

ASX Release

Apiam Animal Health Limited

(ASX: AHX)

Apiam completes acquisition of Terang and Mortlake Veterinary Clinic

Melbourne, November 2, 2017 – Apiam Animal Health (**Apiam** or the **Company**) (ASX:AHX) is pleased to announce it has completed the acquisition of two rural vet practices, operating as the Terang and Mortlake Veterinary Clinic (**TMVC**) in Western Victoria, for total consideration of \$1.6 million.

As part of the consideration for the TMVC acquisition, Apiam has issued 584,013 fully paid ordinary shares to the owners of TMVC at a price of \$0.8219 per share, which was the 15-day volume weighted average price prior to completion. Of the consideration issued to the owners of TMVC, 292,008 shares are escrowed until 1 November 2018 and the remaining 292,005 shares are escrowed until 1 November 2019. The balance of the consideration was paid in cash.

Consistent with Apiam's strategic growth plan, the acquisition of these clinics enables the Company to grow its existing presence in Victoria's Western district, and importantly expand its dairy and beef offering (services, products, genetics) in this region. TMVC has six veterinarians and is a diverse practice predominantly servicing the dairy industry, and is also active across the beef, equine and companion animal categories.

TMVC generated revenue of approximately \$2.2 million in FY2017, and based on the agreed acquisition terms, the TMVC acquisition is expected to be earnings accretive for Apiam shareholders in the first year of ownership. The acquisition is also expected to realise immediate synergies through the ability for Apiam to operate on a regional basis in Western Victoria, leverage the Company's existing cost base and infrastructure of key account managers, logistics and marketing resources as well as providing a new market opportunity to drive additional revenue streams.

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For further information, please contact:

Dr Chris Richards
Managing Director
Apiam Animal Health Limited
chris@apiam.com.au

Kyahn Williamson
WE Buchan
03 9866 4722 / 0401 018 828
kwilliamson@we-buchan.com

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.