

COMPLETED ACQUISITION BY MEDIVET GROUP LIMITED OF FERRING STREET VETS LIMITED

Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the Enterprise Act 2002 (the Act)

Whereas:

- (a) the Competition and Markets Authority (**CMA**) has reasonable grounds for suspecting that it is or may be the case that Medivet Group Limited (**Medivet**) and Ferring Street Vets Limited (the **Relevant Vet Practice**) have ceased to be distinct;
- (b) the CMA is considering, pursuant to section 22 of the Act, whether it is or may be the case that a relevant merger situation has been created and whether the creation of that situation has resulted or may be expected to result in a substantial lessening of competition in any market or markets in the United Kingdom (UK);
- (c) Medivet is a private limited company which is the wholly owned subsidiary of Hecate Holdco Limited (UK) (**Hecate Holdco**) and indirectly held by CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P., being funds managed by CVC Capital Partners VIII Limited (**CVC Capital**);
- (d) the CMA wishes to ensure that no action is taken pending final determination of any reference under section 22 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference; and
- (e) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.

Now for the purposes of preventing pre-emptive action in accordance with section 72(2) of the Act the CMA makes the following order addressed to Medivet, Hecate Holdco, CVC Capital, CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII

Associates L.P. and CVC Capital Partners Investment Europe VIII L.P. (collectively, the **Acquirer Group**) (the **Order**).

Commencement, application and scope

1. This Order commences on the commencement date: **21 December 2022**.
2. This Order applies to the Acquirer Group.
3. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige the Acquirer Group to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date.

Management of the Acquirer Group and Ferring Street Vets Limited businesses until determination of proceedings

4. Except with the prior written consent of the CMA, the Acquirer Group shall not, during the specified period, take any action which might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the Acquirer Group business with the Relevant Vet Practice business;
 - (b) transfer the ownership or control of the Medivet business or the Relevant Vet Practice business or any of their subsidiaries; or
 - (c) otherwise impair the ability of the Relevant Vet Practice business or the Acquirer Group business to compete independently in any of the markets affected by the transaction.
5. Further and without prejudice to the generality of paragraph 4 and subject to paragraph 3, the Acquirer Group shall at all times during the specified period take all necessary steps to ensure that, except with the prior written consent of the CMA:
 - (a) the Relevant Vet Practice business is carried on separately from the Acquirer Group business and the Relevant Vet Practice business' separate sales or brand identity is maintained;
 - (b) the Relevant Vet Practice business and the Medivet business are maintained as a going concern and sufficient resources are made available for the development of the Relevant Vet Practice business and

the Medivet business, on the basis of their respective pre-merger business plans;

- (c) except in the ordinary course of business, no significant changes are made to the organisational structure of, or the management responsibilities within, the Relevant Vet Practice business or the Medivet business;
- (d) the nature, description, range and quality of goods or services (or both) supplied in the UK by each of the Relevant Vet Practice business and the Medivet business are maintained and preserved;
- (e) except in the ordinary course of business through the separate operation of the Relevant Vet Practice business and the Medivet business:
 - (i) all of the assets of the Relevant Vet Practice business and the Medivet business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Relevant Vet Practice business or the Medivet business are disposed of; and
 - (iii) no interest in the assets of the Relevant Vet Practice business or the Medivet business is created or disposed of;
- (f) there is no integration of the information technology of the Relevant Vet Practice or the Acquirer Group businesses, and the software and hardware platforms of the Relevant Vet Practice business shall remain essentially unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of the Relevant Vet Practice business and the Medivet business shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Relevant Vet Practice business will be carried out by the Relevant Vet Practice business alone and for the avoidance of doubt the Medivet business will not negotiate on behalf of the Relevant Vet Practice business (and vice versa) or enter into any joint agreements with the Relevant Vet Practice business (and vice versa);
- (h) all contracts of the Relevant Vet Practice business and the Medivet business continue to be serviced by the business to which they were awarded;
- (i) no changes are made to key staff of the Relevant Vet Practice business or the Medivet business;

