

ASX Announcement No 18 NVL



8 July 2016

National Veterinary Care acquires veterinary procurement company

National Veterinary Care Limited (ASX:NVL) is pleased to announce the acquisition of United Vets Group (UVG), a leading veterinary procurement company.

The acquisition, which settled on 8 July 2016, expands NVL's capacity to secure a larger share of the \$2.4 billion veterinary industry market. UVG has operated in the Australian veterinary market for more than 10 years and currently works with more than 250 veterinary clinics across Australia.

The acquisition builds on NVC's management services revenue stream and, following an earlier acquisition in April 2016, provides exposure to a growth sector in the highly fragmented Australian veterinary practice industry.

Total consideration for the acquisition equals \$5.93M, including \$0.59M in NVL shares, issued on 8 July 2016, to be held in voluntary escrow for 24 months from the date of settlement, and \$0.29M in deferred cash consideration. Both the NVL shares issued and the deferred cash consideration are subject to clawback provisions related to maintaining the EBIT of the business. The business is expected to deliver annualised revenue of \$2.00M and EBIT of \$1.07M. The acquisition is expected to be earnings per share accretive in the 2017 fiscal year. The total remaining up front consideration will be funded through debt and free cash. This transaction was subject to satisfactory external due diligence performed by BDO (QLD) Pty Ltd.

The NVL shares will be issued at the volume weighted price of \$1.307 which is calculated based on NVL Shares sold on the ASX for the fifteen consecutive trading days immediately prior to 8 July 2016.

Please find following the Appendix 3B relating to the issue of the shares forming the deferred consideration of this acquisition.

-END-

About NVL:

NVL aims to be a leading provider of veterinary services in Australia and New Zealand. NVL has acquired and integrated 41 veterinary business units across Australia. NVL strives to achieve excellence in clinical care for pets, and to build a platform for loyal, long term relationships with their owners.

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The key growth strategies for NVL are expanding the NVL network of veterinary businesses through acquisition, and driving organic growth at a clinic level.

For further information please contact:

Miss Katherine Baker
CFO & Company Secretary
National Veterinary Care Limited
1300 682 838

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

NATIONAL VETERINARY CARE LTD

ABN

17 166 200 059

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | ORDINARY |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 453,914 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 453,914 issued at 15 day VWAP on the date of settlement and held in voluntary escrow during the Retention Period of 24 months from the date of settlement. |

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Appendix 3B
New issue announcement

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$1.307</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The shares are issued as part consideration for the acquisition by National Veterinary Care Limited of UVG Holdings Pty Ltd which was completed on 8 July 2016.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>

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6d	Number of +securities issued with security holder approval under rule 7.1A	N/A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	453,914 Ordinary fully paid shares	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	4,493,107	
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	8 July 2016	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	34,419,867	+Class ORD

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New issue announcement

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	1. 375,000	1. Shares issued are subject to ASX imposed escrow until 10 August 2016
	2. 8,317,668	2. Shares issued are subject to ASX imposed escrow until 10 August 2016 followed by voluntary escrow until 10 August 2017
	3. 6,048,501	3. Shares issued are subject to ASX imposed escrow until 14 August 2017
	4. 2,471,480	4. Shares issued are subject to ASX imposed escrow until 18 August 2016 followed by voluntary escrow until 18 August 2017
	5. 5,000	5. Shares issued are subject to ASX imposed escrow until 4 September 2016 followed by voluntary escrow until 4 September 2017

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Shares will rank pari passu with existing fully paid ordinary shares
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
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12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

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20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

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Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A	
39	+Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		N/A	

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Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: *KBaker*
Company Secretary

Date: 8 July 2016

Print name: Katherine Baker, Company Secretary
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