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10th November 2026

The Registrar / Commerce Commission

Commerce Commission New Zealand

Wellington, New Zealand

Email: registrar@comcom.govt.nz

RE: Submission on behalf of Anexa Veterinary Services – Proposed Acquisition of Veterinaryfirst Limited by Comhla Vet Limited

Dear Registrar,

Anexa Veterinary Services welcomes the opportunity to provide a submission to the Commerce Commission (the **Commission**) regarding the application for clearance dated 20 October 2026 by Comhla Vet Limited (**Comhla Vet**) to acquire 100% of the shares of Veterinaryfirst Limited (**Vet First**).

Comhla-and-Veterinaryfirst-Statement-of-Preliminary-Issues-28-October-2026.

Animal Health Centre Waikato Incorporated is an incorporated society or Vet Club operating as Anexa Veterinary Services. As a membership-based organisation, the establishment of Veterinary Service Bodies was to promote efficient delivery of veterinary services. The representation of this purpose and our members is to ensure fair competition is maintained and protected for our members and the industry. Anexa Veterinary Services has significant commercial interests in the New Zealand veterinary sector and holds serious concerns that the Proposed Acquisition will, or would be likely to, substantially lessen competition in violation of section 3 of the Commerce Act 1986. Specifically, our concerns relate to aggregated upstream buying power, vertical foreclosure risks, and severe operational constraints caused by the compressed consultation timetable.

1. Upstream Buying Power and Distortion of Input Markets

The Statement of Preliminary Issues (SoPI) notes that Comhla Vet forms part of the broader, vertically integrated Comhla Group. This broader group encompasses key upstream wholesale and supply businesses, including Fortis Vet (veterinary product wholesaler), Agilis Vet (production animal-focused wholesaler), Heartland nutrition, and DRL (veterinary diagnostic laboratory).

Anexa Veterinary Services is deeply concerned that the Proposed Acquisition will significantly scale the purchasing mass of the combined entity across these input channels. As recognised in paragraphs 27–28 of the SoPI, the acquisition of goods (such as veterinary

products) can generate unilateral effects where a merged firm gains the ability to profitably lower prices paid to upstream suppliers, or impose worsened commercial terms.

By combining Comhla Vet's extensive downstream clinic network (52 clinics across New Zealand) with Vet First's 17 clinics, the merged group will control an unprecedented share of downstream demand. This increased purchasing scale risks:

- Depressing prices paid to upstream manufacturers and independent product suppliers, reducing their incentives and ability to invest in product innovation, R&D, or supply capacity.
- Distorting input markets and marginalising independent wholesalers or competing direct-to-clinic suppliers who lack a captive, large-scale downstream network.

We submit that the Commission must rigorously test whether suppliers retain viable "outside options" or if the merged entity's expanded buying power will create asymmetric bargaining imbalances that harm the broader supply ecosystem.

2. Vertical and Conglomerate Foreclosure Risks

Paragraphs 36–39 of the SoPI outline potential vertical and conglomerate effects arising when non-competing firms operating across related market levels combine. Anexa Veterinary Services holds serious concern for the increased exposure to vertical integration introduced by this transaction.

The merged entity will control a powerful ecosystem spanning:

1. Upstream wholesale and importation (Fortis Vet, Agilis Vet);
2. Specialised diagnostic infrastructure (DRL diagnostics); and
3. A massive combined downstream footprint of nearly 70 veterinary clinics nationwide (comprising Comhla Vet's brands such as Vetlife, VetSouth, and Totally Vets, alongside Vet First's Petfirst and Farmfirst brands).

This vertical linkage raises critical questions regarding the merged entity's enhanced ability and incentive to engage in input and customer foreclosure. Specifically, there is a substantial risk that the merged entity could:

- Foreclose rival independent clinics (such as Anexa) from essential upstream products, medicines, or diagnostic services (DRL), or disadvantage competing wholesalers by restricting access to captive clinic demand.
- Leverage its vertically integrated divisions to disadvantage competitors through selective bundling, preferential pricing, or supply restrictions.

While Comhla Vet asserts in its application that it lacks exclusive access to "must-have" inputs, the sheer scale of the combined group post-acquisition significantly alters market

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dynamics, creating both the economic incentive and the structural ability to marginalise independent veterinary service providers.

Furthermore, if our farming members could not get access to critical Restricted Veterinary Medicines (RVMs) when they needed them, there is serious concern regarding the potential severe economic impact to their farming operations as well as potential animal welfare concerns for their animals.

3. Tight Submission Deadlines and Operational Risk

Finally, Anexa Veterinary Services wishes to place on record its strong concern regarding the compressed consultation window established by the Commission.

- The SoPI was published on **28 October 2026**.
- Submissions close on **11 November 2026**, providing a mere two-week window for industry participants to review the application, consult with commercial and technical stakeholders, and compile evidence.
- The Commission's preliminary decision target is set for **16 December 2026**.

This tight turnaround creates an acute operational risk for independent veterinary practices. Gathering, verifying, and submitting robust commercial, economic, and competitive counter-evidence—particularly regarding complex upstream buying data, regional market definitions, and vertical supply dependencies—within such a compressed timeframe is exceptionally difficult. This operational barrier threatens to impair the ability of affected market participants to properly inform the Commission's preliminary assessment phase before key positions harden.

Conclusion and Next Steps

Given the profound structural implications of combining two of the country's largest mixed practice veterinary networks alongside extensive wholesale infrastructure, Anexa Veterinary Services urges the Commission to subject the Proposed Acquisition to a thorough, in-depth investigation.

We request that the Commission take our competition concerns regarding upstream buying power and vertical foreclosure fully into account during its preliminary evaluation and subsequent steps leading up to the December decision target.

Yours faithfully,

Anexa Veterinary Services

(Submitted via email to the Registrar)