The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.
- (b) It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.13 ASX listing

The Company will apply for the listing and official quotation of the New Shares on the ASX on or about 24 June 2022. If granted, official quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

1.14 CHESS

- (a) The Company will apply for the New Shares to participate in CHESS in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.
- (b) The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, participating Shareholders will receive a transaction confirmation statement, and CHESS holders will also receive an allotment advice.
- (c) The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful Applicant pursuant to this Retail Offer Booklet. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.15 Electronic Offer Document

- (a) An electronic version of this Retail Offer Booklet is available on the Company's website at <https://www.apiam.com.au/>.
- (b) The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Retail Offer Booklet. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the Eligible Retail Shareholder has not received a complete paper copy or electronic copy of the Retail Offer Booklet or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Retail Offer Booklet has been altered or tampered with in any way.
- (c) While the Company believes that it is extremely unlikely that during the period in which the Retail Entitlement Offer is open to Eligible Retail Shareholders, the electronic version of the Retail Offer Booklet will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Retail Offer Booklet should immediately request a paper copy of the Retail Offer Booklet directly from the Company or the Share Registry.

2 INVESTOR PRESENTATION AND RISKS

2.1 Investor Presentation

An investor presentation was lodged on the ASX platform on 26 May 2022 (**Investor Presentation**). The Investor Presentation can be downloaded at the following link: <https://www.apiam.com.au/ahx-capital-raising-and-acquisitions-presentation-26-05-2022/>.

2.2 Risks

- (a) Investing in New Shares in the Company involves some risk. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company and the value of your investment in the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, are dependent on the policies adopted and approaches taken by regulatory authorities or cannot otherwise be mitigated.
- (b) If you are unsure about subscribing to New Shares in the Company, you should first seek advice from your stockbroker, accountant, financial or other professional advisers.
- (c) The New Shares offered under this Retail Offer Booklet carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to the future performance of the Company.
- (d) As with any equity investment, substantial fluctuations in the value of your investment may occur. This Retail Offer Booklet does not set out all the risks you may face in applying for and holding additional Shares in the Company.

2.3 Key risks specific to an investment in the Company

- (a) **Agriculture sector**
 - (i) Apiam operates in the intensive production animal industry and the pig, beef cattle feedlot and dairy cattle industries. Any downturn or disruption in these industries, particularly if it results in substantial reductions in livestock numbers or production volume, will adversely impact the Company.
 - (ii) Several factors may cause such disruption or downturn, including insufficient availability of water allocations, climatic conditions, disease and changes in consumer preferences. While the demand for Apiam's veterinary services can increase because of disease outbreak or other adverse shock to the production animal industry, material reductions in production animal numbers or volume of pig, beef or dairy production for any reason is likely to have a material adverse effect on the Company's performance. However, the diversity of species, commodities and geographies to which the Company is exposed should mitigate against risks in one species or geographic area.
- (b) **Completion risk**

It is anticipated that Completion of the Proposed Acquisitions will occur between 1 June and 1 July 2022. However, there is no guarantee this will occur. If any of the Acquisitions do not complete for any reason or are delayed, this may have a material adverse impact on the Company's financial performance in FY23.

(c) **Business integration**

There is the risk that fully integrating the Proposed Acquisitions may take longer or cost more than anticipated by the Company, which could impact the profitability of the Company. In particular, the veterinary businesses to be acquired operate on several different accounting and information technology systems that need to be integrated to deliver essential management information. Delays or failures in the integration of these systems may adversely impact the Company.

(d) **Reliance on key personnel**

The financial performance of each of the Proposed Acquisitions will be reliant on the performance of the senior veterinary practitioners of those businesses. In each of the Acquisitions, Apiam has retained the services of the former owners to act as managers and senior veterinary practitioners for the relevant veterinary businesses. If some or all these individuals cease working for the Company or fail to perform at the expected level, this may negatively impact the performance of the Company.

(e) **Supplier relationships**

The Company's product sales revenues are predominantly derived from sales of products purchased from third-party manufacturers that are subject to regular price negotiations. While most of the products Apiam sells can be obtained from multiple sources, if the Company is unable to maintain its relationship with suppliers, suffers a recurring or prolonged disruption to the supply of the key products, or is unable to maintain similar pricing arrangements, the financial performance of the Company may be adversely affected.

(f) **Competition**

- (i) The actions of existing competitors, or the entry of new competitors into the market, particularly by way of adopting an integrated business model similar to Apiam's, could result in decreased profitability and loss of market share.
- (ii) While the Company is not aware of any businesses similar to that of Apiam, or large-scale competitors in the provision of veterinary services to the production animal industries serviced by the Company, the Company does face significant competition in the companion animal market and from well-established competitors for the supply of non-pharmaceutical products to Apiam's clients. The sale of non-pharmaceutical products represents a material contribution to the revenue and earnings of the Company, and any loss of market share to competitors or erosion of margin as a result of the activities of competitors could have a material adverse effect on the Company's performance.

(g) **Inability to attract and retain suitably qualified staff**

The specialised nature of Apiam's business means that the ability to develop the Company's business depends in part upon its ability to attract and retain not only suitable management but also appropriately qualified and experienced production animal veterinary practitioners willing to work and live in rural and regional locations. These factors may make it more challenging for the Company to attract and retain such personnel in the future, which may adversely impact the Company's employment costs or revenue.

(h) **Professional negligence**

Apiam's veterinarians owe a duty of care to the Company's clients. If an employee fails to meet this duty of care, Apiam may be exposed to a claim for damages for

professional negligence. This claim may be material, particularly in relation to the services provided to production animals. The Company maintains appropriate professional indemnity insurance, but if this insurance is inadequate or fails to respond to a claim against Apiam, the Company may be exposed to material loss.

