

ASX RELEASE

Apium Animal Health Limited (ASX: AHX)

Apium to raise \$20.25 million via Entitlement Offer to drive next phase of accelerated growth strategy

Highlights

- 1 for 4.8 Entitlement Offer at \$0.70 per Apium share to raise \$20.25 million
- Firm underwriting commitment for total Entitlement Offer amount from Joint Lead Managers - Shaw & Partners Limited and Morgans Corporate Limited
- Apium's Managing Director has agreed to take up entitlement of ~\$4.5 million under the Entitlement Offer
- Net proceeds will be used to support Apium's accelerated acquisition strategy as well as debt repayment
- Follows Apium's recent agreement to acquire two high-growth Victorian veterinary clinics - Victorian Equine Group and Romsey Veterinary Surgery - for total consideration of \$13.75 million

Bendigo, May 26, 2022 – Apium Animal Health Limited (ASX: AHX) (**Apium** or the **Company**) is pleased to announce the launch of a 1 for 4.8 pro-rata non-renounceable entitlement offer to Eligible Shareholders (**Entitlement Offer**), to raise up to **\$20.25 million** before costs. The new fully paid ordinary shares (**New Entitlement Shares**) to be issued pursuant to the Entitlement Offer will be offered at \$0.70 per share (**Offer Price**). The Offer Price represents a 9.1% discount to the last traded price of \$0.77 for the Company's shares on 25 May 2022, and an 10.6% discount to the 5-day volume-weighted average trading price (**VWAP**) of \$0.783 for the Company's shares, for the period ending on 25 May 2022.

Dr Chris Richards, Apium's Managing Director commented *"we continue to advance our accelerated growth strategy and announced last week the acquisitions of Victorian Equine Group and Romsey Veterinary Surgery. We have also identified additional strategic opportunities within other fast-growing regional veterinary markets"*.

"Funds raised from the Entitlement Offer will support us to pursue our strategy to double our revenue base to more than \$300 million by FY24 and execute on the next phase of growth opportunities we have identified".

Shaw and Partners Limited (ACN 003 221 583) (**Shaws**) and Morgans Corporate Limited (ACN 010 539 607) (**Morgans**), have been jointly appointed as exclusive book-runners and underwriters to the Entitlement Offer. The Company, Shaws and Morgans have entered into an underwriting agreement (the **Underwriting Agreement**), pursuant to which Shaws and Morgans (each an **Underwriter** and together the **Underwriters**) will fully underwrite any shortfall in either the retail component (the **Retail Entitlement Offer**) or the institutional component (the **Institutional Entitlement Offer**) of the Entitlement Offer.

Apium's Managing Director has agreed to take up an entitlement of ~\$4.5 million under the Entitlement Offer.

The terms of the Underwriting Agreement are summarised on the following pages.

Entitlement Offer

The Entitlement Offer will comprise an issue of up to a total of 28.9 million New Entitlement Shares (subject to rounding) at an issue price of \$0.70 each per share to raise approximately \$20.25 million before costs.

The Entitlement Offer is non-renounceable. Accordingly, there will be no trading of rights on the ASX, and shareholders may not dispose of their rights to subscribe for New Entitlement Shares under the Entitlement Offer to any other party.

Eligible Shareholders can choose to take up all, part, or none of their entitlements. All New Entitlement Shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue in the Company. Any entitlements not taken up by Eligible Shareholders under the Entitlement Offer will be allocated to the Underwriters in accordance with their respective proportions, in accordance with the terms of the Underwriting Agreement.

Eligibility to participate in the Retail Entitlement Offer

The Retail Entitlement Offer will be made to Eligible Shareholders on the basis of the number of ordinary shares held in the Company at 7.00pm (AEST) on 30 May 2022. The Retail Entitlement Offer will be conducted pursuant to the retail offer booklet (the **Offer Booklet**).

Eligible Shareholders are those shareholders on the Record Date with a registered address in Australia or New Zealand (**Eligible Shareholder**).

Timetable

The proposed timetable for the Retail Entitlement Offer is as follows:

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
Offer Record Date	7.00pm AEST Monday 30 May 2022
Lodgement of Offer Booklet & Cleansing Notice with ASX	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

Key Dates

Offer Allotment Date

Friday, 24 June 2022

Issue date under Offer – Deferred settlement trading ends

Lodgement of Appendix 2A

The dates set out above are indicative only and the Company reserves the right to vary the dates, including the right to extend the Closing Date or to withdraw the Entitlement Offer without prior notice (subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules and any other applicable laws). Any extension of the Closing Date will have a consequential effect on the date for the allotment of the New Entitlement Shares.

