Financial Statements

FINANCIAL STATEMENTS

Independent Auditor's Report to the members of Animalcare Group plc

Opinion

OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

We have audited the financial statements of Animalcare Group plc (the 'parent company') and its subsidiaries (the 'Group') for the year-ended 31 December 2025, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, Notes to the Consolidated Financial Statements including material accounting policy information, the Company Statement of Financial Position, the Company Statement of Changes in Equity and Notes to the Company Financial Statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 (Basis of preparation – Going concern) of the financial statements, which indicates that on 16 April 2026, the Group announced a recommended acquisition of the Group by CCP Paw 2 Limited, a wholly-owned indirect subsidiary of funds managed by Charterhouse Capital Partners LLP. Completion of the transaction remains subject to customary conditions, including shareholder approval and court sanction, and therefore there is uncertainty at the date of approval of these financial statements as to whether and when, the transaction will be completed. The Directors have considered Charterhouse's stated intentions for the Group but acknowledge that decisions as to the future of the Group will be outside of their control. As stated in Note 2, these events or conditions, along with the other matters as set forth in the said note, indicate that a material uncertainty exists that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of management's assessment of the entity's ability to continue as a going concern

Our evaluation of the directors' assessment of the Group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the relevant processes and controls in place around the going concern assessment and confirming they are implemented as designed by performing a walkthrough;
- Obtaining and assessing management's going concern assessment and supporting information, including management's base case and reverse stress test, covering the assessment period;
- Evaluating and challenging the key assumptions within the cash flow forecasts, including the quantum and timing of cash outflows and inflows, and determining whether these have been applied appropriately. In addition, considering whether the key assumptions are consistent with our understanding of the business, including relevant uncertainties such as high interest rates;
- Validating the mathematical accuracy of management's forecasts, in addition to assessing whether the forecasts used for going concern are consistent with those used in other areas of the audit;

- Assessing the accuracy of management's past forecasting by comparing management's forecasts for the last two financial periods to the actual results for those periods, and considering the impact on the cash flow forecast;
- Corroborating the existence of the Group's facilities and related covenant requirements for the period covered by management's forecasts and assessing management's consideration of covenant compliance in the going concern period;
- Assessing the appropriateness of the assumptions, relevance and reliability of data underpinning management's base case, reverse stress testing, and sensitivity analysis;
- Assessing the adequacy of going concern disclosures;
- Comparing actual post year-end results achieved to those forecast to determine if the business is trading in line with its forecast;
- Requesting written representations regarding plans for future actions and the feasibility of those plans; and
- Evaluating and challenging management's assessment of the impact of the proposed acquisition of the Group by CCP Paw 2 Limited, a wholly-owned indirect subsidiary of funds managed by Charterhouse Capital Partners LLP, on their conclusions.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model, including effects arising from macro-economic uncertainties such as high inflation and interest rates, and we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

OVERVIEW OF OUR AUDIT APPROACH

Overall materiality:

Group audit: £800,000, which represents 0.9% of the Group's revenue.

Parent company statutory audit: £2,000,000, which represents 1% of the parent company's total assets.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report:

- Revenue recognition includes fraudulent transactions (same as previous year)
- Completeness and accuracy of customer rebate related liabilities (same as previous year)
- Completeness and accuracy of acquired intangibles in relation to the acquisition of Randlab Australia Pty Ltd and its wholly owned subsidiaries ("Randlab")

Scoping has been determined to ensure appropriate coverage of the significant risks as well as coverage of the key results in the financial statements, specifically:

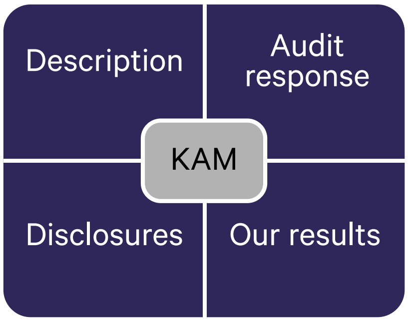
- Group revenue 77%
- Group absolute profit before tax 83%

We performed an audit of the financial information of four components (full-scope audit) and an audit of one or more account balances, classes of transactions or disclosures of the component (specific-scope audit) for four components assessed to be financially significant (including the parent company).

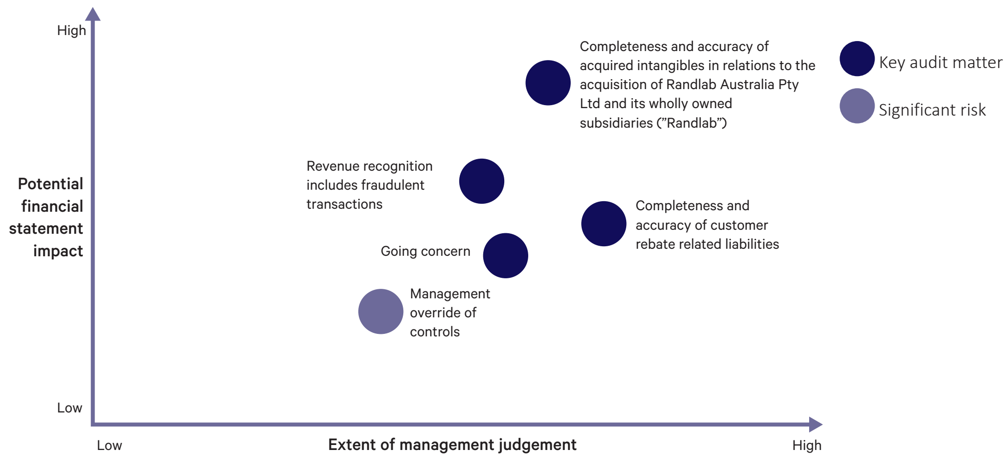
We performed analytical procedures at Group level (analytical procedures) on the financial information of all the remaining Group components and supplemented this with additional testing where we considered it to be appropriate.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.



Key Audit Matter – Group	How our scope addressed the matter – Group
REVENUE RECOGNITION INCLUDES FRAUDULENT TRANSACTIONS We identified the possibility that revenue includes fraudulent transactions as one of the most significant assessed risks of material misstatement due to fraud. Revenue is the most significant item in the Consolidated Income Statement and impacts several of the Group's key performance indicators set out in the Annual Report and Financial Statements. Revenue is recognised in accordance with International Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers' and requires management judgement and estimation where adjustments are made. The majority of transactions are non-complex. Hence, unusual account combinations outside of the normal business processes pose a risk of fraud due to their abnormality. As such, we have pinpointed the significant risk to the occurrence of revenue impacting entries falling outside of the expected transaction flow ("outliers"), where there is an increased risk that management may record fraudulent revenue transactions. We expected these outliers to include rebates which are more susceptible to management bias due to the estimation involved.	In responding to the key audit matter, we performed the following audit procedures: • Evaluated the relevant processes and controls in place over revenue recognition, including those related to the posting and reconciliation of revenue, and performed walkthroughs to check that they have been implemented as designed; • Assessed the relevant accounting policies for consistency and appropriateness with the financial reporting framework, including IFRS 15; • Utilised audit data analytic techniques to identify unusual postings to revenue, including the year-end adjustments and adjustments in respect of customer rebates, by interrogating the revenue population and analysing revenue postings from inception to cash receipt; • Evaluated whether the adjustments in respect of customer rebates, identified through our use of audit data analytic techniques, are consistent with the findings of our rebate related liabilities audit work; and • Agreed those unusual postings identified to supporting documentation and explanation, considering whether they are consistent with our audit work in other areas, including that performed on customer rebate related liabilities; • Tested a sample of revenue transactions to supporting documentation to evaluate the occurrence and accuracy of revenue and the integrity of the data used within the audit data analytic; and • Assessed the adequacy of the revenue recognition disclosures included within the financial statements.
RELEVANT DISCLOSURES IN THE ANNUAL REPORT • Financial statements: Note 5, Segment information – from continuing operations	*OUR RESULTS* Based on our audit work, we did not identify any material misstatements in the revenue recognised during the year to 31 December 2025.

Key Audit Matter – Group	How our scope addressed the matter – Group
COMPLETENESS AND ACCURACY OF CUSTOMER REBATE RELATED LIABILITIES We identified the possibility that customer rebate related liabilities were misstated as one of the most significant assessed risks of material misstatement due to fraud and/or error given there is a high degree of estimation uncertainty within the rebate agreements. Rebates appear in the consolidated income statement as a deduction to the revenue transaction price and there is a risk of rebate understatement to maximise revenue. We have pinpointed this significant risk to the UK operation given there is a greater level of complexity within these calculations as rebates are negotiated with both wholesale customers and the wholesaler's customers. The total rebate obligation is estimated at the point a sale is made to a wholesaler based on an average rebate percentage for a product line over the prior 12 months. Rebates are payable at the point a sale is made to the wholesaler and at the point of onward sale by the wholesaler to their customer. The timing difference and arising estimation uncertainty means that rebates are susceptible to misstatement due to fraud and/or error.	In responding to the key audit matter, we performed the following audit procedures: • Evaluated the relevant processes and controls in place over the rebate accrual and performed walkthroughs to check that they have been implemented as designed; • Assessed the relevant accounting policies for consistency and appropriateness with the financial reporting framework, including IFRS 15; • Obtained the year-end rebate accrual listing and tested a sample of the data to underlying rebate agreements to ensure it is consistent with the contractual arrangement; • Selected a sample of year-end rebate accrual balances and recalculated the rebate liability based on the sales during the year and agreed back to post year-end settlement where applicable; • Recalculated the accuracy of the rebate accrual by assessing the mathematical accuracy of management's year-end calculation; • Assessed the stock held with the wholesalers at the year-end to ensure this balance (which is subject to future rebate payment) is complete, by confirming the balance directly with the wholesaler; • Agreed a sample of items from management's calculation of the 12-month weighted average rebate to third-party service provider reports, payments made to customers in the year, and approved price listings; • Ensured that the calculations are consistent with the findings of our revenue audit data analytics work; and • Assessed the adequacy of the revenue recognition and customer rebate liabilities disclosures included within the financial statements.
RELEVANT DISCLOSURES IN THE ANNUAL REPORT Financial statements: Note 3, Summary of material accounting policies.	*OUR RESULTS* Based on our audit work, we did not identify any material misstatements in the completeness and accuracy of customer rebate related liabilities in the year to 31 December 2025.