(i) **Due diligence risk**

- (i) Apiam has agreed to each of the Proposed Acquisitions. The Company has conducted pre-acquisition due diligence on each of the businesses to be acquired. However, there is a risk that due diligence has not identified issues that would have been material to the decision to acquire the clinics.
- (ii) Further, there is a specific risk that information provided by the owners of these businesses on historical financial performance may not be reliable and that this could affect Apiam's view on forecast financial performance. This is particularly relevant given none of the financial accounts provided by the Acquisitions were audited.
- (iii) In a number of cases, Apiam is acquiring the corporate entity through which the Acquisition is operated. In each of these cases, Apiam inherits any liabilities within those corporate entities. Apiam has obtained customary warranties and indemnities from the owners of those entities in respect of any pre-existing liabilities that were not disclosed to the Company, but there remains a risk that the Company may be exposed to liabilities of which it is not aware and for which it may be unable to successfully recover from the previous owners of the relevant corporate entities.

(j) **Forecast financial information**

The forecast financial information represents the Company's best estimate of anticipated financial results in the forecast period, based upon information available at the date of this Retail Offer Booklet. Forecasts are, by their nature, subject to uncertainties outside the Company's control or incapable of being accurately predicted and based upon assumptions that may not be accurate. The actual financial performance of the Company may differ from the financial forecast information, and the difference may be material.

(k) **Impairment**

The Company will be required to consider whether there is an indicator of impairment in respect of the Company's assets at each reporting date. This will be particularly relevant to the goodwill on the Company's balance sheet resulting from the Proposed Acquisitions. If there is an indicator of impairment, the Directors must consider whether the Company is required to incur an impairment charge in respect of those assets. If this occurs, the impairment will adversely affect the reported financial performance of the Company.

(l) **IT systems**

The Company's sales are managed through a proprietary information technology platform. If there is any disruption to this platform, the Company's ability to receive and fulfil sales orders will be adversely affected, and this may have an adverse effect on the financial performance of the Company.

2.4 General risks

(a) **Securities Investments and Share Market Conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the

stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of listed companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company or any return of an investment in the Company.

(b) **Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, the rate of growth of gross domestic product in Australia, interest rates and the rate of inflation.

(c) **Changes in legislation and government regulation**

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(d) **Global credit investment market**

Global credit, commodity 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 the ASX). This may impact the price at which the Company's 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.

(e) **Unforeseen risk**

There may be other risks that the Directors are unaware of at the time of issuing this Retail Offer Booklet which may impact the Company, its operations and/or the valuation and performance of the Company's securities.

(f) **Combination of risk**

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlined in this Section, could affect the performance valuation, financial performance and prospects of the Company.

(g) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Retail Offer Booklet. Although the Company is not aware of any additional expenditure requirements other than those announced on the ASX and disclosed in this Retail Offer Booklet, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

3 EFFECT OF ENTITLEMENT OFFER ON CONTROL OF AHX

3.1 Present position

As of the date of this Retail Offer Booklet, CJOEA Family Company Pty Ltd (Chris Richards) is the Company's largest Shareholder, controlling approximately 23.34 % of the Shares on issue in the Company.

3.2 Capital structure

Subject to rounding of fractional Entitlements and the capital structure of the Company following the issue of New Shares under the Entitlement Offer (assuming full subscription under the Entitlement Offer) is expected to be as follows:

Shares on issue as of 26 May 2022 (launch of the Entitlement Offer)	138.8 million
New Shares to be issued under the Entitlement Offer*	28.9 million
Shares on issue following the Entitlement Offer	167.7 million

The numbers in the above table assume that no Performance Rights are exercised or otherwise converted. As of the date of this Retail Offer Booklet the Company has issued approximately 2,529,301 Performance Rights. Even if all were vested and exercised so as to result in the issue of a further 2,529,301 Shares before the Record Date, and all of the consequent Entitlements exercised, the number of New Shares issued as a result would not, in the Company's opinion, be likely to have any impact on the control of the Company. The numbers in the table above do not take into account any shares as consideration for acquisitions that have not settled as of the date of release of the Retail Offer Booklet.

3.3 Present substantial shareholder position

The substantial Shareholders of the Company prior to the date of this Retail Offer Booklet (and excluding any Shares proposed to be issued under the Institutional Entitlement Offer) are as follows:

Name Shareholder	Shares held	% of total issued Share capital held
CJOEA Family Company Pty Ltd (Chris Richards)	32,411,154	23.34%
Petstock Pty Ltd	21,240,500	15.30%

3.4 Potential effects of the Entitlement Offer on control

General

- (a) The conduct of the Entitlement Offer (which is a fully underwritten pro-rata offer), means that an Eligible Retail Shareholder will maintain their percentage interest in the Company if they accept their full Entitlement.
- (b) To the extent that Shareholders do not accept their Entitlements in full, their interests in the Company will reduce proportionally, and a Retail Entitlement Shortfall will arise. Any Retail Entitlement Shortfall Shares will be issued to the Underwriters (or if applicable, to any sub-underwriters).

- (c) In addition, the proportional shareholdings of Retail Shareholders who are not resident in Australia or New Zealand will be diluted to the same amount as those Shareholders who are not entitled to participate in the Retail Entitlement Offer.
- (d) As the Institutional Entitlement Offer has taken place, the Company expects to issue approximately 13.3 million Shares under the Institutional Entitlement Offer (including any shortfall of Institutional Entitlements) to existing and new institutional and sophisticated investors on or around 30 May 2022.
- (e) As a result of this accelerated component of the Entitled Offer, the Underwriter does not expect to be required to take up any Institutional Entitlement Shares.
- (f) If no Eligible Retail Shareholders were to take up their Entitlements under the Retail Entitlement Offer, the Lead Managers (as the Underwriters) would be obliged to receive approximately 15.6 million New Shares under the Retail Entitlement Shortfall. Therefore, the total number of Shares held by the Lead Managers (or their nominee) would become approximately 15.6 million, for voting power of approximately 10% at the conclusion of the Capital Raising. However, as mentioned below, the Underwriters will likely place those New Shares with their own clients or have entered into a number of sub-underwriting arrangements, such that they would be able to allocate any of the Retail Entitlement Shortfall that they are obliged to receive, to such sub-underwriters pursuant to the terms of those arrangements.
- (g) Notwithstanding anything else, no Retail Entitlement Shortfall Shares will be allocated to any investor if the issue of those New Shares would result in a breach of the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of more than 19.99%, subject to a number of exemptions.

