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National Veterinary Care Ltd Clinic Acquisitions & Capital Raising

16 June 2017

www.nvcltd.com.au

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- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
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Introduction

Clinic Acquisition Pipeline

- NVL announced on 14 June 2017 that it has entered into an agreement to acquire one veterinary clinic and is finalising terms for the acquisition of another clinic. In addition, NVL is in due diligence and in contract negotiations for the acquisition of another two clinics located in existing NVL clusters
- Subject to completion of due diligence, finalisation of acquisition agreements, and satisfaction of conditions precedent (as applicable), NVL expects the settlement of these acquisitions to take place between 1 July and 31 August 2017
- The clinics have an aggregate historical annual revenue of approximately \$8.5 million, and are expected to be accretive to earnings per share in FY2018
- To support its growing business, NVL has been investing in its operating infrastructure during 2H FY2017 and expects to start realising operating synergies from this investment in FY2018
- NVL continues to assess potential clinic acquisition opportunities as they arise, with a view to making further acquisitions in the first half of FY2018

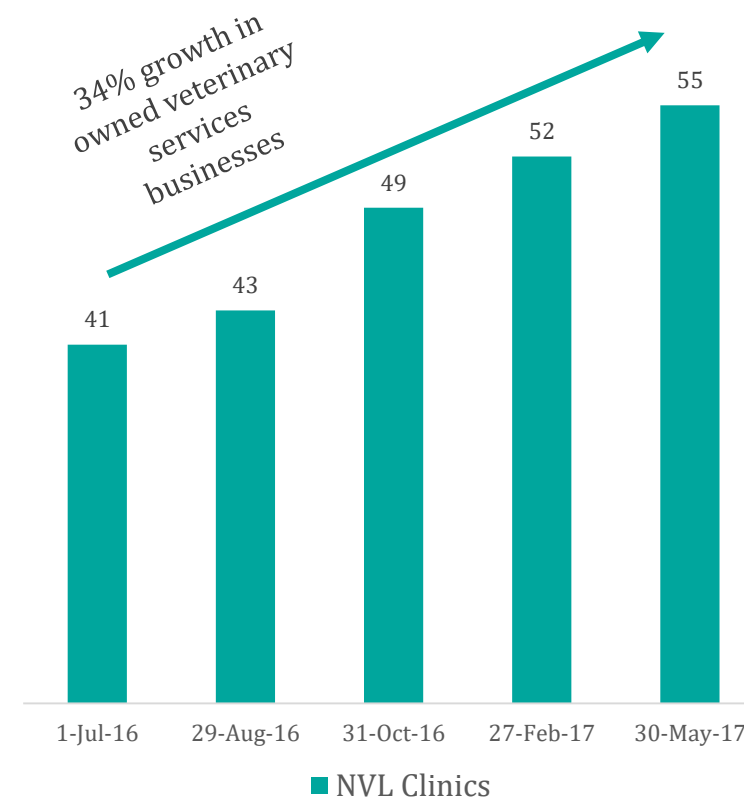
Capital Raising

- To support its acquisition pipeline, NVL will raise \$14.6 million via a placement to institutional, professional and sophisticated investors
- NVL expects that any surplus funds will be used to strengthen NVL's balance sheet
- An overview of key information about the placement is set out on page 8 of this presentation