Key Audit Matter – Group	How our scope addressed the matter – Group
COMPLETENESS AND ACCURACY OF ACQUIRED INTANGIBLES (RANDLAB) We identified the completeness and accuracy of acquired intangibles as one of the most significant assessed risks of material misstatement due to error. There is a risk that the recognition and measurement of goodwill and the other intangible assets acquired is not accurate or complete. The Group acquired Randlab on 3 January 2025. The acquisition resulted in the recognition of £34.3m of goodwill and £29.3m of other intangible assets including customer relationship, brand and registration. IFRS 3 'Business Combinations' requires acquired assets and liabilities in the consolidated financial statements to be recorded at fair value. There is significant management judgement involved in determining the fair value of the assets and liabilities acquired.	In responding to the key audit matter, we performed the following audit procedures: • Evaluated the relevant processes and controls in place over management's recording of the acquisition, and performed walkthroughs to check that they have been implemented as designed; • Inspected the share purchase agreement to identify any references to intellectual property, trademarks, customer contracts, software, brands, licences, or other identifiable intangible assets and reconciled these items to the intangibles recorded by management to ensure all assets described in the agreements have been considered; • Cross-referenced the intangible assets identified by management to those outlined in IFRS guidance. We formed an expectation of the intangible assets expected to be recognised in the business combination, including comparison to other comparable acquisitions, and assessed whether there are any material unrecognised assets; • Engaged our internal valuation experts to assist in the assessment of the work performed by management's valuation expert in relation to the valuation of acquired intangible assets. This included challenge on whether the methodology used in the valuation is in line with accepted valuation methods, and whether inputs such as future profits, attrition rates and discount rates used are appropriate and accurate; • Assessed the competence, capabilities and objectivity of management's expert through reference to their qualifications and experience; • Obtained the share purchase agreements and considered whether terms are consistent with the accounting adopted; • Obtained support for the fair value of net assets acquired and agreed material balances to supporting documentation, including the agreement of cash balances to bank statements and property valuations to a valuation report; • Challenged whether fair value adjustments to the acquired net assets are complete and accurate; and • Assessed the adequacy of disclosures included within the financial statements.
RELEVANT DISCLOSURES IN THE ANNUAL REPORT • Financial statements: Note 6, Business Combination	*OUR RESULTS* Based on our audit work, we did not identify any material misstatements in the completeness and accuracy of acquired intangibles in the year to 31 December 2025.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company only.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

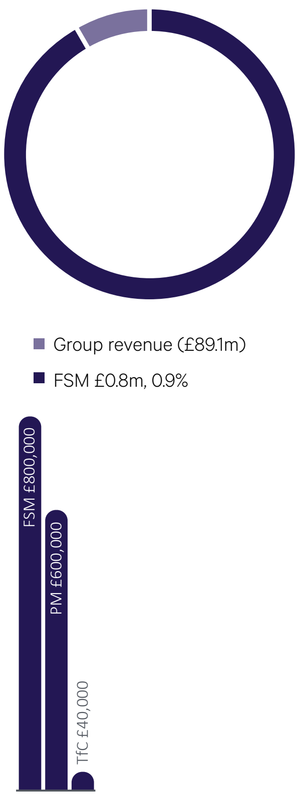
Materiality was determined as follows:

Materiality measure	Group	Parent company
MATERIALITY FOR FINANCIAL STATEMENTS AS A WHOLE	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£800,000 (2024: £466,000), which represents 0.9% (2024: 0.6%) of the Group's revenue.	£2,000,000 (2024: £1,500,000) which represents 1% (2024: 1%) of the parent company's total assets.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements • The Group's revenue is considered the most appropriate benchmark because it is the most relevant stable performance measure to the stakeholders of the Group and is presented as the first financial highlight on page 1 of the Annual Report and Accounts. Materiality for the current year is higher than the level that was determined for the year-ended 31 December 2024 to reflect changes in the benchmark percentage used and the improved performance of the Group.	In determining materiality, we made the following significant judgements • The total assets of the parent company is considered the most appropriate benchmark because it is the most relevant measure of financial position for the stakeholders of the parent company, which is a holding company. Materiality for the current year is higher than the level that was determined for the year-ended 31 December 2024 due to an increase in intra Group receivables.
PERFORMANCE MATERIALITY USED TO DRIVE THE EXTENT OF OUR TESTING	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£600,000 (2024: £326,200), which is 75% (2024: 70%) of financial statement materiality.	£1,500,000 (2024: £1,050,000) which is 75% (2024: 70%) of financial statement materiality.
Significant judgements made by auditor in determining materiality	In determining performance materiality, we made significant judgements in the following areas: • The strength of the control environment based on our assessment of the design and implementation of controls; • The nature, size and volume of misstatements identified in the previous audit; and • Our knowledge of the Group.	In determining performance materiality, we made significant judgements in the following areas: • The strength of the control environment based on our assessment of the design and implementation of controls; • The nature, size and volume of misstatements identified in the previous audit; and • Our knowledge of the company.

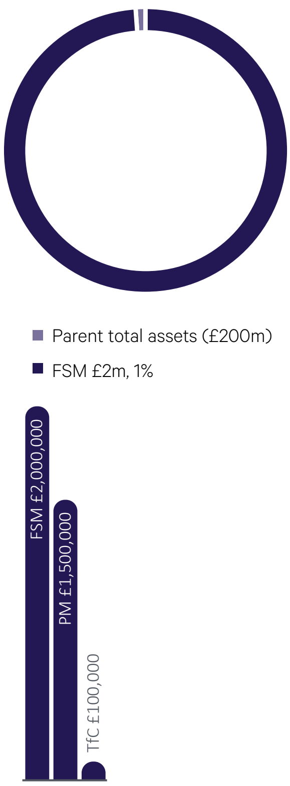
Materiality measure	Group	Parent company
SPECIFIC MATERIALITY	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Identified related party transactions outside of the normal course of business	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Identified related party transactions outside of the normal course of business
COMMUNICATION OF MISSTATEMENTS TO THE AUDIT COMMITTEE	We determine a threshold for reporting unadjusted differences to the audit and risk committee.	
Threshold for communication	£40,000 (2024: £23,300) which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£100,000 (2024: £75,000) which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit and risk committee.

Overall materiality – Group



Overall materiality – Parent



FSM: Financial statement materiality, PM: Performance materiality, TfC: Threshold for communication to the audit and risk committee

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

UNDERSTANDING THE GROUP, ITS COMPONENTS, THEIR ENVIRONMENTS, AND ITS SYSTEM OF INTERNAL CONTROL INCLUDING COMMON CONTROLS

- The Group auditor obtained an understanding of the Group and its environment, including the Group's common controls, and assessed the risks of material misstatement at the Group level;
- The Group auditor obtained an understanding of the individual components, including component specific controls, through planning discussions held between the engagement team and the Group's management team; and
- The Group auditor performed walkthroughs on key areas of focus to identify the key controls and assess their design and implementation.

IDENTIFYING COMPONENTS AT WHICH TO PERFORM AUDIT PROCEDURES

- We have determined the components at which to perform further audit procedures, by considering the following:
- components in scope for further audit procedures due to individually including a risk of material misstatement to the Group financial statements due to the component's nature or circumstances;

- components in scope for further audit procedures due to the nature and size of assets, liabilities and transactions at the component (being of financial significance to one or more scoped items that it is required to be in scope); and
- components in scope for further audit procedures to obtain sufficient appropriate audit evidence for significant classes of transactions, account balances and disclosures, or for unpredictability.

TYPE OF WORK TO BE PERFORMED ON FINANCIAL INFORMATION OF PARENT AND OTHER COMPONENTS (INCLUDING HOW IT ADDRESSED THE KEY AUDIT MATTERS)

- The Group auditor identified four components which were subject to audit of the entire financial information of the component which were:
    - Animalcare Ltd (UK)
    - Ecuphar NV BE (Belgium)
    - Ecuphar Veterinaria SA (Spain)
    - Randlab Australia Pty Ltd (Australia)

All specified components above included work on a key audit matter which was Revenue recognition includes fraudulent transactions. Only Animalcare Ltd (UK) included work on Completeness and accuracy of customer rebate related liabilities.

- There were four components which were subject to specific audit procedures designed by the Group auditor which were:
    - Animalcare Group plc (UK)
    - Ecuphar Italia srl (Italy)
    - Randlab NZ (New Zealand)
    - Animalcare Australia Pty (Australia)

Of the specified components above, only Ecuphar Italia srl included work on a key audit matter which was Revenue recognition includes fraudulent transactions.

- The remaining 8 components were subject to analytical procedures performed at a Group level.

PERFORMANCE OF OUR AUDIT

The Group auditor visited the Group's primary location in York to perform audit procedures and visited the third-party stock logistics provider to perform the year-end inventory count.

- The Group auditor visited the Belgium location to hold discussions with the corporate finance team and to meet key management specialists.
- The Group auditor held communications with all component auditors throughout the audit, each of whom visited the client locations for all in-scope components.
- The Group auditor, with the support of our specialist, obtained an understanding of the IT systems and controls across all components within the Group given the common controls in place for these systems.
- Advanced audit procedures were performed on key transactions which were included within the interim results including the acquisition of Randlab.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the Group auditor, considered had the potential for the greatest impact on the Group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	**No. of components**	**% coverage Revenue**	**% coverage Absolut PBT**
Full-scope audit	4 (2024: 3)	65% (2024: 63%)	66% (2024: 54%)
Specific scope procedures	4 (2024: 3)	12% (2024: 15%)	17% (2024: 28%)
Analytic procedures	8 (2024: 8)	23% (2024: 22%)	17% (2024: 18%)
Total	16 (2024:14)	100% (2024: 100%)	100% (2024: 100%)

COMMUNICATIONS WITH COMPONENT AUDITORS

- We engaged with component auditors for the audit of Ecuphar NV, Ecuphar Veterinaria SL, Ecuphar Italia srl, and Randlab Australia Pty Ltd. These component auditors were all part of the Grant Thornton network.
- Component auditors assisted us in gaining an initial understanding of components at the planning stage. Subsequently, we held a meeting with the component auditor to discuss identified and assessed risks, communicated Group instructions, maintained communications throughout the audit, reviewed component auditors' audit documentation, attended site visits in Belgium, and held key meetings at the planning, fieldwork and completion stages of the audit.

CHANGES IN APPROACH FROM PREVIOUS PERIOD

- Randlab Australia has been added to the full-scope audit owing to its financial significance to the Group following its acquisition in the year.
- Ecuphar Italia srl IT has been selected for specified audit procedures in place of Ecuphar GmbH DE for unpredictability purposes.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 95, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the parent company and the industry in which they operate. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Directors, Audit and Risk Committee members. We determined that the most significant are applicable law and UK-adopted international accounting standards (for the Group), United Kingdom Generally Accepted Accounting Practice (for the parent company) and relevant tax legislation.
- We enquired of the Directors, Audit and Risk Committee members and management to obtain an understanding of how the Group and the parent company are complying with those legal and regulatory frameworks, whether there were any instances of non-compliance with laws and regulations, and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of Board minutes and of the minutes of the Audit and Risk Committee and compliance meetings.
- We assessed the susceptibility of the Group's and the parent company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - assessing the design and implementation of controls that management has put in place to prevent and detect fraud;
  - checking the completeness of journal entries and identifying and testing journal entries, in particular those journals determined to be in respect of our principal risk documented above;
  - challenging the assumptions and judgements made by management in its significant accounting estimates; and
  - identifying and testing related party transactions by agreeing to underlying records and obtaining confirmation for directors' emoluments
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Group and parent company operate; and
  - understanding of the legal and regulatory frameworks applicable to the Group and the parent company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Group's and the parent company's operations, including the nature of their revenue sources, and of their principal activities, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
  - the Group's and the parent company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations; the significant judgements and assumptions made by management in its significant accounting estimates or in applying its accounting policies.
- Communication with component auditors to request identification of any instances of non-compliance with laws and regulations that could give risk to a material misstatement of the Group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MARK OVERFIELD BSC FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