Possible Control Implications

- (h) Under section 606 of the Corporations Act, a person cannot acquire a relevant interest in the issued voting shares of a company if, because of a transaction in relation to securities of that company, a person's Voting Power in the company increases from 20% or below to more than 20% (or from a starting point that is above 20% and below 90%).
- (i) There are certain exceptions to the above prohibition in section 611 of the Corporations Act. Item 10A of the table in section 611 of the Corporations Act (as notionally inserted by ASIC Corporations (Takeovers – Accelerated Rights Issues) Instrument 2015 / 1069) (the **Rights Issue Exception**) provides an exception for the acquisition of securities pursuant to a rights issue if the following conditions (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84) are satisfied:
 - (i) the company offers to issue securities to every person who holds securities on a *pro-rata* basis;
 - (ii) all of those persons have a reasonable opportunity to accept the offers made to them;
 - (iii) agreements to issue securities are not entered into until the closing date of the offer; and
 - (iv) the terms of all offers are the same.
- (j) The Rights Issue Exception extends to any underwriters of a rights issue or any sub-underwriters. If the Rights Issue Exception is to be relied upon, then section 615 of the Corporations Act (regarding the appointment of a nominee for the sale of foreign

shareholders' rights) must be complied with, which includes a requirement for ASIC to approve the nominee. As the Company does not expect the Entitlement Offer to have an impact on control, it does not need to rely upon the Rights Issue Exception. The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporation Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, that it would be unreasonable to make or extend the offer to shareholders in countries other than Australia and New Zealand under the Entitlement Offer having regard to the small number of Shareholders outside of Australia and New Zealand, the value of the Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand.

Possible Control Implications – Underwriter

- (k) As set out above, assuming that no Shareholders subscribe for New Shares under the Retail Entitlement Offer, the Underwriters may be obliged to subscribe for approximately 15.6 million New Shares representing a maximum voting power of approximately 10%. However, in the event that there is a Retail Entitlement Shortfall, the Underwriters expect to place all of the Retail Entitlement Shortfall Shares to new and existing investors such that the Underwriters do not expect to subscribe to any Retail Entitlement Shortfall Shares.

3.5 Potential Shortfall Participants

In the event that there is a Retail Entitlement Shortfall, the identity of the persons to whom the Retail Entitlement Shortfall Shares will be allocated by the Underwriters, or any sub-underwriters (as applicable) is not presently known by the Company.

3.6 Directors' Interests and Participation

- (a) As of the date of this Retail Offer Booklet, some of the Directors have either a direct or indirect interest in Shares. Each of the Directors has indicated that he will take up his Entitlement under the Entitlement Offer.
- (b) Set out below is a table summarising the Entitlement of each Director based on their current holding of Shares in the Company (assuming that no Performance Rights vest are exercised before the Record Date) and their *maximum* commitment under an underwriting or sub-underwriting commitment as noted in section 5.1.

Director	Shares	New Entitlement Shares
Professor Andrew Vizard	235,524	52,818
Dr Christopher Irwin Richards	32,411,154	6,752,324
Mr Richard John Dennis	11,291	2,352
Mr Michael van Blommestein	111,268	23,181
Dr Jan Tennent	59,331	12,361

4 HOW TO APPLY

4.1 Your choices as an Eligible Retail Shareholder

- (a) The number of New Shares to which each Eligible Retail Shareholder is entitled (**Retail Entitlement**) is calculated as at the Record Date of **7:00pm Sydney time on 30 May 2022** and is shown on the personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet. If you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form, and you will have separate Retail Entitlements for each separate holding.
- (b) Eligible Retail Shareholders may:
 - (i) take up their Retail Entitlement in full, refer to section 4.2;
 - (ii) take up part of their Retail Entitlement, in which case the balance of their Retail Entitlement would lapse (refer to Section 4.5); or
 - (iii) allow their Retail Entitlement to lapse (refer to Section 4.6).
- (c) Ineligible Retail Shareholders may not take up any of their Retail Entitlement.
- (d) Please note that the Retail Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in Section 8). Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in Section 2 and the Investor Presentation.
- (e) The Company reserves the right to reject any Application that is received after the Closing Date. Unless extended at the discretion of the Company in consultation with the Lead Managers, the Closing Date for acceptance of the Retail Entitlement Offer is **5:00pm (AEST time) on 17 June 2022** (however, the date may be varied by the Company in accordance with the Listing Rules and the Underwriting Agreements).

4.2 Taking up your Retail Entitlement in Full

- (a) If you wish to take up your Retail Entitlement in full, follow the instructions set out on the Entitlement and Acceptance Form.
- (b) Forward your completed Entitlement and Acceptance Form together with your cheque or bank draft in Australian currency drawn on and payable at an Australian bank and made payable to "Apiam Animal Health Limited" and crossed "Not negotiable" for the amount shown on the form using the envelope provided to reach the Company's Share Registry, Board Room Pty Limited, by no later than **5:00pm (AEST time) on 17 June 2022**, to the appropriate address.
- (c) Entitlement and Acceptance Forms will not be accepted at the Company's registered office.
- (d) Eligible Retail Shareholders may submit payments for New Shares applied for using BPAY. In order to use BPAY, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY, you do not need to return your Entitlement and Acceptance Form. However, your payment must be received by no later than **5:00pm (AEST time) on 17 June 2022**. It is your responsibility to ensure that your BPAY payment is received by the Company's share registry by no later than 5:00pm on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should take this into consideration when making payments.