- (j) no key staff are transferred between the Relevant Vet Practice business and the Medivet business;
- (k) all reasonable steps are taken to encourage all key staff to remain with the Relevant Vet Practice business and the Medivet business; and
- (l) no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses shall pass, directly or indirectly, from the Relevant Vet Practice business (or any of its employees, directors, agents or affiliates) to the Acquirer Group business (or any of its employees, directors, agents or affiliates), or vice versa, except where strictly necessary in the ordinary course of business (including, for example, where required for compliance with external regulatory or accounting obligations or for due diligence, integration planning or the completion of any merger control proceedings relating to the transaction) and on the basis that, should the transaction be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

Compliance

- 6. The Acquirer Group shall take all necessary steps to ensure that each of their subsidiaries complies with the provisions of this Order as they apply to that entity as if the Order had been issued to each of them.
- 7. The Acquirer Group shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by the Acquirer Group and their subsidiaries with this Order. In particular, on **9 January 2023** and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officers of the Acquirer Group or other persons of the Acquirer Group as agreed with the CMA shall, on behalf of the entity or entities for which they are certifying compliance, provide a statement to the CMA in the form set out in Annexes A and B to this Order (as relevant) confirming compliance with this Order.
- 8. At all times, the Acquirer Group shall actively keep the CMA informed of any material developments relating to the Relevant Vet Practice business or the Medivet business, which includes but is not limited to:
 - (a) details of key staff who leave or join the Relevant Vet Practice business or the Medivet business;

- (b) any interruption of the Relevant Vet Practice business or Medivet business (including without limitation its procurement, production, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours;
 - (c) all substantial customer volumes won or lost or substantial changes to the customer contracts for the Relevant Vet Practice business or Medivet business including any substantial changes in customers' demand; and
 - (d) substantial changes in the Relevant Vet Practice or Medivet business's contractual arrangements or relationships with key suppliers.
9. If the Acquirer Group has any reason to suspect that any provision (or provisions) of this Order might have been breached it shall immediately notify the CMA and any monitoring trustee that the Acquirer Group may be directed to appoint under paragraph 10.
 10. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.
 11. The Acquirer Group shall comply in so far as it is able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

Interpretation

12. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.
13. For the purposes of this Order:

'the Act' means the Enterprise Act 2002;

'the Acquirer Group' means Medivet, Hecate Holdco, CVC Capital, CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P.;

'the Acquirer Group business' means the businesses of Medivet, Hecate Holdco, and CVC Capital, CVC Capital Partners VIII (A) L.P., CVC Capital

Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P. and their subsidiaries but excluding the Target Entities' businesses carried on as at the commencement date and the businesses of any companies held by funds managed by CVC Capital that are not active in markets (or market segments) that the Medivet or Target Entities' businesses are active in (including those carried on after the commencement date);

'an affiliate' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

'business' has the meaning given by section 129(1) and (3) of the Act;

'commencement date' means 21 December 2022;

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

'CVC Capital' means CVC Capital Partners VIII Limited, a company registered in Jersey having its registered office at 27 Esplanade, St Helier, Jersey JE1 1SG;

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of section 35 of the Act;

'Hecate Holdco' means Hecate Holdco Limited (UK), company number 13671403;

'key staff' means staff in positions of (i) executive or managerial responsibility or (ii) whose performance affects the viability of the business;

'Medivet' means Medivet Group Limited, company number 03481736;

'the Medivet business' means the businesses of Hecate Holdco and its subsidiaries (including Medivet) carried on as at the commencement date, but excluding the Target Entities' businesses.

'the Orders' means this Order and the other initial enforcement orders issued to the Acquirer Group on 21 December 2022 in respect of the Relevant Transactions that remain in force and have not been revoked or otherwise ceased to be in force;

‘the ordinary course of business’ means matters connected to the day-to-day supply of goods or services (or both) by the Relevant Vet Practice or the Medivet business and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of the Relevant Vet Practice and the Medivet business;

‘the Relevant Transactions’ means Medivet’s completed acquisitions of the entities, assets and businesses listed in Annex C;

‘the Relevant Vet Practice’ means Ferring Street Vets Limited, company number 09566431;

‘the Relevant Vet Practice business’ means the business or businesses of the Relevant Vet Practice and their respective subsidiaries carried on as at the commencement date;

‘specified period’ means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act;

‘subsidiary’, unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

‘the Target Entities’ means the independent veterinary practices acquired by Medivet and listed in Annex C to this Order;

‘the Target Entities’ businesses’ means the business of each of the Target Entities and their respective subsidiaries carried on as at the commencement date;

‘the transaction’ means the transaction by which Medivet and Ferring Street Vets Limited have ceased to be distinct within the meaning of section 23 of the Act;

‘the two businesses’ means the Acquirer Group business and the Relevant Vet Practice business;

unless the context requires otherwise, the singular shall include the plural and vice versa.