13 May 2026

Consolidated Income Statement

YEAR ENDED 31 DECEMBER 2025

	Notes	Underlying 2025 £'000	Non-Underlying (note 4) 2025 £'000	Total 2025 £'000	Underlying 2024 £'000	Non-Underlying (note 4) 2024 £'000	Total 2024 £'000
		For the year ended 31 December					
Revenue	5	**89,107**	**–**	**89,107**	74,228	–	74,228
Cost of sales	8.1	**(36,680)**	**(1,051)**	**(37,731)**	(32,984)	–	(32,984)
Gross profit		**52,427**	**(1,051)**	**51,376**	41,244	–	41,244
Research and development expenses	8.2	**(651)**	**–**	**(651)**	–	–	–
Selling and marketing expenses	8.3	**(14,510)**	**(2,141)**	**(16,651)**	(12,458)	–	(12,458)
General and administrative expenses	8.4	**(23,252)**	**(3,383)**	**(26,635)**	(20,319)	(3,965)	(24,284)
Net other operating (expenses) / income	8.5	**4**	**(1,253)**	**(1,249)**	30	2,546	2,576
Impairment losses		**–**	**(116)**	**(116)**	–	(23)	(23)
Operating profit / (loss)		**14,018**	**(7,944)**	**6,074**	8,497	(1,442)	7,055
Finance expenses	8.8	**(2,421)**	**–**	**(2,421)**	(1,520)	(988)	(2,508)
Finance income	8.9	**2,686**	**–**	**2,686**	1,205	–	1,205
Finance income / (cost) net		**265**	**–**	**265**	(315)	(988)	(1,303)
Share of net gain from associate / joint venture accounted for using the equity method	13	**4**	**–**	**4**	31	–	31
Profit/(loss) before tax		**14,287**	**(7,944)**	**6,343**	8,213	(2,430)	5,783
Income tax (expense)/income	8.10	**(3,421)**	**2,156**	**(1,265)**	(1,554)	588	(966)
Net profit/(loss) for the period from continuing operations		**10,866**	**(5,788)**	**5,078**	6,659	(1,842)	4,817
Profit for the period from discontinued operations	7	**–**	**–**	**–**	48	13,629	13,677
Profit/(loss) for the period		**10,866**	**(5,788)**	**5,078**	6,707	11,787	18,494
Earnings per share for profit attributable to the ordinary equity holders of the Company:							
Total profit for the period							
Basic earnings per share	9	**15.7p**		**7.3p**	11.0p		30.3p
Diluted earnings per share	9	**15.6p**		**7.3p**	10.9p		29.9p
Continuing underlying profit for the period							
Basic earnings per share	9	**15.7p**		**7.3p**	10.9p		7.9p
Diluted earnings per share	9	**15.6p**		**7.3p**	10.8p		7.8p

In order to aid understanding of underlying business performance, the Directors have presented underlying results before the effect of exceptional and other items. These exceptional and other items are categorised as "non-underlying" and are analysed in detail in note 4 to these financial statements. The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2025

	For the year ended 31 December 2025 £'000	2024 £'000
Profit for the period	**5,078**	18,494
Other comprehensive expense		
Exchange differences on monetary items, net investment in foreign operations[1]	**(1,751)**	–
Exchange differences on translation of foreign operations[1]	**1,576**	(528)
Other comprehensive expense, net of tax	**(175)**	(528)
Total comprehensive income for the year, net of tax	**4,903**	17,966
Total comprehensive income attributable to:		
The owners of the parent	**4,903**	17,966
Total continuing other comprehensive income for the period, net of tax	**4,903**	4,289
Total discontinued other comprehensive income for the period, net of tax	**–**	13,677
	4,903	17,966

1 May be reclassified subsequently to profit and loss

STRATEGIC REPORT GOVERNANCE FINANCIALS

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2025

	Notes	2025 £'000	2024 £'000
		As at 31 December	
Assets			
Non-current assets			
Goodwill	10	**74,161**	39,360
Intangible assets	11	**42,271**	16,597
Property, plant and equipment	12	**1,168**	305
Right-of-use-assets	24	**3,053**	2,316
Investments in associates	13	**1,493**	–
Deferred tax assets	8.10	**1,648**	2,192
Other financial assets	15	**82**	82
Total non-current assets		**123,876**	60,852
Current assets			
Inventories	14	**13,270**	11,754
Trade receivables	15	**15,974**	13,501
Current tax receivables	8.10	**1,043**	694
Other current assets	15	**1,028**	60,297
Cash and cash equivalents	16	**2,913**	11,715
Total current assets		**34,228**	97,961
Total assets		**158,104**	158,813
Liabilities			
Current liabilities			
Borrowings	18	**(2,117)**	(976)
Lease liabilities	18, 24	**(1,204)**	(841)
Trade payables	17	**(12,010)**	(12,908)
Current tax liabilities	8.10	**(896)**	(623)
Accrued charges	20	**(86)**	(47)
Other current liabilities	21	**(4,887)**	(5,213)
Total current liabilities		**(21,200)**	(20,608)
Non-current liabilities			
Borrowings	18	**(9,863)**	(19,754)
Lease liabilities	18, 24	**(2,024)**	(1,594)
Deferred tax liabilities	8.10	**(10,303)**	(3,395)
Provisions	19	**(174)**	(150)
Total non-current liabilities		**(22,364)**	(24,893)
Total liabilities		**(43,564)**	(45,501)
Net assets		**114,540**	113,312
Equity			
Share capital	23	**13,809**	13,795
Share premium		**149,992**	149,992
Reverse acquisition reserve		**(56,762)**	(56,762)
Accumulated profits		**5,586**	4,197
Other reserves		**1,915**	2,090
Equity attributable to the owners of the parent		**114,540**	113,312
Total equity		**114,540**	113,312

The accompanying notes on pages 116 to 165 form an integral part of these consolidated financial statements.

The financial statements on pages 110 to 175 were approved by the board of directors and authorised for issue on 13 May 2026. They were signed on their behalf by:

JENNIFER WINTER
Chief Executive Officer

CHRIS BREWSTER
Chief Financial Officer

Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2025

	Note	Share capital £'000	Share premium £'000	Reverse acquisition reserve £'000	Accumulated profits £'000	Other reserve £'000	Total equity £'000
At 1 January 2025		**13,795**	**149,992**	**(56,762)**	**4,197**	**2,090**	**113,312**
Profit for the period		**–**	**–**	**–**	**5,078**	**–**	**5,078**
Other comprehensive expense		**–**	**–**	**–**	**–**	**(175)**	**(175)**
Total comprehensive income		**–**	**–**	**–**	**5,078**	**(175)**	**4,903**
Dividends paid	23	**–**	**–**	**–**	**(3,587)**	**–**	**(3,587)**
Exercise of share options	23	**14**	**–**	**–**	**–**	**–**	**14**
Share-based remuneration		**–**	**–**	**–**	**(102)**	**–**	**(102)**
At 31 December 2025		**13,809**	**149,992**	**(56,762)**	**5,586**	**1,915**	**114,540**

	Note	Share capital £'000	Share premium £'000	Reverse acquisition reserve £'000	Accumulated (losses) / profits £'000	Other reserve £'000	Total equity £'000
At 1 January 2024		12,022	132,798	(56,762)	(12,781)	2,618	77,895
Profit for the period		–	–	–	18,494	–	18,494
Other comprehensive expense		–	–	–	–	(528)	(528)
Total comprehensive income		–	–	–	18,494	(528)	17,966
Dividends paid	23	–	–	–	(3,019)	–	(3,019)
Exercise of share options	23	53	–	–	–	–	53
Capital increase (net of costs)	23	1,720	17,194	–	–	–	18,914
Share-based remuneration		–	–	–	1,503	–	1,503
At 31 December 2024		13,795	149,992	(56,762)	4,197	2,090	113,312

Reverse acquisition reserve

Reverse acquisition reserve represents the reserve that was created upon the reverse acquisition of Animalcare Group plc.

Other reserve

Other reserve relates to currency translation differences. These exchange differences arise on the translation of subsidiaries with a functional currency other than sterling. The increase in the charge through other comprehensive income compared to the prior period reflects exchange differences arising from monetary items that form part of the Group's net investment in a foreign operation.

Consolidated Cash Flow Statement

YEAR ENDED 31 DECEMBER 2025

	Notes	For the year ended 31 December 2025 £'000	2024 £'000
Operating activities			
Profit before tax from continued operations		**6,343**	5,783
Profit before tax from discontinued operations		**–**	13,685
Profit before tax		**6,343**	19,468
Non-cash and operational adjustments			
Share in net profit of associate / joint venture	13	**(4)**	(31)
Depreciation of property, plant and equipment	12, 24	**1,500**	1,138
Amortisation of intangible assets	11	**7,736**	6,043
Impairment of intangible assets	11	**116**	23
Share-based payment expense	27	**214**	678
Gain on disposal of intangible assets	4	**(361)**	(430)
Non-cash movement in provisions		**446**	488
Gain on sale of discontinued operation	7	**–**	(13,723)
Movement allowance for bad debt and inventories		**730**	1,193
Finance income		**(1,461)**	(426)
Finance expense		**2,422**	230
Impact of foreign currencies		**(1,226)**	1,552
Gain from sale of joint venture and release of associated liabilities	4	**–**	(3,375)
Loss / (gain) from IFRS 16 lease modification		**10**	(1)
Other		**7**	(3)
Movements in working capital			
(Increase) / decrease in trade receivables		**(334)**	1,008
Decrease / (increase) in inventories		**1,029**	(3,465)
(Decrease) / increase in payables		**(2,164)**	1,762
Income tax paid		**(3,189)**	(777)
Net cash flow from operating activities		**11,814**	11,352
Investing activities			
Purchase of property, plant and equipment	12	**(221)**	(208)
Purchase of intangible assets	11	**(4,031)**	(2,802)
Proceeds from the sale of tangible / intangible assets		**15**	505
Proceeds from the sale of joint venture		**–**	3,780
Loans repaid / (given)		**303**	(300)
Proceeds from sale of subsidiary, net of cash disposed		**–**	24,522
Transaction costs from sale of subsidiary		**–**	(634)
Advanced payments to acquire subsidiaries	6	**–**	(59,712)
Purchase of subsidiaries net of cash acquired	6	**135**	–
Purchase of equity accounted investee	13	**(1,440)**	–
Interest income		**–**	989
Net cash flow used in investing activities		**(5,239)**	(33,860)
Financing activities			
(Repayments) / proceeds from loans and borrowings	18	**(9,651)**	17,812
Repayment of IFRS 16 lease liability	24	**(1,325)**	(976)
Exercise of share options	23	**14**	53
Receipts from issue of share capital		**–**	20,000
Share issue costs		**(130)**	(956)
Dividends paid	23	**(3,587)**	(3,019)
Interest paid		**(898)**	(408)
Other finance expense		**(61)**	(386)
Net cash flow used in financing activities		**(15,638)**	32,120
Net (decrease) / increase of cash and cash equivalents		**(9,063)**	9,612
Cash and cash equivalents at beginning of year	16	**11,715**	4,642
Exchange rate differences on cash and cash equivalents	18	**261**	(2,539)
Cash and cash equivalents at end of year	16	**2,913**	11,715

	Note	For the year ended 31 December 2025 £'000	2024 £'000
Reconciliation of net cash flow to movement in net debt			
Net (decrease) / increase in cash and cash equivalents in the year		**(9,063)**	9,612
Cash flow from decrease / (increase) in debt financing		**9,651**	(17,812)
Foreign exchange differences on cash and borrowings	18	**(640)**	(2,524)
Movement in net debt during the year		**(52)**	(10,724)
Net debt at the start of the year		**(11,450)**	(1,234)
Movement in lease liabilities during the year	24	**(793)**	508
Net debt at the end of the year		**(12,295)**	(11,450)

Notes to the Consolidated Financial Statements

YEAR ENDED 31 DECEMBER 2025

1. Financial information

Animalcare Group plc ("the Company") is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is domiciled in the United Kingdom. The address of its registered office is Moorside, Monks Cross, York, YO32 9LB. The Group comprises Animalcare Group plc and its subsidiaries. The nature of the Group's operations and its principal activities are set out within the Directors' Report. Details of the subsidiaries can be found in note 29.

2. Basis of preparation

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards (IFRS) and the applicable legal requirements of the Companies Act 2006 under the historical cost convention except for certain financial assets and liabilities measured at fair value. They have also been prepared in accordance with the requirements of the AIM Rules.

The consolidated financial statements are presented in thousands of pound sterling (£k or thousands of £) and all "currency" values are rounded to the nearest thousand (£'000), except when otherwise indicated.