Business Update

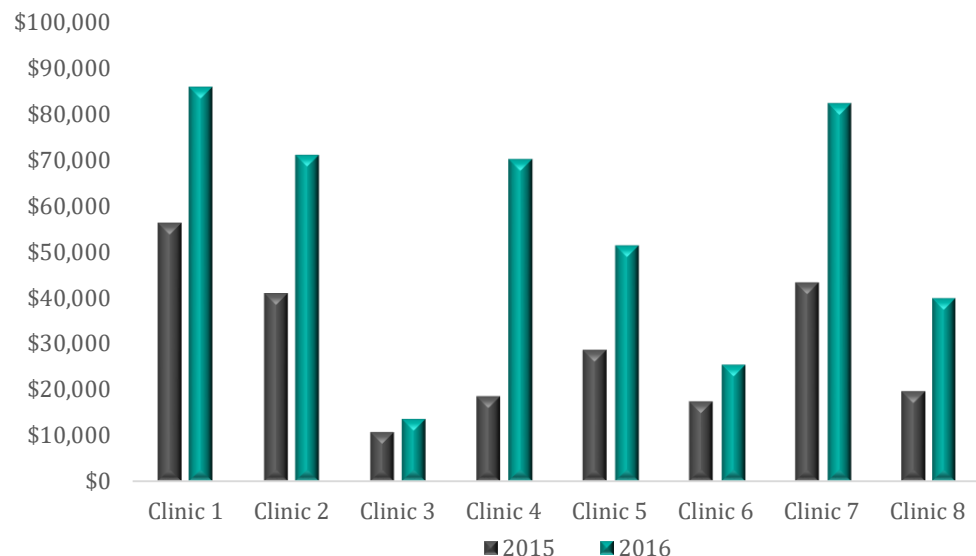
	Operational Highlights
Integration of portfolio	<ul style="list-style-type: none"> 14 clinic acquisitions settled since 1 July 2016 Total number of veterinary services businesses acquired and integrated by NVL since August 2015 is 55 Combined, the clinics acquired this financial year have delivered historical annualised revenue and an annualised EBIT of AUD\$20.3 million and AUD\$4.6 million respectively
Implementation of initiatives	<ul style="list-style-type: none"> NVL's Pet Wellness Program (Best for Pet) now implemented in 38 clinics with a total of 10,367 members as at 7 June 2017 - 115% growth in number of members since 31 July 2016 5 more NVL clinics will commence selling Best for Pet by 31 July 2017 349 independent clinics are utilising NVL's Management Services and Procurement Division (managed services clinic membership)
Portfolio strategy	<ul style="list-style-type: none"> NVL has an opportunity to divest one of its B2B clinics providing emergency and specialist services, which operates on lower EBIT margins than a typical general practice (GP) clinic If the divestment proceeds, NVL intends to develop a strategic partnership with the new operator who will continue supporting and servicing NVL's clients and clinics for emergency and specialist services NVL expects to complete a transaction with a purchaser by 30 June 2017 This will give NVL the ability to reinvest proceeds into businesses with stronger EBIT performance similar to NVL's current GP clinics

Growth Achieved since 1 July 2016



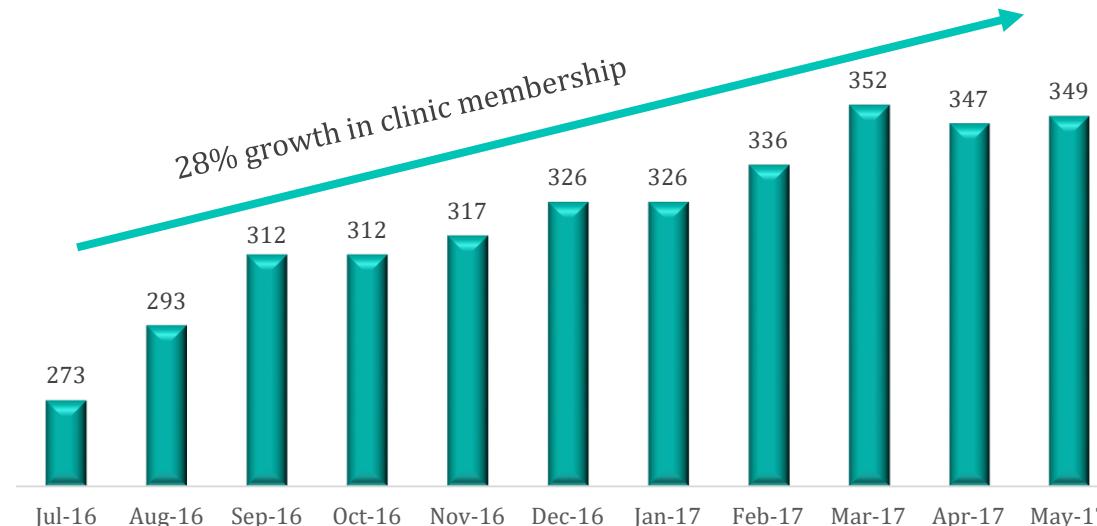
Business Update (cont'd)