4.3 Taking up your Retail Entitlement in full

- (a) If you wish to take up all of your Retail Entitlement complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in the form.
- (b) Application Monies will be held in trust in a subscription account until the allotment of the New Shares. Any interest earned on the Application Monies will be retained by the Company irrespective of whether allotment takes place. The subscription account will be established and kept by the Company on behalf of the Applicants.
- (c) Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders) or by direct credit to the nominated bank account as noted on the share register as at the Closing Date of the Retail Entitlement Offer.

4.4 Allotment and Allocation Policy for Retail Entitlement Shortfall Shares if any

- (a) The Company reserves the right to determine whether a Shareholder is an Eligible Institutional Shareholder, an Ineligible Institutional Shareholder, an Eligible Retail Shareholders or an Ineligible Eligible Retail Shareholder.
- (b) A Retail Entitlement Shortfall will exist if any Eligible Retail Shareholder does not take up their full Retail Entitlement (together with any Institutional Entitlements which have not been taken up under the Institutional Entitlement Offer).
- (c) The allocation and allotment of any Retail Entitlement Shortfall Shares will be made in accordance with the following policy:
 - (i) The Company will call on the Lead Managers (as the Underwriters) to take up any Retail Entitlement Shortfall Shares in accordance with its underwriting obligations under the Underwriting Agreements. These Retail Entitlement Shortfall Shares are expected to be allocated by the Underwriter to any sub-underwriters (refer to section 1.11 above). New Shares are taken up by the Lead Manager (as the Underwriter), and sub-underwriters will be issued at approximately the same time as all other New Shares are issued under the Retail Entitlement Offer.
 - (ii) The Company will not allocate or issue any Retail Entitlement Shortfall Shares, where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. For the avoidance of doubt, the Company will not allocate, or issue Retail Entitlement Shortfall Shares where to do so would result in a Shareholder obtaining voting power in excess of 20% in breach of the Corporations Act. Additionally, the Company does not expect any person will obtain (or hold) voting power in excess of 20% at the conclusion of the Entitlement Offer.

4.5 Taking up part of your Retail Entitlement and allowing the balance to lapse

- (a) If you wish to take up part of your Retail Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares that you wish to apply for and follow the other steps in accordance with section 4.2.
- (b) You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If the Company receives an amount that is less than the Issue Price multiplied by your Retail Entitlement (**Reduced Amount**), your payment will be treated as an Application for as many New Shares as your Reduced Amount will pay for in full.

4.6 Allowing your Retail Entitlement to lapse

If you do not wish to accept all or any part of your Retail Entitlement, do not take any further action, and that part of your Retail Entitlement will lapse.

4.7 Consequences of not taking up your Retail Entitlement

- (a) If you do not take up all of your Retail Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (or New Shares that relate to the portion of your Retail Entitlement that has not been accepted) may be acquired by the Lead Managers.
- (b) By allowing all or part of your Retail Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares representing that part of your Retail Entitlement not taken up, and you will not receive any value for that part of your Retail Entitlement. Your interest in AHX will also be diluted.

4.8 Payment

- (a) The consideration for the New Shares is payable in full on Application by a payment of \$0.70 per New Share.
- (b) The Entitlement and Acceptance Form must be accompanied by cheque for the Application Monies. Cheques must be drawn in Australian currency or an Australian bank and made payable to "Apiam Animal Health" and crossed "Not negotiable".
- (c) Alternatively, you may arrange for payment of the Application Monies through BPAY or by cheque or bank draft in accordance with the instructions on the Entitlement and Acceptance Form.
- (d) Eligible Retail Shareholders must not forward cash. Receipts for payment will not be issued.

4.9 Binding effect of Entitlement and Acceptance Form

- (a) A payment made through BPAY or the lodgement of an Entitlement and Acceptance Form and corresponding Application Monies in accordance with the instructions contained in this Section 4 and on the Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid Application for New Shares. The Directors' decision on whether to treat an acceptance as valid is final.
- (b) By making a payment through BPAY or lodging an Entitlement and Acceptance Form and corresponding Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:
 - (i) you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
 - (ii) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia, New Zealand, British Virgin Islands, Singapore or Hong Kong; and

- (iii) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.
- (c) It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than **5.00pm (AEST) on the Closing Date (i.e., 17 June 2022)**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

4.10 Return of Surplus Application Monies

Application Monies received from a Shareholder in addition to the amount required for that Shareholder to exercise their Entitlement in full, will be refunded by cheque as soon as reasonably practicable following the allocation of New Shares. No interest will be paid on Application Monies held and returned.

4.11 Brokerage, handling fees and stamp duty

- (a) No brokerage, handling fees, or stamp duty is payable by Applicants in respect of their Applications for New Shares under this Retail Offer Booklet. The amount payable on acceptance will not vary during the period of the Retail Entitlement Offer, and no further amount is payable on the allotment.
- (b) Application Monies will be held in trust in a subscription account until the allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Monies will be retained by the Company irrespective of whether allotment takes place.

4.12 Notice to nominees and custodians

- (a) The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees or custodians with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.
- (b) Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:
 - (i) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
 - (ii) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Institutional Entitlement or not);
 - (iii) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
 - (iv) shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.
- (c) In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of or send any documents relating to the Retail Entitlement Offer to any person in the United States. The Company is not required to

determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares.

- (d) Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. The Company is not able to advise on foreign laws. For the avoidance of doubt, the Company reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims. The Company also reserves the right to reject any acceptance of a Retail Entitlement that it believes comes from a person who is not eligible to accept a Retail Entitlement.

