

Veterinary Emergency and Specialty Hospital London Ltd.



Opportunity Overview

— CONFIDENTIAL —

Not an offer to sell or a solicitation
of an offer to buy securities



A Now-Proven Advance Is Taking Pet Health Care to a New Level

- Historically, many veterinary practices operated as small clinics, some using the term “veterinary hospital.”
- These facilities, however, offered limited services compared to human hospitals.
- Today, full-service veterinary hospitals provide a range of advanced services similar to those offered in human healthcare.



Major Veterinary Hospitals Are Now Comparable to Human Hospitals

Full-service veterinary hospitals provide:

- **24/7 emergency care**, including high-end trauma services
- **Advanced diagnostics** such as MRI and CT scans and complex blood testing
- **Specialized, complex surgical procedures**, including orthopedic surgeries, cancer surgeries, and organ transplants
- **Intensive care units (ICUs)** for critical care, including mechanical ventilation and dialysis
- Almost all other services provided by hospitals caring for humans

The Veterinary Hospital Market: A Unique Opportunity

- **SIGNIFICANT PENT-UP DEMAND**
There is currently no major veterinary hospital inside of London and other major cities in the UK and Europe are underserved.
- **HIGH PROFITS**
Hospital income is bolstered by the high demand coupled with the major use of pet medical insurance in the UK.
- **RECESSION AND CRISIS RESISTANCE**
Most pet owners consider their pets to be family and seek care when their pets are in trouble. Pet ownership and demand for veterinary care increased during COVID.
- **A LAUDABLE MISSION**
Saving pets' lives creates a "halo effect" leading to wide public and governmental support.
- **LITTLE TO NO LOCAL COMPETITION IN MANY CITIES**
London is the most prominent example.



Unfulfilled Demand

- Most large cities in the United States have a significant number of full-service, 24-hour veterinary emergency and specialty hospitals ("major hospitals").
- The situation is different in London, where no major hospital is centrally located to serve this large (600-square-mile), affluent area, home to roughly 10 million people.¹
- The map shows the location of all existing major vet hospitals in the London region. They are all outside of the M25 motorway (see the heavy black line), which rings what most Londoners think of as "London."



¹ <https://chat.openai.com/share/6d96152b-9418-4b63-9556-a2c6d385b780> There is a charity in London with limited hospital services for those on government assistance and only for one pet.

Unfulfilled Demand continued



- Because there are **no major hospitals inside the M25** motorway, many of London's millions of pet owners are forced to drive 1 -2.5 hours through very congested streets to hospitals located outside London for their pets' emergency and specialty care.
- On top of that, **46% of Londoners don't own vehicles.** Taking a sick pet on a long, multi-leg subway or bus trip can be a challenge.
- Per a recent survey, **Londoners want better access to veterinary care** and are willing to pay for it.

The Strategic Opportunity

- Historically, leasing a building suitable for a veterinary hospital in London has been prohibitively expensive.
- Post-COVID market shifts have altered the real estate landscape:
 - Remote work and business closures have led to an increase in vacancies.
 - Rental rates are at a 30-year low,² creating affordability.
- Several hospital-suitable buildings in London have remained empty or underutilized for over two years, despite these low rents.
- This has created an opportunity to secure a viable location at favorable terms before the market rebounds.



² <https://www.cnbc.com/2023/09/27/economy/london-office-market-recession-meta-lease/index.html> Note that one hospital group has secured a small location in the southwest of London for limited specialty services.



The Strategic Solution

- We can solve a building owner's vacancy problem by committing to a **long-term lease**.
- In return, we aim to negotiate:
 - Significant initial free rent** and
 - A lower-than-historical lease rate** over the term of the agreement.
- A long-term lease benefits us by securing stability and avoiding the need for future relocation.

We aim to secure a favorable lease ahead of the market's full recovery.

The Market

A Large Number of Londoners Own Pets

There are 3.2 million households in London, hosting 4.7 million pet dogs, cats and rabbits (unlike in the US, rabbits are commonly kept as pets in the UK).³

This averages to **more than one pet per household.**

³ Per *The People's Dispensary for Sick Animals 2023 Animal Wellbeing Report (The PAW Report)*





London Pet Owners Care About Their Pets and Can Afford Veterinary Care

The majority of surveyed London pet owners said that they consider their pets to be family members.

Most not only want the best care for their pets, but they can also pay for it.

- Whereas only 3% of dogs and 1% of cats in the US are covered by medical insurance, in the UK a remarkable **61% of dogs and 39% of cats are covered.**⁴
- Additionally, many Londoners are prosperous and can pay for services independently from insurance: **20% of London households earn more than \$100,000 a year.**

⁴ <https://www.pdsa.org.uk/what-we-do/pdsa-animal-wellbeing-report/paw-report-2023/pet-populations>



The VESH Vision

State-of-the-Art Veterinary Care

VESH will be a full-service veterinary emergency and specialty hospital, giving primary care veterinarians referral access to every major specialty and discipline, in a single, state-of-the-art facility.

Advancing Veterinary Science

VESH plans to become a leader in veterinary clinical research, similar to Ethos Discovery, an incubator for scientific innovation in the US, founded and led by VESH's founder, Dr. Samuel D. Stewart.

A Magnet For Talent

By continuing Dr. Stewart's work, VESH intends to become internationally prominent in veterinary science and practice, attracting top veterinary professionals from around the world.

Full Range of Specialties

VESH aspires to have the most comprehensive service offerings in the UK and to become a leading referral hospital.

Out of prudence, VESH will launch with core services, including emergency and critical care, internal medicine, surgery, and neurology. Once those services become established, we will then add additional services, intending to grow to those listed to the right.

- Emergency and Critical Care
- Internal Medicine
- Surgery
- Neurology
- Physical Therapy
- Diagnostic Imaging
- Oncology
- Cardiology
- Ophthalmology
- Dermatology
- Dentistry & Maxillofacial Surgery
- Anesthesia and Analgesia
- Nutrition
- Behavior
- Pain Clinic
- Radioactive Iodine Therapy
- Exotic Animal Medicine (birds, reptiles & rodents)





Stage of Development and Participants

Stage of Development

Comprehensive Preparation

Extensive due diligence has been conducted, including **market surveys, demand studies and property evaluations**, confirming the viability and potential of VESH.

Strong Talent Pipeline

While recruitment is a common challenge in the industry, VESH's unique positioning – owned by veterinarians and driven by a science-oriented mission – has already attracted **interest from top veterinary professionals** eager to join the team.

Good Location Opportunities

Suitable properties for VESH's state-of-the-art facility have been identified, with negotiations underway to secure a favorable building.

Participants

Veterinary-Driven Leadership

VESH is owned by senior veterinary professionals with deep industry expertise and a commitment to excellence.

Proven Track Record

The owners include five founders of successful major hospitals and eight leaders in veterinary research and teaching.⁵

Collectively, the team has founded 12 major hospitals, achieving consistent success.

Impressive Exit

In 2022, the principal owners sold their 25 hospitals (the 12 they created plus the 13 they acquired and improved) for a ten-figure sum, showcasing their exceptional operational and financial acumen.

⁵ Some owners appear in more than one category.



Does Our Mission Resonate with You?

Our team knows how to start hospitals and take them to success: we have done it many times, both inside and outside of the United States, with 100% success.

But we know there is strength in alliances.

If you have interest in our activity, if there is a way you believe we might work together, let's talk.



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