Strategic Report

STRATEGIC REPORT

Chair's Statement

Our Group culture and capabilities have greatly benefited from the integration and collaboration with new colleagues from Randlab and the addition of the InVetro team.

ED TORR
Independent Non-Executive Chair

2025 saw the Company take further strides in laying a solid foundation for sustainable growth.

A particular highlight has been the increase in expertise across our expanding team. Our Group culture and capabilities have greatly benefited from the integration and collaboration with new colleagues from Randlab and the addition of the InVetro team. A key focus has been investing in our people through training and development, enhancing our execution abilities.

The Group's sustained strategic execution delivered a positive financial performance, with strong revenue and underlying EBITDA growth, improved margins and strong cash generation, which combined with disciplined capital allocation, has maintained our balance sheet strength. Following the announcement on 16 April 2026 of a recommended acquisition of Animalcare, the Board proposes no final dividend for the year ended 31 December 2025.

Of note in the period was the successful integration of Randlab following its acquisition at the start of the year, delivering significant contributions to both revenue and underlying EBITDA in line with our ambitions for the business. The acquisition has reinforced Animalcare's strong position in the high-growth Equine market, with Equine now representing 24% of Group revenues compared to 10% in 2024, while enhancing the Group's cash generation. The Board continued to assess further opportunities for inorganic growth, with the 25% strategic equity investment completed in June in InVetro Pty Ltd, an Australia-based Companion Animal business, further evidence of this, strengthening the Group's footprint in this region.

Meanwhile, the Group saw continued double-digit growth in our flagship brands, including Daxocox, Plaqtiv+ and Orozyme demonstrating the value of a differentiated product portfolio – and the importance of its development.

With much of the growth in global animal health markets coming from new, differentiated products, notably biologics, the Group increased its annual R&D investment to 4.5% in 2025, up from 2.8% in 2024. The Group's new product development pipeline now comprises six key projects progressing through various development stages, encompassing life cycle management projects to extend the utility and reach of existing brands alongside new products with transformative potential. A key development in the year, which strengthened the R&D pipeline, was the acquisition of the VHH NGF antibody programme and related assets, advanced in collaboration with 272Bio, which also provides an opportunity to expand the programme into other species and indications. Additionally, the Group entered a licence agreement with 272Bio for the development of a treatment for Sweet Itch, a common allergic skin condition with a significant unmet need in the Equine market.

Recommended Acquisition of Animalcare Group plc

On 16 April 2026, post period end, and following a comprehensive review supported by our advisers, the Animalcare Directors unanimously recommended the acquisition of the Group by a subsidiary of funds managed by Charterhouse Capital Partners LLP to shareholders (the "Acquisition").

As Chair, my priority is to ensure that Animalcare shareholders have the opportunity to realise fair value for their investment. As stated in the announcement on 16 April, the Board remains confident in the Group's standalone prospects and committed to the ambitious targets set at the March 2026 capital markets event, but recognises delivering these ambitions would require a sustained period of investment and execution over a number of years, against a backdrop of increasing macroeconomic uncertainty.

Having evaluated the Acquisition against the Group's growth strategy, the Board concluded unanimously that the Acquisition is in the best interests of Animalcare and Animalcare shareholders as a whole, and represents a superior outcome for stakeholders than remaining an independent AIM-listed entity and that the cash offer of 336 pence per share provides a premium to recent share trading and reflects Animalcare's future growth prospects.

On behalf of the Board, I want to recognise the hard work of the entire Animalcare team, whose commitment and shared vision have made the achievements of recent years possible.

ED TORR
Independent Non-Executive Chair

13 May 2026

Business at a Glance

Animalcare is an AIM-listed international veterinary pharmaceutical sales and marketing organisation focused on bringing new and innovative products to market through our own development pipeline, partnerships and via acquisition. Animalcare operates in all three segments of the animal health market.

OUR THREE PRODUCT CATEGORIES

Companion Animals

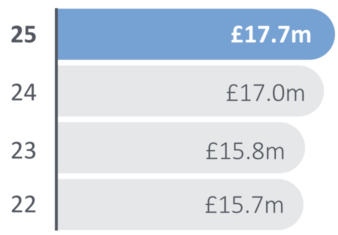
Overview

- Focused on dogs, cats and other small animals
- Largest part of the Group with revenues generated from all European business units (owned and International Partners)
- Current and future growth expected to be underpinned by Daxocox and Plaqtiv+ franchises together with new product launches and the creation of a direct-to-retail channel
- Historically the largest contributor to profits from a gross-margin perspective

Production Animals

Overview

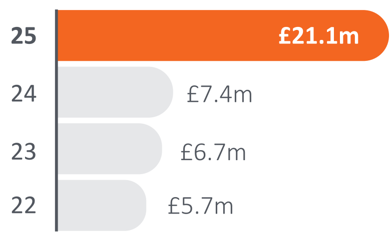
- Focused on livestock, including cattle, pigs, sheep and poultry
- Revenues chiefly generated by our well-established Southern European operations and International Partners
- Profitable and cash-generative portfolio comprised of owned/long-term licensed brands (e.g. Dinalgen) and those sourced from distribution partners



Equine

Overview

- Serving the unique health needs of horses, including racing horses and general Equine care
- Strengthened presence and expansion opportunities with the acquisition of Randlab
- Danilon is a strong product within our existing European portfolio
- Fastest-growing market



OUR OPERATIONS AND NETWORK PARTNERS

Animalcare operates in ten countries across Europe and Asia Pacific, accounting for 87% of Group revenue. The split of Operations revenue by country is shown below.

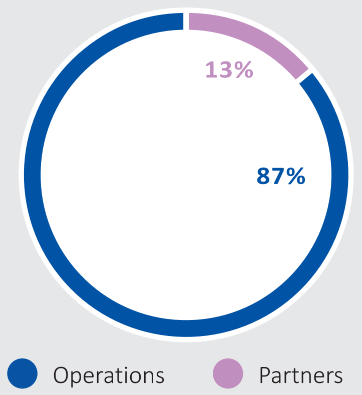
In addition, the Group exports to approximately 45 countries in Europe and worldwide, accounting for the remaining 13% of Group revenue.

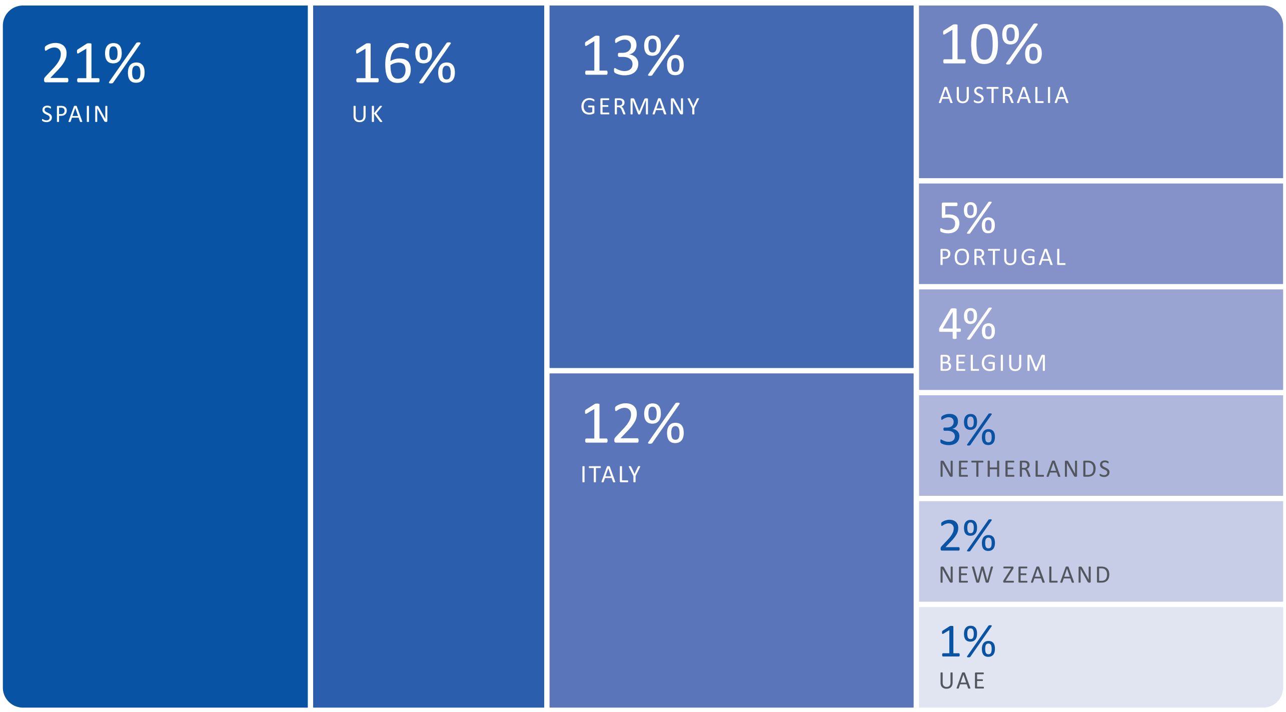
c.30%
OF OUR EMPLOYEES ARE TRAINED VETS, MORE THAN MOST OF OUR COMPETITORS

>50%
OF OUR PEOPLE WORK IN CUSTOMER-FACING ROLES

220
EMPLOYEES AROUND THE WORLD

GEOGRAPHIC REVENUE SPLIT (OPERATIONS VS PARTNERS)





Building a Sustainable Portfolio

Our evolving portfolio

Evolving our portfolio is central to Animalcare's strategic transformation and long-term success. We have progressed from a fragmented, distribution-reliant business to one with a focused portfolio of proprietary, high-margin brands across all our markets. This evolution is supported by strategic acquisitions and new pipeline development. R&D activities and investment have accelerated across a range of opportunities, creating innovative treatments that address unmet veterinary needs and have a transformative potential.

TOP 10 PRODUCTS REPRESENT 40% OF TOTAL SALES

1. Orozyme

Enzymatic toothpaste for dental care in cats and dogs

£6.5m REVENUE

7% TOTAL SALES

2. Danilon

Oral treatment for pain in horses

£4.9m REVENUE

6% TOTAL SALES

3. Dinalgen

Injectable treatment for pain in cattle, pigs and horses

£4.4m REVENUE

5% TOTAL SALES

4. Aqupharm

Dehydration treatment for cats, dogs, cattle, goats, horses, pigs, rabbits and sheep

£4.2m REVENUE

5% TOTAL SALES

5. Ulcershield

Treatment and prevention of gastric ulcers in horses

£3.7m REVENUE

4% TOTAL SALES

How we want our portfolio to continue to evolve

From a “distribution”-based business to having the majority of IP either owned, or built on, long-term license, which reduces risk and provides greater sustainability.

From generic to more novel and differentiated products, replicating the success of Daxocox and Plaqtiv+ and enabling life cycle management through new indications and market expansion.

OWN BRAND SALES ACCOUNT FOR

70%

OF TOTAL REVENUE

NOVEL OR DIFFERENTIATED PRODUCTS ACCOUNT FOR

25%

OF TOTAL REVENUE

6. Daxocox

Treatment of osteoarthritis pain and inflammation in dogs

£3.2m REVENUE

4% TOTAL SALES

7. Plaqtiv+

Biofilm-based dental care for cats and dogs

£2.5m REVENUE

3% TOTAL SALES

8. Thiamacare

Treatment for hyperthyroidism in cats

£2.2m REVENUE

2% TOTAL SALES

9. Hemo

Injectable nutritional solution for horses

£2.1m REVENUE

2% TOTAL SALES

10. Cosequin

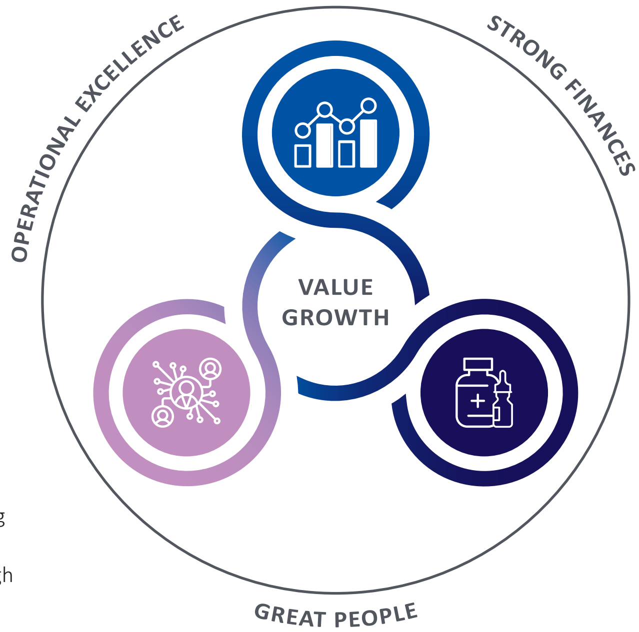
Complementary feed for dogs and cats to strengthen and protect joints

£1.8m REVENUE

2% TOTAL SALES

Our Strategy

Scaling the business through targeted investment in growth areas of the animal health market, including acquisitions, underpinned by a balance of ambition, discipline and our strong foundations – great people, operational excellence and financial firepower.



Organic Growth

Developing and nurturing a high-quality portfolio diversified across species and geographies to deliver strong and resilient growth.

Inorganic Growth

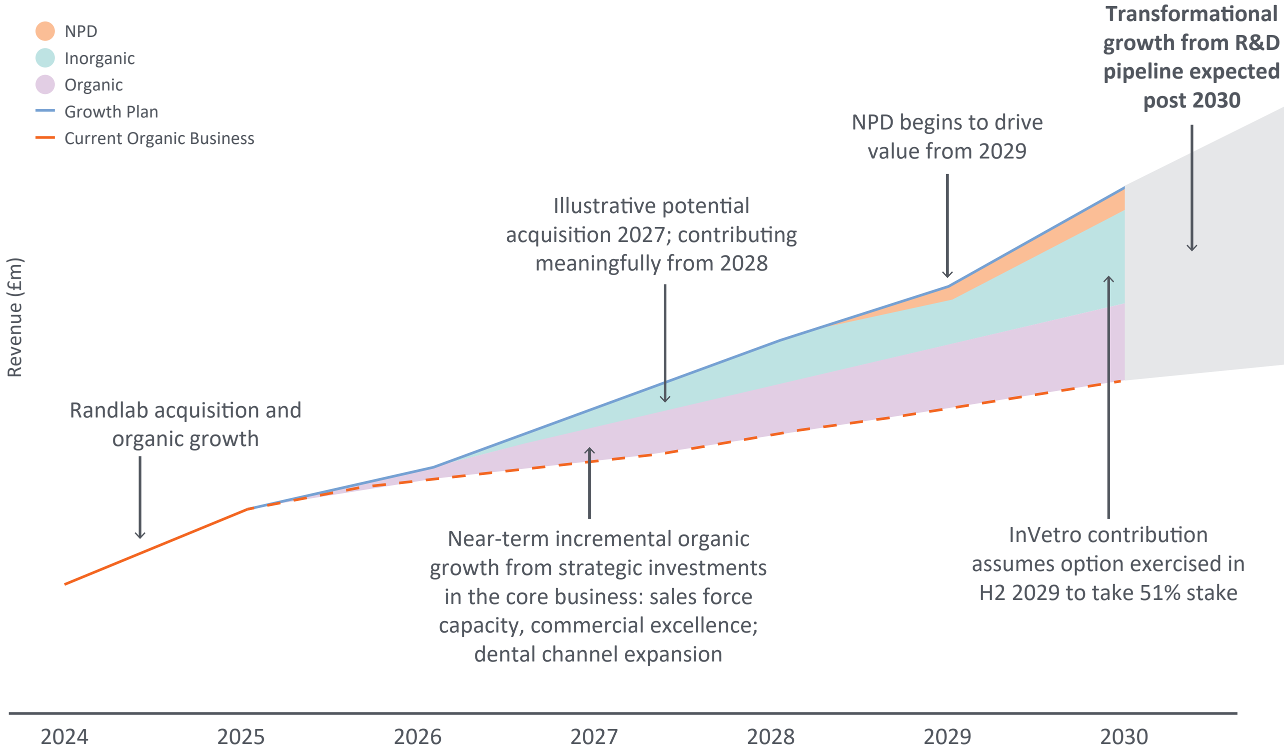
Pursuing external opportunities that accelerate revenue growth with accretive margins, expanding geographic reach and scale, and strengthening the pipeline through late-stage in-licensing.

New Product Development

Building a balanced pipeline while increasing innovation that will generate a flow of new products that meet the needs of our dynamic markets is a key contributor to sustainable organic growth.

