

## ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

### Apiam expands regional footprint with acquisition of Grampians Animal Health

**Bendigo, November 27, 2019** – Apiam Animal Health Limited (**Apiam** or the **Company**) today announced it has entered into an agreement to acquire Grampians Animal Health (**GAH**) for total consideration of \$4.65 million.

GAH is headquartered in Hamilton, part of the Western District of Victoria and one of Australia's largest and most productive sheep farming regions. The business consists of a large regional mixed animal veterinary clinic and a production animal consultancy business (Livestock Logic). GAH generated revenue of \$4.10 million in FY2019.

Apiam's Managing Director, Dr Chris Richards said "The acquisition of GAH will significantly enhance Apiam's operations in the Western District of Victoria and leverage our asset base and infrastructure in this region. This is a fundamental pillar of our regional expansion strategy, and will take our South West Victorian operating region to 7 clinics".

"GAH also offers Apiam new skills and expertise in sheep consulting services and parasitology diagnostics that can be further expanded through our extensive network of production animal veterinarians in other regions of Australia."

Dr Richards added "GAH's consultancy expertise is also highly complementary to the bespoke vaccine and production animal diagnostic services we can offer through our recent acquisition, ACE Laboratory Services. Together these businesses have attractive and high growth prospects".

#### Grampians Animal Health

GAH is comprised of a large regional veterinary clinic and a production animal consultancy business. GAH's veterinary clinic is located in the regional city of Hamilton (VIC) and employs 6 FTE veterinarians. It services predominantly companion animal and equine clients.

GAH's animal consultancy business – Livestock Logic – is well renowned in sheep and beef veterinary consulting and also offers pasture and grain analysis as well as parasitology laboratory services. These businesses employ 6 veterinarians and a sheep consultant. Over the past 18-months the business has grown considerably and is known as an industry leader in these fields. While it is based in Hamilton, Livestock Logic provides services throughout Victoria, South Australia and New South Wales.

#### Acquisition terms & completion

Apiam will acquire 100% of the shares in GAH for total consideration of \$4.65 million, including a deferred consideration component of \$300,000 (subject to earn-out thresholds).

The consideration will be funded with 70% cash and 30% scrip, in-line with Apiam's previous acquisitions. The principals of GAH have entered into employment contracts with Apiam on similar terms to previous acquisitions. Half the shares issued to the principals as part of the acquisition

consideration are subject to an escrow period of 12-months with the remaining shares subject to an escrow period of 24-months.

Completion of the acquisition is subject to normal completion conditions. Settlement is expected to take place on, or around, December 1, 2019.

The cash component of the acquisition will be funded from Apiam's acquisition facility.

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**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.