

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Significant expansion in equine footprint via acquisition of Queensland-based Scenic Rim Vets

- **Binding agreement to acquire Scenic Rim Veterinary Service and Boonah Veterinary Hospital, a leading equine and mixed animal veterinary business based in South-East Queensland**
- **Consideration of \$16 million, in-line with previous acquisition multiples**
- **Significantly bolsters Apiam's equine operations and mixed animal clinic footprint, increasing capacity in a rapidly growing region**
- **Attractive financial metrics, adding \$6.9 million in FY21 proforma revenue and expected to be earnings accretive in first full year of ownership**
- **Apiam's three recent Queensland acquisitions are currently being integrated, and performing in-line with Company expectations**

Bendigo, June 30, 2021 – Apiam Animal Health Limited (**Apiam** or the **Company**) is pleased to announce it has entered into a binding agreement to acquire the assets of Scenic Rim Veterinary Service and Boonah Veterinary Hospital (together **Scenic Rim Vets**) for total consideration of \$16 million.

Scenic Rim Vets operates a leading state-of-the-art equine clinic in Beaudesert (QLD), as well as a mixed animal clinic in Boonah (QLD). The equine clinic is located within close proximity to several large equine studs in South-East Queensland and readily accessible from the major performance horse training centres.

Apiam's Managing Director, Dr Chris Richards said "Scenic Rim Vets will be the third equine operated by Apiam and the acquisition is consistent with our strategy of operating best in class veterinary services through large high-performance centres being supported with smaller regional referral clinics in adjacent growth areas."

Leading equine practice

Scenic Rim Vets is privately-owned with a total team of 13 veterinarians as well as an experienced support team. It was founded in 2003 and has grown to be one of the largest providers of equine veterinary services in Queensland, with a very strong track record and industry reputation.

It has a business focus on expertise in reproduction and surgical services for performance horses as well as providing general veterinary services and animal diagnostics. The equine clinic is in Beaudesert, Queensland - a location with a large equine population and many equine breeding facilities.

Scenic Rim Vets have a very highly skilled team, bringing two market leading equine veterinarians that have advanced surgical skills, and an experienced team of reproduction vets.

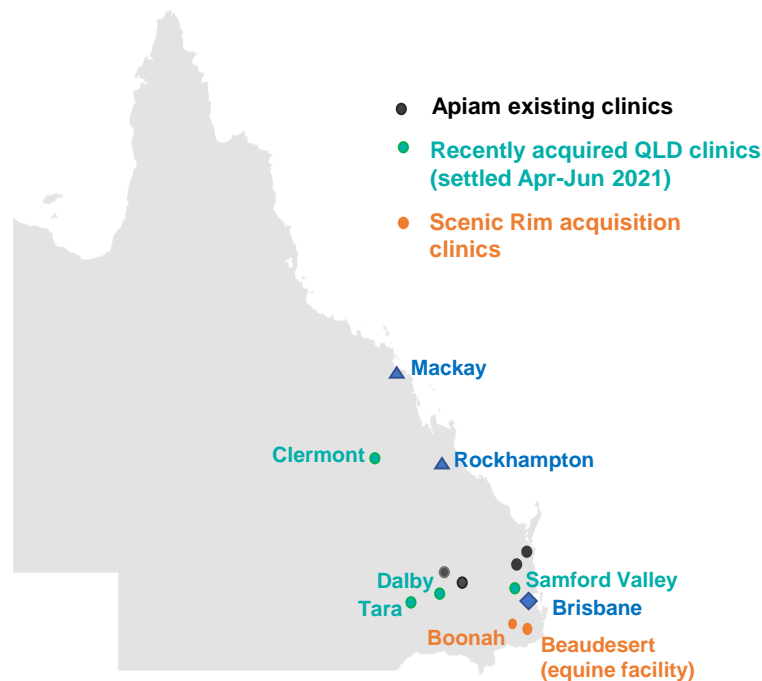
The Scenic Rim Vets acquisition will add \$6.9 million in revenue to Apiam, on a FY21 proforma basis. The acquisition of this leading equine clinic and mixed animal practice is expected to be earnings accretive for Apiam shareholders in the first full year of ownership, and the implied acquisition earnings multiple is in-line with previous Apiam acquisitions.

Apiam’s equine veterinary services

Apiam currently operates two dedicated equine centres in Victoria being South West Equine Veterinary Group in Warrnambool and Gippsland Equine Hospital in Maffra, as well as several equine facilities that form part of its 61 clinics and business locations. The Scenic Rim Vets acquisition will result in Apiam having over 25 veterinarians, including three registered specialists, dedicated to equine veterinary services.

Southern Queensland is also an important growth region for Apiam, with the Company having recently completed the acquisition of three other mixed animal veterinary practices in this region in Q4 FY21. The Scenic Rim Vets acquisition will add two further strategic sites from which to capture the broader mixed animal market growth in these attractive peri-urban and regional locations.

Apiam’s Queensland operations



Notes : Apiam’s existing clinics are located in Gympie, Tin Can Bay, Bell and Jandowae

Opportunities exist to leverage resources between the two Scenic Rim Vets clinics, and Apiam’s other Queensland clinics to deliver further growth.

Apiam’s recently acquired Queensland businesses - Samford Valley Veterinary Hospital, Clermont Veterinary Surgery and Knox Veterinary Clinic (Dalby and Tara) - are all currently in various stages of integration and are performing in-line with Company expectations.

Funding

The acquisition will be funded via a cash payment of \$14.4 million (90% of the acquisition consideration) and an issue of 1.72 million Apiam ordinary shares to the vendors (10% of the acquisition consideration).

Apiam has also extended its acquisition facility with its lender NAB, so that it has the necessary headroom available to continue executing on its acquisition pipeline as opportunities arise.

Other information

Settlement of the Scenic Rim Vets acquisition is expected by 30 July 2021.

Shares issued as consideration to the Scenic Rim Vets vendors will be subject to a minimum escrow period of 12-months, with 50% subject to an escrow period of 24-months. Key employees have entered employment agreements on appropriate engagement and restraint terms to reflect ongoing contribution to earnings and to continue the execution of the growth strategy.

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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.