Our strong foundations and size-of-market opportunity mean now is the time to accelerate investment, increasing our growth rate and expanding our margins. Modest levels of targeted investment within our three growth pillars (organic, inorganic and R&D) will allow us to increase market share and deliver sustainable, long-term growth.

HOW WILL THIS CONTRIBUTE TO VALUE GROWTH?



Organic Growth

Key initiatives

- Commercial focus on brands with the greatest opportunity for long-term growth and higher margins
- Continue to build capabilities in our commercial teams to drive effectiveness and focus on the needs of our customers

FY25 Progress

- Improved quality of portfolio, with own brands now 70% of the sales mix
- Double-digit growth in the Group's flagship brands, with Daxocox growing by 23% and Plaqtiv+ growing by 42%
- Operational improvements made by the commercial team in how we take brands to market, as evident in the strong growth in Daxocox and Plaqtiv+ in Germany

Areas of strategic investment to support growth:

- Commercial excellence: build a high-performing commercial organisation through investment into capability, capacity and sales team onboarding
- Retail channel: Capitalise on our rights to channels in Europe for Plaqtiv+ and globally for Orozyme and other over-the-counter (OTC) products, by building our digital capability and establishing a retail channel, expanding our focus more broadly than the 30% of the non-prescription dental product market currently targeted
- Manufacturing strategy: Optimise the supply base to unlock significant increased manufacturing capacity and reduced cost of goods

LINKS TO RISKS

A B C E F G H I J K

LINKS TO KPIs

1 2 3 4 5 6

Inorganic Growth

Key initiatives

- Seek opportunities that deliver near-term revenue and EBITDA growth that also:
  - Expand our geographic footprint
  - Develop a high-quality product offering diversity across species
  - Build scale in our existing markets
- Identify opportunities to build the pipeline for future, mid-stage products requiring minimal clinical and regulatory resource, which deliver revenue in excess of our largest current brands

FY25 Progress

- Acquired and successfully integrated of Randlab, providing opportunities for further expansion
- Acquired a 25% equity stake in InVetro, an Australian Companion Animal business, expanding the Group's portfolio and presence in Asia-Pacific

Areas of strategic investment to support growth:

- We have the capacity to execute a deal in 2026 of up to £25m, and we have a list of targets that meet our criteria
- For the right asset, we would also consider an equity raise, as we did for Randlab
- We have the option to increase our investment in InVetro to 51% in 2029, significantly growing our presence in Companion Animals in Australia

LINKS TO RISKS

E F G I K

LINKS TO KPIs

2 3 4 5 6

New Product Development

Key initiatives

- Identify opportunities to build our existing portfolio through new indications and formulations
- Work with partners to access products that offer significant longer-term revenue opportunities through licensing and partnerships

FY25 Progress

- Continued to invest in building a balanced pipeline of new products
- Six major projects in the pipeline with estimated peak year sales (PYS) in excess of £15m each
- Took full ownership and control of the intellectual property of the VHH NGF antibody programme and related assets, supporting the expansion of the Group's pain portfolio
- Entered into a license agreement with 272Bio to develop a novel biological treatment for a common equine skin condition, Sweet Itch

Areas of strategic investment to support growth:

- Building a balanced pipeline of products expected to launch between 2029-2032, delivering growth in the medium term and significant PYS expected five years after launch

LINKS TO RISKS

B C D F J K

LINKS TO KPIs

1 2 3 4 5 6

RISKS

- A Market and economic risk
- B Competitor risk
- C Portfolio risk
- D Product development and launch risk
- E Acquisition risk
- F Financing/Treasury risk
- G Foreign exchange translation risk
- H Supply chain risk
- I IT systems and cybersecurity risk
- J Regulatory risk
- K People risk

KPIs

- 1 Revenue growth
- 2 Underlying cash conversion
- 3 Basic underlying earnings per share (EPS)
- 4 Underlying EBITDA margin
- 5 New product revenue
- 6 Net debt to underlying EBITDA leverage

Randlab: The Gold Standard for acquisitions

With Animalcare's backing, Randlab can transform how the global equine veterinary market is served.

Animalcare's approach to integration has allowed Randlab to grow and thrive.

BRUCE BELL
General Manager, Randlab

Q What was your experience of joining the Animalcare family?

The best part was that there were no surprises, because important relationships and clarity on expectations were firmly in place at the close of the transaction. This is not always the case with acquisition and integration. Randlab has been very warmly welcomed into the Animalcare family with the deliberate "light touch" approach to integration to preserve Randlab's entrepreneurial culture respected by all.

Q How has this "light touch" approach to integration helped your team maintain momentum?

Local management has led the process to ensure that the customer and employee experience is essentially unchanged. Senior leaders from Animalcare, including Jenny Winter, Chris Brewster and Martin Gore, have visited Australia and New Zealand multiple times for key events and to engage and build relationships with the Randlab team, putting a human face to Animalcare and dispelling any concerns. Together, this approach has allowed the business to grow and thrive by ensuring the unique Randlab culture has continued under new ownership.

Q How is Randlab's on-the-ground veterinary experience helping identify new product opportunities?

Randlab's salespeople have a unique opportunity to develop deep relationships with the veterinary community though facilitating Gastroscopy days, which involve working with vets and support staff for at least several hours in each practice to check for ulcers in their clients' horses. More than 30,000 horses have been scoped under this initiative, which underpins our success in Gastric Ulcer medications. This has led to insightful conversations around unmet or poorly met needs and, from these conversations, Randlab now has four innovation projects in active development.

Q

Do vets and specialists in Australia and New Zealand operate differently from those in Europe? What insights from these markets could help shape Animalcare's global strategy?

In our experience, apart from climatic differences, Equine practice is relatively similar between countries in developed markets. Because the Equine product category is relatively small but highly fragmented, it makes sense to target the Equine practitioner, as they treat horses regardless of breed or discipline. For that reason, the Randlab ethos of "provide Equine veterinarians wherever they practice with a comprehensive range of prescription products for their everyday practice, and be the people closest to the Equine vets" could serve as a potential foundation for the geographical expansion of the Equine franchise in the Group.

Equine franchise

- Potential to build a significant Equine franchise and accelerate revenue growth
- Launch existing Animalcare products through the Randlab network and vice versa
- Assess opportunities to increase Randlab's new product development and extend to include Europe
- Apply Randlab's strengths to advance key Equine projects, including VHH and Sweet Itch
- Enhance future Equine partnering opportunities
- Enhance global brand recognition and equity

BRUCE BELL
General Manager, Randlab

13 May 2026

Successful integration

- **Experienced management team embedding well:** With multiple major acquisition and integration experiences in previous multinational Animal Health Companies, Randlab's leadership team was well placed to manage the transition from what was an entrepreneurial approach to being part of an international plc. Critical relationships were established early with the Senior Executives of Animalcare, which enabled Randlab to effect the transition while providing a seamless customer and employee experience. Bruce Bell has also joined Animalcare's Senior Executive Team
- **Planned day-to-day integration complete:** The focus for integration has been first and foremost to ensure that the customer and employee experience is essentially unchanged, and that the strong Randlab brand is maintained. Secondly, the back office integration has been successfully completed, primarily focusing on Finance and reporting as well as IT integration, to ensure accurate reporting, improved security against cyber threats and user experience

Investing for the future

Commercial team expanded to maximise opportunities:

- **Highly experienced Export Manager recruited:** Export is recognised as a significant growth opportunity, in both currently served regions and new regions with significant Equine veterinarian populations across Asia and Europe. Benefits of the hire are already coming through
- **Additional sales role in New Zealand:** Built on the significant growth already seen in New Zealand, resulting in a doubling of Randlab's sales in the region, ahead of expectations, as well as increased capacity to focus on innovation and the addition of meaningful products to the Group
- **Additional sales role in New South Wales (NSW) Australia:** Divided oversight of the territory and appointed an additional sales head. This investment will enhance our sales efforts, enable better servicing of customers, increase the number of Gastroscopy days, and drive sales growth and brand value for Randlab

A YEAR OF STRATEGIC DELIVERY

Germany: Outperforming through commercial excellence

- Commercial excellence delivers accelerated growth and margins, as well as improved productivity and return on investment, enables better resilience and ensures the foundations are laid to scale effectively
- We have developed a scalable, repeatable and insight-driven process to improve commercial excellence across the Group, focused on process, capability and tools
- Our commercial excellence model is most fully embedded in Germany, which is translating into strong commercial performance, highlighting the effectiveness of the team's strategic initiatives and execution discipline:
  - Daxocox has shown significant momentum, with 2025 sales up 35% versus 2024 compared to year-on-year growth of 11% from 2023 to 2024
  - Plaqtiv+ also continues to grow strongly, with 2025 sales up 21% versus 2024 compared to year-on-year growth of 9% from 2023 to 2024
- There are proven activities that deliver commercial excellence, as seen in Germany, which are being rolled out across geographies. These activities are all measured by KPIs to track progress and include:
  - Defining what competence looks like in critical roles
  - Improving our sales process through our Customer Engagement Methodology
  - Investing in strengthening the capability of our sales leaders and their teams
  - Leveraging improved data and analytics to enable smarter decision making

A YEAR OF STRATEGIC DELIVERY

InVetro: Strategic rationale

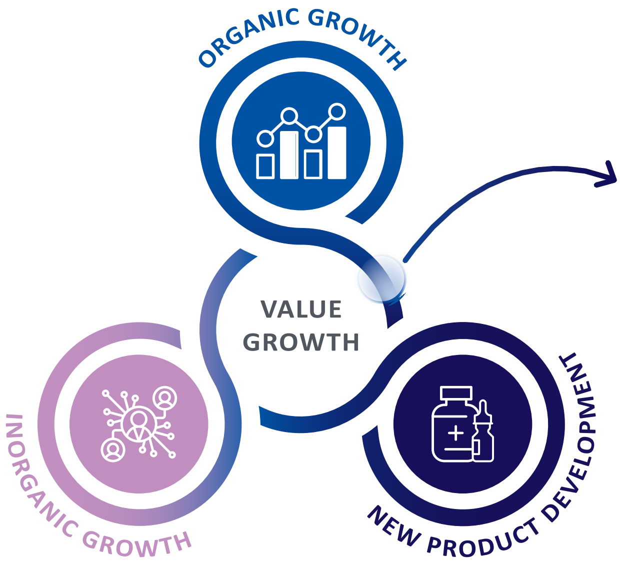
- The Group has a robust process to identify and assess opportunities, using clear criteria such as consideration of geographic expansion, portfolio or brand growth, pipeline and NPD development and financial performance
- In June 2025, Animalcare acquired a 25% strategic equity stake in InVetro, an Australia-based Companion Animal health business for AUD$3m, fully aligned with the Group's M&A requirements and growth ambitions. The agreement includes a call option for Animalcare to increase its holding in InVetro to 51% in 2029

Our strategic rationale is clear:

- The investment expands Animalcare's presence in the growing Asia-Pacific veterinary market, building on its acquisition of Randlab completed on 3 January 2025
- There is a low overlap between InVetro and Animalcare's existing portfolio, providing an opportunity for Animalcare to expand the reach of its existing portfolio into Australia and Asia-Pacific, as well as bring InVetro's new product development to Europe as this progresses
- There is the potential for synergies in bringing products to new geographic markets
- InVetro has a strong and capable team as well as clear growth plans for long-term value creation

Maximising our dental franchise

A new channel for a new phase of growth



Having a retail channel enhances our organic growth pillar, adding a scalable mechanism to support brand uptake, deepen customer engagement and drive long-term performance. It complements our NPD and inorganic pillars by extending the commercial runway of both existing and future innovations.

This marks Animalcare's first major expansion into a non-veterinary sales channel, and represents a significant evolution in how we bring products to customers. Built with industry experts and a proven operating model, it will enable us to broaden the reach of key brands, especially in dental health, and accelerate organic growth through new routes to market.

European market size

- Oral care projected to reach €758bn by 2028
- 8 out of 10 dogs and cats have dental issues
- Only 10% receiving treatment

€3bn
EURO

7%
GROWTH

Our focus today – vet clinics

- Animalcare heartland
- Will remain our core
- Vet recommendation key
- Vet relationships critical to our business

€1bn
EURO

4–5%
GROWTH

Growth area online

- 40% market consolidated into <20 retailers
- Utilise our existing distribution and supply infrastructure
- Opportunity for brand halo across all market segments

€1bn
EURO

9–11%
GROWTH

Growth area physical retail

- Selectively partner with omnichannel retailers, where it makes sense

€1bn
EURO

3–4%
GROWTH

Our focus currently is on vet clinics which represents approximately 30% of the market. This business will remain at our heartland, as vet recommendations are key to the success of our brands. However, by building our own retail channel we will capitalise upon our initial success through partners and utilise our existing rights to improve repeat business and grow our market share.

Anchored in our organic growth strategic pillar, empowered by our new product development strategic pillar

New route to market

Capitalising on our existing rights

We already have the rights to all channels in Europe for Plaqtiv+ and global rights for Orozyme and other OTC products.

Maximising the opportunity

Growing our limited presence in a major market

Currently, our presence in retail pet channels is small, fragmented and does not maximise the opportunity. By expanding our focus, we increase the section of the non-prescription dental market we are targeting from 30%, currently, to the whole channel.

Lever for organic growth

Strengthening key brands

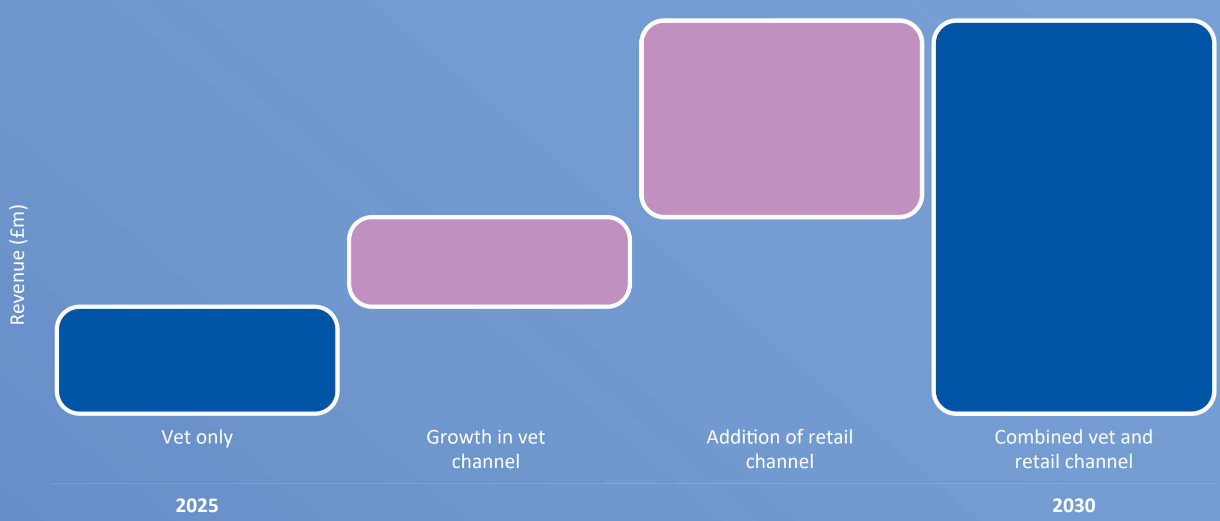
This will support the growth of our Dental franchise and provide an opportunity for brand halo across all market segments.

The time is right

For the business and the market

The multi-channel dental strategy is forecast to deliver significant revenue by 2030.

REVENUE GROWTH OVER THE NEXT FIVE YEARS



Our Transformative R&D Programmes

The programmes in our pipeline have been selected due to their strong fit with the Group's strengths, expertise and commercial relationships across the Equine and Companion Animal markets.

HAFID BENCHAOUI
Chief Strategy and Science Officer

Developing our own R&D pipeline with the potential to deliver transformational growth

Animalcare is on an ambitious growth trajectory with a credible capability to discover, develop, register and commercialise novel therapeutics for animal health. To drive this growth, we plan to increase our investment to build a balanced pipeline of new products that can replicate and expand the success of novel products such as Daxocox and Plaqtiv+, which achieved 23% and 42% growth, respectively, in 2025.

Q How does R&D investment support Animalcare's growth trajectory and broader strategy?