Animalcare Group plc has provided a guarantee under section 479a of the Companies Act 2006 to Animalcare Limited (Company number: 01500876) for the company to take exemption from audit.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3. The accounting policies have been applied consistently.

Changes to significant accounting policies are described in note 3, if applicable.

The consolidated financial statements cover the year ended 31 December 2025 and comprise the consolidated results of the Group.

In preparing the financial statements of the Group we have considered the impact of climate change, with reference to our principal risks and the environmental disclosures made in the Sustainability Report. There has been no material impact on the financial statements for the current year, including estimates and judgements made in respect of impairment and going concern analyses. The Directors have also assessed that climate change is not expected to have a significant impact on the Group in the medium term.

Going concern

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 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 finance expenses.

The Group's credit facilities are subject to the following financial covenants, which are monitored and maintained on a monthly basis:

- 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%

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.

The Directors have prepared cash flow forecasts covering a period to December 2027, being at least twelve months from the date of approval of these financial statements (the going concern assessment period). These forecasts indicate that the Group will have sufficient funds and liquidity to meet its obligations as they fall due, in particular when taking into account the potential impact of "severe but plausible" downside scenarios to factor in a range of downside revenue estimates, higher than expected inflation across our cost base and higher level of investment in our R&D portfolio, with corresponding mitigating actions. The Group also conducted a reverse stress test assessment to evaluate the performance decline necessary to breach its banking covenants. The required decline was found to be so severe that it was considered implausible, as it would necessitate a significant reduction in both gross margin and cash conversion to breach the Group's tightest covenant. The output from these scenarios shows that the Group expects to comply with its banking covenants associated with the current committed facilities throughout the going concern assessment period. Subsequent to the reporting date, on 16 April 2026, the Group announced a recommended acquisition (the "Acquisition") of Animalcare Group plc by CCP Paw 2 Limited, a wholly-owned indirect subsidiary of funds managed by Charterhouse Capital Partners LLP ("Charterhouse"). Completion of the transaction remains subject to customary conditions, including shareholder approval and court sanction, and therefore there is uncertainty at the date of approval of these financial statements as to whether, and when, the transaction will complete.

The Directors have considered Charterhouse's stated intentions for the Group, but acknowledge that decisions as to the future of the Group will be outside of their control.

The Acquisition, therefore, gives rise to a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding this, these financial statements have been prepared on a going concern basis and therefore do not contain the adjustments that would result if the Group was unable to continue as a going concern. The Directors do not expect this to impact the continued operation of the Group in the period to December 2027, being a period of at least 12 months from the date of approval of these financial statements.

In the event that the acquisition does not complete, the Group would continue to operate as normal, relying on its existing funding arrangements and the successful execution of its business plan. Notwithstanding the uncertainty set out above, and for the reasons set out above, the Directors are satisfied that it is appropriate to prepare the Group financial statements on a going concern basis.

3. Summary of material accounting policies, judgements, estimates and assumptions

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries.

Entities are fully consolidated from the date of acquisition, which is the date when the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the entities are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-Group balances, transactions, unrealised gains and losses resulting from intra-Group transactions and dividends are fully eliminated.

The Group attributes profit or loss and each component of other comprehensive income to the owners of the parent Company and to the non-controlling interest based on present ownership interests, even if the results in the non-controlling interest have a negative balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over the subsidiary, it will derecognise the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interest and the other components that are equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost.

The proportion allocated to the parent and non-controlling interests in preparing the consolidated financial statements is determined based solely on present ownership interests.

Non-underlying items

The Directors believe that presenting the Group's financial results on an underlying basis, which excludes non-underlying items, offers a clearer picture of business performance and hence provides useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management incentive arrangements. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. Underlying measures are not intended to be a substitute for, or superior to, IFRS results which include non-underlying items to provide the statutory results.

Non-underlying items are items of income or expense which, because of either their size, nature and/or the expected frequency of the events giving rise to them, merit separate presentation and disclosure as detailed in note 4. The following key items are adjusted for in the calculation of underlying operating profit:

- Amortisation and impairment of acquired intangible assets through business combinations – these items are a result of past transactions, principally the reverse acquisition of Animalcare Group plc, the pre-reverse acquisition of Esteve, and the more recent acquisition of the Randlab group. While they are recorded as a cost to the Group each financial year, are not reflective of the underlying costs of the Group. Impairment is classified as non-underlying due to the significance and one-off nature
- Acquisition and integration costs – these items principally relate to acquisition and subsequent integration activity which we view as strategic in nature, and therefore they are excluded from underlying EBITDA, hence underlying operating profit, as this is principally used to manage the performance of our operations This category also includes the unwind of the one off fair value uplift applied to inventory recognised on the acquisition of the Randlab group.
- Restructuring costs – the Group has recognised historical restructuring costs and we expect such costs will likely arise in future as the Group develops and evolves. The specific nature of the activities will be explained in note 4 or its future equivalent. We consider restructuring costs strategic in nature, and therefore they are excluded from underlying EBITDA, hence underlying operating profit, as this is principally used to manage the performance of our operations
- Gain on disposal of intangible assets- Gains arising on the disposal of intangible assets are excluded from underlying profit. These gains are non-operational in nature, occur

3. Summary of material accounting policies CONTINUED

only at the point of sale, and do not reflect the ongoing trading performance of the Group. As underlying profit is used to assess and manage the performance of the Group's core operations, one off disposal gains are removed to provide a more consistent and comparable view of underlying results

Segment reporting

Our operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Senior Executive Team (SET).

Foreign currency translation

FUNCTIONAL AND PRESENTATION CURRENCY

The Group's consolidated financial statements are presented in pounds sterling (GBP), which is the functional currency of the parent company and presentational currency of the Group. For each entity, the Group determines the functional currency, and items included in the financial statements of each entity are measured using the functional currency. The Group operates with multiple functional currencies. Sterling (GBP) is the functional currency of the UK entities, while other subsidiaries use the Euro (EUR). Following the Randlab acquisition, the Australian dollar (AUD) was introduced as an additional key functional currency within the Group. The statement of financial position is translated into GBP at the closing rate on the reporting date and their income statement is translated at the average exchange rate at month-end for both the years ended 31 December 2024 and 2025. Differences resulting from the translation of the financial statements of the parent and the subsidiaries are recognised in other comprehensive income as "Exchange differences on translation of foreign operations".

Within the financial statements the Group has disclosed balances in currency other than GBP, where this is the case the following exchange rates have been applied:

Currency	Closing rate (31 December 2025)	Average rate (31 December 2025)
Euro (EUR)	1.146	1.167
Australian Dollar (AUD)	2.045	2.015

Intercompany loans with long-term funding nature

Intercompany loans that, in substance, form part of the Group's net investment in a foreign operation are accounted for in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, with associated exchange differences recognised in other comprehensive income as part of the Group's net investment in that foreign operation. Application of this treatment to the relevant balances in the year resulted in a decrease in OCI £1,751k, with a corresponding increase in profit before tax of £1,751k.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into functional currency at spot rate at the transaction date. Monetary items in the statement of financial position are translated at the closing rate at each reporting date and the relevant translation gain or loss is recognised in financial or operating result depending on its nature except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

The presentation of foreign exchange gains or losses corresponds to the nature of the underlying transaction, as follows:

- Foreign exchange differences arising in the course of the Group's ordinary activities are included within the operating result
- Foreign exchange differences arising from financing activities are presented as part of finance costs or income

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Repair and maintenance costs are recognised in the income statement as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

• Plant and equipment	5 years
• Office furniture and office equipment	3–5 years or lease term if shorter
• Leasehold improvements	5 years or lease term if shorter
• Warehouse and office fittings	5–10 years
• Property	50 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Leases

The Group leases various vehicles and buildings. Rental contracts are typically made for fixed periods 1-10 years but may have extension options. Contracts may contain both lease and non-lease components. However, for lease of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, which is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The term varies between four to five years.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is attributable to two cash-generating unit for the purpose of impairment testing, being the lowest level at which business operations are monitored for internal management purposes.

3. Summary of material accounting policies CONTINUED

Intangible assets

Intangible assets comprise the acquired product portfolios, research and development assets, licensing and distribution rights, customers acquired in connection with business combinations, product portfolios and product development costs, capitalised software and assets under construction related to intangible assets.

The useful life of the intangible assets is as follows:

• Capitalised software	5 years
• Patents, distribution rights, licenses and registration costs	7–12 years
• Product portfolios, product development and brand names	10 years
• R&D assets	10 years
• Customer relationships	12 years

Intangible assets not yet available for use are assessed annually for impairment. Assets under construction are not amortised.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement based on its function which may be cost of sales, sales and marketing expenses, research and development expenses and general and administrative expenses.

Further, the Group has acquired certain intangible assets related to licenses with a fixed and variable consideration contingent upon the realisation of certain milestones and sales volumes. Due to the recognition of this license asset, the Group extends its accounting policies on intangible assets as follows:

The Group recognises an intangible asset for licenses obtained initially measured at the fixed consideration paid. The variable consideration subject to the realisation of the milestones will only be recognised when the milestones are met and will be recognised as an addition to the intangible license asset. Once market authorisation is obtained, the Group will start amortising the intangible asset over its useful life and recognise any future milestone payments as a cost of sale.

Internally generated intangible assets – research and development expenditures

Research and development expenditure comprises costs incurred in connection with the development of new or substantially improved products, including pharmaceutical and veterinary medicinal products, and product updates and enhancements.

Research expenditure is recognised as an expense as incurred, in accordance with IAS 38 Intangible Assets.

Development activities involve the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products before the start of commercial production or sale.

Internal development expenditure on an individual project is recognised as an intangible asset only when the Group can reasonably demonstrate all recognition criteria set out in IAS 38 are satisfied, being:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset;
- the ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenditure incurred prior to the point at which these criteria are met is also recognised as an expense as incurred.

Product development process

The Group applies a structured six stage product development process to assess project progression and the appropriate accounting treatment of related expenditure. The stages comprise of:

(i) Discovery assessment: early-stage research activities including in vitro and laboratory-based target validation, candidate screening and selection are undertaken to assess scientific viability;

(ii) Proof of concept: studies are performed in the target animal and target disease to demonstrate initial efficacy and biological relevance;

(iii) Exploratory development: formulation and dose optimisation activities are undertaken together with initial process development and scale up;

(iv) Full development: pivotal field trials are conducted and regulatory dossiers are prepared to support product approval;

(v) Submission: regulatory submissions are made and technical questions from regulatory authorities are addressed; and

(vi) Full commercial deployment: following regulatory approval, the product is manufactured, launched and commercially distributed.

Expenditure incurred in stages (i) to (iii) is typically treated as research expenditure and expensed to the income statement as incurred. Capitalisation will generally commence once a project enters the full development phase (iv), unless there is compelling evidence for capitalisation at a different point in time. Development costs are capitalised only when the IAS 38 criteria are demonstrably met and management approval is obtained.

The Group's use of established technologies and proven expertise means that historically development costs have always met the criteria for capitalisation. This is still true of many of our products. 2025 is the first year the Group has incurred investment in earlier stages, and hence the first year it has expensed development costs to the income statement.

Subsequent measurement

Subsequent to initial recognition, internally generated intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, consistent with the accounting treatment applied to separately acquired intangible assets. Amortisation is charged on a straight-line basis over the estimated useful economic lives of the assets. Internally generated intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets which are acquired separately.

Impairment of non-financial assets

Impairment tests on goodwill are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest Group of assets to which it belongs for which there are separately identifiable cash flows: its cash-generating units (CGUs). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to future cash flows projected after the fifth year.

