

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Western Australian expansion with acquisition of Harradine & Associates veterinary business

- **Two clinic business – mixed animal hospital (including equine) and a companion animal clinic**
- **Total acquisition consideration of \$2.6 million**
- **FY22 revenue of \$4.4 million (normalised basis)**
- **Continues Apiam’s Accelerated Growth strategy to increase pro-forma revenues to more than \$300 million by FY24 and leverage earnings margins**
- **Recent regulatory changes in WA effective in June 2022 now provide for corporate ownership of veterinary practices**
- **Acquisition to expand Apiam vet services in WA, leveraging existing clinic support, warehouse and logistics operations**

Bendigo, 12th October 2022 – Apiam Animal Health Limited (**Apiam** or the **Company**) is pleased to announce the acquisition of Harradine & Associates (the **Acquisition**), a large veterinary business located in the southwest region of Western Australia.

Total consideration for the Acquisition is \$2.6 million, comprised of 80% cash and 20% scrip.

Harradine and Associates operate 2 clinics - a companion animal and livestock clinic (including equine facilities) located in Bunbury and a companion animal clinic in Dalyellup, fast growing regional hub locations approximately 170km south-west of Perth.

In FY22 Harradine & Associates generated \$4.4M of revenue (normalised basis) and currently employs approximately 29 team members, including 9 veterinarians.

The Acquisition is consistent with Apiam’s Accelerated Growth strategy, to deliver \$300 million of pro-forma revenue by FY24 as well as leverage earnings once integrated into Apiam’s clinic network. It also represents Apiam’s first acquisition in the Western Australian market since the Company’s IPO in 2015. Apiam have an existing presence in Western Australia, predominantly in swine and poultry veterinary operations, supported by warehouse and logistics infrastructure.

Dr Chris Richards, Apiam’s Managing Director said *“this acquisition is an important expansion into an attractive region for us. We see strong growth potential in regional Western Australia, with opportunities to introduce new services and products into these veterinary markets. We look forward to continuing to assess further opportunities in this region and continuing to deliver on our Accelerated Growth strategy in the year ahead.”*

Harradine & Associates

Harradine & Associates’ veterinary hospital is located at Bunbury and has operated for over 50 years. It is the largest and most experienced veterinary hospital in the region. In addition to a team dedicated to companion animals, the hospital has four experienced veterinarians dedicated solely to equine practice and offers a wide range of services including surgery, general medicine, diagnostic imaging, endoscopy, ultrasonography and reproduction/stud work.

The Dalyellup Veterinary Clinic provides veterinary services to companion animals, exotics and birds. The practice operates out of a purpose-built veterinary hospital and offers a full range of services using a suite of modern diagnostic equipment.

Changes to WA veterinary regulation

New legislation to support modern veterinary service in Western Australia has recently been introduced. *The Veterinary Practice Act 2021* and tranche one of the *Veterinary Practice Regulations 2022* commenced operation in June 2022, replacing the *Veterinary Surgeons Act 1960* and *Veterinary Surgeons Regulations 1979*.

The Act was developed with ongoing feedback from the profession and broader community, which signaled the need for a more balanced and modern statute, aligned with interstate approaches to compliance and regulation of veterinary practice.

Among many changes, such as recognising veterinary nursing as a registered profession, the legislation now also provides for corporate ownership of veterinary practices.

Key acquisition terms

Settlement of the Acquisition is expected to occur on 1st November 2022. Shares issued to the vendors of Harradine & Associates 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 into employment agreements with Apiam and are committed to contributing to the future growth performance of the Company.

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Authorisation

This announcement was authorised by the Board of Apiam Animal Health Limited.

About Apiam Animal Health Limited

Apiam Animal Health is one of Australia's leading rural veterinary businesses made up of 74 business sites including 59 Veterinary Clinics and 296 highly experienced veterinarians as part of a team of 1014 dedicated professionals. The majority of Apiam's vet clinics, production animal, and allied businesses have been around a long time, many of them decades and are spread Australia wide reaching into the heart of dairy, beef, sheep and pig country and the regional towns that are at their centre.

Apiam Animal Health is committed to providing best in class care for its clients, the animals in their care and the communities where people live and work. The Company's purpose, to enrich the lives of animals, people and communities, is applied across all businesses from vet clinic to production animal consultancy, logistics and laboratory with vets and allied staff sharing expertise and specialist knowledge. Apiam is focused on meeting the needs of its clients and shaping the future of the industry to deliver best practice animal health and welfare at a local level and nationally.