R&D is a core pillar of Animalcare's growth strategy of:

- Building a pipeline of proprietary innovations both organically and partnered R&D
- Developing products through in-licensing, co-development with external partners and acquisitions
- Building on existing brands through geographic expansion, claim extensions and our new omnichannel strategy. It is essential to building our own pipeline of novel products that meet an unmet need in animal health and have the potential to be transformative and drive organic growth. Programmes currently in our pipeline have been selected due to their strong fit with the Group's strengths, expertise and commercial relationships across the Equine and Companion Animal markets

Q How do you manage the costs and risks involved?

We have a lean and flexible operating model by outsourcing execution to partners while retaining technical leadership. Only 25% of capital is spent on fixed costs, with 75% being invested directly into funding the pipeline projects.

We also have a robust governance process in place, overseeing "from idea to launch" (FIL), to ensure the Group tightly manages costs and risks. This includes involvement and oversight from across the senior leadership team, robust financial analysis and regular portfolio reviews to ensure our portfolio remains balanced.

Q How do you see Animalcare's pipeline evolving over the next five years? When would you expect to see the commercial benefits?

We typically target common disease pathways across our Companion Animal, Production Animal and Equine markets, so one discovery can lead to multiple products across the animal product groups. This built-in efficiency means we achieve more with less.

The Group currently has six major projects in the pipeline at different stages, with another under review via the FIL process, each with large market opportunities in excess of c.£100m and estimated Peak Year Sales of at least £15m, which is considerably larger than the Group's current largest products.

Q What opportunity are you most excited about?

Animalcare acquired the VHH NGF (nerve growth factor) programme and related assets in August 2025, giving us full ownership and control of the intellectual property and associated assets, enabling independent development and commercialisation of the technology across a range of indications and species.

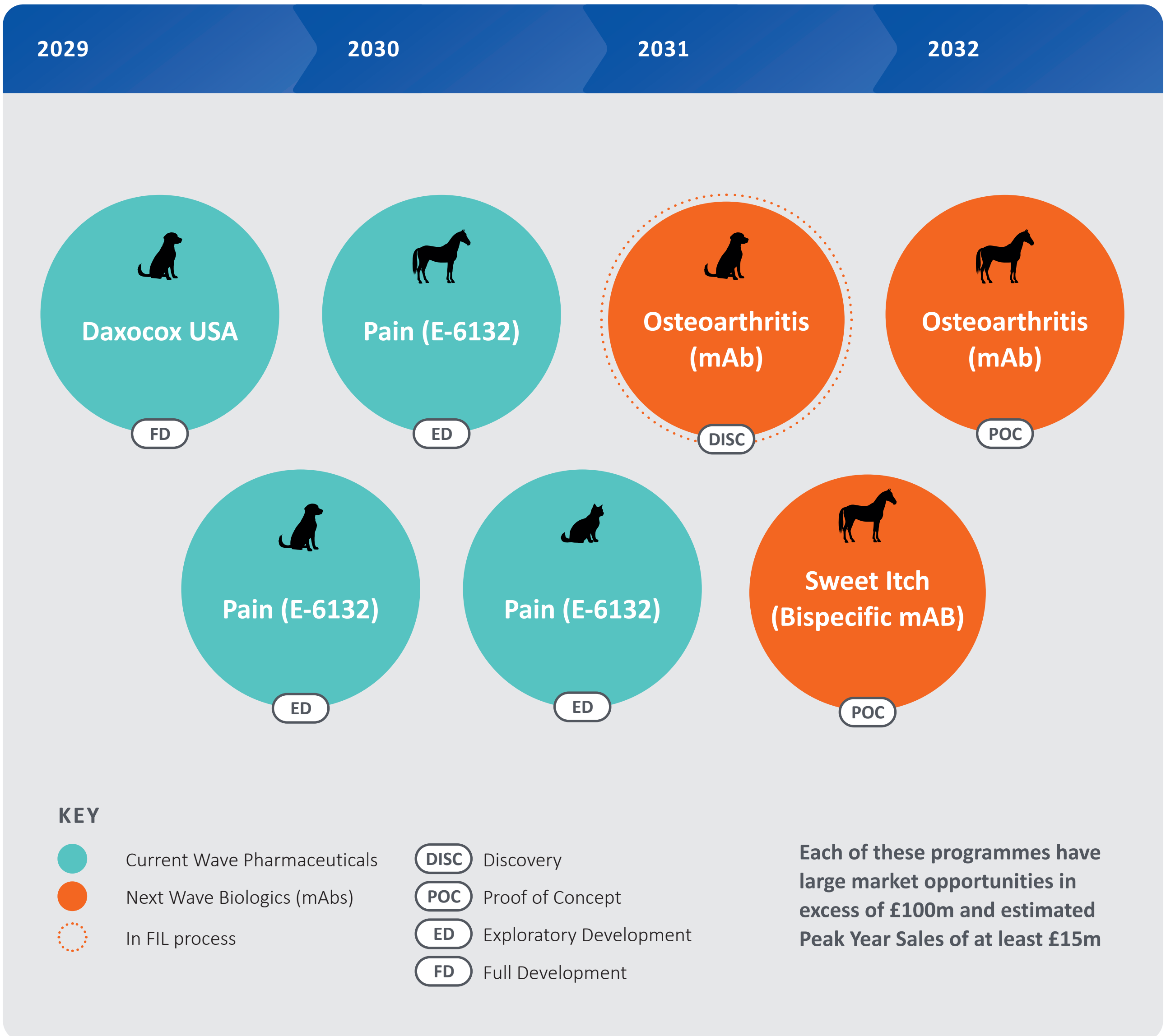
The market for VHH assets is large and growing, expecting to reach $1.5bn by 2033. VHH antibodies feature significant therapeutic advantages over other types of antibody. They are small, relatively easy to engineer, have high specificity and can be quickly cleared from the system thereby promising a good safety profile.

Animalcare already has a product pertaining to horses based on VHH technology, and we are now leveraging our existing knowledge base to develop this product for dogs, thereby maximising the value of the technology.

HAFID BENCHAOUI
Chief Strategy and Science Officer

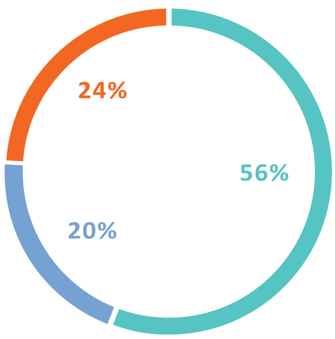
13 May 2026

OUR TRANSFORMATIVE R&D PROGRAMMES

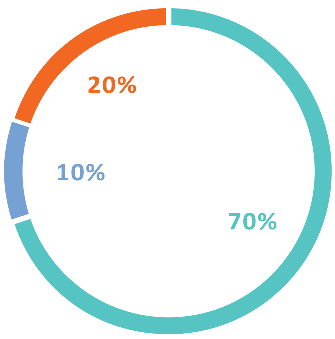


Our Global Reach

2025 REVENUE BY PRODUCT CATEGORY



2030 REVENUE OPPORTUNITIES BY PRODUCT CATEGORY



Collaboration across markets, leadership across the Group

Animalcare operates in 10 countries across Europe and Asia-Pacific and exports to, approximately, 45 countries in Europe and worldwide.

KEY

Current operating regions

Current major export markets

Key future target markets

Our Marketplace

Q How does Animalcare currently take its products to market, and how is that evolving?

Most of our products are prescription only and are sold to the pet owner by the veterinarian. However, with the increase in online sales and with pet owners feeling squeezed by the cost-of-living crisis, there has been a significant rise in non-pharmaceutical over-the-counter (OTC) products being sold in the retail channel and online as pet owners think twice before seeing a vet. While the vet is still our primary route-to-market and focus, we have responded by investing more in our OTC range and assets, especially in dental and dermatology. An example of this is how, as part of the STEM Animal Health divestment in 2024, we gained the rights to sell Plaqtiv+ in all channels in Europe and the UK, not just the veterinary channel.

Q How do local partnerships and distribution networks support the rollout of newly licensed products in key territories?

Animalcare has its own sales and marketing teams in 10 countries and works with strategic partners in territories where we don't have our own teams. For most of our products, we work with local animal health companies who understand their local market; however, for our major brands, for example Daxocox, we partner with multi-national animal health companies who have a wide reach and the ability to register, launch, support and grow our brands across the globe.

Q Where do regulatory environments meaningfully influence speed-to-market or product mix?

New novel pharmaceuticals can take up to 10 years, on average, to create a suitable dossier and then to register in Europe or the US. Generics developments can be shorter (two-to-three years), but still incur a significant cost. OTC products need no, or very limited, registration compared to pharmaceuticals and can, therefore, be launched in a much shorter time frame and with much less cost.

Q What regions or categories do you expect to drive the next phase of growth for Animalcare?

In the short term, Europe and Australia will continue to be the main growth drivers, building on growing current brands, the expansion of dental products into the retail sector and the expanding geographic footprint in Europe and the Middle East. In the medium to long term, with the extension of the Daxocox franchise globally, including in the US, and the launch of the VHH and E-6132 developments in the 2030s, the Americas and Asia will become strong regions of growth for Animalcare.

Q What macroeconomic trends are you seeing and how is Animalcare responding?

The global animal health market is forecast to have a CAGR growth just over 4% between 2025 and 2030. Primary growth factors include increased spending on animal health, rising prevalence of zoonoses (infectious diseases that can be transmitted from animals to humans), greater uptake of pet insurance, pet humanisation, and rapid AI integration in diagnostics and product development. The Companion Animal sector is expected to see the fastest growth, driven by cultural trends in pet ownership and consumer willingness to invest in premium care.

Animalcare is responding by increasing investment in innovation, especially in therapeutics for Companion Animals and Equine. This is supported by targeted M&A activity and developing partnerships, especially in the APAC region (the fastest-growing region in animal healthcare).

Q Which product categories have the strongest long-term growth profile?

Dermatologic diseases with innovative treatments like monoclonal antibodies (mAbs) and targeted therapies, such as JAK inhibitors, are driving high growth. In Pain Management, a rising awareness of pain in ageing pets and Equine and the need for long-term treatments for conditions like osteoarthritis, continue to grow the category. Dental disease is the most common health in issue in dogs, with around 80% of dogs showing some sign of dental disease by the age of two. However, less than 10% of dog owners in the UK brush their dog's teeth, highlighting the potential for strong growth in the preventative dental disease market.

Q How is Animalcare positioned relative to competitors in these product categories?

Animalcare launched the first, and only, once-weekly treatment for osteoarthritis in 2021 and in 2025, acquired the VHH NGF programme and related assets from Orthros Medical. This current programme is researching the effectiveness of VHH antibodies in the treatment of pain caused by osteoarthritis in horses and dogs. The dental market is fragmented with only a couple of competitors sharing the broad range of products Animalcare can offer the pet owner. We are investing in our dental portfolio to offer a wider range of products and to a wider audience through investment in the non-veterinary channel.

Q Which strengths (portfolio, expertise, partnerships) matter most to the success of Animalcare?

They are all highly important. We are increasing our R&D spend over the next few years to bring to market novel new products in key areas, including Pain Management and Equine. In order to ensure the success of these new products, we are building a strong R&D team to develop them, a strong commercial team to launch them and strong key strategic partners globally who share our passion for these products to successfully market them in countries where we don't have our own teams.

MARTIN GORE
Director, Strategic Alliances and Acquisitions

13 May 2026

PRODUCT CATEGORY-SPECIFIC MARKET TRENDS

Companion Animals

Key therapeutic areas

Pain control, anaesthesia and analgesia, antibiotics, fluid therapy, dermatology and dental welfare

Products

64% of our Companion Animal products are Prescription Only Medicines (POMs) prescribed by veterinarians. Depending on the country, POMs can be dispensed by veterinarians, pharmacists or authorised online suppliers. Supporting this range, we have a number of non-prescription OTC brands in areas including dental, microbiome support, dermatology and nutritional supplements. OTC products do not need to be prescribed by veterinarians, allowing other vet practice members such as nurses and receptionists, as well as the non-veterinary retail channel to sell directly to pet owners.

Equine

Key therapeutic areas

Gastric ulcers, pain management, joints, reproduction

Products

Over 97% of our Equine products are POMs that are prescribed by veterinarians who work at “mixed” vet practices (a combination of Companion Animal, and or Production Animal and Equine) or increasingly, and especially in Australia, stand-alone dedicated Equine veterinary practices.

Production Animals

Key therapeutic areas

Antibiotics, pain management, anthelmintics

Products

98% of our Production Animal products are POMs that are prescribed by veterinarians. The remaining 2% are OTC products supporting the POM business. Our Production Animal business is mainly focused on Southern European countries (Spain, Portugal and Italy) and with our international partners.

Market trends and opportunities

The global Companion Animal market is forecast to grow at a CAGR of approximately c.6% between 2025 and 2030 (Stonehaven Analytics). The main driver for this growth is the increase in pet ownership, driven by several factors including demographic changes, rising income and the COVID-19 pandemic. Additionally, advances in veterinary medicines and diagnostics, improved management of complex conditions by veterinarians and increases in pet insurance have all contributed to animals living longer and increased expenditure. The "humanisation" of pets, especially among younger pet owners, and pet owners' compassion for their animals also contributes to the strong growth in the market.

Our response

The Companion Animal sector is the main area of focus for Animalcare. Our strategy has been to develop and launch novel and innovative products into this market, such as Daxocox and Plaqtiv+, while investing in longer-term R&D programmes in key therapeutic areas.

Market trends and opportunities

The Equine market can be split between food producing, wild and Companion Animal. This can then be divided into racing, competition and leisure. High-value racing and competition horses receive treatment when needed and at any cost. The leisure market can be more variable. Due to its smaller size compared to the Companion Animal market, fewer animal health companies are active in this product category and it has seen less innovation.

Our response

We focus on the Companion Animal Equine market and have identified Equine as an attractive market for a company of our size. The Randlab acquisition in early 2025 has given us a strong platform to grow our Equine business and develop new products. In 2025, we partnered with 272Bio to develop novel VHH antibody-based treatments in Equine pain management and dermatology, and we are investigating the use of the Daxocox metabolite E-6132 in Equine pain management.

Market trends and opportunities

The global demand for protein continues to increase and is the key driver for growth in Production Animals. The global "one-health" initiative, the integrated, unifying approach that aims to sustainably balance and optimise the health of people, animals and ecosystems has brought an increased focus on animal welfare, pain control and antimicrobial resistance and the need to manage the use of antibiotics in animals, especially in Production Animals.

Our response

Over the last few years, we have reshaped our Production Animal portfolio, moving away from antibiotics and focusing more on pain relief and anthelmintics. Today, our leading Production Animal brand is a Ketoprofen 15% non-steroidal anti-inflammatory drug (NSAID) indicated for the reduction of inflammation, pain and fever.

Business Model

Our business model centres on the development, supply and marketing of pharmaceutical and non-prescription products to the veterinary profession, underpinned by our strong foundations, which enable us to execute our strategy.

We harness our key resources...

...to deliver high-value solutions that generate sustainable growth...

OUR KEY RESOURCES

TALENTED TEAM WITH A COLLABORATIVE CULTURE

Having the right people, capabilities and engagement across the organisation is fundamental to delivering our strategy and the long-term success of the Group. We seek to create an environment in which our colleagues feel valued and empowered to be the best version of themselves at work.

DEPTH OF INDUSTRY KNOWLEDGE

We have extensive knowledge of the Companion Animal, Production Animal and Equine markets in which we operate and the regulations that govern them.

STRONG CUSTOMER RELATIONSHIPS

The relationships with the individual vets and veterinary groups that represent our core customers are key. Our sales force has extensive experience and knowledge of their markets and products.

STRATEGIC PARTNERSHIPS

The Group has developed a series of critical partnerships that help us strengthen our pipeline, commercialise innovative products, and establish research and manufacturing capabilities and capacity.

BALANCED PORTFOLIO

Animalcare operates a portfolio of increasing quality and sustainability, comprising, approximately, 160 brands.

OUR KEY ACTIVITIES AND ENABLERS

1. Develop and commercialise prescription and over-the-counter animal pharmaceutical products.

2. Manufacture to high quality standards through a network of contract manufacturing partners.

3. Manage a sustainable international supply chain, including specialist veterinary wholesalers and distributors.

4. Outside our direct geographic operations, we partner with companies to commercialise products.

5. Sell products to veterinary practices and veterinary groups through our own highly skilled sales force. Animalcare is also building out its own retail channel to sell directly to pet owners.

UNDERPINNED BY OUR STRONG FOUNDATIONS

FINANCIAL STRENGTH

Our solid financial platform enables us to increase investment and leverage our stronger base to deliver future growth and value to our shareholders.

OPERATIONAL EXCELLENCE

Mature business and veterinary pharmaceutical processes and capabilities to exploit sustainable growth opportunities.

