

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Apiam continues regional expansion with strategic acquisition of attractively located QLD and NSW veterinary businesses

- **Two strategic regional acquisitions:**
 - **Fraser Coast Veterinary Services (3 clinics, regional Queensland)**
 - **North Hill Veterinary Clinic (1 clinic, Armidale NSW)**
- **Total acquisition consideration of \$3.6M**
- **Adds \$5.2M in revenue and \$0.6M in EBITDA (on FY21 basis)**
- **Continues Apiam's regional expansion into targeted locations to capture fast-growth in veterinary markets**

Bendigo, November 25, 2021 – Apiam Animal Health Limited (**Apiam** or the **Company**) is pleased to announce that it has entered into agreements to acquire Fraser Coast Veterinary Services and North Hill Veterinary Clinic Pty Ltd (the Acquisitions) for combined total consideration of \$3.6 million.

Fraser Coast Veterinary Services (Fraser Coast) is comprised of three clinics and is predominantly a small animal business, with some exposure to equine and cattle. Its three veterinary clinics are located in the regional towns of Maryborough, Howard and Childers within the Fraser Coast region of QLD, approximately 250km north of Brisbane. It employs 25 staff including 9 veterinarians and has reported excellent financial growth, with revenue increasing approximately 25% over the past two financial years. The Fraser Coast region of QLD has been forecast to grow by 36% between 2019 and 2036¹.

Apiam has significantly expanded its regional QLD clinic presence over the past year, more than doubling its clinic presence in the region since June 2021. Apiam's existing Gympie and Gladstone clinics are within working distance from the Fraser Coast clinics.

North Hill Veterinary Clinic (North Hill) is a single location companion animal practice, located in the regional NSW city of Armidale. The business employs 4 veterinarians and has also delivered strong financial performance in recent years. It is one of four small independent veterinary clinics in the Armidale area.

Apiam has recently expanded its presence in regional NSW with the acquisition of Agnes Banks Equine Clinic and also has nearby clinics in Dubbo and Quirindi.

Apiam's Managing Director Dr Chris Richards said "We are continuing to see strong growth in animal ownership and regional veterinary services in many locations. The acquisitions of Fraser Coast and North Hill have been targeted to capture this growth and have strategic benefits given our growing clinic networks in the QLD and NSW regions. Not only can we share skills and staff across our locations, but we can leverage our infrastructure from adjacent clinics."

The Acquisitions will add \$5.2 million in revenue and \$0.6 million in EBITDA to Apiam (on a FY21 basis).

¹ Herron Todd White residential research (2019)

Acquisition terms

Consideration for the Acquisitions is as follows:

- Fraser Coast Veterinary Services: 80% cash and 20% scrip; and
- North Hill Veterinary Clinic: 70% cash and 30% scrip.

Key employees will enter into new contracts with Apiam, with similar terms and restraint conditions to Apiam's previous acquisitions. New shares issued as consideration will be subject to a minimum escrow period of 12-months, with 50% 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 Limited.

Investors are invited to keep up to date with Apiam news and industry research by subscribing at:
<https://www.apiam.com.au/investor-subscribe>

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.