Best for Pet year on year increase in client expenditure



- Increase in Best for Pet client expenditure at the clinics that have offered the program for longer than 12 months varies between 26% and 279%, with an average increase in expenditure of approximately 94% year on year
- NVL expects annual client expenditure to grow as Best for Pet membership grows based on demonstrated increase to date. An average of 10.77% of active clients of NVL clinics at 7 June 2017 are members

Managed Services Clinic membership growth



- Increase of 28% in managed services clinic membership since NVL acquired the business in July 2016
- NVL believes it is well positioned to grow the managed services and procurement business by leveraging increasing buying power, and training offered through NVL's Centre of Excellence

FY2017 Outlook

- NVL provides the following guidance in relation to FY2017:
 - Revenue growth of greater than 20% above pro-forma FY2016 revenue of \$53.8 million
 - EBITDA margin expected to be in a range of 18.0% to 18.4%, reflecting an investment by NVL in its operating infrastructure during 2H FY2017 in order to support additional clinics
 - To pay a dividend in respect of FY2017 following the FY2017 results (although a final decision regarding the payment of a dividend remains to be made and could depend on, among other things, the availability of franking credits)

	Growth Initiatives
Initiatives gaining traction	<ul style="list-style-type: none"> Wellness Program (Best for Pet) continuing to gain traction with 38 NVL clinics offering the program Roll out of KPIs for benchmarking across the NVL group have helped maintain performance standards as the business grows
IT and new infrastructure in place	<ul style="list-style-type: none"> Centralised financial systems and practice management systems in place to ensure scalability of the business model
Pipeline of potential acquisitions	<ul style="list-style-type: none"> Undertaking due diligence on identified pipeline of potential clinic acquisitions for future growth Sector remains highly fragmented with approximately 2,216 veterinary clinics in Australia
Supplier Agreements in place	<ul style="list-style-type: none"> Agreements with key product suppliers finalised to ensure NVL clinics receive purchasing terms reflecting NVL's buying power
Alignment of management, vendors and shareholders	<ul style="list-style-type: none"> Both management and vendors of clinics acquired by NVL have significant financial interest in NVL which aligns their interests with shareholders

Placement Summary and Timetable

Placement Details

Placement	<ul style="list-style-type: none"> Total proceeds of approximately \$14.6 million
Issue Price	<ul style="list-style-type: none"> \$2.25 per new share, which represents a discount of: <ul style="list-style-type: none"> 2.6% to last close of A\$2.31 as at Tuesday, 13 June 2017 5.1% to 5-day VWAP of A\$2.37 as at Tuesday, 13 June 2017
Offer Structure	<ul style="list-style-type: none"> Placement of approximately 6.5 million fully paid ordinary shares to sophisticated, professional and other institutional investors, which was not underwritten New shares will rank equally with existing shares
Lead Manager	<ul style="list-style-type: none"> Shaw and Partners Limited

Indicative Timetable

Announcement of acquisitions, trading halt and placement	Wednesday, 14 June 2017
Announcement of placement results and trading halt to be lifted	Friday, 16 June 2017
Anticipated settlement of placement shares	Thursday, 22 June 2017
Allotment and trading of placement shares on ASX	Friday, 23 June 2017

Note: Dates and times in the timetable set out above are indicative only and subject to change without notice. NVL reserves the right to alter the dates in this document at its discretion and without notice subject to the requirements of the ASX Listing Rules and Corporations Act 2001 (Cth). All dates and times in this document refer to Sydney, Australia time.

Key Risks

This section discusses a non-exhaustive list of key risks attaching to an investment in shares in NVL. Additional risks and uncertainties that NVL is unaware of, or presently considers to be immaterial, may also be, or become, important factors that adversely affect NVL's operating and financial performance.