ATTRACTIVE MARKETPLACE

Operating in an attractive marketplace with clear growth drivers across the Companion Animal, Production Animal and Equine markets.

We are driven by our values, helping to create an environment in which our colleagues feel empowered to be the best version of themselves at work.

ONE TEAM

PASSION

...while meeting the evolved needs of our stakeholders

VALUE CREATED FOR STAKEHOLDERS

EMPLOYEES

Our people benefit from the ability to improve their skills and work in a challenging, innovation-driven and forward-thinking organisation.

CUSTOMERS

Animalcare seeks to provide a choice of innovative and trusted products to support veterinary professionals and other customer stakeholders. Our agile business model and close customer relationships help ensure we are aligned with the changing needs of our markets.

SHAREHOLDERS

Through the execution of our growth strategy, we aim to consistently deliver strong and resilient financial performance for our shareholders, generating attractive returns over the long term.

KEEPERS OF ANIMALS AND SOCIETY

Our veterinary products help maintain or improve the health and wellbeing of animals across our markets. This brings huge benefits to owners and wider society.

SUPPLIERS

The Group does not own manufacturing facilities, so it works with third-party manufacturers to supply finished products. We engage with these suppliers to develop and maintain trusting long-term relationships, creating mutual value.

PARTNERS

Our partnerships are wide ranging in scope and help ensure the success and effective operation of our business. We create value through long-term collaborations on mutually agreed terms.

INTEGRITY

TAKING OWNERSHIP

HAVE FUN

Where innovation, growth and scale...

Proven management team supported by highly skilled people

Team strengthened in 2025 through the integration of Randlab and recruitment of additional leaders across our operations

c.30%

OF EMPLOYEES ARE TRAINED VETS, MORE THAN MOST COMPETITORS

Competitive strength with clear routes to a growing, global market

Strong relationships with partners, vet and veterinary groups, supporting opportunities in a growing global market

c.$43bn

MARKET VALUE IN 2025

Modest increase in R&D investment will transform our opportunity

Target R&D investment of c.5% of revenues in 2026

Exciting New Product Development pipeline supporting long-term growth

Increasing number of novel product launches – six significant assets expected to launch in the medium term

...converge for a sustainable future.

Increasingly attractive and diversified product portfolio

Achieving double-digit growth in the Group's flagship brands

70%

INCREASED OWN BRANDS TO 70% OF SALES MIX

New initiatives in place to accelerate our organic growth

New retail channel launching in 2026, providing access to the growing retail market for OTC treatments

Increased investment into commercial capabilities to drive a significant sales uplift

Firepower to execute further M&A

Highly cash generative with strong balance retained c.£20m of firepower post acquisition of Randlab

Proactively assess a range of opportunities to accelerate growth

2025 was a year of strategic execution and financial delivery, as we continue to build a more scalable and growth-oriented business.

> A standout of the year was the strong performance by Randlab, the Australian Equine business we acquired in early 2025 ahead of our initial expectations.

JENNIFER WINTER
Chief Executive Officer

Continued positive trading performance

2025 has demonstrated the strength within the business, providing a strong springboard for growth acceleration in future years.

Group revenue increased 20.0% at AER to £89.1m, underlying EBITDA increased 52.6% to £17.7m, and the Group maintained high levels of cash generation, with leverage at 0.7x underlying EBITDA.

A standout of the year was the strong performance by Randlab, the Australian Equine business we acquired in early 2025 ahead of our initial expectations. We have been delighted to welcome Bruce and his team to the Group.

In Companion Animals, flagship brands, such as Daxocox and Plaqtiv+, delivered double-digit growth, fuelled by the launch of the Peri-Operative Pain indication in Europe, while the Production Animals' portfolio also contributed positively due to strong customer relationships. Equine performed very strongly, benefiting from the significant contribution from Randlab.

Our commercial team has continued to bring operational improvements and enhancements to the way in which we take our brands to market, demonstrated by the growth in our German operations. This is a model we will be taking to other regions in the year ahead, as we modestly increase our investment into sales and marketing to support further growth, particularly in our dental health ranges.

Over the last five years, we have made significant strategic progress. We have deliberately evolved from a business with fragmented portfolios, limited scale and focus, high levels of 'distribution' products, limited M&A capacity and only one asset in the development pipeline, to a growing business with strong foundations to execute on our strategic priorities:

- Increasing the quality and sustainability of our portfolio
- Building competitive capacity and capability in our commercial teams
- Strengthening our supply chain
- Seeking more M&A opportunities
- Building new product-development pipeline capability, external partnerships and increasing investment from an historical average of around 2.0% to 4.5% in 2025

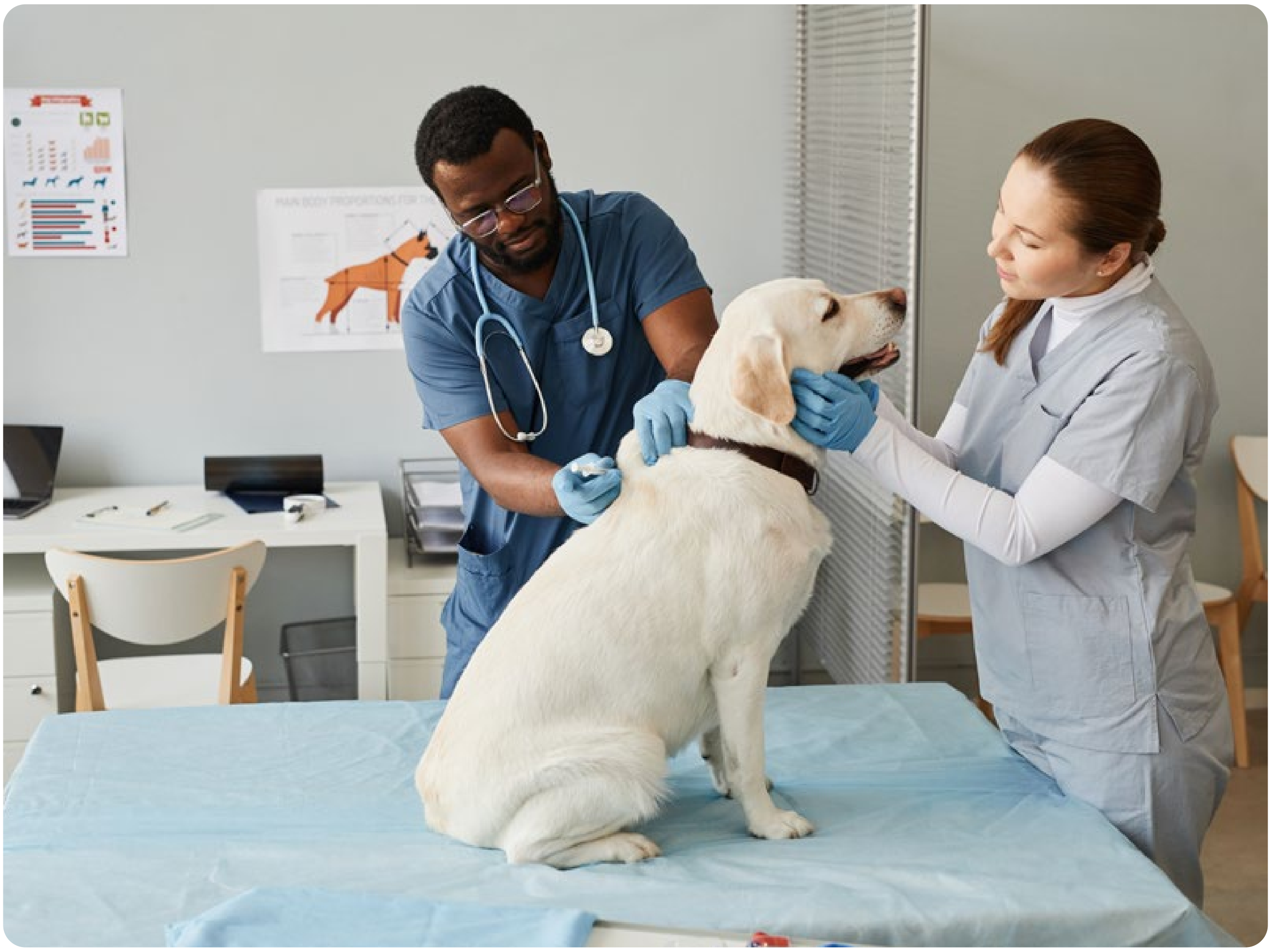
Organic growth

Building and nurturing a focused portfolio of attractive, profitable brands that offer sustainable revenues and strong margins is at the heart of our long-term strategy. In recent years, we have re-engineered our product lineup to place greater emphasis on brands that we can commercialise across all our markets. Combined with ongoing investment in sales and marketing excellence, this gives us important synergies that are hard to access from smaller, more local, products.

The value of that approach is evident in the continuing enthusiastic customer response to brands such as Daxocox and Plaqtiv+. Sales of Daxocox, our long-acting NSAID for the treatment of osteoarthritic pain, grew by 23% in 2025, while revenues generated by the Plaqtiv+ dental range were up 42%. Each of our product categories delivered growth over the 12 months. Companion Animals returned to normal growth, as expected. Production Animals returned to more normal demand patterns for the full year, following an exceptional first half, and Equine benefited from enhanced control over Danilon.

Looking ahead, we have identified an opportunity to accelerate growth in our key non-prescription brands, over and above the double-digit growth already being achieved, through opening up a new retail channel, providing us with access to the remaining 70% of buyers who do not purchase directly from a vet. Our focus in 2026 will be on achieving initial contracts with new digital stores, supported by investing in digital marketing capabilities and activities, alongside key account management, drawing on the expertise of our team, who have delivered digital retail growth in past roles.

Another initiative for the year ahead will be further refinement of our supply chain management. With the business having grown through acquisition in the past, we have already achieved a significant reduction in our portfolio complexity. We believe that through the further simplification of our supply chain we can increase resilience, increase revenue growth through availability of product and increase our EBITDA margin through strong relationships.



Inorganic growth

Animalcare is committed to pursuing value-creating external opportunities that have the potential to grow our business through M&A, in-licensing and partnerships. We have a healthy pipeline at various stages of assessment, undergoing our disciplined assessment process.

In early 2025, we achieved a significant milestone with the acquisition of Randlab, the Australia-based Equine health company. The integration of Randlab into the Group is progressing well and, in some cases, ahead of expectations, with the objective to preserve the absolute focus on the Equine market and entrepreneurial operating environment.

The progress and performance in the year are testament to the leadership team brought in to oversee the business and their strong collaboration with the highly experienced local team as well as their new Animalcare colleagues. Through working together, opportunities were identified to grow the business, enabling the acceleration of investment plans within Australia and into new markets to scale commercially, including the UAE, while, at the same time, nurturing the local entrepreneurial culture that defines Randlab and makes it a trusted choice with its loyal customer base. This expansion is supported by the key hires made in 2025 in the commercial team, which included a new Export Manager and additional sales roles in the Gulf Co-operation Countries, New Zealand and New South Wales.

We have continued to build scale internationally, notably via the 25% strategic equity investment in the Australian Companion Animal business, InVetro Pty Ltd, in June 2025, expanding our presence in the growing Asia-Pacific veterinary market.

Developing new products

Central to the Group's growth strategy is building a balanced pipeline of new products, to replicate and expand the success of our novel products, Daxocox and Plaqtiv+, and meet the needs of the animal health market. R&D activities and investment have accelerated across a range of opportunities (notably Sweet Itch, VHH NGF and E-6132), which the Board believes has the potential to drive transformative growth in the medium to long term. We were delighted to appoint Dr Hafid Benchaoui as Chief Strategy and Science Officer (CSSO), to strengthen the development of our new product pipeline. He will lead R&D at both a strategic and technical level and join the Senior Executive Team. Previously Head of Global Research and Development (R&D) at ECO Animal Health, Hafid brings extensive international animal health experience to the role.

In total, the Group now has six major projects in the pipeline at different stages with large market opportunities (in excess of c.£100m) and unmet need. These programmes have been selected due to their strong fit with the Group's strengths, expertise and commercial relationships across the Equine and Companion Animal markets. All are the Company's own IP, other than Sweet Itch which is in-licensed.

On 22 August 2025, the Group announced the acquisition of the VHH NGF antibody programme and related assets for a net cash consideration of €0.7m, which had previously been licensed from Orthros Medical in March 2022. This provides Animalcare full ownership and control of the intellectual property and associated assets, enabling independent development working alongside 272Bio and commercialisation of the technology to support the expansion of the Group's pain portfolio. The Group is advancing the lead Equine asset, with promising early results.

The Group has also entered into a licence agreement with 272Bio to develop a novel biological treatment for a common Equine skin condition (Sweet Itch), which affects an estimated c.8% of horses globally. The deal structure includes an initial commitment of c.£2.0m to fund preclinical research, which will be expensed over the next 18–24 months as we work towards achieving proof of concept.

Life cycle management activities of key brands are ongoing, expanding their market reach. In late July, Daxocox received European Union approval for use in a peri-operative setting, adding a new indication for the long-acting NSAID, enabling broader market access and reinforcing the Group's growth ambitions for the Daxocox franchise. Meanwhile, the Group continues to seek regulatory approval for the use of Daxocox in new territories, with approval granted in Japan, as well as exploring the opportunity to launch in the US within the next few years.

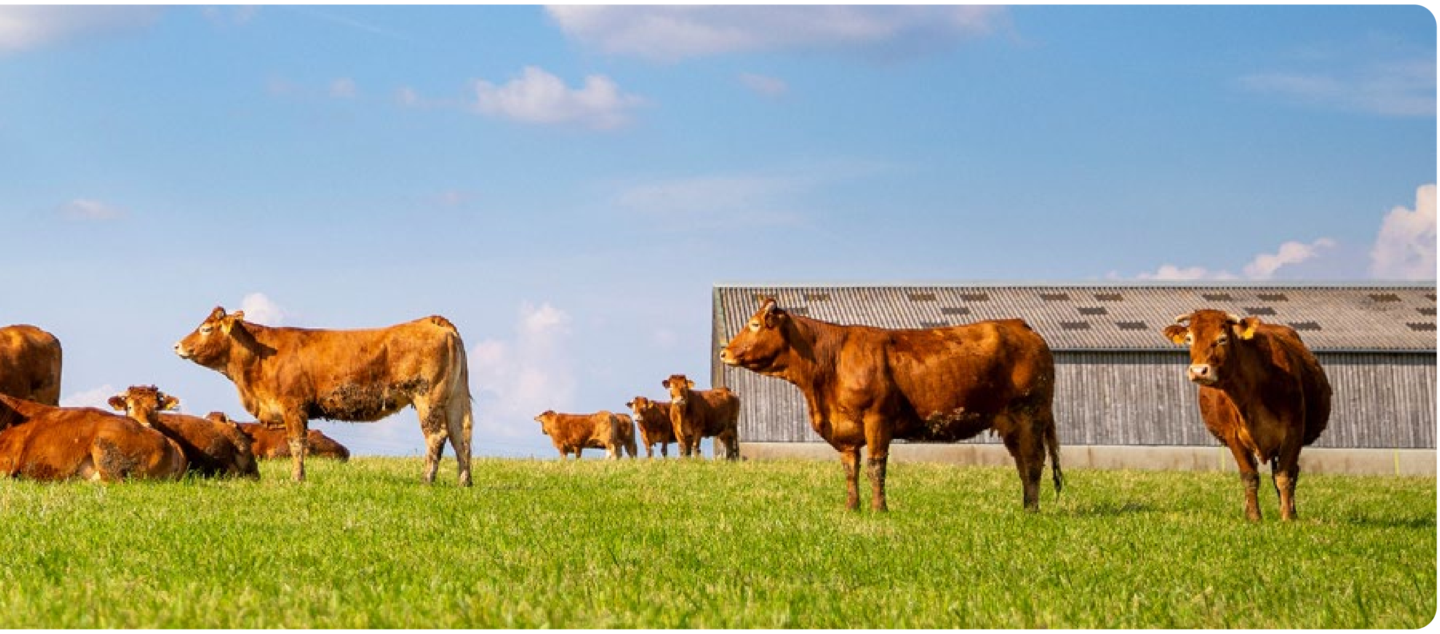
Summary

Our expanding global presence, strong brands and attractive product lineup provide a solid platform as the Group entered 2026.

I would like to thank colleagues across Animalcare for their continued dedication as we pursue our growth strategy, and to the Board members for their guidance and support.

