

DEROGATION LETTER

IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002

Consent under section 72(3C) of the Enterprise Act 2002 (the 'Act') to certain actions for the purposes of the Initial Enforcement Orders made by the Competition and Markets Authority ('CMA') on 21 December 2022 and 24 January 2023

COMPLETED ACQUISITIONS BY MEDIVET GROUP LIMITED

Dear [✂]

We refer to your email dated 9 August 2023 in respect of whether the CMA consents to a derogation to the Initial Enforcement Orders of 21 December 2022 (as varied) and 24 January 2023 in respect of the completed acquisitions by Medivet Group Limited (the **Initial Orders**). The terms defined in the Initial Orders and in the two remedies forms submitted to the CMA on 25 May 2023 (as amended on 1 June 2023) have the same meaning in this letter.

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 businesses 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.

On 25 May 2023, Medivet offered undertakings in lieu of reference for each of the 12 completed acquisitions that were still covered by the Initial Orders (the **Proposed UILs**). The CMA accepted the Proposed UILs in principle on 2 June 2023. The Proposed UILs involve the sale of the Divestment Businesses (as defined in **Annex 1**) to one or more CMA-approved upfront buyer(s).

After due consideration, based on the information received from you and in the particular circumstances of this case, the Acquirer Group may carry out the following actions, in respect of the specific paragraphs:

Paragraph 5(e)(iii) of the Initial Orders

The CMA understands that, in accordance with the Proposed UILs, Medivet has been engaging in sales processes for the divestment of the Divestment Businesses and would like to sign Asset Purchase Agreements (**APAs**) and related transaction documents relating to the sale of the Divestment Businesses with the selected proposed purchasers as soon as possible.

On consideration of the specific facts and circumstances of this case and in the context of the current stage of the CMA review process of the Proposed UILs, the CMA consents to a derogation from paragraph 5(e)(iii) of the Initial Orders for Medivet to sign the APAs and related transaction documents with the proposed purchasers for the divestiture of the Divestment Businesses, strictly on the basis that:

- a) each APA is conditional on the CMA issuing a decision of final acceptance of the Proposed UILs, which will include final approval of the purchasers following consultation on the Proposed UILs, and is to be void otherwise; and
- b) no provision will be included in each APA transferring any interest or right over the assets in the Divestment Business(es) to the proposed purchaser unless and until the APA becomes unconditional.

Yours sincerely

[3<]

Assistant Director

Mergers

10 August 2023

Annex 1 – Divestment Businesses

1. All Creatures Clinic Limited (**All Creatures**);
2. Barton Companion Animal Services Limited (**Barton**);
3. I T Kalogera (Holdings) Limited, including its subsidiary I T Kalogera Limited (t/a Brockwell Vets) (**Brockwell Vets**);
4. the assets and business of the veterinary practice under the name 'Caddy Veterinary Surgery/Practice' (**Caddy Country**);
5. E Street Limited (t/a Elizabeth Street Veterinary Clinic) (**Elizabeth Street**);
6. Ferring Street Vets Limited (**Ferring Street**);
7. The Hackney Vet Ltd (**The Hackney Vet**);
8. The assets and business of the veterinary practice under the name Iffley Vets (**Iffley Vets**);
9. The Oxford Cat Clinic Limited (**The Oxford Cat Clinic**);
10. The assets and businesses of the veterinary practices under the name The Vet on Richmond Hill & The Vet in St Margaret's (**The Vet on Richmond Hill & St Margaret's**); and
11. The Vet Station Limited (**The Vet Station**).

(together, the **Divestment Businesses**).