

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002**

**Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for
the purposes of the Initial Enforcement Orders made by the Competition and
Markets Authority ('CMA') on 17 November 2022**

**COMPLETED ACQUISITIONS BY INDEPENDENT VETCARE LIMITED OF
MULTIPLE INDEPENDENT VETERINARY PRACTICES**

Dear Bertrand Louveaux,

We refer to your email and accompanying note dated 12 October 2022 (and subsequent submissions including on 10 March 2023) requesting that the CMA consents to a derogation to the Initial Enforcement Orders (the '**Initial Orders**') dated 17 November 2022. The terms defined in the Initial Orders have the same meaning in this letter.

The CMA issued Initial Orders addressed to Independent Vetcare Limited ('**IVC**'), Acquisition Pikco Ltd ('**Pikco**'), IVC Acquisition Topco Limited ('**IVC Topco**'), Islay New Group Holding S.A. ('**Islay**'), Société Des Produits Nestlé S.A. ('**Nestle**'), EQT Fund Management S.à r.l. ('**EQT**') and Berkshire Partners LLC ('**Berkshire**') (together, the '**Acquirer Group**'). Under the Initial Orders, save for written consent by the CMA, the Acquirer Group is required to hold separate the Acquirer Group business from the Target Entities and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for a derogation, based on the information received from you and in the particular circumstances of this case, IVC and the relevant Target Entity may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4(b), 5(b), 5(c), 5(e), 5(h), 5(i), 5(k) and 9 of the Initial Orders

IVC's acquisitions of Penrose Veterinary Group Limited, Kevin Castle (Pet Care) Ltd, Swayne & Partners Ltd ('**Swayne**'), Treforest Veterinary Clinic Ltd, Mercer & Hughes Limited, Swaffham Veterinary Centre Limited, Anglesey Pet Clinic Ltd, Chiltern Equine Clinic (including Chiltern Veterinary Services Limited & Chiltern Bury Farm Limited) (the '**Target Entities**') completed between 16 September 2021 to 22 March 2022.

IVC has sought CMA consent to exclude paragraphs 4(b), 5(b), 5(c), 5(d), 5(e), 5(h), 5(i), 5(k), and 9 of the Initial Orders in respect of non-overlapping IVC UK sites (defined in accordance with the drivetime catchment areas in paragraphs 147, 186 and 226 of the Phase 1 decision (**‘Non-Overlapping IVC Sites’**) and IVC’s Vets Now business (**‘Vets Now’**).

IVC considers that such a derogation is strictly necessary in order to allow Non-Overlapping IVC Sites and Vets Now to operate efficiently and further notes that such a derogation would be in line with paragraph 3.45 of the CMA’s Guidance on Interim Measures in Merger Investigation (the **‘Guidance’**).

On the basis of IVC’s representations and stage of the CMA’s investigation, the CMA consents to exclude paragraphs 4(b), 5(b), 5(c) 5(d), 5l, 5(h), 5(i), 5(k) and 9 of the Initial Orders in respect of Non-Overlapping IVC Sites and Vets Now (save for any Non-Overlapping IVC Sites and Vets Now clinics which provide out of hours services (**‘OOH Services’**) to the Target Entities or receive OOH Services from the Target Entities). This derogation is granted strictly on the basis that:

- (i) This derogation will not cause disruption to IVC or the Target Entities, nor impact their ongoing operation or viability on a standalone basis;
- (ii) IVC has disclosed all relevant links between the Target Entities and the Non-Overlapping IVC Sites and Vets Now;
- (iii) any Non-Overlapping IVC Sites and Vets Now clinics which provide OOH Services to, or receive OOH Services from, the Target Entities remain within the scope of the Initial Orders (as per Annex 1, which can be updated between IVC and the CMA via email);
- (iv) IVC will inform the CMA via email of any additional Non-Overlapping IVC Sites or Vets Now clinics which start to offer services (including but not limited to OOH Services) to, or receive services from, any of the Target Entities; and
- (v) This derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA’s decisions on a reference.

Sincerely,

Faye Fullalove
Assistant Director, Mergers
21 March 2023

Annex 1 – List of Non-Overlapping IVC Sites and Vets Now clinics remaining within the scope of the Initial Orders

Non-overlapping IVC Sites that receive OOH services from Swayne & Partners Limited comprise the following:

- (a) Cedarwood Veterinary Practice, and
- (b) Wherry Veterinary Group.

Vets Now clinics that provide OOH services to the Target Entities comprise the following:

- (a) Vets Now Witham (from an IVC host site, Spring Lodge Veterinary Group Witham), at which a Mercer & Hughes vet also provides OOH rota cover;
- (b) Vets Now Thamesmead (from third party host site, Thamesmead PDSA Pet Hospital);
- (c) Vets Now Colwyn Bay (from third party host site, Prospect House Veterinary Clinic and Hospital).
- (d) Vets Now also provides OOH services to Penrose Veterinary Group Limited.