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ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Strategic expansion of equine market presence with acquisition of high-performance NSW practice, Agnes Banks Equine Clinic

- **Agreement to acquire Agnes Banks Equine Clinic (NSW) for consideration of $4.8 million**
- **Forms part of Apiam's cornerstone equine clinic network, providing a base for further expansion into the equine sector throughout NSW**
- **Equine segment continues to be rapidly growing area for veterinary services**
- **Attractive financial metrics, adding $4.7M revenue and $0.75M in EBITDA (FY21 basis)**
- **Follows Apiam's successful acquisition of industry-leading Scenic Rim Veterinary Services in August 2021, a large surgical and reproduction equine clinic in QLD**

Bendigo, November 19, 2021 – Apiam Animal Health Limited (**Apiam** or the **Company**) today announced that it has entered into an agreement to acquire Agnes Banks Equine Clinic (**ABEC**).

ABEC operates a well-established dedicated equine veterinary clinic approximately 70KM from Sydney and is well located to capture a diversified equine client base including sport horses, pleasure horses and racehorses. The business employs 14 equine vets (including 3 registered specialists in Equine Surgery and Medicine) and has a reputation as a market leader within the Australian equine veterinary industry.

Apiam's Managing Director, Dr Chris Richards said "the acquisition of Agnes Banks Equine Clinic aligns with our equine strategy to operate high performance cornerstone clinics in key regions for the Australian equine industry. These cornerstone clinics feature state-of-the-art facilities and equipment operated by experienced vets, including some with registered specialist qualifications. Moving forward, these large cornerstone facilities are expected to provide a base for further expansion into the equine veterinary sector on a regional basis".

"In-line with many other animal segments over recent years, the equine veterinary sector has grown rapidly, benefitting from positive industry tailwinds and COVID-19 related demographic impacts" Dr Richards added.

The ABEC acquisition will add $4.7 million in revenue and $0.75 million in EBITDA to Apiam on a FY21 basis. The clinic has a strong financial track record, delivering 15.8% revenue growth between FY19-FY21.

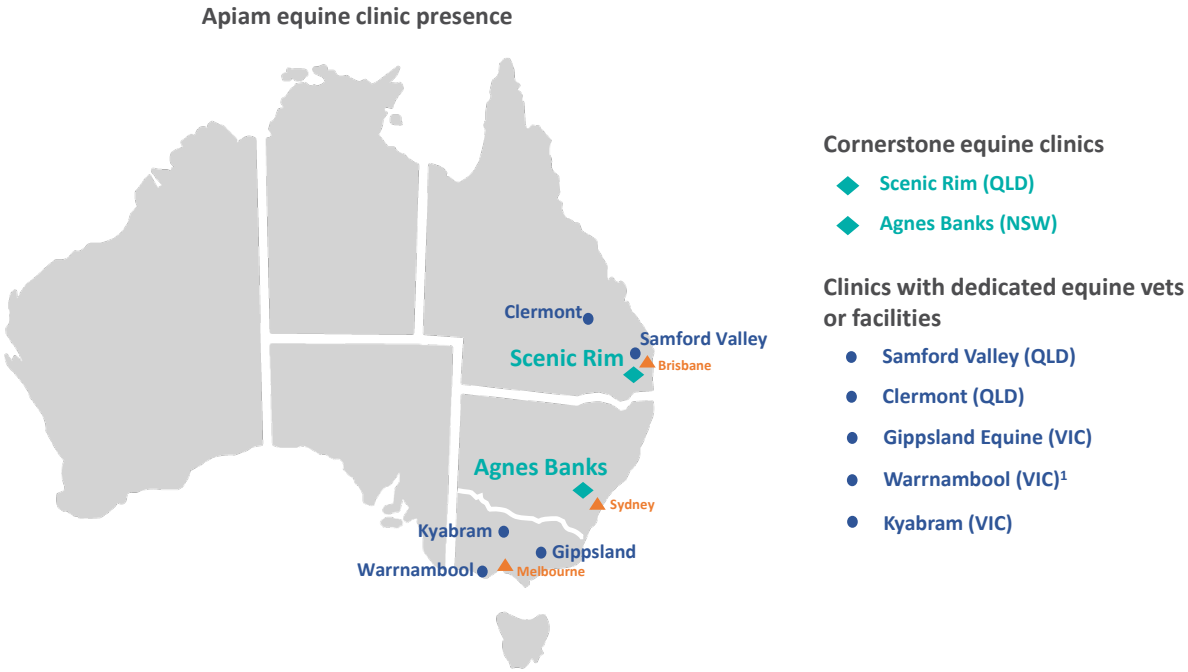
Apiam's equine veterinary services strategy

Apiam currently operates several dedicated equine centres, as well as clinics with equine facilities that form part of mixed animal clinics across the Company's broader portfolio of 64 veterinary locations Australia-wide.

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Apiam's recent acquisition of Scenic Rim Veterinary Services in Southern Queensland, in conjunction with the acquisition of ABEC now adds two high-performance equine cornerstone clinics that will form a base for continued expansion within the equine veterinary sector in each respective state. They will also offer Apiam feeder clinics access to specialist equine skills and knowledge from which to leverage revenue opportunities and industry leading resources in their local markets.



Notes
1 Operates as South West Equine Veterinary Group JV in which Apiam has a 50% interest

Funding & other information

The acquisition of ABEC will be funded via a cash payment of $4.1 million (85% of the acquisition consideration) with balance of $0.7m consideration in Apiam shares (15% of the acquisition consideration). Additional earn-out acquisition consideration, up to a maximum of $200,000, is also payable to the ABEC vendors based on normalised EBITDA performance in the 12-months following completion of the acquisition.

Shares issued as consideration to the ABEC vendors will be subject to a minimum escrow period of 12-months, with 50% subject to an escrow period of 24-months. Key personnel have entered extended employment agreements with Apiam and remain committed to continuing to lead the future growth of the clinic.

--Ends—

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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 company providing a range of products and veterinary services to rural and regional communities. Apiam Animal Health is committed to developing a community of healthy animals and happy people by delivering valued solutions to the communities and industries that we provide services.