

**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 dated 6 April 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**'). On 27 March 2023, the CMA issued a Variation Order excluding Nestle, EQT and Berkshire from the scope of application of the Initial Orders. Accordingly, the Acquirer Group now refers to IVC, Pikco, IVC Topco and Islay only.

Under the Initial Orders as varied, 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 (including in the derogation request dated 6 April 2023 and related annexes) and in the particular circumstances of this case, IVC and the relevant Target Entities may carry out the following actions, in respect of the specific paragraphs:

**Paragraphs 4(a), 5(a), 5(c), 5(e), 5(g), 5(h), 5(j) and 5(l) of the Initial Orders in respect of the actions described below**

IVC's acquisition of Penrose Veterinary Group Limited, Kevin Castle (Pet Care) Ltd, Swayne & Partners Ltd, 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 & eVet Drug Limited) (the '**Target Entities**') (the '**Transactions**') completed between 16 September 2021 and 22 March 2022.

In order to prepare for the divestment of the Target Entities, IVC obtained consent under the sales process derogation dated 15 February 2023 to: (i) prepare for the transfer of the business, assets and liabilities associated with the Target Entities; and (ii) enter into discussions with landlords of the properties [X] to obtain consent to the transfer of the lease interests in such properties.

IVC has sought CMA consent to exclude paragraphs 4(a), 5(a), 5(c), 5(e), 5(g), 5(h), 5(j) and 5(l) of the Initial Orders in respect of the proposal to transfer certain business, assets and liabilities<sup>1</sup> from the IVC group to certain Target Entities<sup>2</sup> (the "**Hive Down Target Entities**") (the "**Hive Down**") in advance of the divestment of the Relevant Target Entities.

The CMA consents to a derogation from paragraphs 4(a), 5(a), 5(c), 5(e), 5(g), 5(h), 5(j) and 5(l) of the Initial Orders in relation to the execution of the Hive Down (and associated preparatory steps).<sup>3</sup> This derogation is granted strictly on the basis that:

- (i) the actions outlined above are strictly necessary for the purposes of preparation for the divestment of the Hive Down Target Entities;
- (ii) the actions outlined above will not result in any changes being made to the delivery of veterinary services by the Hive Down Target Entities;
- (iii) no organisational or management changes will be made to the Acquirer Group business as a result of the proposed changes;
- (iv) this derogation will not lead to any integration of the Acquirer Group business as a result of the Target Entities' business; and
- (v) this derogation will not lead to 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.

Yours sincerely,  
Faye Fullalove

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<sup>1</sup> These businesses, assets and liabilities are those which fall under the categories listed in Annex 1 to IVC's request to the CMA dated 6 April 2023. If required, and following a request from IVC, the CMA may in writing (also via email) amend the categories of these businesses, assets and liabilities or add or remove specific entities.

<sup>2</sup> IVC has confirmed that the Hive Down Target Entities are [X].

<sup>3</sup> The CMA also consents to extending the application of the derogations from the Initial Orders granted to date (and respective conditions) to the Hive Down Target Entities

Assistant Director, Mergers

21 April 2023