4.13 Withdrawal of the Entitlement Offer

Subject to applicable law, the Company reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants. Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

4.14 Further enquiries

If you have not received or you have lost your Entitlement and Acceptance Form, or have any questions regarding the Retail Entitlement Offer, please contact the Company Secretary Ms Eryl Baron on +61 (0)2 8016 2895 (eryl.baron@boardroomlimited.com.au) at any time from 8.30am to 5.00pm (AEST) Monday to Friday, before the Retail Entitlement Offer closes at **5.00pm (AEST) on the Closing Date (i.e. 17 June 2022)**.

If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

5 MATERIAL CONTRACTS

5.1 Underwriting Agreements

- (a) By an agreement dated on or about 26 May 2022 (the **Underwriting Agreement**) between Shaw and Partners Limited ACN 003 221 583 and Morgans Corporate Limited ACN 010 539 607 (together the **Joint Lead Managers**) on the one hand, and the Company on the other hand, the Joint Lead Managers have agreed on an exclusive basis, to act as bookrunners, to manage, and to underwrite (in their respective proportions) the Entitlement Offer to a maximum amount of AUD \$8.35 (**Underwritten Amount**). The appointment came into effect on 13 March 2022.
- (b) All definitions and clauses referred to in the below summary are as applied in the Underwriting Agreement.
- (c) The Company has given warranties and covenants to the Lead Managers which are of a Caesar type and form that is usual in an Underwriting Agreement of this nature.

5.2 Fees and costs payable

The fees payable to the Joint Lead Managers are as follows:

- (a) an underwriting fee equal to 1% of the proceeds received from the Institutional Entitlement Offer;

- (b) a selling fee equal to 2% of the proceeds received from the Institutional Entitlement Offer, other than proceeds received from the directors, management or key staff of the Company (the **Excluded Proceeds**);
- (c) a management fee equal to 3% of the proceeds received from the Institutional Entitlement Offer, other than Excluded Proceeds;
- (d) an underwriting fee equal to 1% of the proceeds received from the Retail Entitlement Offer;
- (e) a selling fee equal to 2% of the proceeds received from the Retail Entitlement Offer; and
- (f) a management fee equal to 3% of the proceeds received from the Retail Entitlement Offer.

The Joint Lead Managers are entitled to be reimbursed by the Company for their reasonable costs.

5.3 Termination

The obligation of the Joint Lead Managers to underwrite the Entitlement Offer to the Underwritten Amount is subject to certain events of termination. The Underwriting Agreement provides that either Joint Lead Manager may terminate its obligations under the Underwriting Agreement for any one of a number of different circumstances which are of a type and form that is usual in an Underwriting Agreement of this nature, including but not limited to:

- (a) at any time, the S&P/ASX 300 Indices fall to a level that is 90% or less of the level as at the close of trading on the last trading day before the date of the Underwriting Agreement, and remains at or below that level at the close of trading for 2 consecutive business days during any time after the date of the Underwriting Agreement; or the business day immediately prior to, the settlement date;
- (b) the agreements for the acquisition of the assets of each of the Victorian Equine Group and the Romsey Veterinary Surgery is terminated, withdrawn, rescinded, voided, or repudiated, or an event occurs resulting in a party to agreements having the right to terminate the agreements;
- (c) an event specified in timetable for the Entitlement Offer up to and including settlement date, is delayed by more than one business day, other than where agreed to between the Company
- (d) other than as contemplated by the Retail Offer Booklet, the Company taking any steps to alter its capital structure without the prior written consent of the Lead Managers;
- (e) a director of the Company is charged with an indictable offence, or any Governmental Agency charges or commences any court proceedings or public action against the Company or any of its directors in their capacity as a director of the Company, or announces that it intends to take action;
- (f) the Company becomes insolvent, or there is an act or omission which is likely to result in the Company becoming insolvent;
- (g) a statement contained in the Retail Offer Booklet being materially misleading or deceptive, or a matter required by the Corporations Act to be included being omitted from the Retail Offer Booklet, or the Retail Offer Booklet does not comply with the Corporations Act, the ASX Listing Rules, or any other applicable piece of legislation or regulation;

- (h) hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, China, Hong Kong, New Zealand, Singapore, the United Kingdom, any Member State of the European Union or the United States, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- (i) trading in all securities quoted or listed on ASX, New York Stock Exchange or the London Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading;
- (j) there is a contravention by the Company or any member of the Group of the Corporations Act, the Competition and Consumer Act 2010 (Cth), ASIC Act (any regulations under those acts), its constitution or any of the Listing Rules;
- (k) any adverse effect on the financial markets in Australia, New Zealand, the United Kingdom or the United States, or in the foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries;
- (l) ASIC prosecutes or commences proceedings against, or gives notice of an intention to prosecute or commence proceedings against, the Company;
- (m) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or the Offer Documents, or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or the Offer Documents;
- (n) the Company breaching any of its material obligations under the Underwriting Agreements;
- (o) any representation or warranty or obligation contained in the Underwriting Agreement on the part of the Company is breached, or becomes not true will correct or is not performed;
- (p) any information supplied by behalf the Company to the Joint Lead Managers in respect of the Offer or the Company and its subsidiaries is, or is found to be, misleading or deceptive, or likely to mislead or deceive;
- (q) a statement in any Certificate is false, misleading, inaccurate or untrue or incorrect;
- (r) the Company is prevented from allotting and issuing the Offer Shares within the time required by the Offer Documents, the Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a Governmental Agency;
- (s) a statement in any of the Public Information is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from such Public Information;

5.4 Sub-Underwriting Agreements

The Joint Lead Managers may at any time appoint, or have already appointed, co-lead managers, co-managers and brokers to the Entitlement Offer. In addition, the Joint Lead Managers may at any time consultation with the Company point, or have appointed, sub-underwriters to sub-underwriting all part of the Entitlement Offer. Any fees payable to such are to be borne by the Joint Lead Managers.