JENNIFER WINTER
Chief Executive Officer

13 May 2026



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2025 has been a strong year featuring significant revenue and EBITDA growth, while maintaining the Group’s highly cash-generative profile and strong balance sheet. With leverage at 0.7X EBITDA, this performance gives us the platform to accelerate our strategic priorities and deploy capital in a targeted, value-accretive way.

CHRIS BREWSTER
Chief Financial Officer

Underlying and statutory results

To provide comparability across reporting periods, the Group presents its results on both an underlying and statutory (IFRS) basis. The Directors believe that presenting our financial results on an underlying basis, which excludes non-underlying items, provides more useful and relevant information of business performance to stakeholders. IFRS results include these items to provide the statutory results.

All figures are reported at actual exchange rates (AER) unless otherwise stated. Commentary will include references to constant exchange rates (CER) to identify the impact of foreign exchange movements. A reconciliation between underlying and statutory results is provided at the end of this financial review.

Overview of underlying financial results

The financial year has been marked by strong execution and strategic progress. The acquisition of Randlab has proved transformational, accelerating our growth and enhancing profitability and operating leverage. With our growing international footprint, continued growth in our leading brands and an increasingly attractive product portfolio and pipeline, we are confident in our ability to build on this momentum into 2026.

	2025 £’m	2024 £’m	% Change at AER
Revenue	**89.1**	74.2	20.0%
Gross profit	**52.4**	41.2	27.2%
Gross margin %	**58.8%**	55.6%	3.2%
Underlying EBITDA	**17.7**	11.6	52.6%
Basic underlying continuing EPS (p)	**15.7p**	10.9p	44.0%

Revenue – Randlab acquisition accelerates growth

Group revenue increased by 20.0% (20.1% at CER) to £89.1m, reflecting the marked beneficial effect of the successful integration of Randlab, underpinned by like-for-like organic growth of 1.7% at AER (0.7% at CER) with all three product category revenues increasing versus prior year in trading conditions, which were varied across our end markets.

Revenue performance by product category is shown in the table below:

	2025 £’m	2024 £’m	% Change at AER
Companion Animals	**50.3**	49.8	1.0%
Production Animals	**17.7**	17.0	4.0%
Equine (including acquisition of Randlab)	**21.1**	7.4	185.1%
Total	**89.1**	74.2	20.0%

Companion Animals

Revenue in Companion Animals increased by 1.0% to £50.3m, reflecting sustained and strong momentum across several of our flagship brands, including continued double-digit growth in Daxocox (+23%) and our dental range, with Orozyme (+30%) and Plaqtiv+ (+42%) performing particularly well. This solid performance was underpinned by ongoing focus and investment in sales and marketing excellence.

Growth in the category was tempered by two factors outside of our control: reduced Conofite sales, which, as reported at the half-year stage, resulted from the unexpected regulatory monitoring of topically applied antibiotics in Spain, and the cessation of distribution arrangements across a number of older, lower-margin brands. Taken together, these factors resulted in a c.8–9% sales impact. Notwithstanding this, our Companion Animals business delivered overall growth, underscoring the resilience and strength of our core portfolio and the robustness of demand for our key brands.

Production Animals

Production Animal revenue growth returned to more typical demand patterns, increasing by 4.0% to £17.7m during a period marked by changes within our distribution partner supply base and end markets.

This follows a strong FY24, which saw sales rise by 7.8%. Growth was primarily supported by several larger-selling brands, including two owned brands within our Top 10 products.

Equine

Revenue within Equine increased by 185.1% to £21.1m, compromising revenue from the existing portfolio of £7.5m and acquired revenue from Randlab of £13.6m. Randlab delivered very strong like-for-like organic growth of, approximately, 12.0% at CER (c.6.0% at AER), above management expectations at CER set at the time of the acquisition on 3 January 2025. This strong performance was principally driven by significant growth and expansion of export market sales alongside growth within the core portfolio in Australia and New Zealand, including Ulcershield, which is now the Group's fifth-largest brand. Within the existing Animalcare portfolio, continued growth in Danilon (up 7.4%) helped to offset a decline in the Equine fluids range, which was affected by market changes and competition.

Underlying EBITDA and underlying earnings per share

Accelerating growth through R&D investment

The Group is committed to expanding and enhancing our product development pipeline. With this in mind, we are targeting investment of c.5% of revenue per annum to support future growth through an increased proportion of innovative products within the portfolio. As we move into a period of pipeline expansion and, with this, a step-up of investment in innovation to support our medium-to-long-term growth ambitions, we expect an increasing proportion of all overall R&D expenditure to be expensed in the income statement.

To aid understanding on the performance of our core operations, underlying EBITDA before R&D expenditure is used to reflect the contribution from our commercial operations prior to the Group's investment in R&D and is the basis on which cash conversion is calculated, as described later in this review.

	2025 £'m	2024 £'m	% Change at AER
Underlying EBITDA (reported)	**17.7**	11.6	52.6%
Research and development expenditure – expensed in the year	**0.7**	–	–
Underlying EBITDA before R&D expenditure	**18.4**	11.6	58.6%
Underlying EBITDA margin %	**20.6%**	15.6%	5.0%

The Group's underlying EBITDA before R&D expenditure increased by 58.6% to £18.4m (2024: £11.6m). This growth was primarily driven by Randlab's significant contribution to EBITDA of £6.4m, underpinned by its high gross margins, further enhancing the Group's overall profitability and leading to a 500bps improvement in underlying EBITDA margin to 20.6%.

Gross margins improved by 320bps to 58.8%, again predominantly reflecting the benefits of the acquired Randlab Equine portfolio, which delivered gross margins of 72.9%, in line with expectations after taking into account reclassification of certain costs from operating expenses to cost of goods to align with Group accounting policies. Excluding Randlab, like-for-like gross margins moderately improved versus the prior year to 56.3% (2024: 55.6%) with a positive sales mix largely offsetting input cost inflation (COGS). The Group's targeted pricing strategies mitigated a proportion of cost increases while maintaining competitiveness across key brands and geographies.

Underlying overheads, defined as gross profit less underlying EBITDA before R&D expenditure, increased to £33.0m (2024: £29.7m), of which £3.4m represents additional operating costs associated with Randlab. As we have progressed with our integration and engagement with the local management team, our confidence in the growth opportunity has been underpinned, leading to accelerated investment in our commercial infrastructure within Australia and the UAE. The balance of £0.9m principally encompasses organic investment in people costs alongside disciplined control of our overall SG&A costs.

Basic underlying continuing EPS increased by 44.0% to 15.7 pence (2024: 10.9 pence) primarily driven by the strong profit contribution from Randlab and higher net finance income largely resulting from unrealised foreign currency translation exchange gains, partially offset by a c.2.0p dilutive impact of the equity raise completed in December 2024. The underlying effective tax rate increased to 24% (2024: 18.9%), principally reflecting the shift in the Group profit mix towards higher tax jurisdictions, notably in relation to Randlab, partly mitigated by recognition of tax losses

Overview of reported financial results

Reported Group profit after tax for the year (after accounting for the non-underlying items and discontinued operations shown in the table and discussed below) was £5.1m (2024: £18.5m), with reported earnings per share at 7.3 pence (2024: 30.3 pence per share).

	2025 Underlying results £'m	Amortisation and impairment of intangibles £'m	Acquisition, restructuring, integration and other costs £'m	2025 Reported results £'m	2024 Reported results £'m
Continuing operations					
Revenue	**89.1**	–	–	**89.1**	74.2
Gross profit	**52.4**	–	(1.0)	**51.4**	41.2
Selling, general and administrative expenses	**(37.7)**	(5.6)	–	**(43.3)**	(36.7)
Research and development expenses	**(0.7)**	–	–	**(0.7)**	–
Net other operating (expense)/income	**–**	–	(1.2)	**(1.2)**	2.6
Impairment losses	**–**	(0.1)	–	**(0.1)**	–
Operating profit/(loss)	**14.0**	(5.7)	(2.2)	**6.1**	7.1
Net finance income / (expense)	**0.3**	–	–	**0.3**	(1.3)
Profit/(loss) before tax	**14.3**	(5.7)	(2.2)	**6.4**	5.8
Taxation	**(3.4)**	1.5	0.6	**(1.3)**	(1.0)
Profit/(loss) for the year	**10.9**	(4.2)	(1.6)	**5.1**	4.8
Profit from discontinued operations	**–**	–	–	**–**	13.7
Total profit/(loss) for the year	**10.9**	(4.2)	(1.6)	**5.1**	18.5
Basic earnings per share (p)	**15.7p**	–	–	**7.3p**	30.3p

Non-underlying items totalling £7.9m (2024: net income of £11.2m) relating to profit before tax have been incurred in the year, as further described in note 4. In summary, the principal items in 2025 are as follows:

- Amortisation and impairment of acquisition-related intangibles of £5.7m (2024: £4.0m) reflecting the ongoing non-cash charges associated with the Group's acquired intangible asset base, largely in relation to the reverse acquisition of Animalcare Group plc and the acquisition of Randlab
- Restructuring costs of £0.6m relating to targeted organisational changes designed to streamline operations and enhance efficiency across key parts of the business
- Acquisition and integration costs of £1.9m, the majority of which relates to the Group's acquisition of Randlab, completed on 3 January 2025, including a £1.1m non-cash charge within cost of sales due to the reversal of a fair value uplift on acquired inventories

Strong cash flow and balance sheet position

Operating cash flow and cash conversion

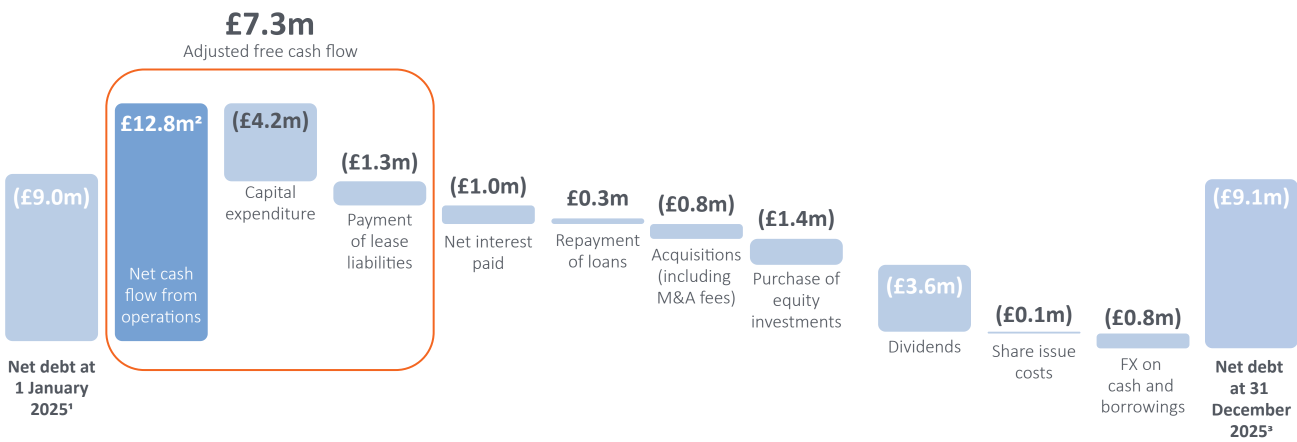
The Group continues to generate strong operating cash flows demonstrating the highly cash-generative qualities of our business. Underlying cash conversion was 79.7%, in line with our guidance.

As noted earlier, the Group assesses operating cash flow relative to Underlying EBITDA before R&D expenditure. This reflects the Group's decision to treat R&D as a growth investment rather than a core trading cost. In prior periods, cash conversion was calculated against Underlying EBITDA after R&D; the methodology has changed in 2025 to align with the Group's capital allocation framework as shown below:

	2025 £'m	2024 £'m
Underlying EBITDA – continuing operations	**18.4**	11.6
Underlying EBITDA – discontinued operations	**–**	0.2
Total Underlying EBITDA	**18.4**	11.8
Change in net working capital	**(1.5)**	(0.7)
Taxation	**(3.2)**	(0.8)
Non-cash and other adjusting items	**(1.2)**	1.1
Net cash flow from operations before R&D expenditure	**12.5**	11.4
Non-underlying cash items	**2.2**	0.8
Underlying net cash flow from operations	**14.7**	12.2
Underlying cash conversion %	**79.7%**	103.1%

Underlying net cash flow generated from our operations increased to £14.7m (2024: £12.2m). The net working capital outflow of £1.5m was primarily driven by a £2.1m decrease in payables, partially offset by a £1.0m reduction in inventories. These movements reflect trading and inventory purchasing patterns towards the year end. Cash taxes significantly increased compared to 2024, reflecting Randlab tax payments of £1.4m and a £1.0m increase in like-for-like cash taxes. The rise in tax outflows was mainly attributable to the geographic distribution of profits and a higher level of Animalcare balancing tax payments relating to previous years.

Net debt bridge



1 Excluding IFRS 16 lease liabilities.

2 Excluding non-underlying M&A expenses

3 Prior to accounting for IFRS 16 leases.

Net capital expenditure of £4.3m (2024: £2.5m) largely comprised of investment in our product development pipeline with the balance of expenditure relating chiefly to our IT business systems and infrastructure.

The Group continued to advance its R&D pipeline of new products that address significant market opportunities and unmet needs within the veterinary sector. Total investment increased to £4.0m (2024: £2.1m) across the five key projects progressing through various stages within our pipeline, analysed as follows:

	2025 £'m	2024 £'m
Research and development expenditure – expensed in the year	**0.7**	–
Research and development expenditure – capitalised as intangible assets	**3.3**	2.1
Total expenditure	**4.0**	2.1
% of revenue	**4.5%**	2.8%

Total investment in our VHH NGF antibody programme was £1.9m, comprising:

- Gross cash consideration of £0.9m relating to the acquisition of the VHH NGF antibody programme and related assets in August 2025
- R&D expenditure and an up-front licence payment to access and develop a half-life extension technology for Equine biologics totalling £1.0m

The balance of investment in our pipeline of £2.1m primarily related to Sweet Itch, E-6132 and life cycle management activities across key brands, notably Daxocox.

The Group delivered strong free cash generation before Randlab acquisition costs and after accounting for lease costs of £7.3m (2024: £7.9m, including £0.4m Identicare contribution). Net debt ended the year, pre IFRS 16 leases, at £9.1m (2024: £9.0m). Net debt, including IFRS 16 lease liabilities, was £12.3m (2024: £11.5m), representing a net debt: underlying EBITDA leverage ratio of 0.7 times.

Borrowing facilities

As at 31 December 2025, the Group had total credit facilities of €54.0m, provided by a syndicate of four banks, with all facilities set to mature on 31 March 2029. These facilities include a committed €44.0m revolving credit facility (RCF) and a €10.0m acquisition line, which is restricted to acquisition purposes and cannot be used for operational funding.

The loans carry a variable, EURIBOR-based interest rate with an applicable margin of either 1.26% or 1.50%. The RCF features bullet repayment at maturity in March 2029, while the acquisition line is amortised through quarterly payments, also concluding in March 2029.

In early 2025, the Group finalised credit documentation with the remaining two of the four syndicate banks, bringing the total acquisition facility to the €10m committed in 2024. This completion ensures an equal allocation of the total credit facility across all four syndicate banks, with the maturity date for all facilities remaining at 31 March 2029. The Group centrally manages its banking arrangements through a cross-currency cash-pooling system, whereby funds are swept daily from various bank accounts into central accounts. This approach optimises the Group's overall net interest payable position.

The Group's credit facilities are subject to the following financial covenants, which are monitored and maintained at all times:

- Net debt to underlying EBITDA ratio of no more than 3.5x
- Underlying EBITDA to interest ratio of at least 4.0x
- Solvency ratio (total assets less goodwill/total equity less goodwill) of more than 25%

At 31 December 2025, net debt (excluding IFRS 16 lease liabilities) was £9.1m (2024: £9.0m). Including net cash balances, total on headroom on the revolving credit facility (RCF) was £36.1m as at 31 December 2025.

As at 31 December 2025, and throughout the financial year, the Group was in full compliance with all covenant requirements, maintaining significant headroom across all three measures.

Going concern

Going concern is addressed in detail in note 2 of the financial statements.

Summary

The Group delivered a resilient trading performance in 2025, with strong execution across our core portfolio and material momentum from the Randlab acquisition. Randlab has performed ahead of expectations, contributing significantly to revenue growth in Equine and reinforcing our strategy of increasing exposure to higher growth, higher margin categories. We continue to see increasing commercial traction as we expand Randlab's reach across our geographies and integrate our portfolio into our broader commercial platform.

