

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Apiam acquires high performing Dubbo based Companion Animal Veterinary Clinic

- **Acquisition of Don Crosby Veterinary Surgeons, based in Dubbo (NSW)**
- **Attractive companion animal clinic profile with strong financial performance**
- **Expands regional footprint and provides increased market position in attractive, fast growth location**
- **Consideration of \$5M comprised of 70% cash & 30% AHX shares**

Bendigo, November 18, 2020 – Apiam Animal Health Limited (**Apiam** or the **Company**) today announced it has entered into an agreement to acquire CROSVET PTY LTD (**Don Crosby Veterinary Surgeons**) for total consideration of \$5 million (the **Agreement**).

Don Crosby Veterinary Surgeons is a privately-owned companion and mixed animal veterinary practice located in the fast growing regional town of Dubbo, NSW (400km north-west of Sydney). Dubbo has a population of approximately 40,000 and is a major road and rail freight hub to other parts of NSW. As with other growing regional locations, companion and equine animal ownership attitudes have increasingly aligned with metro attitudes in recent years and veterinary spend in this area has increased commensurately.

Apiam's Managing Director, Dr Chris Richards said, "The acquisition of Don Crosby Veterinary Surgeons in Dubbo fits with Apiam's regional expansion strategy, and we have identified this location as particularly attractive given it is a fast growing regional population centre. Don Crosby Veterinary Surgeons have an excellent market presence and reputation in the area and are led by a highly experienced team of veterinarians.

"In this current environment, where companion animal spend is experiencing a strong underlying growth trajectory, we see significant opportunity to bolster our presence in this region and we welcome the Don Crosby Veterinary Surgeon's team on board."

Apiam have a small existing veterinary practice in Dubbo and the acquisition of Don Crosby Veterinary Surgeons will also allow the Company to drive further scale benefits, a key feature of Apiam's business model.

Overview of Don Crosby Veterinary Surgeons

Don Crosby Veterinary Surgeons is comprised of two veterinary practices in the regional locations of Dubbo and Narromine and employs 6 veterinarians. It services predominantly companion animal and equine clients and has a strong track record of performance. The business was founded in 2002 and is led by Dr Don Crosby, a highly experienced veterinarian with extensive industry experience. Dr Crosby has grown the business significantly, increasing the scale of the business offering and delivering strong financial outcomes. He is supported by a high performing team, with a collaborative team culture.

Don Crosby Veterinary Surgeons generated approximately \$3.6 million of revenue in FY20.

Key acquisition terms

Under the Agreement, Apiam will acquire 100% of the shares in CROSVET PTY LTD for \$5 million. The consideration will be funded 70% cash and 30% script, in-line with Apiam's previous acquisitions. The cash component will be funded using Apiam's acquisition facility, with significant headroom remaining to fund future growth.

The Agreement is binding, subject to customary completion conditions. Settlement is expected to take place by the end of November.

Apiam will retain all employees of Don Crosby Veterinary Surgeons with new shares issued as consideration to the vendor. Half of these shares are subject to an escrow-period of 12-months with the remaining shares subject to an escrow period of 24-months.

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Authorisation

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

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.