



31 July 2018

API completes first stage of Clearskincare Clinics acquisition

Australian Pharmaceutical Industries Limited (API) was today pleased to advise that it had completed the first stage of the acquisition of Clearskincare Clinics in line with the announcement made on 25 June 2018.

API has taken an initial 50.1% controlling interest in the clinics and 100% of the skincare product business. This has been funded through a new medium term facility of \$65 million.

The staged ownership transition will occur between 2018 and 2021:

- July 2018 API paid \$61.6 million and received the initial 50.1% controlling share in the clinic operations and 100% of the skincare product business;
- September 2020 API pays \$32.9 million and its stake raises to 75.1% of the clinic operations;
- September 2021 API pays final instalment of \$32.9 million to assume full ownership of the clinic operations; and
- an additional capped cash consideration payment of up to \$20 million may be payable subject to certain performance hurdles being met in 2020 and 2021.

The balance of the transaction funding in 2020 and 2021 will be determined by API at the time. The funding strategy for the acquisition reflects API's commitment to maintaining a strong balance sheet and financial flexibility.

The acquisition is highly compelling and complementary. It delivers API shareholders the next stage of API's development strategy through having a more diversified business with accelerated growth potential due to accessing an early stage, rapidly growing market with professional healthcare services.

API's CEO and Managing Director Richard Vincent said: "We're already well progressed with plans to integrate and build the Clearskincare Clinics business which we are confident will add more value for customers and our shareholders."

For further information:

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Clearskincare Clinics
SKIN, LASER + ACNE EXPERTS