6 ADDITIONAL INFORMATION

6.1 Responsibility for this Retail Offer Booklet

This Retail Offer Booklet has been prepared by the Company. No party other than the Company has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in, this Retail Offer Booklet.

6.2 Section 708AA Corporations Act

- (a) The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules. That information is available to the public from ASX and can be accessed at www.asx.com.au.
- (b) This Retail Offer Booklet is issued under Section 708AA of the Corporations Act. This section enables disclosing entities to issue a Retail Offer Booklet in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Retail Offer Booklet, or options to acquire such securities. Apart from formal matters, this Retail Offer Booklet need only contain information that:
 - (i) is excluded information as at the date of the Retail Offer Booklet pursuant to sections 708AA (8) and (9) (**Excluded Information**); and
 - (ii) states:
 - (A) the potential effect the issue of the New Shares will have on the control of the Company; and
 - (B) the consequences of that effect.
- (c) In addition, as a result of *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*, section 708AA (12) requires that if, after the notice required under section 708AA(2)(f) (**Cleansing Notice**) has been lodged and before the New Shares are issued (**Relevant Period**) the Company becomes aware of:
 - (i) any information that would be Excluded Information for the purpose of the Cleansing Notice; or
 - (ii) a material change to the potential effect the issue of the relevant securities will have on the control of the Company or the consequences of that effect,
- (d) (**Additional Information**), the Company must disclose that Additional Information to the ASX as soon as practicable and before the end of the Relevant Period.
- (e) Accordingly, the Company will disclose by announcement to the ASX any Additional Information that it becomes aware of during the Relevant Period.

6.3 Rights and liabilities attaching to New Shares

- (a) The New Shares will have from issue the same rights attaching to all existing Shares on issue.
- (b) The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

- (c) This Retail Offer Booklet does not contain a summary of the principal rights and liabilities of holders of the New Shares.

6.4 Allotment, quotation and trading

The Company has or will apply for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, the Company will repay all Application Monies (without interest). Subject to ASX approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on or about 24 June 2022. Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies, and any interest earned on Application Monies will be for the benefit of the Company and will be retained by the Company irrespective of whether New Shares are issued. It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk. The Company and the Lead Managers disclaims all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise.

6.5 No cooling-off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been made or accepted.

6.6 Not financial product or investment advice

- (a) This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form is for information purposes only and is not a prospectus, disclosure document or other offering document under the Corporations Act or any other law and has not been lodged with ASIC. It is also not financial product or investment advice or a recommendation to acquire New Shares and has been prepared without considering your objectives, financial circumstances or particular needs. This Retail Offer Booklet should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to submit your Entitlement and Acceptance Form and invest in New Shares.
- (b) Before making an investment decision, you should consider the appropriateness of the information in this Retail Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional financial advice before making any investment decision. The Company is not licensed to provide financial product advice in respect of New Shares.

6.7 Ineligible Shareholders

All Shareholders who do not satisfy the criteria to be an Eligible Retail Shareholder or an Eligible Institutional Shareholder, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer unless the Company otherwise determines. The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after considering the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in relation to the Entitlement Offer, in the jurisdictions in which the Ineligible Shareholders are located. The Company, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it

is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder, an Eligible Institutional Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination. The price at which the Ineligible Entitlements will be sold is the Issue Price. Accordingly, Ineligible Shareholders will not receive any value as a result of the issue of any of those New Shares they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer.

6.8 Expenses of the Entitlement Offer

All expenses connected with the Entitlement Offer are being borne by the Company. Total expenses of the Entitlement Offer are estimated to be in the order of \$0.9 million including underwriting and sub-underwriting fees.

6.9 Consents and disclaimers

- (a) Written consents to the issue of this Retail Offer Booklet have been given and at the time of this Retail Offer Booklet have not been withdrawn by the following parties:
- (b) Boardroom Pty Limited has given and has not withdrawn its consent to be named in this Retail Offer Booklet as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Retail Offer Booklet other than recording its name as Share Registry to the Company. It takes no responsibility for any part of the Retail Offer Booklet other than the references to its name.
- (c) GRT Lawyers has given and has not withdrawn its consent to be named in this Retail Offer Booklet as solicitors to the Retail Entitlement Offer in the form and context in which it is named. It takes no responsibility for any part of the Retail Offer Booklet other than references to its name.
- (d) Shaws and Partners and Morgans Corporate have given and have not withdrawn their consent to be named in this Retail Offer Booklet as the Lead Managers in the form and context in which it is named. It takes no responsibility for any part of the Retail Offer Booklet other than references to its name.

6.10 Directors' statement

This Retail Offer Booklet is issued by Apiam Animal Health Limited. Each Director has consented to the lodgement of the Retail Offer Booklet with ASX.

Signed on the date of this Retail Offer Booklet on behalf of the Company by:



Dr Chris Richards
Managing Director
Apiam Animal Health Limited

7 AUSTRALIAN TAX CONSEQUENCES

7.1 Introduction

- (a) This is a summary of the Australian tax consequences of the Retail Entitlement Offer for shareholders that hold their shares on capital account for Australian income tax purposes. The categories of shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds.
- (b) This summary does not consider the consequences for shareholders who:
 - (i) hold existing shares, New Shares or Entitlements in a business of share trading, dealing in securities or otherwise hold their existing shares, New Shares or Entitlements on revenue account or as trading stock;
 - (ii) acquired existing shares in respect of which the Entitlements are issued under an employee share scheme;
 - (iii) are subject to the 'taxation of financial arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of shares, New Shares or Entitlements; or
 - (iv) in relation to a foreign tax resident, hold their shares, New Shares or Entitlements through a permanent establishment in Australia.
- (c) This summary is necessarily general in nature and is based on Australian income tax legislation and administrative practice in force as at the date of this Offer Document. It does not consider any financial objectives, tax positions or investment needs of any particular shareholders and should not be construed as being investment, legal or tax advice to any particular shareholder.
- (d) As the taxation implications of the Retail Entitlement Offer will depend upon a shareholder's particular circumstances, shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.
- (e) Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by this summary. This summary also does not consider the application of any of Australia's double tax treaties. Such shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.
- (f) Neither the Company nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Retail Entitlement Offer.