Impairment charges are included in profit or loss, except, where applicable, to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Investments in associates and joint ventures

Until 12 April 2024, the Group carried an investment in a joint venture STEM Animal Health Inc. (STEM). As of 13 June 2025, the Group acquired a 25% strategic equity stake in associate InVetro Pty Ltd. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in the associate was initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of the associate is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of the change in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

3. Summary of material accounting policies CONTINUED

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the Group's interest in the associate (higher of value in use and fair value less costs to sell), and then recognises the loss as "Share of gain or loss of joint ventures / associates" in the income statement.

Business combinations

The Group applies IFRS 3 Business Combinations to all acquisitions. Business combinations are accounted for using the acquisition method, with assets and liabilities recognised at their fair values as at the acquisition date, being the date on which control is transferred to the Group.

The consideration transferred is measured at fair value and includes the fair value of any contingent consideration arrangements. Goodwill is recognised as the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

Identifiable assets, liabilities and contingent liabilities are recognised at the acquisition date only if they meet the definition of an asset or liability under IFRS. Subsequent to initial recognition, acquired assets and liabilities follow the Group's relevant accounting policies.

Where relevant, the Group discloses the nature, timing and strategic rationale for each acquisition, together with the financial impact, including the consideration transferred and the identifiable assets acquired and liabilities assumed. The Randlab acquisition is detailed in note 6.

Discontinued operations

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations a discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations which has been disposed of. Accordingly, the prior year net results of Identicare Limited have been presented within discontinued operations in the Group income statement.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost determined using the weighted average cost method
- Goods purchased for resale: purchase cost determined using the weighted average cost method

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provisions are made for obsolete, defective and slow moving stock.

In a business combination, the fair value uplift on acquired inventory is treated as non-underlying because it arises solely from acquisition-related accounting under IFRS 3 Business Combinations and does not reflect the ongoing trading performance of the Group once the business is integrated.

Financial assets

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not at fair value through profit or loss or OCI. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost; and
- Financial assets at fair value through profit or loss.

Financial assets measured at amortised cost

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets, trade and other receivables, cash and cash equivalents at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. A loss allowance is recognised at each reporting date based on lifetime ECLs. The Group established a provision matrix that is based on its historical loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other receivables, ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial liabilities

The Group has financial liabilities measured at amortised cost which include loans and borrowings, trade payables and other payables and financial liabilities resulting from an interest rate swap.

Financial liabilities at amortised cost

Those financial liabilities are recognised initially at fair value plus directly attributable transaction costs and are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Derivative financial liabilities

The Group uses derivative financial instruments to hedge the exposure to changes in interest rates; however, the use of derivatives is limited and does not represent significant amounts. Derivative financial instruments are initially measured at fair value. After initial recognition, the financial instruments are measured at fair value through profit or loss.

Such transactions do not qualify for hedge accounting criteria, although they offer economic hedging according to the Group's risk policy. Changes in the fair value of such instruments are recognised directly in the consolidated statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Share capital

Financial instruments issued by the Group are classified as share capital only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

Shares issued by the company are recognised through equity and measured at the fair value of the proceeds received, net of directly attributable transaction costs.

The par value of issued shares is recorded in share capital, and any amount received in excess of the par value is recorded through share premium.

Direct costs related to the issuance of shares are deducted from the proceeds and recorded as a reduction in share premium. Indirect costs are expensed as incurred.

Dividends

Dividends paid are recognised within the statement of changes in equity only when an obligation to pay the dividends arises prior to the year end.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of such equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions (with a corresponding movement in equity).

Fair value is measured by use of industry standard methods. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value of the shares issued under the new long-term incentive plan were valued on a discounted cash flow basis in conjunction with a third-party valuation specialist.

3. Summary of material accounting policies CONTINUED

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the period. This policy is also applied to shares already in issue and subject to potential redemption by the Group, which are in effect redeemable shares.

Where the choice of settlement method lies beyond the control of both the employee and the entity, a hybrid approach is applied, initially treating the arrangement as cash-settled and transitioning to equity-settled as the settlement method is determined.

Details of the arrangements in place are given in note 27, along with details of the derivation of fair value.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefits

SHORT-TERM EMPLOYEE BENEFITS

The Group has short-term employee benefits which are recognised when the service is performed as a liability and expense. The short-term employee benefit is the undiscounted amount expected to be paid.

MANAGEMENT INCENTIVE PLANS

The Group operates incentive plans for certain of its employees. The liability recognised is the undiscounted amount expected to be paid.

EMPLOYEE BENEFITS – PENSIONS

The Group operates a stakeholder defined contribution pension scheme available to eligible employees. Payments to this scheme are charged as an expense as they fall due.

Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration and excludes intra-group sales and value added and similar taxes. The primary performance obligation is the transfer of goods to the customer. Revenue from the sale of goods is recognised when control of the goods is transferred to the customer, at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods.

As sales arrangements differ from time to time (for example by customer and by territory), each arrangement is reviewed to ensure that revenue is recognised when control of the goods has passed to the customer. This review and the corresponding recognition of revenue encompass a number of factors which includes reviewing delivery arrangements and whether the buyer has accepted title, recognising revenue at the point at which full title has passed.

Provision for rebates and discounts is reflected in the transaction price at the point of recognition to the extent that it is highly probable there will not be a significant reversal. The methodology and assumptions used to estimate rebates and discounts are based on contractual and legal obligations, stock with wholesalers and historical trends and averages based on the last 12 months.

Sales of services – discontinued operations only

The Group recognises service revenue by reference to the stage of completion. As there is no contractual restriction on the amount of times the customer makes use of the services, at the commencement of the contract, it is not possible to determine how many times the customer will make use of the services, nor does historical evidence provide indications of any future pattern of use. As such, income is recognised evenly over the term of the contract. Service sales includes commission income which is recognised at a point in time.

Up-front income received in relation to long-term service contracts is deferred and subsequently recognised over the life of the relevant contracts.

Interest income

For all financial instruments measured at amortised cost, interest income would be recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or liability. Interest income would be included under financial income in the income statement.

Financing costs

Financing costs relate to interests and other costs incurred by the Group related to the borrowing of funds. Such costs mostly relate to interest charges on short- and long-term borrowings as well as the amortisation of additional costs incurred on the issuance of the related debt. Financing costs are recognised in profit and loss for the year or capitalised in case they are related to a qualifying asset.

Other financial income and expenses

Other financial income and expenses include mainly foreign currency gains or losses on financial transactions and bank-related expenses.

Taxes

CURRENT INCOME TAX

Income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

Current income tax relating to items that are recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

DEFERRED TAX

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Events after balance sheet date

Events after the balance sheet date that provide additional information about the Company's position as at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes where material.

New standards adopted as of 2025

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2025

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The Group has no transactions that would be affected by the newly effective standards or its accounting policies are already consistent with the new requirements. The Group has not early adopted any standards.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2025

The IFRS accounting standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability – Disclosures (applicable for annual periods beginning on or after 1 January 2027)

3. Summary of material accounting policies CONTINUED

- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable for annual periods on or after 1 January 2026)
- Annual Improvements – Volume 11 (applicable for annual periods beginning on or after 1 January 2026)
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-Dependent Electricity (applicable for annual periods beginning on or after 1 January 2026)

None of the IFRS standards issued but not yet effective are expected to have a material impact on the Group's financial statements, with the exception of IFRS 18, the new standard on the presentation and disclosure of financial statements, particularly regarding the consolidated income statement. IFRS 18 will not affect the recognition or measurement of items in the financial statements; however, it may result in changes to the classification of certain income and expense items. The Group is currently assessing the impact of implementing IFRS 18.

Material accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities for future periods.

On an ongoing basis, the Group evaluates its estimates, assumptions and judgements, including those set out below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Internally developed intangible assets (judgement)

Under IAS 38 Intangible Assets, internally generated intangible assets are recognised if certain conditions are met. These conditions include technical feasibility, intention to complete, the ability to use or sell the asset under development, and the demonstration of how the asset will generate probable future economic benefits. The cost of a recognised internally generated intangible asset comprises all directly attributable costs necessary to make the asset capable of being used as intended by management. All expenditure arising from the research phase and all other costs that do not meet the criteria for capitalisation are expensed as incurred.

Determining whether an internally generated intangible assets meets the capitalisation criteria requires significant judgement, particularly in determining whether the activities are considered research activities or development activities, whether the product enhancement is substantial, whether the completion of the asset is technically feasible, and the probability of future economic benefits from the sale or use.

Management has determined that the conditions for recognising internally generated intangible assets resulting from product development activities are fulfilled only when the product attains technical and commercial feasibility. The Group continually evaluates this assessment to ensure compliance with established criteria.

Income taxes (estimate and judgement)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

As at 31 December 2025, the Group had tax losses carried forward and other tax credits such as investment tax credits and notional interest deduction. These losses relate to the subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group (see note 8.10).

Rebate arrangements (estimate, judgement and assumption)

Provision for customer rebates and discounts is reflected in the transaction price at the point of revenue recognition to the extent that it is highly probable there will not be a significant reversal. The methodology and assumptions used to estimate rebates and discounts are based on contractual and legal obligations, stock held by wholesalers and historical trends and averages based on the last 12 months.

Cash generating unit (CGU) (judgement)

In the preparation of these financial statements, management has assessed the Group's structure and determined that it comprises two distinct cash-generating units (CGUs): the existing Animalcare operations and the recently acquired Randlab business. This assessment reflects management's judgement that the assets within each CGU generate interdependent cash inflows, with products marketed through common distribution channels and strategic decisions taken at a central level.

Accordingly, for impairment testing and other relevant accounting purposes, the Group has been treated as two CGUs. This represents a change from the prior year (FY24), when the Group operated as a single CGU prior to the acquisition of Randlab.

Impairment of goodwill (estimate)

At the reporting date, the Group carries goodwill of £74,161k (2024: £39,360k). Of this amount, £34,321k is allocated to the Randlab CGU and £39,840k to the existing Animalcare CGU. Goodwill within each CGU has been assessed for impairment in accordance with IAS 36 Impairment of Assets.

Impairment testing is performed using a value-in-use (VIU) methodology. The key assumptions for the VIU calculations are disclosed and further explained in note 10.

Impairment of slow-moving and obsolete inventory (estimate)

The Group performs regular stockholding reviews, in conjunction with sales and market information, to help determine any slow- moving or obsolete lines. Where identified, adequate provision is made in the financial statements for writing down or writing off the value of such lines in order to reflect the realisable value of its stock.

Acquired intangible assets (judgement and assumption)

Management applies judgement when determining the fair value of intangible assets acquired in a business combination, including a selection of valuation techniques and key assumptions. These judgements involve inherent uncertainty, as fair value reflects market-based inputs rather than internal expectations. The resulting fair value uplifts are recognised only where the assets meet IFRS 3 Business Combinations recognition criteria at the acquisition date.

