

16 February 2018

Capitalised terms used but not defined in this announcement shall have the meanings given to such terms in the announcement of the Proposed Accelerated Bookbuild released earlier today. This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

**CVS Group plc
("CVS" or the "Company")**

**Confirmation of Successful £60 million Placing
and Total Voting Rights**

CVS Group plc (AIM: CVSG), one of the UK's leading providers of integrated veterinary services, is pleased to confirm that, following its announcements earlier today, the Company has successfully raised a total of approximately £60 million (before expenses) by means of an accelerated bookbuild. The Placing was heavily oversubscribed and has received strong support from both existing and new investors.

In connection with the Placing, the Company will issue 5,581,395 new Ordinary Shares (the "Placing Shares") at a price of 1075 pence each (the "Placing Price"). The issue of the Placing Shares is being made under existing authorities and remains subject to Admission.

Key Highlights

- Placing to raise approximately £60 million through the issue of 5,581,395 Placing Shares to existing and new investors, at a Placing Price of 1075 pence per Placing Share
- The Placing Price represents a discount of 13.1 per cent. to the Closing Price on 15 February 2018, being the last trading day prior to announcement of the proposed Placing, a discount of 7.2 per cent. to the average Closing Price during the period in which market soundings were taken in connection with the Placing, and a discount of approximately 4.1 per cent. to the intra-day mid-market price at the time the Bookbuild was announced as closed
- The expected net proceeds of the Placing, being approximately £58.9 million, will be used primarily to pay down debt and create additional headroom to help fund expected future acquisitions in the UK and the Netherlands, in line with the Group's existing growth strategy
- Following Admission, the Placing Shares will represent approximately 7.95 per cent. of the total voting rights of the Company, as enlarged by the issue of the Placing Shares

Simon Innes, Chief Executive of CVS, said:

"The Board is pleased to have received the support of both existing and new shareholders for this fundraising, which represents a strong endorsement of our continuing acquisitive and organic growth strategy. With a strong pipeline of identified acquisition opportunities in large and small animal practices and in equine, the Group continues to build on its scale as one of the leading providers of integrated veterinary services in the UK. The domestic market still provides scope for further consolidation and we are seeking to build a business along similar lines in the Netherlands, where our operations are growing in scale.

"Our established network of integrated operations and an experienced team offer significant opportunities for further development of the business. We look forward to continuing to build value through future acquisitions and multiple organic growth initiatives. At the same time, we remain focused on delivering excellence in customer service and care and on providing high quality training and career opportunities for our staff."

Expected Timetable to Admission

Application has been made to the London Stock Exchange for admission of the Placing Shares to trading on AIM. It is expected that Admission and the commencement of dealings in the Placing Shares will take place at 08.00 a.m. on or around 20 February 2018.

The times and dates above refer to London time and are subject to change by the Company (with the agreement of N+1 Singer), in which case details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement through a Regulatory Information Service.

Placing Shares

The Placing Shares will, when issued, be subject to the articles of association of the Company and credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of Admission.

Total Voting Rights

Following Admission on 20 February 2018 the Company's issued share capital will comprise 70,240,270 Ordinary Shares with one voting right per Ordinary Share. From Admission, the figure of 70,240,270 may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Related Party Transactions

Funds and accounts under management by direct and indirect investment management subsidiaries of Aberdeen Standard Investments (together "Aberdeen Standard") are participating in the Placing, having conditionally agreed to subscribe for 446,511 Placing Shares pursuant to the Placing. As Aberdeen Standard is a Substantial Shareholder in the Company (as defined by the AIM Rules), its participation in the Placing is a related party transaction for the purposes of the AIM Rules.

Following Admission, Aberdeen Standard is expected to have a shareholding of 8,268,714 Ordinary Shares, representing approximately 11.76 per cent. of the issued share capital of the Company as enlarged by the Placing.

Funds and accounts under management by direct and indirect investment management subsidiaries of BlackRock, Inc. (together "BlackRock") are participating in the Placing, having conditionally agreed to subscribe for 358,832 Placing Shares pursuant to the Placing. As BlackRock is a Substantial Shareholder in the Company (as defined by the AIM Rules), its participation in the Placing is a related party transaction for the purposes of the AIM Rules.

Following Admission, BlackRock is expected to have a shareholding of 10,843,589 Ordinary Shares, representing approximately 15.44 per cent. of the total voting rights of the Company as enlarged by the Placing.

The Directors, having consulted with the Company's Nominated Adviser, N+1 Singer, consider the terms of Aberdeen Standard's and BlackRock's participation in the Placing to be fair and reasonable insofar as the Company's shareholders are concerned.

Conditions of the Placing

On 16 February 2018, the Company entered into the Placing Agreement with N+1 Singer pursuant to which N+1 Singer agreed to use reasonable endeavours to place the Placing Shares at the Placing Price. Under the Placing Agreement, the Company has given N+1 Singer customary warranties and indemnities.

The Placing remains conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms and Admission.

Authority to Issue Shares

Included below in this announcement is a list of acquisitions concluded within the six-month period prior to the date of this announcement, for which the Further Authority is being utilised.

For further information please contact:

Enquiries:

CVS Group plc

Tel: 01379 644 288

Simon Innes, Chief Executive

Nick Perrin, Finance Director

N+1 Singer (Nominated Adviser & Broker)

Tel: 020 7496 3000

Aubrey Powell

Michael Taylor

Liz Yong

James Hopton

LIST OF ACQUISITIONS COMPLETED WITHIN LAST SIX MONTHS, FOR WHICH THE FURTHER AUTHORITY IS BEING USED TO REFINANCE DEBT INCURRED

Practice name	Sites	Main locations	Region & Country	Business
Acorn Veterinary Centre	1	Studley	C. England	Small animal
Three Valleys Veterinary	2	Fivemiletown, Irvinestown	Northern Ireland	Small & farm animal
Dierenkliniek Vrieselaar	1	Lemmer	The Netherlands	Small animal
Buchan Vets	3	Strichen, Peterhead, Fraserburgh	Scotland	Small animal, farm animal & equine
Ashburn Veterinary Centre	1	Knighton	S. Wales	Small & farm animal
MS Vets	1	Reading	S.E. England	Small animal
Ruddington Vets	2	Ruddington, East Leake	E. Midlands	Small animal
Victoria Veterinary Clinic	1	Bristol	S.W. England	Small animal
Dierenartsenpraktijk NordOostpolder	1	Emmelord	The Netherlands	Farm animal, small animal & equine
Beacon	2	Aspatria, Silloth	N.W. England	Farm animal, small animal & equine

The total consideration payable (including any deferred consideration) in respect of the above acquisitions was approximately £27.5 million.