Faye Fullalove

Assistant Director, Mergers

Compliance statement for Medivet Group Limited / Hecate Holdco Limited (UK)

I [insert name] confirm on behalf of Medivet Group Limited / Hecate Holdco Limited (UK) that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Medivet Group Limited / Hecate Holdco Limited (UK) has complied with the Orders made by the CMA in relation to the Relevant Transactions on 21 December 2022 (the **Orders**).
 - (b) Medivet Group Limited / Hecate Holdco Limited (UK)'s subsidiaries have also complied with these Orders.
2. Subject to paragraph 3 of the Orders, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Medivet Group Limited / Hecate Holdco Limited (UK) that might prejudice a reference of the transactions under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Target Entities' businesses with the Medivet business;
 - (ii) transfer the ownership or control of the Medivet business or the Target Entities' businesses or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Target Entities' businesses or the Medivet business to compete independently in any of the markets affected by the Relevant Transactions.
 - (b) The Target Entities' businesses have been carried on separately from the Medivet business and the Target Entities' businesses' separate sales or brand identities has been maintained.
 - (c) The Target Entities' businesses and the Medivet business have been maintained as a going concern and sufficient resources have been made available for the development of the Target Entities' businesses and the

Medivet business, on the basis of their respective pre-merger business plans.

- (d) No significant changes have been made to the organisational structure of, or the management responsibilities within, the Target Entities' businesses or the Medivet business, except in the ordinary course of business.
- (e) The nature, description, range and quality of goods or services (or both) supplied in the UK by the Target Entities' businesses and the Medivet business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the Medivet business and Target Entities' businesses:
 - (i) all of the assets of the Target Entities' businesses and the Medivet business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Target Entities' businesses or the Medivet business have been disposed of; and
 - (iii) no interest in the assets of the Target Entities' businesses or the Medivet business has been created or disposed of.
- (g) There has been no integration of the information technology of the Target Entities' businesses or Medivet business, and the software and hardware platforms of the Target Entities' businesses have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the Target Entities' businesses or Medivet business, have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Target Entities' businesses have been carried out by the Target Entities' businesses alone and, for the avoidance of doubt, the Medivet business has not negotiated on behalf of the Target Entities' businesses (and vice versa) or entered into any joint agreements with the Target Entities' businesses and vice versa).
- (i) All contracts of the Target Entities' businesses and the Medivet business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.

- (j) No changes have been made to key staff of the Target Entities' businesses or the Medivet business.
- (k) No key staff have been transferred between the Target Entities' businesses and the Medivet business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Target Entities' businesses and the Medivet business.
- (m) Except as permitted by the Orders, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Target Entities' businesses (or any of its employees, directors, agents or affiliates) to the Medivet business (or any of its employees, directors, agents or affiliates), or vice versa.
- (n) Except as listed in paragraph (o) below, there have been no:
 - (i) key staff that have left or joined the Target Entities' businesses or the Medivet business;
 - (ii) interruptions of the Target Entities' businesses or the Medivet business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Target Entities' businesses or the Medivet business; or
 - (iv) substantial changes in the Target Entities' businesses or the Medivet business's contractual arrangements or relationships with key suppliers.
- (o) *[list of material developments]*

3. Medivet Group Limited / Hecate Holdco Limited (UK) and its subsidiaries remain in full compliance with the Orders and will continue actively to keep the CMA informed of any material developments relating to the Target Entities' businesses or the Medivet business in accordance with paragraph 8 of the Orders.

Interpretation

4. Terms defined in the Orders have the same meaning in this compliance statement.

I understand that:

5. It is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **finest, imprisonment for a term not exceeding two years, or both**. (Section 117 of the Enterprise Act 2002.)
6. Failure to comply with these orders without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF MEDIVET GROUP LIMITED / HECATE HOLDCO

Signature

Name

Title

Date

Compliance statement for CVC Capital Partners VIII Limited / CVC Capital Partners VIII (A) L.P. / CVC Capital Partners VIII Associates L.P./ CVC Capital Partners Investment Europe VIII L.P.