Risk	Summary
Integration risk	<ul style="list-style-type: none"> Acquisitions have been a source of growth for NVL. However, there can be no guarantee that NVL will successfully integrate new businesses that it acquires or that the acquisition will perform as expected. There is a risk that the process of integration may take longer or be more expensive than anticipated and this could have a materially adverse impact on NVL's financial performance and position
Veterinary services expenditure	<ul style="list-style-type: none"> Any deterioration in economic conditions, a reduction in pet ownership in Australia or New Zealand, or the occurrence of any other event or circumstance with the potential to have a negative impact on the level of veterinary services expenditure in Australia and New Zealand may negatively impact NVL's future financial performance
Key management personnel	<ul style="list-style-type: none"> The successful execution of NVL's business model depends on a management team with the necessary talent and experience to integrate and manage veterinary clinics. The loss of key management personnel could adversely affect NVL's business, results of operations or financial conditions and performance
Retention of lead veterinarians	<ul style="list-style-type: none"> The retention of the lead veterinarians within the portfolio of NVL clinics is important to the ongoing operation of these clinics. If these lead veterinarians were to leave, there is a risk that some clients served by those veterinarians would no longer visit those clinics, which would have an adverse impact on the revenue of those clinics, and ultimately NVL
Human resources	<ul style="list-style-type: none"> Personnel issues may arise at a clinic level. If these issues are not effectively managed, then the business and profitability of these clinics could be adversely affected
Future acquisitions	<ul style="list-style-type: none"> NVL may not be successful in identifying, evaluating and finalising future acquisitions on acceptable terms. There is also a risk that increased competition for acquisitions could increase price expectations, lower returns on capital and affect NVL's ability to make acquisitions
Industry competition	<ul style="list-style-type: none"> Competitive threats such as reduction of competitor pricing for services, entry of new clinics in close proximity to NVL clinics, or increased competition for veterinarians could have a material adverse impact on NVL's operational and financial performance

Key Risks (cont'd)

Risk	Summary
Due diligence	<ul style="list-style-type: none"> There is a risk that due diligence associated with the acquisitions that NVL has made to date and acquisitions it makes in the future may not identify all issues that would be material to the decision to acquire them. Further, there is a risk that information provided by vendors of clinics may not be reliable
Financial Guidance	<ul style="list-style-type: none"> Any guidance referred to in this presentation represents NVL's best estimate of anticipated financial results based on the information available at the date that guidance was given. However, investors should appreciate that forecasts by their very nature are subject to uncertainties which may be outside of NVL's control or may not be capable of being foreseen or accurately predicted. As such, actual results may differ from the guidance provide and such differences may be material
Impairment of intangible assets	<ul style="list-style-type: none"> NVL has recognised a significant value of intangible assets on its balance sheet principally relating to goodwill. If impaired, NVL would need to write down the value of the intangible assets, which could have a material adverse impact on NVL's earnings and financial position
Availability of funding	<ul style="list-style-type: none"> NVL's acquisition strategy is intended to be financed by a combination of debt and equity funding. NVL's ability to pursue its growth strategy may be constrained by limited access to further debt and equity funding If NVL does not raise all of the intended funds in this placement, NVL would debt fund the immediate acquisitions which may constrain its access to further debt funding for further acquisitions
Limited operating history	<ul style="list-style-type: none"> NVL was incorporated on 9 October 2013, and therefore does not have a lengthy financial and operating history as a group. There is a risk that NVL will not achieve its operational objectives or financial forecasts. In any event, the past performance of NVL is no guarantee of how it may perform in the future
General economic conditions	<ul style="list-style-type: none"> The financial performance of NVL could be affected by changes in economic conditions in Australia and overseas
Legislative and regulatory changes	<ul style="list-style-type: none"> Changes in the laws or other regulations applicable to NVL's business, including tax laws and relevant accounting standards, may have an adverse impact on the financial position or performance of NVL
Future payment of dividends	<ul style="list-style-type: none"> The payment of dividends on NVL shares is dependent on a range of factors, including the availability of profits, the availability of franking credits and the capital requirements of NVL's business. Any future dividend and franking levels will be determined by the NVL board having regard to NVL's operating results and financial position at the relevant time. There is no guarantee that any dividend will be paid by NVL or, if paid, that it will be franked at any particular level