The Group ends 2025 in a position of strength with Animalcare a more resilient, more scalable and more growth-focused business. The addition of Randlab has elevated our Equine leadership position and provides a platform for further international expansion, while our investment in InVetro offers a valuable entry point into the Australian Companion Animal market.

CHRIS BREWSTER
Chief Financial Officer

13 May 2026

Key Performance Indicators

FINANCIAL KPIS

Organic revenue growth

Definition:

Revenue growth: including new products versus prior year, excluding the impact of acquisitions and disposals

Why we measure this:

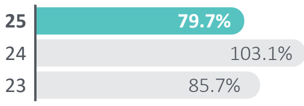
Organic revenue growth is an important barometer of the Group's success in delivering its strategy and is a key component of growing our profits and cash flow

Commentary on performance:

Revenue for the year excluding Randlab was £75.5m (2024: £74.2m), an increase of 1.7% at AER (0.7% at CER)

Links to Strategy:

Underlying cash conversion



Definition:

Cash generated from operations as a percentage of underlying EBITDA before R&D expenses

Why we measure this:

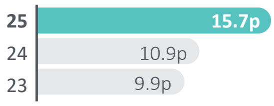
Our quality of earnings is reflected in our ability to turn underlying EBITDA before R&D expenses into cash, an important enabler of capital allocation and investment in our innovation pipeline

Commentary on performance:

The Group continued to generate strong operating cash flows with underlying cash conversion in 2025 in line with guidance, reflecting the acquisition of Randlab

Links to Strategy:

Basic underlying earnings per share



Definition:

Underlying continuing profit after tax divided by the weighted average number of shares

Why we measure this:

Underlying continuing EPS is a key indicator of our performance and the return we generate for our stakeholders

Commentary on performance:

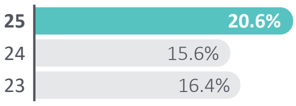
Basic underlying continuing EPS increased by 44% primarily driven by the strong profit contribution from Randlab

Links to Strategy:

STRATEGIC PRIORITIES

- Organic growth
- Inorganic growth
- New product development

Underlying EBITDA margin



Definition:

Continuing underlying EBITDA before R&D expenses[1] as a percentage of sales

Why we measure this:

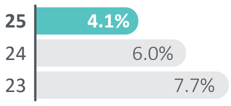
This is a measure of the operating efficiency of the Group with focus on translation of sales growth to profit

Commentary on performance:

Underlying EBITDA margin improved by 500bps to 20.6% primarily driven by Randlab's significant contribution to EBITDA underpinned by its high gross margins

Links to Strategy:

New product revenue



Definition:

Revenue from new products launched in the last three financial years (including territory expansion) as a percentage of revenue

Why we measure this:

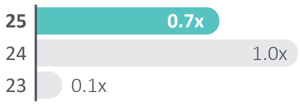
New product revenue (as defined above) was 4.1% in 2025, of which c.90% related to Companion Animal products

Commentary on performance:

New product revenue (as defined above) was 4.1% in 2025, of which c.90% related to Companion Animal products.

Links to Strategy:

Net debt to underlying EBITDA leverage



Definition:

Leverage is net debt (total debt including IFRS 16 liabilities less cash balances) divided by underlying EBITDA

Why we measure this:

We seek to maintain a strong balance sheet with a maximum leverage target of two times underlying EBITDA to allow capacity for investment in future growth

Commentary on performance:

Net debt of £12.3m, including IFRS 16 leases, represents leverage of 0.7 times underlying EBITDA against a banking covenant of 3.5 times and target gearing of <2.0x EBITDA

Links to Strategy:

1 R&D expenses are excluded from underlying EBITDA margin as the Group considers them a strategic investment activity for future growth.

Our Engagement with Stakeholders

Our key stakeholders and how we engage with them

Animalcare considers its key stakeholders to be the Group's employees, customers, suppliers, partners, shareholders and the communities and environment in which we operate.

Our people

Why we engage

Having the right people, capabilities and engagement is fundamental to delivering our strategy. Our objective is to create a high-performing business driven by a skilled, unified and committed team.

Stakeholder interests

- Career development
- Reward and recognition
- Engagement
- Training and development
- Wellbeing
- Health and safety

How we engage

We seek to engage with our employees on a continual basis to help reinforce the Group's culture. Inspired by an employee suggestion is a peer-driven initiative that honours individuals who go above and beyond. Employees are compensated through incentives related to performance targets, while individual and team development programmes create an environment that fosters learning and growth. Recognising the importance of mental and physical health, we provide a tailored programme to support wellbeing.

Customers

Why we engage

As the veterinary market continues to evolve, understanding the needs of our customers is crucial. We continue to work closely with veterinary professionals and other commercial stakeholders to ensure we are aligned with their changing needs.

Stakeholder interests

- Safety, quality and reliability
- Product availability and effectiveness
- Competitiveness
- Our availability and responsiveness
- Customer relationships
- Compliance
- Range of products

How we engage

Regular meetings with veterinary practices and larger veterinary groups help us understand the changing needs of our customers as well as providing a platform for commercial contract negotiations. Product launch and training events keep customers abreast of innovative new treatments. We also provide information about our business through a range of digital channels and participate in industry forums and events to engage with a range of customer types.

Suppliers

Why we engage

As the Group does not own any manufacturing facilities, it relies extensively on a large base of third-party manufacturers for supply of finished products, whether our own brands or those sold on behalf of other companies via distribution arrangements. We need to maintain trusting relationships with suppliers and partners for mutual benefit and to ensure they are meeting our standards and conducting business ethically.

Stakeholder interests

- Quality management
- Cost-efficiency
- Long-term relationships
- Responsible procurement, trust and ethics

How we engage

Under the umbrella of the Group's key partner management programme, we meet with specialist veterinary wholesalers and distributors as well as key suppliers that between them represent, approximately, 70% of purchasing spend. We carry out quality management reviews and facilitate supplier forums and networking meetings.

Partners

Why we engage

A central aim of our Group strategy is to bring innovation to our customers through new products. With this in mind, we engage with existing and potential partners who possess technologies that promise to complement our R&D pipeline or existing portfolio. Examples include the VHH NGF research programme targeting osteoarthritis in canine and horse animal models.

Stakeholder interests

- R&D capability
- Animal health regulatory experience
- Track record of commercialising new products
- Attractive returns on successful market penetration
- Long-term trusting relationships

How we engage

Key members of the Animalcare team assess the potential of pipeline and portfolio partners.

We apply a range of methods to identify these opportunities, including industry networks, investor conferences and through links with the financial community. Once partnerships have been struck, we regularly engage through platforms that support collaboration and coordination.

Shareholders

Why we engage

Trust from our shareholders is key to delivering our strategy as access to capital will be important to the long-term success of our business. We ensure that we provide fair, balanced and understandable information to shareholders, potential investors and investment analysts and work to ensure that they have a clear understanding of our strategy and performance.

Stakeholder interests

- Financial performance
- Governance and transparency
- Operating and financial information
- Confidence and trust in the Group's leadership team
- Total shareholder returns

How we engage

The Group provides regular updates to the market in line with AIM requirements and encourages an ongoing dialogue through investor roadshows, meetings and presentations as well as consulting on relevant topics. In 2025, Animalcare extended its suite of engagement tools to address the specific interests of individual retail investors. The dedicated investor section of the Group's website provides valuable information for existing shareholders and potential investors.

Community and environment

Why we engage

Animalcare is committed to being a responsible member of our community and considers the environmental impact of our operations.

Stakeholder interests

- Sustainability
- Animal welfare
- Community

How we engage

We aim to conduct our business in a sustainable way, in line with the expectations of the communities in which we live and work. Active membership of animal and health trade associations provides the Group with an important voice on key industry topics and we support local and national charitable partnerships, including through employee-matched fundraising. Our annual Animalcare Day is a celebration of unity, teamwork and shared values, fostering employee engagement through meaningful community impact. In 2025, we organised country-level initiatives to support animal welfare and environmental sustainability.

Our Stakeholders

Section 172(1) of the Companies Act 2006 requires Directors to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole and, in doing so, consider (among other matters):

- The likely consequence of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly between shareholders of the Company. This section forms the Directors' statement under section 414CZA of The Companies Act 2006

Key Board discussions and decisions

The Board is ultimately responsible for the direction, management, performance and long-term sustainable success of the Company. It sets the Group's strategy and objectives, taking into account the interests of all its stakeholders. A good understanding of the Company's stakeholders enables the Board to factor the potential impact of strategic decisions on each stakeholder group into Boardroom discussions. Consequently, Board decisions are made with reference to the Company's key stakeholders: its investors, employees, customers, suppliers, the community in which it operates and the environment.

The Board considers the following to be the principal decisions and considerations it has made during the year to 31 December 2025. The Board considers principal decisions to be those decisions that entail significant long-term implications and consequences for the Company and its stakeholders. In all the decisions listed, the Board considered its stakeholders as set out above.

The acquisition of a minority stake in InVetro Pty Ltd

On 13 June 2025, the Board announced the acquisition of a 25% strategic equity stake in InVetro Pty Ltd (InVetro), an Australian-based Companion Animal health business. The strategic investment expanded Animalcare's presence in the Asia-Pacific veterinary market and built on the acquisition of Randlab.

InVetro is an Australian veterinary pharmaceutical company committed to advancing Companion Animal care. The Board considered that the business is poised for rapid growth over the next five years, underpinned by:

- A portfolio of pharmaceutical marketing authorisations and licences, enabling immediate and near-term revenue generation
- A pipeline of products tailored to the needs of the Australian market
- A highly experienced and proven management team with deep sector expertise

The Board also considered the wider strategic rationale, including:

- Speed to market: Immediate access to a business with regulatory approvals and infrastructure, accelerating Animalcare's entry into Australia with potential to expand across Asia-Pacific
- Local expertise: Leverage of InVetro's established relationships, market knowledge, operational and regulatory capabilities
- Scalable platform: A foundation for future collaboration and product distribution, with potential for increased ownership by Animalcare over time
- Extended bridgehead: Opportunity to expand the reach of the Group's portfolio of existing Companion Animal brands into Australia and other Asia-Pacific markets

The acquisition of the VHH NGF programme and related assets from Orthros Medical

On 22 August 2025, the Board announced the acquisition of the VHH NGF programme and related assets under a licence agreement previously signed with Orthros Medical in March 2022, which was subsequently terminated.

The Board considered the strategic implications of owning the assets, including the fact that the Group's current programme in horses and dogs could be extended across further species and different diseases where NGF has a role.

The Board also considered the value offered by the transaction. It provides the Group with full ownership and control of the intellectual property and associated assets, enabling independent development and commercialisation of the technology across a range of indications and species, furthering the Group's strategy to build a pipeline of innovative products. At the same time, the outstanding significant future potential financial obligations under the license agreement were extinguished, which included development, regulatory and commercial milestones, and royalties due on net sales.

The Board considered the adequacy of the Group's new development partner, 272Bio, a highly experienced and skilled biotherapeutics company specialising in VHH antibody technology.

The agreement to develop innovative treatment for the Equine dermatological condition, Sweet Itch

On 24 September 2025, the Board announced an agreement to develop and commercialise a novel biological treatment for the common equine skin condition, Sweet Itch, in collaboration with 272Bio. The Board considered the strategic rationale for agreement including the following:

- Sweet Itch affects an estimated c.8% of horses globally and there is a significant unmet need and demand for more effective treatments, which, today, largely comprise topical applications
- The annual addressable market is estimated to be worth between €150m and €200m, globally, based on management estimates
- The programme is at an early stage and will initially focus on preclinical research with the aim of achieving proof of concept over the next 18–24 months

The Board also considered the fact that the collaboration leverages the Group's partnership with 272Bio by granting Animalcare access to 272Bio's half-life extension technology and significant experience in antibody development.

Our Principal Risks

Managing our risks

The Board has overall responsibility for the Group's risk appetite and risk management strategy. In doing so, the objective of the Board is to foster and embed an organisational culture of strong risk management to effectively execute the Group's strategy.

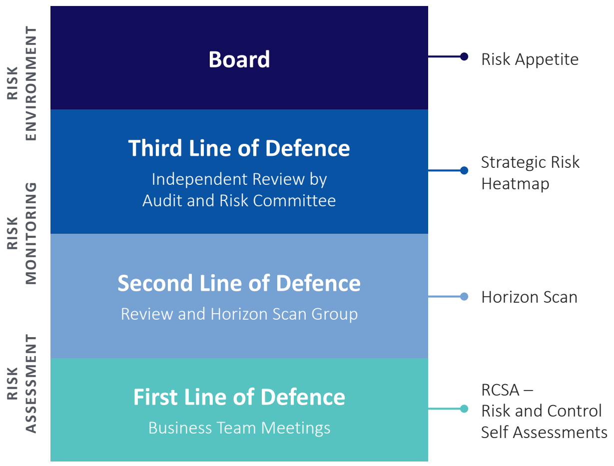
The day-to-day identification, management and mitigation of risk is delegated to the Group's management, executed through our risk management framework (RMF).

We have continued to develop and refine the RMF to ensure alignment with the strategic objectives of the Group. During 2025, this included embedding an increased focus on enhancing our risk assessment with respect to R&D, as developed in 2024. Leveraging the extensive Board-level expertise and a strengthening of our internal risk management resource, the RMF reflects a capital allocation that includes increased R&D investment.

We believe this continuous improvement strengthens our RMF and our ability to monitor, manage and mitigate the most critical risks inherent in our strategic plan to the benefit of our stakeholders.

Risk management framework

The RMF is based on an industry standard Three Lines of Defence model (3LoD) and includes a detailed risk inventory, key risk metrics and regularly reviewed thresholds. The 3LoD model is combined with an approach to assess, monitor, manage, respond and communicate the Group's critical risks.



To be effective, risk management relies on the engagement of all parts of the business, which is an integral part of our framework and culture. The RMF has been developed in support of our operating model – being a combination of operating businesses and Group functions, overseen by the Senior Executive Team (SET) who owns the risk management process and is responsible for managing specific Group risks. Within that structure, our operational management teams, as well as Group function heads, are expected to identify, manage and mitigate risks in their part of the business. They manage this process through a consistently applied Risk and Control Self-Assessment (RCSA). This process includes assessing each risk for its impact and likelihood, scored both before and after applying key controls. A standardised risk-scoring methodology and template is used to ensure a consistent approach across the Group. This part of our framework represents the First Line of Defence.

Our Second Line of Defence is executed through a detailed SET-level review, where the outputs of the First Line of Defence are presented, critiqued and challenged. This is combined with a Horizon Scan to create a consolidated risk report, which ensures independent oversight and consistency. The SET is responsible for ensuring the consolidated risk report is mapped against the three pillars of the Group's strategy in the form of a Strategic Risk Heatmap.

In accordance with our governance practices, oversight of risk management and risk assessment is undertaken by the A&RC, which, operating as our Third Line of Defence, provides updates and reports to the Board, based on the Horizon Scan and Strategic Risk Heatmap, to assist the Board in fulfilling its corporate governance duties and oversees responsibilities in relation to financial reporting, internal control and risk management.

Risk appetite

Risk appetite is reviewed at a Board level as part of a wider assessment of the Group's risk capacity and risk tolerance. Within the RMF, there is a mechanism to apply a weighting to the risks identified via the 3LoD process to allow for risk appetite. This is reassessed regularly to ensure it reflects the current strategic priorities and requires the Board to formally consider the nature and level of risk that the Group should accept.

In the context of our sector, the Board is clear on those risks that it is more willing to take (e.g. investment in innovative new product development) and those that it is less willing to accept (e.g. regulatory and compliance risks).

Emerging risks

Emerging risks are new risks that are unlikely to impact the Group in the next year but have the potential to evolve over a longer term and could have a significant impact on our ability to achieve our objectives. They may develop into key risks or they may not arise at all. As part of our risk management process, both the Board and the SET are tasked with identifying and assessing our emerging risks. No material emerging risks have been identified in the current financial year.

Sustainability and climate change

As noted, the Board has overall responsibility for ensuring risk is appropriately managed across the Group. This includes risks relating to environmental, social and governance (ESG) matters and climate change.