4. Non-underlying expenses / (income)

	For the year ended 31 December	
	2025 £'000	**2024 £'000**
Amortisation and impairment of acquisition related intangibles		
Classified within selling and marketing expenses	**2,141**	–
Classified within general and administrative expenses[1]	**3,383**	3,965
Impairment losses	**116**	23
Total amortisation and impairment of acquisition-related intangibles	**5,640**	3,988
Acquisition and integration costs		
Classified within cost of sales	**1,051**	–
Classified within net other operating (expense) / income	**820**	–
Total acquisition and integration costs	**1,871**	–
Restructuring costs	**602**	166
Acquisition and integration costs		–
Gain on sale of joint venture and release of associated liabilities	**–**	(3,375)
Gain on disposal of intangible assets	**(361)**	(430)
Expenses related to M&A and business development activities	**–**	739
Other non-underlying items	**192**	354
Foreign currency translation on acquisition prepayment	**–**	988
Total non-underlying items before taxes from continuing operations	**7,944**	2,430
Tax impact	**(2,156)**	(588)
Total non-underlying items after taxes from continuing operations	**5,788**	1,842
Other non-underlying items from discontinued operations	**–**	94
Gain on disposal of discontinued operation, net of tax	**–**	(13,723)
Total non-underlying items after taxes	**5,788**	(11,787)

1 Following the Group's strategic investment in next wave biologics of VHH NGF and Sweet Itch, it is now incurring research costs that are expensed directly to the income statement. In order to provide more clarity on this overhead investment, and to allow clear reconciliation to the Group's alternative performance measure of Underlying EBITDA pre-R&D (note 5) certain reclassifications have been made to the Consolidated Income Statement, and hence this note. Amortisation has been reclassified to Sales and Marketing and General and Administrative expenses as appropriate, with the reclassification applied consistently to both the current and prior year to ensure comparability.

Unless explicitly stated otherwise in the table above, costs have been presented within "Net other operating (expenses)/ income" in the Consolidated Income Statement.

4. Non-underlying expenses / (income) CONTINUED

The following table shows the breakdown of non-underlying items from continuing operations before taxes by category for 2025 and 2024:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Classified within cost of sales	**1,051**	–
Classified within selling and marketing expenses	**2,141**	–
Classified within general and administrative expenses	**3,383**	3,965
Classified within net other operating expense / (income)	**1,253**	(2,546)
Impairment losses	**116**	23
Classified within finance expenses	**–**	988
Total non-underlying items before taxes	**7,944**	2,430

Non-underlying items before taxes from continuing operations totalling £7,944k (2024: £2,430k) principally comprise:

- The amortisation and impairment of acquisition-related intangible charge totalling £5,640k (2024: £3,988k) largely relates to the historic Esteve acquisition of £371k (2024: £1,125), the reverse acquisition of Animalcare Group plc of £2,648k (2024: £2,840) and the acquisition of Randlab Group of £2,505k (2024: £nil). It also includes £116k of impairment (2024: £23k)
- Restructuring costs of £602k (2024: £166k) primarily relates to an organisational restructuring program in Germany
- Acquisition and integration costs amounted to £1,871k, the majority of which relates to the Group's acquisition of Randlab, completed on 3 January 2025 (note 6). This transaction has resulted in acquisition and integration costs of £1,771k, including £1,051k of non-underlying cost of sales due to the reversal of a fair value uplift on acquired inventories, £131k of acquisition costs and £589k post-acquisition and integration costs. Additionally, on 13 June 2025, the Group acquired a 25% equity interest in InVetro Pty Ltd, incurring costs of £85k (note 13)

The Group's prior year non-underlying items are presented below:

- Foreign currency translation of £988k arose from a hedging arrangement entered into to support the acquisition of shares in Randlab Australia Pty Ltd
- Expenses of £739k relating to M&A and business development activities were primarily associated with the acquisition of shares in Randlab Australia Pty Ltd
- On 12 April 2024, the Group sold its 33.34% minority interest in STEM Animalcare Health Inc. for US$4.7m (£3.8m), generating a total gain of £3,375k. This comprised a £2,654k profit on disposal and £721k arising from the termination of a capital contribution obligation and the release of future milestone commitments
- On 28 February 2024, the Group disposed of its subsidiary Identicare Limited, resulting in a gain on disposal of £13,723k (note 7)
- Additional non-underlying items within discontinued operations related to share-based payment arrangements linked to growth shares in the disposed subsidiary, where the fair value of the plan was tied to subsidiary valuation rather than trading activity

Non-underlying items are excluded for KPI purposes as shown in the section on Key Performance Indicators.

5. Segment information – from continuing operations

The Animalcare Europe segment is active in the development and sale of innovative veterinary pharmaceutical products across Europe and via the European International Partners network. The Randlab segment is engaged in the development and distribution of veterinary pharmaceuticals and nutritional supplements tailored to the equine market. In addition, the segment provides professional support services to equine veterinarians across Australia, New Zealand, the Middle East, and selected international markets.

The measurement principles used by the Group in preparing this segment reporting are also the basis for segment performance assessment. The Senior Executive Team of the Group acts as the Chief Operating Decision Maker. The Chief Operating Decision Maker monitors performance using key performance indicators of the Group's revenue, gross margin, Underlying EBITDA excluding R&D, Underlying EBITDA and EBITDA. EBITDA is defined by the Group as net profit plus finance expenses, less financial income, plus income taxes and deferred taxes, plus depreciation, amortisation and impairment and is an alternative performance measure. Underlying EBITDA equals EBITDA plus non-underlying items and is an alternative performance measure. EBITDA and underlying EBITDA are reconciled to statutory measures below.

The following table summarises the segment reporting from continuing operations for 2025 and 2024. As management's internal reporting structure is principally revenue and profit-based, the reporting information does not include assets and liabilities by segment and is as such not presented per segment.

Following the July 2024 IFRIC agenda decision the Group has presented cost of sales per segment within the table below.

	For the year ended 31 December					
From continuing operations	2025 Randlab £'000	2025 Animalcare Europe* £'000	2025 Total £'000	2024 Randlab £'000	2024 Animalcare Europe* £'000	2024 Total £'000
Revenue	**13,614**	**75,493**	**89,107**	–	74,228	74,228
Cost of sales	**(4,743)**	**(32,988)**	**(37,731)**	–	(32,984)	(32,984)
Gross Margin	**8,871**	**42,505**	**51,376**	–	41,244	41,244
Gross Margin %**	**65.2%**	**56.3%**	**57.7%**	–	55.6%	55.6%
Segment underlying EBITDA (excl. R&D)	**6,474**	**11,907**	**18,381**	–	11,556	11,556
Segment underlying EBITDA % (excl. R&D)	**47.6%**	**15.8%**	**20.6%**	–	15.6%	15.6%
Segment underlying EBITDA	**6,435**	**11,295**	**17,730**	–	11,556	11,556
Segment underlying EBITDA %	**47.3%**	**15.0%**	**19.9%**	–	15.6%	15.6%
Segment EBITDA	**4,866**	**10,560**	**15,426**	–	14,102	14,102
Segment EBITDA %	**35.7%**	**14.0%**	**17.3%**	–	19.0%	19.0%

* Including International Partners.

**The Randlab gross margin disclosed above includes a £1,051k purchase price allocation (PPA) adjustment relating to the fair value uplift of acquired inventory. Excluding this adjustment, the 2025 underlying gross margin is 72.9% for the Randlab segment and 58.8% for the Group overall.

The underlying and segment EBITDA is reconciled with the consolidated net profit of the year as follows:

	For the year ended 31 December					
From continuing operations	2025 Randlab £'000	2025 Animalcare Europe* £'000	2025 Total £'000	2024 Randlab £'000	2024 Animalcare Europe* £'000	2024 Total £'000
Underlying EBITDA (Excl. R&D)	**6,474**	**11,907**	**18,381**	–	11,556	11,556
Research and development expenses	**(39)**	**(612)**	**(651)**	–	–	–
Underlying EBITDA	**6,435**	**11,295**	**17,730**	–	11,556	11,556
Non-recurring expenses (excl. amortisation and impairment)	**(1,569)**	**(735)**	**(2,304)**	–	2,546	2,546
Segment EBITDA	**4,866**	**10,560**	**15,426**	–	14,102	14,102
Depreciation, amortisation and impairment	**(2,821)**	**(6,531)**	**(9,352)**	–	(7,047)	(7,047)
Operating profit	**2,045**	**4,029**	**6,074**	–	7,055	7,055
Finance expenses	**(18)**	**(2,403)**	**(2,421)**	–	(2,508)	(2,508)
Finance income	**–**	**2,686**	**2,686**	–	1,205	1,205
Share in net result of associates/joint ventures	**4**	**–**	**4**	–	31	31
Income taxes	**(1,572)**	**(1,275)**	**(2,847)**	–	(1,800)	(1,800)
Deferred taxes	**1,277**	**305**	**1,582**	–	834	834
Net profit	**1,736**	**3,342**	**5,078**	–	4,817	4,817

* Including International Partners.

5. Segment information – from continuing operations CONTINUED

Segment non-current assets excluding deferred tax assets located in Europe and Asia-Pacific are as follows:

	As at 31 December	
	2025 £'000	2024 £'000
Europe	**58,172**	58,660
Asia-Pacific	**64,056**	–
Non-current assets excluding deferred tax assets	**122,228**	58,660

Revenue by product category

	For the year ended 31 December	
	2025 £'000	2024 £'000
Companion animals	**50,277**	49,828
Production animals	**17,658**	17,027
Equine and other	**21,172**	7,373
Total	**89,107**	74,228

Revenue by geographical area

	For the year ended 31 December	
	2025 £'000	2024 £'000
Europe	**73,769**	72,924
Asia-Pacific	**14,886**	656
Other	**452**	648
Total	**89,107**	74,228

During the current reporting year and following the Group's acquisition of Randlab, the Group has revised its presentation of revenue and non-current assets by geographical region, to enhance clarity and align with strategic reporting practices. Our previous categories have been aggregated into three broader geographical segments: Europe, Asia-Pacific, and Other. This change reflects a more streamlined view of the Group's global operations and will facilitate improved comparability in future years.

6. Business combination

On 3 January 2025, the Group completed an acquisition of Randlab. The acquisition was executed through a newly incorporated Australian entity, Animalcare Australia Pty Ltd, which acquired the entire issued share capital of each Randlab Australia Pty Ltd (and its wholly owned subsidiary, Randlab (New Zealand) Ltd), Randlab Pty Ltd and Randlab Middle East Veterinary Medicines Trading LLC (together "Randlab"). The acquisition delivers against our strategic goals of expanding our geographic reach, acquiring products and brands that enhance our existing portfolio and building our new product pipeline.

The transaction has been accounted for using the acquisition method and the consolidated financial statements include the results of Randlab for the twelve-month period from the acquisition date.

The fair values of the identifiable assets and liabilities of Randlab as at the date of acquisition were:

	Fair value recognised on acquisition £'000
Assets	
Non-current assets	
Intangible assets	29,302
Property, plant & equipment	816
Deferred tax assets	130
Total non-current assets	30,248
Current assets	
Inventories	3,810
Trade receivables	1,915
Other current assets	39
Cash and cash equivalents	369
Total current assets	6,133
Total assets	36,381
Liabilities	
Current liabilities	
Trade payables	(331)
Tax payables	(338)
Other current liabilities	(593)
Total current liabilities	(1,262)
Non-current liabilities	
Provisions	(69)
Deferred tax liabilities	(9,113)
Total non-current liabilities	(9,182)
Total liabilities	(10,444)
Total identifiable net assets at fair value	**25,937**
Goodwill arising on acquisition (note 10)	34,263
Consideration transferred	**60,200**

6. Business combination CONTINUED

Analysis of cash flows on acquisition:

	Cash flow on acquisition £'000
Net cash acquired with the subsidiary	(369)
Completion payment	234
Current period cash inflow	(135)
Advanced consideration on 31 December 2024	59,712
Net cash flow on acquisition	**59,577**

All cashflows on acquisition are included in cashflow used in investing activities.

The cash flow associated with the acquisition comprised an initial payment of AUD$121m (£59,712k) which was paid in advance on 31 December 2024, followed by a normalised working capital settlement of AUD$487k (£234k) on 15 May 2025. The total cash outflow, net of £369k cash acquired, amounted to £59,577k.