7.2 Income Tax Consequences of Entitlements

(a) Australian tax resident Shareholders

The issue of Entitlements to Australian tax resident Shareholders should not, of itself, give rise to any amount of assessable income or capital gain for shareholders.

(b) Exercise of Entitlements

- (c) The exercise of Entitlements should not, of itself, result in any amount being included in a Shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (CGT) provisions.
- (d) Eligible Retail Shareholders that exercise their Entitlements will receive New Shares. The amount paid to exercise Entitlements (i.e., the Issue Price) and certain incidental acquisition costs should form the cost base of the New Shares acquired through exercise for CGT purposes.

7.3 Income Tax Consequences of New Shares

Australian tax resident Shareholders

Dividends

Dividends paid on the New Shares should be frankable for imputation purposes provided that the Company has sufficient franking credits available. Generally, provided that a shareholder is a 'qualified person', and the Commissioner does not make a determination under the dividend streaming rules to deny the benefit of the franking credits to the shareholder, the shareholder:

- (a) should include the amount of the dividend as well as an amount equal to the franking credits attached to the dividend in their assessable income in the income year in which they receive the dividend; and
- (b) should qualify for a tax offset equal to the franking credits attached to the dividend, which can be applied against their income tax liability for the relevant income year.

A shareholder should be a 'qualified person' if either the 'holding period rule' or the 'related payments rule' are satisfied. Generally:

- (c) to satisfy the 'holding period rule', a shareholder must have held their New Shares 'at risk' for a continuous period of at least 45 days (excluding the day of disposal) within a period beginning on the day after the day on which they acquired and ending on the 45th day after they become ex-dividend. To be held 'at risk', a shareholder must retain 30% or more of the risks and benefits associated with holding their New Shares. Where a shareholder undertakes risk management strategies in relation to their New Shares (e.g., by the use of limited recourse loans, options or other derivatives), the shareholder's ability to satisfy the 'at risk' requirement of the 'holding period rule' may be affected; and
- (d) under the 'related payments rule', a shareholder who is obliged to make a 'related payment' (essentially a payment passing on the benefit of the dividend to another person), in respect of a dividend must hold the New Shares 'at risk' for at least 45 days (not including the days of acquisition and disposal) within each period beginning 45 days before and ending 45 days after they become ex-dividend.

A shareholder who is an individual is automatically treated as a 'qualified person' for these purposes if the total amount of the tax offsets in respect of all franked amounts to which the shareholder is entitled in an income year does not exceed \$5,000. This is referred to as the 'small shareholder rule'. However, a shareholder will not be a 'qualified person' under the small shareholder rule if 'related payments' have been made, or will be made, in respect of such amounts.

Disposal of New Shares

In relation to the tax consequences on disposal of New Shares, any gain or loss realised on disposal should be taxable under the CGT provisions. The cost base for New Shares should be the amount paid for them (i.e., the Offer Price) together with certain incidental costs of acquisition and disposal. The New Shares should be treated as having been acquired on the

date the relevant shareholder exercised their Entitlements to buy the New Shares (i.e., the date the shareholder returned their completed Entitlement and Acceptance Form). This means that the New Shares need to be held for at least 12 months after this date in order for qualifying shareholders (such as individuals, trusts and complying superannuation funds) to be eligible for the CGT discount concession on disposal of the New Shares.

7.4 Provision of TFN ABN

Australian tax legislation imposes withholding tax (currently at a rate of 47%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided.

A shareholder is not required to provide their TFN or ABN to the Company.

7.5 Other Australian Taxes

GST and stamp duty are not payable on the issue, receipt, exercise, sale, transfer or disposal of New Shares or Entitlements. GST is not payable in relation to the payment of dividends by the Company.

8 DEFINITIONS AND GLOSSARY

Terms and abbreviations used in this Retail Offer Booklet have the following meaning:

Acceptance	An acceptance of Entitlements.
Applicant	An Eligible Retail Shareholder who has applied to subscribe for New Shares by arranging for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.
Application	Application for New Shares by applying in accordance with the instruction on an Entitlement and Acceptance Form.
Application Monies	The aggregate amount payable for the New Shares applied for through BPAY and/or received via post, calculated as the Issue Price multiplied by the number of New Shares applied for.
ASIC	Australian Securities & Investments Commission.
ASX or Australian Securities Exchange	ASX Limited ACN 008 624 691.
ASX Settlement	ASX Settlement Pty Ltd.
ASX Settlement Operating Rules	The operating rules of ASX Settlement.
Board	The board of Directors of the Company.
Business Day	Has the same meaning as in the Listing Rules..
Capital Raising	The Entitlement Offer.
CHESS	The Clearing House Electronic Sub Register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are affected in paperless form.
Closing Date	5:00pm (AEST) 17 June 2022, being the date the Entitlement Offer closes.
Company or AHX	Apiam Animal Health Limited ACN 604 961 024
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	An Eligible Institutional Shareholder or an Eligible Retail Shareholder, as the context requires.
Eligible Institutional Shareholder	A Shareholder who: (a) is an institutional or sophisticated Shareholder on the commencement of the Institutional Entitlement Offer with a registered address in either Australia or New Zealand, and

