

## ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

### Apiam completes acquisition of ACE Laboratory Services

**Melbourne, October 2, 2019** – Apiam Animal Health Limited (**Apiam** or the **Company**) today announced it has completed the acquisition of Animal Consulting Enterprises Pty Ltd (**ACE Laboratory Services**), (the **Acquisition**). This follows Apiam's previous announcement to the ASX on 3 September 2019 that it had executed a binding term sheet to acquire 100% of the shares in ACE Laboratory Services.

ACE Laboratory Services is a highly specialised autogenous (custom) vaccine and diagnostics laboratory service provider to large production animal producers, with Australia's market leading position in these segments. The Acquisition now establishes Apiam as the leading player in these attractive, highly specialised and high growth markets.

Under the terms of the Acquisition, the initial consideration of \$12.375 million is comprised of \$9.9 million in cash to be funded from Apiam's acquisition facility and \$2.475 million in Apiam shares (to be issued shortly at \$0.4276 per share<sup>1</sup>). Deferred consideration of an additional \$3.625 million is payable in 12 months, subject to agreed performance thresholds.

ACE Laboratory Services generated revenue of \$6.5 million in FY2019, and based on the agreed terms, the Acquisition is expected to be earnings per share accretive for Apiam shareholders in the first full year of ownership.

Commenting on the Acquisition, Dr Chris Richards, Apiam's Managing Director said *"The completion of the ACE Laboratory Services acquisition immediately expands Apiam's products and service offering in new complementary markets and contributes meaningful revenue and earnings. As veterinary service providers to a large proportion of Australia's production animals, this acquisition will enhance our ability to provide advanced diagnostics services and bespoke solutions to further improve the health of animals, the profitability of our clients and competitiveness of our agricultural industries"*.

Dr Richards added *"We are pleased to welcome ACE Laboratory Services management and employees into our Company and look forward to pursuing exciting new business opportunities"*.

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<sup>1</sup> 20 day Apiam VWAP prior to the date the binding Acquisition agreement was executed (September 2, 2019)

## 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.