As part of the Group's acquisition accounting, a Purchase Price Allocation (PPA) exercise was undertaken to determine the fair value of identifiable assets and liabilities at the acquisition date. Adjustments to carrying amounts were made across several areas to align with fair value measurements in accordance with IFRS 3 Business Combinations.

The disclosures below outline the valuation methodologies applied and key assumptions used in determining these fair values.

The acquisition date fair value of the intangible assets amounts to £29,302k. The assets comprise of brand names, registrations and customer relationships. The fair value reflects market participant assumptions regarding future cash flows, useful life, and contributory asset charges. The difference between the fair value and carrying amount arises from an updated assessment of the revenue generating potential and the application of market-observed discount rates.

The acquisition date fair value of freehold land and property is £593k. This amount forms part of the total recognised Property, Plant and Equipment, which reflects a broader portfolio of acquired physical assets. The valuation of the land and property is based on prevailing market comparables and incorporates assumptions around unrestricted use. The difference between the fair value and the previous carrying amount arises from revaluation to market terms.

The acquisition date fair value of the inventory amounts to £3,810k. This includes finished goods and raw materials. The fair value was determined using the estimated selling price in the ordinary course of business less costs of completion and sale. The uplift from the carrying value (£1,051k) reflects adjustments for obsolescence and alignment with market-based recovery estimates. The release of the uplift is included in cost of sales (note 8.1) and included in non-underlying acquisition and integration costs (note 4).

From the date of acquisition, Randlab has contributed £13,614k of revenue and £1,736k to the net profit from the continuing operations of the Group.

The goodwill recognised has been allocated to the Randlab cash generating unit and is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Randlab with those of the Group (note 10). The goodwill is not deductible for income tax purposes.

Transaction and integration costs within the current period of £1,771k have been expensed and are included in non-underlying other operating expenses (note 4) in the consolidated income statement and are part of operating cash flows in the consolidated cash flow statement.

7. Discontinued operations

On 28 February 2024, the Group sold its entire interest in its majority stake in its subsidiary Identicare Ltd. The Group recognised a gain in relation to the sale of £13,723k, which was based on total consideration (net of associated costs and cash disposed) of £23,888k, cash disposed of £340k and a net asset value of £10,505k. For further details, please refer to the Group's financial statements for the year ended 31 December 2024.

8. Income and expenses – from continuing operations

8.1 Cost of sales – from continuing operations

Cost of sales includes the following expenses:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Purchase of goods and services	**36,225**	31,050
Stock write off	**896**	856
Movement in stock provision	**(207)**	324
Other expenses	**817**	753
Total	**37,731**	32,984

The purchase of goods and services include the fair value uplift release on acquired Randlab inventory amounting to £1,051k.

8.2 Research and development expenses – from continuing operations

Research and development expenses include the following:

	For the year ended 31 December	
	2025 £'000	2024 £'000
R&D expenses	**651**	–
Total	**651**	–

Following the Group's strategic investment in next wave biologics of VHH NGF and Sweet Itch (note 11), it is now incurring research costs that are expensed directly to the income statement. In order to provide more clarity on this overhead investment, and to allow clear reconciliation to the Group's alternative performance measure of Underlying EBITDA pre-R&D (note 5) certain reclassifications have been made to the Consolidated Income Statement, and hence this note. Costs including amortisation and depreciation, and employee expenses have been reclassified to Sales and Marketing and General and Administrative expenses as appropriate, with the reclassification applied consistently to both the current and prior year to ensure comparability.

8.3 Selling and marketing expenses – from continuing operations

Selling and marketing expenses include the following:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Transport costs of sold goods	**1,104**	902
Marketing expenses	**2,584**	1,978
Employee expenses	**10,309**	9,007
Amortisation and depreciation	**2,195**	–
Other	**459**	571
Total	**16,651**	12,458

8. Income and expenses – from continuing operations CONTINUED

8.4 General and administrative expenses – from continuing operations

General and administrative expenses include the following:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Amortisation and depreciation	**7,041**	7,020
Employee expenses	**9,066**	7,926
Professional, regulatory and consultancy fees	**5,619**	5,407
Travel and representation	**1,245**	1,080
Other	**3,664**	2,851
Total	**26,635**	24,284

The expenses in "Other" mainly relate to fees paid for warehousing, energy, IT and software-related costs.

8.5 Net other operating expenses / (income) – from continuing operations

The net other operating expenses / (income) can be detailed as follows:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Re-invoicing of costs	**(4)**	(18)
Non-cash movement in IFRS 16 liability	**10**	(1)
Other operating income	**(644)**	(3,805)
Other operating expenses	**1,887**	1,243
Extraordinary depreciations	**–**	5
Total	**1,249**	(2,576)

Other operating expenses of £1,887k (2024: £1,243k) relate entirely to nonunderlying items. In addition, non-operating income of £644k (2024: £3,805k) and a non-cash movement in the IFRS 16 lease liability of £10k (2024: £1k) have been treated on the same basis, together with other immaterial items, including £5k of extraordinary depreciation recognised in the prior year. These items have been aggregated, with a net nonunderlying charge of £1,253k (2024: net credit of £2,546k) presented on the face of the Consolidated Income Statement and further analysed in note 4.

8.6 Expenses by nature – from continuing operations

The table below relates to operating expenses and does not include cost of sales.

	For the year ended 31 December	
	2025 £'000	2024 £'000
Other operating lease rentals / short-term leases	**262**	182
Employee expenses	**19,375**	16,933
Depreciation and amortisation	**9,236**	7,024
Transport costs sold goods	**1,102**	902
Marketing expenses	**2,584**	1,978
Professional, regulatory and consultancy fees	**5,619**	5,273
Travel and representation	**1,245**	1,080
Other operating expenses (note 8.5)	**1,249**	(2,576)
Impairment losses	**116**	23
Other expenses	**4,514**	3,370
Total expenses	**45,302**	34,189

8.7 Employee expenses – from continuing operations

The following table shows the breakdown of employee expenses for 2025 and 2024:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Wages and salaries	**16,009**	14,015
Social security costs	**2,846**	2,580
Other pension costs	**520**	337
Total	**19,375**	16,932
The monthly average number of employees during the year was as follows:		
Sales and administration	**218**	201

Included in the employee expenses for the year is the total charge in respect of all share-based payments of £214k (2024: £678k) – see note 27 for further details.

8. Income and expenses – from continuing operations CONTINUED

8.7 Employee expenses – from continuing operations CONTINUED

Directors' emoluments

The various elements of remuneration received by each Director were as follows:

Year ended 31 December 2025	Salary £'000	Bonus £'000	Benefits £'000	Total £'000
C Brewster	**249**	**69**	**14**	**332**
M Coucke*	**45**	**–**	**–**	**45**
D Hutchens*	**50**	**–**	**–**	**50**
S Metayer*	**50**	**–**	**–**	**50**
E Torr*	**75**	**–**	**–**	**75**
J Winter	**364**	**158**	**16**	**538**
Total	**833**	**227**	**30**	**1,090**

Year ended 31 December 2024	Salary £'000	Bonus £'000	Benefits £'000	Total £'000
J Boone*	35	–	–	35
C Brewster	237	68	16	321
M Coucke*	45	–	–	45
D Hutchens*	48	–	–	48
S Metayer*	50	–	–	50
E Torr*	60	–	–	60
J Winter	347	90	16	453
Total	**822**	**158**	**32**	**1,012**

*Indicates Non-Executive Directors.

Jennifer Winter's benefits comprised a car allowance (£10,500) and private medical insurance (£5,519).

Chris Brewster's benefits comprised a company car (£11,420) and private medical insurance (£2,918).

Jan Boone stepped down as Chair on 20 June 2024. His annual fee of £75,000 for 2024 was pro-rated from 1 January to 20 June 2024.

Marc Coucke received an annual fee of £45,000. Els Degroote was appointed as alternate to Marc Coucke in December 2024; the Company does not pay fees to alternate directors.

Doug Hutchens received an annual fee of £50,000, including an additional fee of £5,000 for his role as Chair of the Remuneration & Nomination Committee. In 2024 the additional fee was pro-rated from the date of his appointment as Committee chair on 21 June 2024.

Sylvia Metayer received an annual fee of £50,000 including an additional annual fee of £5,000 for her role as Chair of the Audit & Risk Committee.

Ed Torr received an annual fee of £75,000. In 2024 he received a pro-rated fee from the date of his appointment as Chair.

The aggregate gain on exercise of LTIP options during the year amounted to £nil (2024: £392,000).

Long Term Incentive Plan

In December 2025, the Board approved the grant of nil-cost options over a total of 294,222 ordinary shares with a nominal value of 20p per share to the Executive Directors under the Company's LTP (the "2025 LTIP Award"). The 2025 LTIP Award will vest on confirmation of achievement of the performance criteria being met over the three-year financial period ending 31 December 2027. These were the only award of options made to Executive Directors under the LTIP during 2025.

Details of the performance target set and actual achievement against them in respect of the 2022 LTIP awards vesting, based on three-year performance to 1 July 2025, are set out below:

Performance measure	Weighting	Performance period end	Threshold (25% vesting)	Maximum (100% vesting)	Actual	% vesting for this part of the award
Underlying EPS	50%	1 July 2025	13.0p	15.8p	14.8p	78%
TSR	50%	1 July 2025	Median	Upper quartile	Upper quartile	100%

On assessment of the three-year performance period as set out above, a total of 164,083 options granted to the Executive Directors vested under this award.

These options have yet to be exercised; the participants have seven years in which to exercise these options.

The individual interests of the Executive Directors under the LTIP are set out below:

	Date of grant	End of three-year performance period*	Number of LTIP nil cost options awarded	Vested but not exercised	Lapsed	Exercised	Total remaining
Jenny Winter							
	05/11/21	31/12/24	106,844	53,422	53,422	–	53,422
	28/04/22	01/07/25	130,620	116,413	14,207	–	116,413
	23/04/24	31/12/26	243,913	–	–	–	243,913
	22/12/25	31/12/27	219,296	–	–	–	219,926
Chris Brewster							
	05/11/21	31/12/24	43,806	21,903	21,903	–	21,903
	28/04/22	01/07/25	53,488	47,670	5,818	–	47,670
	23/04/24	31/12/26	100,004	–	–	–	100,004
	22/12/25	31/12/27	74,926	–	–	–	74,926

* The earliest exercise date is three years after the date of grant or the end of the applicable performance period whichever is the later.

Directors' interests in the share capital of the Company

The Directors' interests in share capital of the Company as at 31 December 2025 and the movements during the year are set out below:

Director	Number of shares held at 1 January 2025	Acquired during the period	Number of shares held at 31 December 2025	Percentage of ISC at 31 December 2025
Chris Brewster	285,513	–	285,513	0.41
Marc Coucke	15,611,889	–	15,611,889	22.61
Ed Torr	107,455	–	107,455	0.16
Douglas Hutchens[1]	5,000	7,500	12,500	0.02
Jennifer Winter	100,650	–	100,650	0.15

[2] Douglas Hutchens acquired 7,500 shares on 19 November 2025.

There were no changes in the Director's interest in shares between 31 December 2025 and the date of these financial statements.

Further information relating to Directors' share options is set out in note 27.

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8. Income and expenses – from continuing operations CONTINUED

8.8 Finance expenses – from continuing operations

Finance expenses include the following elements:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Interest expenses	**898**	400
Foreign currency losses	**1,386**	2,012
Other finance costs	**137**	96
Total	**2,421**	2,508

8.9 Finance income – from continuing operations

Finance income includes the following elements:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Foreign currency exchange gains	**2,624**	148
Income from financial assets	**25**	1,057
Other finance income	**37**	–
Total	**2,686**	1,205

8.10 Income tax expense – from continuing operations

Current tax receivables and current tax liabilities

Current tax receivables £1,043k (2024: £694k) and current tax liabilities £896k (2024: £623k) solely relate to income taxes.