	(b) has received an offer under the Institutional Entitlement Offer (either directly or through a nominee).
Eligible Retail Shareholder	As defined in section 1.4.
Entitlement	The entitlement to subscribe for New Shares pursuant to the Entitlement Offer.
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Retail Offer Booklet.
Entitlement Offer	The pro-rata, non-renounceable offer to Eligible Shareholders to subscribe for 1 New Share for every 4.8 Shares of which the Shareholder is the registered holder as at 7:00pm (AEST) on the Record Date, at an Issue Price of \$0.70 per New Share and includes both the Institutional Retail Entitlement Offer conducted before the date of this Retail Offer Booklet, and the Retail Entitlement Offer made pursuant to this Retail Offer Booklet.
Equity Incentive Plan	The Equity Incentive Plan adopted by the Company, the terms of which are summarised on pages 9 – 12 of the Explanatory Memorandum accompanying the Notice of General Meeting for the Company dated 28 November 2019, which can be found here (https://www.asx.com.au/asxpdf/20191030/pdf/44b26qsbbp1srw.pdf)
Fractional Entitlement	The extent to which the Entitlement Offer results in an Entitlement to a fraction of the New Share.
Ineligible Institutional Shareholder	A Shareholder who is an institutional or sophisticated Shareholder on the Record Date with a registered address outside Australia and New Zealand, and that the Company determines will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer.
Ineligible Retail Shareholder or Foreign Retail Shareholders	A Shareholder (or beneficial holder of Shares) on the commencement of the Entitlement Offer with a registered address outside Australia or New Zealand, or any other jurisdiction that the Company and the Lead Managers agree that ASX Listing Rule 7.7.1(a) applies to.
Institutional Entitlement	Entitlements under the Institutional Entitlement Offer.
Institutional Entitlement Offer	The offer of Shares to Eligible Institutional Shareholders under the Entitlement Offer.
Investor Presentation	The presentation to investors dated 26 May 2022.
Issue Price	\$0.70 for each New Share applied for.
Lead Managers	Shaws and Partners Limited and Morgans Corporate Limited.

Listing Rules	The official listing rules of ASX.
Morgans Corporate	Morgans Corporate Limited Riverside Centre Level 29 123 Eagle Street Brisbane QLD 4000
New Shares	Shares to be allotted and issued under the Entitlement Offer, and including where the context requires, Retail Entitlement Shortfall Shares issued to the Lead Managers.
Opening Date	9:00am (AEST) on Thursday, 2 June 2022, being the date the Retail Entitlement Offer opens.
Performance Rights	The Performance Rights issues under the Equity Incentive Plan.
Permitted Jurisdictions	Australia and New Zealand.
Professional Investor	Has the meaning given to that term in the Corporations Act.
Qualified Investors	An investor who is either a Sophisticated or Professional Investor.
Record Date	7:00pm (Sydney time) Monday, 30 May 2022.
Related Party	A related party for the purposes of the Corporations Act.
Relevant Interest	Has the meaning given in the Corporations Act.
Retail Entitlement	Entitlements under the Retail Entitlement Offer.
Retail Entitlement Offer	The pro rata non-renounceable offer to Eligible Retail Shareholders of up to approximately 28.9 million New Shares at an issue price of \$0.70 per New Share on the basis of 1 New Share for every 4.8 Shares held at the Record Date.
Retail Entitlement Shortfall	A shortfall between the number of New Shares applied for under the Retail Entitlement Offer and the number of New Shares offered to Retail Eligible Shareholders under the Entitlement Offer.
Retail Entitlement Shortfall Shares	Any New Shares not taken up pursuant to the Entitlement Offer.
Retail Offer Booklet	This Retail Offer Booklet dated 30 May 2022.
Share	A fully paid ordinary share in the capital of the Company.
Share Registry	Boardroom Pty Limited.
Shareholder	A holder of Shares.
Shaws and Partners	Shaw and Partners Limited Level 7, Chifley Tower, 2 Chifley Square Sydney NSW 2000

Sophisticated Investor	Has the meaning given to that term in the Corporations Act.
Underwritten Amount	Has the meaning given in section 5.1.
Underwriters	Shaws and Partners and Morgans Corporate .
Underwriting Agreements	The Underwriting Agreements between the Company and the Lead Managers dated on or about 26 May 2022 more particularly summarised in section 5.1.
US Securities Act	The US Securities Act of 1933, as amended.
Voting Power	has the same meaning as in the Corporations Act.

CORPORATE DIRECTORY

Directors and Company Secretary	Solicitors to the Entitlement Offer
Dr Christopher Richards (Managing Director) Dr Jan Tennet (Non-executive Director) Professor Andrew Vizard (Chairman) Mr Richard Dennis (Non-executive Director) Michael van Blommestein (Non-executive Director) Eryl Baron (Company Secretary)	GRT Lawyers Level 27, 111 Eagle Street, Brisbane, QLD 4000 Tel: +61 7 3303 0680 www.grtlawyers.com
Administration and Registered Office	Share Registry
Apiam Animal Health Limited 27-33 Piper Lane, East Bendigo, VIC 3350 Tel: +61 3 5445 5999 www.apiam.com.au	Boardroom Pty Limited Level 12, 225 George Street, Sydney, NSW 2000 Tel: 1300 737 760 www.boardroomlimited.com.au
Lead Managers	
Shaw and Partners Limited (ACN 003 221 583) Level 7 Chifley Tower, 2 Chifley Square Sydney NSW 2000 Tel: (02) 9238 1238 https://www.shawandpartners.com.au/	Morgans Corporate Limited ACN 010 539 607 Level 29 Riverside Centre, 123 Eagle Street Brisbane QLD 4000 Tel:07 3334 4888 https://www.morgans.com.au/