Principal risks

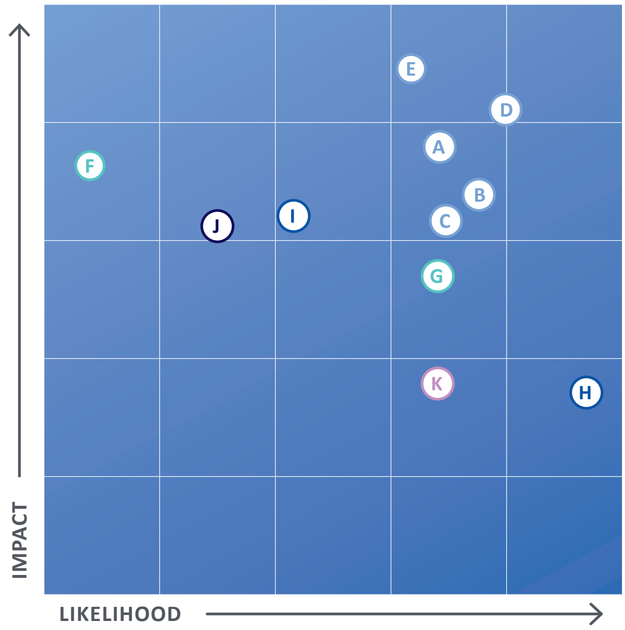
We map all aspects of our risks against five categories that best outline our key challenges: strategic, financial, operational (operations and technology), regulatory compliance and people.

We believe, as illustrated by the risk heat map, that our most significant challenges are strategic in nature. Our strategic plans for the business are based on organic and inorganic growth as we continue to pursue geographical expansion and seek new product opportunities. The current principal strategic and other risks facing the Group have been set out below, along with examples of how we mitigate those risks.

There have been no changes to the Group's principal risks during the year.

Risk heat map

The risk heat map represents the Group's assessment of net risk scores; this comprises inherent risk scores plus the application of the Group's mitigating controls.



- (A) Market and economic risk
- (B) Competitor risk
- (C) Portfolio risk
- (D) Product development and launch risk
- (E) Acquisition risk
- (F) Financing/treasury risk
- (G) Foreign exchange translation risk
- (H) Supply chain risk
- (I) IT systems and cybersecurity risk
- (J) Regulatory risk
- (K) People risk

STRATEGIC REPORT GOVERNANCE FINANCIALS

A. MARKET AND ECONOMIC RISK

Detailed risk

There is a risk of decline in the market driven by macroeconomic uncertainty.

In certain territories, the veterinary market continues to trend towards consolidation via the growth of corporate customers and buying groups, who are looking for value from the products and services we provide.

Potential impact

Reduction in consumer confidence and spending on veterinary products and services in light of inflationary pressures.

The continuing expansion of corporate customers and buying groups represents an opportunity for sales volume growth, but may result in reduced margins through the leverage of buying power.

Link to strategic objectives

Trend

Existing mitigating controls

Veterinary is considered to be an essential service, and our product portfolio largely consists of pharmaceuticals used in the vet practice, which are less prone to pet owner discretionary spending pressure.

We continue to develop and strengthen our relationships with our larger customers, managed through dedicated key account teams to better serve our changing customer base and their evolving requirements, both on a national and a European basis.

B. COMPETITOR RISK

Detailed risk

Launch of competitor products against our key brands, for example, other generic or more innovative products.

Although our product portfolio is broad, our larger and well-established brands operate in a market that continues to be attractive to competitors.

Potential impact

Revenues and gross margins may be adversely affected should competitors launch competing generic or superior (novel) products.

Operating costs may increase to protect market share.

Link to strategic objectives

Trend

Existing mitigating controls

We have increased focus on life cycle management strategies for our key brands.

We monitor new product registrations and competitor launches and develop commercial and marketing responses accordingly to mitigate competitor impact.

We are continuing to seek to strengthen our product portfolio through strategic partnerships and we are exploring a number of opportunities, including novel pharmaceuticals.

STRATEGIC PRIORITIES

- Organic growth
- Inorganic growth
- New product development

TREND KEY

- Risk increasing
- Risk decreasing
- No change

C. PORTFOLIO RISK

Detailed risk

Approximately 30% of the Group's revenues are derived from products sourced from our distribution partners, which are heavily driven by the associated contractual terms.

Potential impact

Loss of one or more distribution contracts may reduce overall sales.

Where we are successful in developing and growing the market, the distribution partner may terminate the contract through the geographic expansion of their own footprint or a different route to market, resulting in lost sales.

Distribution may cease due to change of control of the contracting parties.

Link to strategic objectives

Trend

Existing mitigating controls

Led by our Director of Strategic Alliances and Acquisitions, the Group continues to explore and secure new distribution opportunities, assessed against a strict set of criteria and in regular consultation with the Board.

Low-quality distribution products remain subject to portfolio optimisation.

Significant existing contracts are reviewed to assess and mitigate, where possible, business continuity risks.

Build and grow our owned and long-term licence product portfolio to reduce reliance on third-party distribution partners.

D. PRODUCT DEVELOPMENT AND LAUNCH RISK

Detailed risk

Failure to successfully register and launch products from our pipeline, including those that we develop through license.

Projects that initially appear promising may be delayed or fail to meet expected clinical or commercial expectations or face delays in regulatory approval.

Potential impact

Significant delay or failure in launching a product from our pipeline could adversely affect our ability to deliver revenue and shareholder expectations.

Failure of a project in the development phase, or where we are unable to recover the costs incurred in developing and launching a product, would result in the impairment of recognised intangible assets.

Link to strategic objectives

Trend

Existing mitigating controls

Robust pipeline monitoring processes are in place as part of the Group's From Idea to Launch (FIL) process. This process has regular direct involvement from senior management, including the CEO, CSSO, COO and CFO as well as open dialogue with the Board.

Before more costly pivotal studies are initiated, smaller proof of concept studies are conducted to assess the effects of the drug on target species and for the target indication. Where applicable, the Group ensures the rigorous application of milestone payments.

The risk surrounding the Group's increased investment in innovation is mitigated by the recruitment of an experienced CSSO, a strong R&D team and solid strategic partnerships.

The Group's objective is to create a balanced pipeline in terms of risk and reward and to establish a broader investment approach to launching new products other than from our own pipeline.

In respect of significant new product launches, detailed sales and marketing plans are established and evolved over time, with progress regularly monitored against these plans by our commercial teams.

E. ACQUISITION RISK

Detailed risk

Failure to identify suitable acquisition opportunities and/or the inadequate integration of those acquisitions.

Uncertainty exists around valuing acquisitions, evaluating potential synergies and future performance.

Potential impact

Insufficient or under-performing acquisitions could result in the failure to achieve our growth targets.

Significant acquisitions and integration projects could impact the focus and capacity of resources to achieve our strategic objectives with the underlying operations.

Link to strategic objectives

Trend

Existing mitigating controls

Our CEO, CFO and Director of Strategic Alliances and Acquisitions are focused on updating a comprehensive list of potential targets, which is screened against certain criteria and regularly communicated to the Board.

At the appropriate time, thorough due diligence is performed for all potential acquisitions incorporating commercial, financial and legal considerations.

Our experience with the successful Randlab acquisition helps build expertise for future integrations.

Other risks

Beyond strategic risks, as outlined above, other key risks that are potentially impactful in executing our strategic plan are set out below. It is our perspective that, to achieve success, we need to maintain strong finances and an efficient operation that is compliant with the laws and regulations of each country of business – all of which needs to be supported by the best people with the right skills to execute against our strategic plan.

Financial strength

We carefully track our financial performance against a wide range of financial measures, including capital, liquidity and margin. We also recognise that our results are subject to foreign exchange translation exposure, which is closely monitored and reported. We acknowledge that our future growth is highly dependent on a solid financial platform and strong balance sheet, and have a range of risk assessments associated with both, including:

F. FINANCING / TREASURY RISK

Detailed risk

Debt facilities are committed for a finite period, and we need to plan to renew our facilities before they mature and guard against default. Our loan agreements also contain various covenants with which we must comply.

Potential impact

Investing for growth constrained by lack of access to capital, financial resource and/or reduced profitability.

Link to strategic objectives

Trend

Existing mitigating controls

We continue to focus on maintaining both strong cash conversion and a strong balance sheet with a maximum net debt to EBITDA leverage target of two times, reducing the risk of non-compliance with covenants.

Our existing bank facilities, through a syndicate of four banks with whom we have strong relationships, were successfully renegotiated shortly before our acquisition of Randlab, and will expire on 31 March 2029.

G. FOREIGN EXCHANGE TRANSLATION RISK

Detailed risk

The majority of the Group's revenues are denominated in euros. However, the Group's presentational currency is sterling and, therefore, the reported revenues, profits and net debt levels will be impacted by exchange rates prevailing during the relevant financial period.

Potential impact

There may be variability in our reported results caused by significant fluctuations in the GBP:EUR and GBP:AUD exchange rate.

This may impact our net debt to EBITDA leverage covenant, depending on volatility and timing, as the income statement and balance sheet may be translated at different rates.

Link to strategic objectives

Trend

Existing mitigating controls

We conduct a central review of foreign currency exposures, and we assess possible hedging strategies to mitigate risk via derivatives.

Matching currency flows and financing will limit the covenant exposure.

The Group presents key financial measures on a CER basis to enable shareholders to assess performance with the impact of foreign exchange eliminated.

STRATEGIC PRIORITIES

- Organic growth
- Inorganic growth
- New product development

TREND KEY

- Risk increasing
- Risk decreasing
- No change

Operational performance

The success of our operation relies heavily on both our supply chain and technology platforms; therefore, we highlight below how we manage, monitor and mitigate those risks.

H. SUPPLY CHAIN RISK

Detailed risk

The Group relies solely on a large base of third-party suppliers for finished products and, to a lesser extent, raw materials, whether with our own brands or those sold on behalf of our partners via distribution arrangements. It is not commercially viable to implement a secondary sourcing strategy.

Potential impact

Any disruption, interruption or failure of supply may result in lost sales and damage the Group's reputation with its customers.

Rising inflation costs impacting cost of product and adversely affecting margins.

Manufacturing transfers to resolve longer-term supply issues may require additional regulatory approvals, which could result in additional costs and/or supply delays.

Link to strategic objectives

Trend

Existing mitigating controls

Due to our broad supply base, we have a relatively low dependency on any single supplier.

We monitor the performance of our supplier base and respond promptly where potential issues are identified, whether that be from a quality and/or regulatory perspective. The Group's largest suppliers operate under a programme of regular meetings and audits to manage and support our Contract Manufacturing Organisations (CMOs) to deliver quality products on time and in full to our regulatory specifications.

During 2025, further development and refinements to our structure and processes were undertaken to improve areas such as demand forecasting, supplier performance management and the monitoring of KPIs, particularly around the continuing impact and mitigation of inflation. These improvements will continue into 2026.

STRATEGIC PRIORITIES

- Organic growth
- Inorganic growth
- New product development

TREND KEY

- Risk increasing
- Risk decreasing
- No change

I. IT SYSTEMS AND CYBERSECURITY RISK

Detailed risk

The Group relies heavily on information technology and key systems to support the business.

The risk of cyber attacks that cause system disruption and the potential for data and financial fraud is increasing.

Potential impact

A general outage of our IT systems may cause disruption to, or the prevention of, normal operations and/or additional costs.

Cyber attacks could result in system and business disruption and/or availability of data.

Failure to adequately protect customer (and others') data may result in a breach of GDPR legislation and/or financial fraud.

Link to strategic objectives

Trend

Existing mitigating controls

The Group has maintained focus on mitigating the increasing cyber threat, while continuing to accommodate hybrid working practices, including:

- Continued investment in our cloud-based IT systems and security tools to safeguard the IT infrastructure
- Engagement with security-aware, reliable and certified IT service global providers
- Internal policies surrounding security, user access, change control and the ability to download and install software
- Procuring global cyber insurance, which provides specialist technical and legal support in the event of a cyber incident
- Undertaking regular large-scale security reviews
- Ensuring that all employees undergo mandatory training with sufficient regularity to guard against the proliferation of new and more sophisticated forms of cyber attack

We continuously perform a critical data evaluation to categorise our data and implement appropriate safeguards.

Regulatory compliance

Given that we operate in a highly regulated market; it is evident that the success of our business is dependent on compliance with product regulations in each country of operation; therefore, we highlight below how we manage, monitor and mitigate those risks.

J. REGULATORY RISK

Detailed risk

We operate in a highly regulated animal health environment, which is designed to ensure the safety, efficacy, quality and ethical promotion of pharmaceutical products.

Failure to meet or adhere to regulatory standards could affect our ability to register, manufacture, distribute or promote our products.

Potential impact

Non-compliance with regulatory requirements may result in delays to supply and/or lost sales.

Delays in regulatory reviews and approvals could impact the timing of a product launch and impact sales.

Our regulatory burden, including compliance with the European Medicine Agency's (EMA) Union Product Database and the Veterinary Medicines Directorate (VMD) in the UK, results in continuing regulatory and quality control requirements and associated costs.

Link to strategic objectives

Trend

Existing mitigating controls

The Group Technical and Regulatory team has established systems and procedures to monitor and maintain compliance, which are subject to regular internal and external audits.

Regular dialogue is maintained with relevant authorities in each country to ensure we maintain a thorough understanding of regulatory changes.

We operate a robust Pharmacovigilance (PV) process to report any adverse reactions and product complaints related to the use of our products.

People

To successfully deliver our growth strategy in a highly regulated business, we need to attract and retain a high-calibre and diverse pool of talent; therefore, our people risk is managed, monitored and mitigated as follows:

K. PEOPLE RISK

Detailed risk

Failure to structure and resource the business to deliver our strategic ambitions from both an organic and inorganic growth perspective.

Our growth plans are dependent on our ability to attract, develop and retain high-calibre and experienced talent in key roles.

Potential impact

Failure to structure and resource our business with quality people could result in:

- Loss of expertise
- Potential business disruption
- Reduced growth
- Insufficient or overstretched resources
- High cost of organisational restructuring in certain countries

The rising cost of living and ongoing wage inflation have the ability to impact workforce stability and continuity as well as our profitability.

Link to strategic objectives

Trend

Existing mitigating controls

Our Group People and Culture Director has overall responsibility for setting and overseeing the execution of the Group's people strategy. Alongside fellow SET members, the organisational structure is reviewed as required to confirm that it meets our operational and strategic requirements, with appropriate actions taken where necessary.

Steadfast focus on enhancing overall employee engagement continues to position Animalcare as a "Great Place to Work".

This includes:

- A strong performance management culture supported by our Competency Framework
- Competitive remuneration packages supported by regular benchmarking
- Investment in staff training and development including our "High Challenge High Support" leadership and "Pioneering Professional" programmes
- Group recruitment and onboarding framework
- Wellbeing programme, "We Care", to support mental and physical wellbeing as well as personal development
- Undertaking a Qualtric employee engagement survey in early 2026 and critically evaluating the results

We continue to use a team of highly skilled contractors to bridge short-term gaps in key resource areas and support key project delivery.

STRATEGIC PRIORITIES

- Organic growth
- Inorganic growth
- New product development

TREND KEY

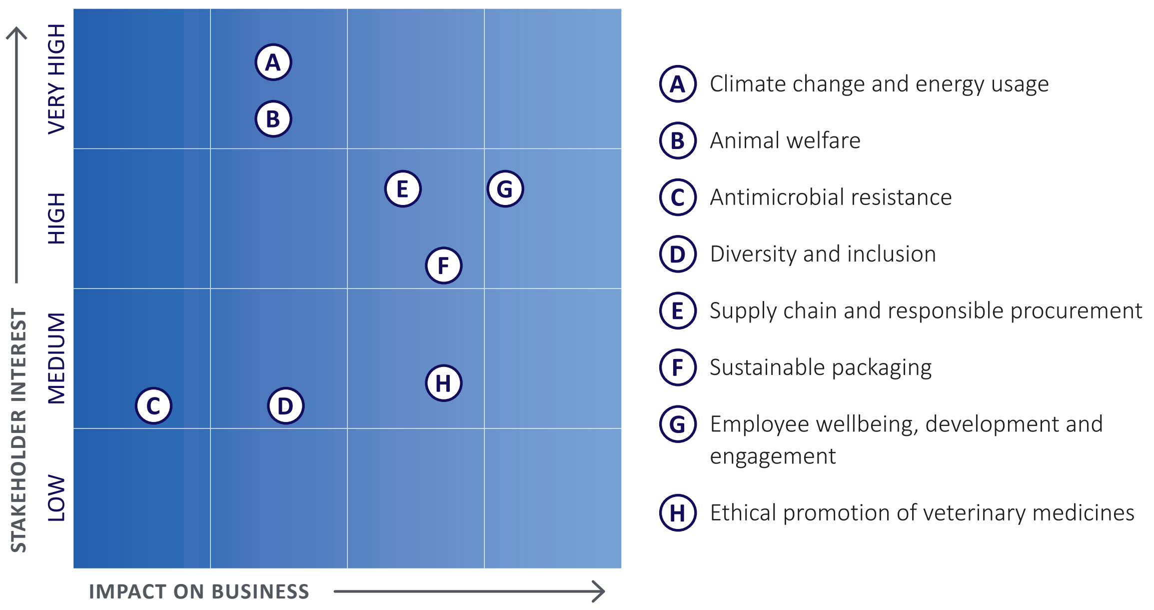
- Risk increasing
- Risk decreasing
- No change

Animalcare is committed to the environmental, social and governance (ESG) pillars of sustainable development.

