

26 April 2024

ASX Announcement

AUSTCO EXECUTES SHARE PURCHASE AGREEMENT TO ACQUIRE AMENTCO

Highlights

- Share Purchase Agreement executed to acquire 100% of Amentco, a communications hardware and software solutions provider and certified Austco Nurse Call reseller ("Acquisition").
- The Acquisition will fast-track Austco's plan to build direct sales capability in Australia, replicating the proven model Austco uses in the United States, Canada and Singapore. It will enable Austco to expand its product offering to Australian healthcare providers, including security solutions and other low-voltage products.
- The Acquisition is expected to be completed by 1 May 2024.
- The Acquisition is expected to be immediately earnings accretive, not including any revenue synergy benefits.

Austco Healthcare Limited ("**Austco**" or "**the Company**") (AHC:ASX) is pleased to announce it has signed a binding conditional Share Purchase Agreement to acquire 100% of the shares in Amentco Enterprise Group Ltd. ("**Amentco**"), a healthcare and security solutions provider and a Certified Austco Nurse Call reseller, on terms consistent with the Term Sheet.

Austco Healthcare Limited (ACN 108 208 760) (ASX: AHC) (**Austco** or the **Company**) refers to:

1. its ASX Announcement dated 21 February 2024 in respect of the conditional binding term sheet ("Term Sheet") to acquire 100% of the shares in Amentco Enterprise Group Pty Ltd ("Amentco");
2. the investor presentation Austco released to the market on 24 April 2024 contemplated the imminent execution of transaction documents with respect to the Acquisition of Amentco.

Austco and Amentco are now working towards satisfying the conditions precedent specified in the SPA with a view to completion of the Amentco acquisition on or around 1 May 2024.

The Acquisition of Amentco offers significant benefits for Austco Healthcare:

1. **Expansion of Market Presence:** Austco Healthcare can expand its market presence in Australia by integrating Amentco's existing business and customer base. This allows Austco to reach a broader audience and increase its regional market share.
2. **Diversification of Product and Service Offerings:** Amentco's expertise in communication and security solutions complements Austco Healthcare's existing healthcare-focused offerings. By incorporating Amentco's security products and services, Austco can provide a comprehensive solution to its clients, enhancing customer satisfaction and loyalty.

3. **Revenue Synergies:** The Acquisition presents opportunities for revenue synergies through cross-selling of products and services. Austco can leverage its relationships with healthcare facilities to introduce Amentco's security and communication solutions and vice versa, thereby increasing sales and revenue.
4. **Operational Efficiencies:** Consolidating operations between Austco and Amentco can lead to cost savings and operational efficiencies. Streamlining processes, sharing resources, and optimising workflows can reduce overhead costs and improve profitability.
5. **Talent Retention and Knowledge Transfer:** Retaining key personnel from Amentco ensures continuity and expertise within the merged entity. This helps preserve relationships with existing customers and facilitates the transfer of knowledge and best practices between the two organizations.
6. **Enhanced Competitive Advantage:** By combining resources, expertise, and market reach, Austco Healthcare gains a stronger competitive position in Australia's healthcare and security sectors. This will enable the Company to compete better in regional growth opportunities.

Overall, the Acquisition of Amentco by Austco Healthcare presents a strategic opportunity for both companies to strengthen their market positions, drive growth, and deliver enhanced value to customers in Australia.

Austco intends to merge Amentco's extensive business with its current operations, which span hundreds of sites and include important security solutions customers across Queensland. Key personnel from Amentco will be retained to facilitate a seamless transition for both customers and employees. This Acquisition is anticipated to yield substantial revenue synergies by enabling cross-selling of products and services and streamlining operational processes.

Amentco will be acquired on a cash-free, debt-free basis for a total purchase price of \$10,600,000 (**Purchase Price**) based on 3.5 times financial year (FY) 2023 EBITDA, and will be subject to customary completion adjustments for working capital, any net debt assumed and an earnout.

The Purchase Price is based on:

- a) an upfront cash payment (subject to adjustments) of \$5,000,000 (**Upfront Cash**);
- b) the issue at completion of \$2,000,000 of Austco shares at issue price based on the 30-day volume weighted average share price of Austco determined two business days before completion (**Share Consideration**) (Upfront Cash and Share consideration collectively **Upfront Payment**); and
- c) an earnout amount calculated on the average FY24 EBITDA and FY25 EBITDA of Amentco multiplied by 3.5 times less the Upfront Payment (**Earnout**).

For further information on the terms of the Amentco acquisition, shareholders are encouraged to read Austco's ASX Announcement of 21 February 2024.

This announcement was approved by the Disclosure Committee of Austco Healthcare Limited.

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About Austco Healthcare Limited

Austco Healthcare Limited (Austco) is an ASX listed company based in Port Melbourne, Victoria and an international provider of healthcare communication and clinical workflow management solutions. Headquartered in Australia, the Company has subsidiaries in six countries and supports healthcare facilities through its global reseller network, which includes growing markets in health, aged care and acute care. Austco Healthcare services markets include Australia, New Zealand, Canada, the UK, USA, Asia and the Middle East. For further information, please refer to the Company's website www.austcohealthcare.com.au.