This announcement is not a prospectus or other type of disclosure document. Any person considering acquiring securities under the Retail Entitlement Offer should read the Offer Booklet carefully. Applications for shares under the Retail Entitlement Offer may only be made using the Entitlement and Acceptance Form to be attached to, or accompanying the Offer Booklet. Securities will only be issued under the Retail Entitlement Offer, on the basis of an Entitlement and Acceptance Form issued together with the Offer Booklet.

Summary of the terms of the Underwriting Agreement

- The Underwriters have been appointed on an exclusive basis to act as bookrunners to manage, and (in their respective proportions) to underwrite any shortfall in, the Entitlement Offer.
- The Company has given warranties and covenants to the Underwriters which are of a type and form that is usual in an Underwriting Agreement of this nature.

Fees and costs payable

The fees payable to the Underwriters are as follows:

- an underwriting fee equal to 1% of the proceeds received from the Institutional Entitlement Offer;
- 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**);
- a management fee equal to 3% of the proceeds received from the Institutional Entitlement Offer, other than Excluded Proceeds;
- an underwriting fee equal to 1% of the proceeds received from the Retail Entitlement Offer;
- a selling fee equal to 2% of the proceeds received from the Retail Entitlement Offer; and
- a management fee equal to 3% of the proceeds received from the Retail Entitlement Offer.

The Underwriters are entitled to be reimbursed by the Company for their reasonable costs.

Termination

The obligation of the Underwriters to underwrite the Entitlement Offer is subject to certain events of termination. The Underwriting Agreement provides that either Underwriter 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) if 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:
 - (i) 2 consecutive business days during any time after the date of the Underwriting Agreement; or
 - (ii) the business day immediately prior to the settlement date under Underwriting Agreement;
- (a) the agreements for the acquisition of the assets of each of the Victorian Equine Group and the Romsey Veterinary Surgery being terminated, withdrawn, rescinded, voided, or repudiated, or an event occurs resulting in any parties to those agreements having the right to terminate the relevant agreement;
- (b) an event specified in timetable for the Entitlement Offer up to and including settlement date, being delayed by more than one business day, other than where agreed to between the Company
- (c) other than as contemplated by the Offer Booklet, the Company taking any steps to alter its capital structure without the prior written consent of the Underwriters;
- (d) a director of the Company being 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;
- (e) the Company becoming insolvent, or there is an act or omission which is likely to result in the Company becoming insolvent;
- (f) a statement contained in the Offer Booklet being materially misleading or deceptive, or a matter required by the Corporations Act to be included being omitted from the Offer Booklet, or if the Offer Booklet does not comply with the Corporations Act, the ASX Listing Rules, or any other applicable piece of legislation or regulation;
- (g) 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;
- (h) trading in all securities quoted or listed on ASX, the New York Stock Exchange or the London Stock Exchange is suspended or limited in material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading;
- (i) there being a contravention by the Company (or any of its subsidiaries) 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;

- (j) any adverse event affecting 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 occurring;
- (k) ASIC prosecuting or commencing proceedings against, or giving notice of an intention to prosecute or commence proceedings against, the Company;
- (l) an application being made by ASIC for an order under Part 9.5 in relation to the Offer or the Offer Booklet, or ASIC commencing 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 Booklet;
- (m) the Company breaching any of its material obligations under the Underwriting Agreements;
- (n) any representation or warranty or obligation contained in the Underwriting Agreement on the part of the Company being breached, or becoming not true and correct or not being performed;
- (o) any information supplied by behalf the Company to the Underwriters in respect of the Offer or the Company and its subsidiaries being, or being found to be, misleading or deceptive, or likely to mislead or deceive;
- (p) a statement in any Certificate being false, misleading, inaccurate, or untrue or incorrect;
- (q) the Company being 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; or
- (r) a statement in any of the Public Information being or becoming misleading or deceptive or being likely to mislead or deceive, or a matter required to be included being omitted from such Public Information.

Sub-Underwriting Agreements

The Underwriters may at any time appoint co-lead managers, co-managers, and brokers to the Entitlement Offer. In addition, the Underwriters may at any time in consultation with the Company, appoint sub-underwriters to sub-underwrite all or any part of the Entitlement Offer. Any fees payable to such are to be borne by the Underwriters.

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For further information, please contact:

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Authorisation

This announcement was authorised by the Board of Directors of Apiam Animal Health Limited.

About Apiam Animal Health Limited

Apiam Animal Health is positioned in the Australian market as a vertically integrated animal health business providing a range of products and services to Production and Mixed animals. Apiam Animal Health's strategy is to service Production and Mixed animals throughout their lifecycle, including the provision of veterinary services, ancillary services, genetics, wholesale and retail of related products, together with technical services related to food-chain security.