In the past year, our Company has continued to recognise the importance of sustainability and its impact on our business, stakeholders and the environment.

We remain committed to integrating sustainable practices into our operations and setting the foundation for future initiatives.

MATERIALITY MATRIX



Our CEO, Jenny Winter, is responsible for our ESG agenda and keeps the Board regularly informed on progress and key developments. This ensures that ESG remains an integral part of how we run the business and make decisions.

Stakeholder engagement and materiality

Our stakeholder engagement continues to be guided by the Animalcare Group materiality assessment, undertaken via an internal employee focus group and informal stakeholder engagement. This matrix is periodically reviewed. From this, we identified the material issues of importance to our stakeholders and their potential impact on our business.

This process identifies the issues that matter most to Animalcare and our stakeholders and shows where we can have the most positive impact.

A: CLIMATE CHANGE AND ENERGY USAGE

Under the umbrella of our Risk Management Framework, we designate climate change as a global issue with potential implications for the Group. We have evolved our environmental sustainability initiatives over the year in response to the continually shifting regulatory landscape. We are well positioned to embrace both the opportunities and challenges of this dynamic area.

Our Group energy usage and carbon emissions

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The table below reflects Scope 1 and 2 emissions figures for the whole Animalcare Group. Certain Scope 3 emissions have been presented for the UK. We are working towards the Group-wide disclosure of such emissions.

		2025					
		UK		Global (excl. UK)		Total	
Scope	Activity	CO_2e	kWh	CO_2e	kWh	CO_2e	kWh
Scope 1	Company car travel	**61**	**236,197**	**468**	**1,802,922**	**529**	**2,039,119**
Scope 2	Grid-supplied electricity	**7**	**37,652**	**34**	**216,072**	**40**	**253,724**
Scope 3	Private cars utilised for business travel	**17**	**66,690**	**–**	**–**	**17**	**66,690**
Intensity ratio (tCO_2e per £m revenue)		**4.9**		**7.0**		**6.6**	

		2024					
		UK		Global (excl. UK)		Total	
Scope	Activity	CO_2e	kWh	CO_2e	kWh	CO_2e	kWh
Scope 1	Company car travel	50	196,092	406	1,600,270	456	1,796,362
Scope 2	Grid-supplied electricity	10	46,815	11	60,039	21	106,854
Scope 3	Private cars utilised for business travel	18	71,255	–	–	18	71,255
Intensity ratio (tCO_2e per £m revenue)		4.5		7.4		6.7	

We have used the UK Government GHG conversion factors to calculate our total CO_2e emissions figures.

The Group's Scope 1 and Scope 2 emissions have been impacted by the acquisition of Randlab, with its operations in Australia, New Zealand and UAE. Animalcare Europe's emissions are broadly consistent with the previous year. This indicates that, despite our commitment to face-to-face interaction with our customers, colleagues and other stakeholders, compensating initiatives such as a phased adoption of electric vehicles in our Company car fleet are keeping our energy consumption under control. The increase in revenue in the same period means our intensity ratio is in line with expectations.

Carbon offset

Our UK operations continue to maintain their carbon neutral status and we are working towards this status in our territories.

Supply chain and greenhouse gas emissions

Animalcare works with third parties to manufacture finished products, while engaging with other partners to enable our international supply chain. Upstream emissions include those generated by a supplier's distribution activities and the production of raw materials or components purchased by the Company. Downstream covers emissions generated by the use or disposal of end products, as well as business travel.

Value chain emissions (Scope 3) represent a significantly higher proportion of our carbon footprint than operational emissions (Scope 1 and Scope 2). Calculating then eliminating these emissions is a challenge that requires effective partnerships built on trust. As we develop our sustainability strategy, we will consider further actions to estimate and reduce our value chain emissions.

B: ANIMAL WELFARE

Animalcare Ltd remains in partnership with Vet Sustain, a UK-based social enterprise working to enable and inspire veterinary professionals to continually improve the health and wellbeing of animals, people and the environment, centred around their six goals for sustainability, which provide a framework for contributing to the UN's Sustainability Development Goals.

Randlab is the largest supporter of veterinary education in Australasia. Via their sponsorship of events across the territory, provision of free gastroscopy services to veterinarians and support of equine vets' volunteer work in developing countries, their education programmes have global reach.

C: ANTIMICROBIAL RESISTANCE

Antimicrobial resistance (AMR) continues to be subject to regulatory and market trends. While it is a systemic risk that impacts multiple sectors, including food and agriculture, the impact on our sector has been significant in recent years. Our failure to align with these regulations and market forces would result in a reduction in sales, reputational and ethical implications.

Significant steps have already been taken to reduce our portfolio reliance on antibiotics, both in Production and Companion Animals. Despite the disposal of our investment in STEM Animal Health Inc. during 2024, we are still able to exploit biofilm-targeting technologies in anti-infective roles.

Our regulatory department ensures that we maintain our deep understanding of changing requirements through regular dialogue with relevant authorities. We also ensure mitigating the risk of AMR is prioritised in the development of new products.

In the coming months, the P&C team will conduct deeper country-level and functional analysis and implement targeted action plans to sustain strengths, strengthen leadership transparency, enhance development pathways and simplify ways of working. The objective is to further elevate the employee experience and elevate long-term business performance.

D: DIVERSITY AND INCLUSION

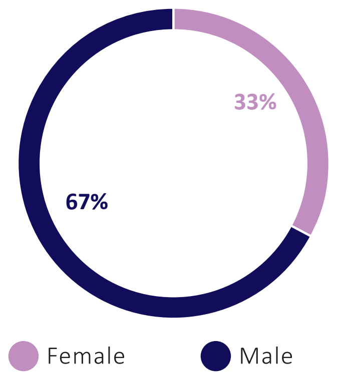
We are committed to ensuring recruitment, promotion and all selection processes are conducted on merit against objective criteria that avoid discrimination.

The Board recognises that diversity of background, experience and perspective enhances decision making, innovation and business performance. Appointments at Board and Senior Executive level are made on merit, while ensuring an appropriate balance of skills, experience and diversity to support long-term strategic delivery.

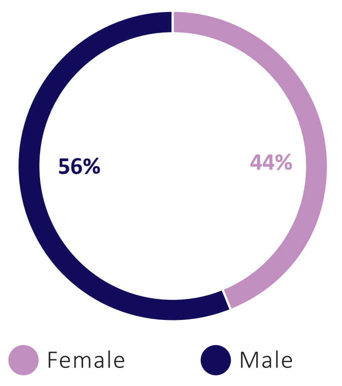
The Board currently consists of 67% (four) male and 33% (two) female members. As at the year end, the Senior Executive Team consisted of 56% (five) male and 44% (four) female members.

Future appointments will continue to be made on merit, with due consideration given to the need for diversity, and to complement the existing balance of skills and experience across the Group.

BOARD GENDER DIVERSITY



SENIOR EXECUTIVE TEAM



E: SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT

Animalcare does not own any manufacturing assets and we work with contract manufacturers of finished goods, mainly across Europe and with suppliers that are not in the "Highest Risk" countries, which are prone to political unrest, poor regulatory practices, or low voice and accountability.

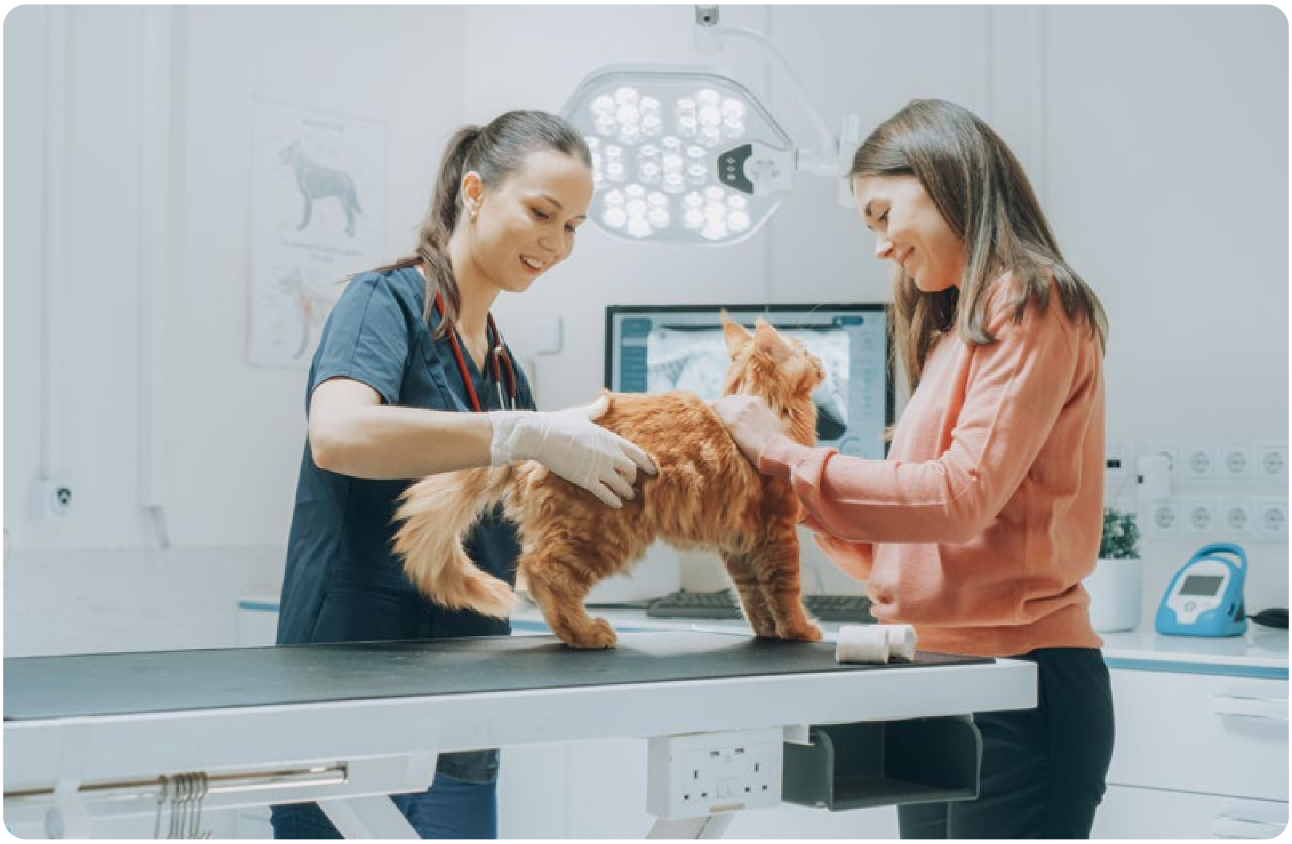
One of our key principles with external suppliers is to ensure they share the same commitment as we do to being a responsible and ethical employer, both to their own staff and their suppliers. The Group's external suppliers are required to conform to Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) requirements. This means there are audits and inspections performed and recorded by national regulators. We have to conform to GDP practices, which we embrace and completely support.

F: SUSTAINABLE PACKAGING

Flexible packaging keeps pharmaceuticals and medicinal products sterile and protected, while safeguarding against tampering and counterfeiting. However, although useful and resource-efficient in many ways, its low-volume and low-weight properties present a challenge once this packaging becomes waste.

Our focus in 2026 will be implementing the EU Packaging and Packaging Waste Regulation (PPWR) legislation. We are working to ensure compliance by the 12 August 2026 deadline and are using this legislation to guide our packaging recycling and waste reduction road map out to 2035.

We recognise the environmental impact caused by the use of plastics in our business and supply chain, and are taking steps to develop more sustainable packaging. Where plastic packaging remains the most viable solution, and until the time we can transition from virgin plastic to mitigate plastic waste, we have implemented offsetting as an interim solution. During 2025, we continued to support a clean water initiative in Zambia, which offset the CO_2e arising from sales of our IV fluids in the previous 12 months.



G: EMPLOYEE WELLBEING, DEVELOPMENT AND ENGAGEMENT

OUR PEOPLE

Our employees are fundamental to delivering our strategy and driving sustainable growth. Our ability to attract, develop and retain high-calibre talent in critical roles underpins operational excellence, customer satisfaction and long-term value creation.

We focus not only on what we deliver, but on how we deliver it – embedding a strong customer-centric mindset and a One Team culture that enables effective cross-functional and cross-country collaboration. This approach strengthens execution, reduces organisational silos and enhances our ability to respond to evolving market needs.

TALENT MANAGEMENT AND PEOPLE DEVELOPMENT

Strengthening leadership capability and accountability has been a key priority during the year.

We introduced a dedicated leadership programme for our Senior Operational Team (SOT) centred around clearly defined Winning Leader Behaviours, with customer focus at its core. These behaviours reinforce commercial discipline, collaboration and ownership, ensuring leaders drive results while modelling the standards expected across our business.

These leadership expectations have been cascaded into our commercial teams, strengthening performance culture and reinforcing that sustainable results are achieved not only through financial delivery, but through disciplined execution, collaboration and accountability.

We continued with our talent review process underpinned by our competency framework, strengthening succession planning and capability building within sales and marketing leadership. Targeted coaching development for sales managers further supports high-performance teams and consistent customer engagement.

To reinforce alignment between performance and long-term value creation, we simplified our performance management process and conducted a comprehensive review of our bonus and Long-Term Incentive Plan (LTIP) strategy. This ensures stronger linkage between strategic priorities, financial outcomes and individual accountability, while maintaining market competitiveness and supporting retention of key talent.

WELLBEING

Employee wellbeing is key to sustaining engagement, performance and resilience in a dynamic operating environment.

Our Global Wellbeing and Resilience Strategy, “We Care”, continues to provide structured support to employees navigating change and maintaining performance.

During the year, we strengthened this strategy by establishing a cross-country network of Wellbeing Ambassadors. These ambassadors represent the voice of their local teams and collaborate across geographies beyond their core functional roles. This initiative exemplifies our One Team culture in action – driving shared ownership, knowledge exchange and collective responsibility for employee wellbeing.

By combining global direction with local insight, we ensure our wellbeing initiatives remain relevant, inclusive and impactful.

The Group also provides access to a confidential, 24/7 Employee Assistance Programme through Workplace Options, offering professional support for personal or work-related challenges that may affect wellbeing or performance.

ENGAGEMENT

In January 2026, the Group conducted a new annual Employee Experience Survey with the use of Qualtrics to assess engagement, retention, inclusion, wellbeing, and alignment between experience and expectations across all markets.

The 2026 Employee Experience Survey achieved a strong participation rate, with 141 employees responding, representing 71% of participants.

This high response rate provides a robust and representative data set across markets and functions. Employees with less than six months’ tenure were excluded to ensure informed and meaningful feedback. Randlab was not included in this survey cycle.

Overall results demonstrate a strong and stable employee engagement foundation. KPIs around Engagement, Retention, Wellbeing and Inclusion show solid favourability, confirming a healthy culture characterised by trust, collaboration and commitment. Employee advocacy remains high, with 79% indicating they would recommend the Company as a great place to work.

Key organisational strengths include living our Company values, empowerment, collaboration, wellbeing, innovation, safety, resource availability and strong trust in direct line managers. Identified improvement areas focus on performance management, communication, managing change and work processes.

In the coming months, the P&C team will conduct deeper country-level and functional analysis, and implement targeted action plans to sustain strengths, reinforce leadership transparency, enhance development pathways and simplify ways of working. The objective is to further elevate the employee experience and the long-term business performance.

H: ETHICAL PROMOTION OF VETERINARY MEDICINES

Our values and behaviours (one team, passion, integrity, taking ownership, having fun) guide employee conduct along with the Group’s Code of Conduct and supporting policies, which help us ensure we do business in the right way.

Randlab is also investing in the sustainability of the equine veterinary profession through equipping their teams with helmets and other safety initiatives for gastroscoping days, industry stewardship of antimicrobials/anthelmintics (managing resistance to these drugs), packaging sustainability initiatives, working with industry associations to nurture the equine vet pipeline by initiating and supporting programmes for the attraction and retention of new/recent graduates to equine vet practice, and supporting equine et Nurse development.