I [insert name] confirm on behalf of CVC Capital Partners VIII Limited / CVC Capital Partners VIII (A) L.P. / CVC Capital Partners VIII Associates L.P./ CVC Capital Partners Investment Europe VIII L.P. that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) CVC Capital Partners VIII Limited / CVC Capital Partners VIII (A) L.P. / CVC Capital Partners VIII Associates L.P./ CVC Capital Partners Investment Europe VIII L.P. has complied with the Orders made by the CMA in relation to the Relevant Transactions on 21 December 2022 (the **Orders**).
 - (b) CVC Capital Partners VIII Limited / CVC Capital Partners VIII (A) L.P. / CVC Capital Partners VIII Associates L.P./ CVC Capital Partners Investment Europe VIII L.P.'s subsidiaries have also complied with these Orders.
2. Subject to paragraph 3 of the Orders, and except with the prior written consent of the CMA:
 - (a) No action has been taken by CVC Capital Partners VIII Limited / CVC Capital Partners VIII (A) L.P. / CVC Capital Partners VIII Associates L.P./ CVC Capital Partners Investment Europe VIII L.P. that might prejudice a reference of the transactions under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Target Entities' businesses with the Acquirer Group business;
 - (ii) otherwise impair the ability of the Target Entities' businesses or the Acquirer Group business to compete independently in any of the markets affected by the Relevant Transactions.
 - (b) The Target Entities' businesses have been carried on separately from the Acquirer Group business and the Target Entities' businesses' separate sales or brand identities has been maintained.

- (c) There has been no integration of the information technology of the Target Entities' businesses or Acquirer Group business, and the software and hardware platforms of the Target Entities' businesses have remained essentially unchanged, except for routine changes and maintenance.
 - (d) Except as permitted by the Orders, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Target Entities' businesses (or any of its employees, directors, agents or affiliates) to the Acquirer Group business (or any of its employees, directors, agents or affiliates), or vice versa.
 - (e) *[list of material developments]*
3. CVC Capital Partners VIII Limited / CVC Capital Partners VIII (A) L.P. / CVC Capital Partners VIII Associates L.P/ CVC Capital Partners Investment Europe VIII L.P. and its subsidiaries remain in full compliance with the Orders and will continue actively to keep the CMA informed of any material developments relating to the Target Entities' businesses or the Acquirer Group business in accordance with paragraph 8 of the Order.

Interpretation

4. Terms defined in the Orders have the same meaning in this compliance statement.

I understand that:

5. It is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **finances, imprisonment for a term not exceeding two years, or both**. (Section 117 of the Enterprise Act 2002.)
6. Failure to comply with these orders without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF CVC CAPITAL PARTNERS VIII LIMITED / CVC
CAPITAL PARTNERS VIII (A) L.P. / CVC CAPITAL PARTNERS VIII ASSOCIATES
L.P/ CVC CAPITAL PARTNERS INVESTMENT EUROPE VIII L.P.

Signature

Name

Title

Date

List of Target Entities

1. All Creatures Clinic Limited;
2. The assets and business of the veterinary practice under the name 'Hollies Veterinary Surgery';
3. Canine Healthcare Limited (t/a Vet Value);
4. The assets and business of the veterinary practice under the name 'Iffley Vets';
5. The Oxford Cat Clinic Limited;
6. The Vet Station Limited;
7. Barton Companion Animal Services Limited;
8. Stanhope Park Veterinary Hospital Limited;
9. I T Kalogera Holdings Ltd (including its subsidiary I T Kalogera Limited);
10. Monument Vets Ltd;
11. Fitzalan House Veterinary Practice Ltd;
12. Ferring Street Vets Limited;
13. The Hackney Vet Limited;
14. Caddy Country Practice Limited;
15. E Street Limited (t/a Elizabeth Street Veterinary Clinic);
16. The assets and businesses of the veterinary practices under the names 'The Vet on Richmond Hill' and 'The Vet in St Margaret's'; and
17. Withy Grove Veterinary Clinic Limited.