Income tax expense

The following table shows the breakdown of the tax expense for 2025 and 2024:

	For the year ended 31 December	
	2025 £'000	2024 £'000
Current tax charge	**(2,968)**	(1,525)
Tax adjustments in respect of previous years	**121**	(275)
Total current tax charge	**(2,847)**	(1,800)
Deferred tax- origination and reversal of temporary differences	**1,673**	438
Deferred tax- adjustments in respect of previous years	**(91)**	396
Total deferred tax credit	**1,582**	834
Total tax expense for the year	**(1,265)**	(966)

The total tax expense can be reconciled to the accounting profit as follows:

	For the year ended 31 December	
	2025 £'000	**2024 £'000**
Profit before tax	**6,343**	5,783
Share of net gain in associate / joint venture	**(4)**	(31)
Profit before tax, excl. share in net gain of associate / joint venture	**6,339**	5,752
Tax at 25.0%	**(1,585)**	(1,438)
Effect of:		
Overseas tax rates	**(26)**	16
Non-deductible expenses	**(245)**	(285)
Income not subject to tax- gain on sale of joint venture	**–**	844
Use of tax losses previously not recognised	**54**	–
Recognition of tax losses previously not recognised	**605**	–
Tax adjustments in respect of previous year	**30**	121
Non-recognition of deferred tax on current year losses	**–**	(481)
Derecognition of formerly recognised deferred tax assets	**–**	(49)
Deferred taxes on share-based payments	**(9)**	251
Other	**(89)**	55
Income tax expense as reported in the consolidated income statement	**(1,265)**	(966)

The tax credit of £2,156k (2024: £588k) shown within "Non-underlying items" on the face of the consolidated income statement, which forms part of the overall tax charge of £1,265k (2024: £966k), relates to the items in note 4.

The tax rates used for the 2025 and 2024 reconciliation above are the corporate tax rates of 25.0% (Belgium), 19.0% (the Netherlands), 30.7% (Germany), 25.0% (Spain), 25.0% (Italy), 21.0% (Portugal), 25.0% (the United Kingdom), 30.0% (Australia), 9.0% (United Arab Emirates) and 28.0% (New Zealand). These taxes are payable by corporate entities in the above-mentioned countries on taxable profits under tax law in that jurisdiction.

Deferred taxes at the balance sheet date have been measured using the enacted tax rates.

8. Income and expenses – from continuing operations CONTINUED

8.10 Income tax expense – from continuing operations

Deferred tax

(a) Recognised deferred tax assets and liabilities

	Assets		Liabilities		Total	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Goodwill	**–**	–	**(1,749)**	(1,550)	**(1,749)**	(1,550)
Intangible assets	**–**	214	**(9,512)**	(2,129)	**(9,512)**	(1,915)
Property, plant and equipment including right-of-use assets	**–**	–	**(722)**	(511)	**(722)**	(511)
Financial fixed assets	**–**	1	**–**	–	**–**	1
Inventory	**121**	–	**–**	(24)	**121**	(24)
Trade and other receivables / (payables)	**–**	129	**(608)**	–	**(608)**	129
Lease liabilities	**577**	461	**–**	–	**577**	461
Share-based payments	**275**	488	**–**	–	**275**	488
Accruals and deferred income	**343**	189	**–**	–	**343**	189
Tax losses carried forward	**2,620**	1,529	**–**	–	**2,620**	1,529
Netting by tax entity	**(2,288)**	(819)	**2,288**	819	**–**	–
Total	**1,648**	2,192	**(10,303)**	(3,395)	**(8,655)**	(1,203)

The table above presents deferred tax assets and liabilities on a gross basis prior to allowable offsetting within tax jurisdictions as presented on the face of the consolidated statement of financial position.

(b) Movements during the year

Movement of deferred taxes during 2025:

	Balance as at 1 January 2025 £'000	Recognised in income £'000	Recognised in reserves £'000	Acquisition of subsidiaries £'000	Foreign exchange adjustments £'000	Balance as at 31 December 2025 £'000
Goodwill	(1,550)	(119)	–	–	(80)	**(1,749)**
Intangible assets	(1,915)	1,196	–	(8,802)	9	**(9,512)**
Property, plant and equipment including right-of-use assets	(511)	(184)	–	–	(27)	**(722)**
Financial fixed assets	1	(1)	–	–	–	**–**
Inventory	(24)	373	–	(197)	(31)	**121**
Trade and other receivables / (payables)	129	(770)	–	–	33	**(608)**
Accruals and deferred income	189	325	(194)	–	23	**343**
Lease liabilities	461	25	67	–	24	**577**
Share-based payments	488	(213)	–	–	–	**275**
Tax losses carried forward and other tax benefits	1,529	950	63	–	78	**2,620**
Net deferred tax	**(1,203)**	**1,582**	**(64)**	**(8,999)**	**29**	**(8,655)**

Movement of deferred taxes during 2024:

	Balance at 1 January 2024 £'000	Recognised in income £'000	Recognised in reserves £'000	Disposal of subsidiaries £'000	Foreign exchange adjustments £'000	Balance at 31 December 2024 £'000
Goodwill	(1,444)	(171)	–	–	65	(1,550)
Intangible assets	(2,525)	626	–	–	(16)	(1,915)
Property, plant and equipment including right-of-use assets	(645)	66	–	40	28	(511)
Financial fixed assets	1	(1)	–	–	1	1
Inventory	(54)	26	–	–	4	(24)
Trade and other receivables / (payables)	30	95	–	–	4	129
Accruals and deferred income	132	63	–	–	(6)	189
Lease liabilities	580	(94)	–	–	(25)	461
Share-based payments	–	251	237	–	–	488
Tax losses carried forward and other tax benefits	1,636	(27)	–	–	(80)	1,529
Net deferred tax	(2,289)	834	237	40	(25)	(1,203)

Tax losses

The Group has unused tax losses, tax credits and notional interest deduction available in an amount of £13,052k for 2025 (2024: £10,680k). The tax losses carry forward indefinitely, as there is no expiration date prescribed for their utilisation.

Deferred tax assets have been recognised on available tax losses carried forward for all legal entities, resulting in amounts recognised of £2,620k (2024: £1,529k). This was based on management's estimate that sufficient positive taxable profits will be generated in the near future for the related legal entities with fiscal losses. The deferred tax asset is not expected to be recovered within the next 12 months and is anticipated to be fully recovered thereafter.

The total unrecognised tax losses as at 31 December 2025 were £2,568k (2024: £4,961k).

9. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

The following income and share data was used in the earnings per share computations:

	As at 31 December			
	Underlying 2025 £'000	Underlying 2024 £'000	Total 2025 £'000	Total 2024 £'000
Net total profit	**10,866**	6,707	**5,078**	18,494
Net total profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**10,866**	6,707	**5,078**	18,494
Net continuing profit	**10,866**	6,659	**5,078**	4,817
Net continuing profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**10,866**	6,659	**5,078**	4,817

9. Earnings per share CONTINUED

Average number of shares (basic and diluted)

	As at 31 December			
	Underlying 2025 Number	Underlying 2024 Number	Total 2025 Number	Total 2024 Number
Weighted average number of ordinary shares for basic earnings per share	**69,250,726**	61,110,644	**69,250,726**	61,110,644
Dilutive potential ordinary shares	**197,152**	666,052	**197,152**	666,052
Weighted average number of ordinary shares adjusted for effect of dilution	**69,447,878**	61,776,696	**69,447,878**	61,776,696

Basic earnings per share

	As at 31 December			
	Underlying 2025 Pence	Underlying 2024 Pence	Total 2025 Pence	Total 2024 Pence
From total operations attributable to the ordinary equity holders of the company	**15.7**	11.0	**7.3**	30.3
Total basic earnings per share attributable to the ordinary equity holders of the company	**15.7**	11.0	**7.3**	30.3
From continuing operations attributable to the ordinary equity holders of the company	**15.7**	10.9	**7.3**	7.9
Total continuing basic earnings per share attributable to the ordinary equity holders of the company	**15.7**	10.9	**7.3**	7.9

Diluted earnings per share

	As at 31 December			
	Underlying 2025 Pence	Underlying 2024 Pence	Total 2025 Pence	Total 2024 Pence
From total operations attributable to the ordinary equity holders of the company	**15.6**	10.9	**7.3**	29.9
Total diluted earnings per share attributable to the ordinary equity holders of the company	**15.6**	10.9	**7.3**	29.9
From continuing operations attributable to the ordinary equity holders of the company	**15.6**	10.8	**7.3**	7.8
Total continuing diluted earnings per share attributable to the ordinary equity holders of the company	**15.6**	10.8	**7.3**	7.8

10. Goodwill

On acquisition, goodwill acquired in a business combination is allocated to the cash-generating units (CGUs) that are expected to benefit from that business combination. This CGU corresponds to the nature of the business. The goodwill has been allocated to CGU as follows:

	As at 31 December	
	2025 £'000	2024 £'000
CGU: Animalcare Europe	**39,840**	39,360
CGU: Randlab	**34,321**	–
Total	**74,161**	39,360

The changes in the carrying value of the goodwill can be presented as follows for the years 2025 and 2024:

	Total £'000
As at 1 January 2024	50,656
Disposal of Identicare Limited (note 7)	(10,855)
Currency translation	(441)
As at 31 December 2024	39,360
As at 1 January 2025	**39,360**
Acquisition of Randlab (note 6)	34,263
Currency translation	538
As at 31 December 2025	**74,161**

Goodwill allocated to the Animalcare Europe cash-generating unit (CGU), which included Identicare Limited, arises from past business combinations. To determine the portion of this goodwill to be disposed of with the sale of Identicare Limited in the prior year, the transaction value was calculated as a percentage of the Group's total market capitalisation at the time of disposal.

Goodwill allocated to the Randlab cash-generating unit (CGU) arises from the business combination disclosed in note 6.

The two principal assumptions used in our value-in-use calculations are the discount rate and the perpetuity growth rate. The discount rate is determined to reflect the Group's cost of capital and risk profile, while the perpetuity growth rate represents the long-term sustainable growth of future cash flows.

The discount rate and growth rate (in perpetuity) used for value-in-use calculations are as follows:

Animalcare Europe CGU

	2025 %	2024 %
Discount rate (pre-tax)	**14.2**	12.9
Growth rate (in perpetuity)	**2.0**	2.0

Randlab CGU

	2025 %	2024 %
Discount rate (pre-tax)	**14.9**	–
Growth rate (in perpetuity)	**2.0**	–

The Group's discount rates, used in the impairment testing of goodwill, have been developed with the assistance of an independent third-party adviser. Our adviser's approach reflects the Group's geographical exposure by weighting government bond yields in line with our operating footprint and incorporating a relevant country-specific risk premium. This methodology ensures that the risk-free rate accurately mirrors current market conditions while appropriately capturing the Group's inherent risks, thereby supporting a robust impairment assessment.

Cash flow forecasts are prepared using the current operating budget approved by the Directors, which covers a five-year period and an appropriate extrapolation of cash flows, using the long-term growth rate, beyond this. The cash flow forecasts assume revenue and profit growth in line with our strategic priorities. Further, we have assessed the potential impact of climate change, with reference to our principal risks and the environmental disclosures made in the Sustainability Report and consider that the impact on the valuation of goodwill is limited.

The Group conducts its impairment review across both CGUs by assessing a range of reasonably possible changes in key assumptions, including discount rates and perpetuity growth rates. Sensitivity analyses show that although the calculated recoverable amount is sensitive to movements in these assumptions, none of the scenarios modelled would result in an impairment, indicating that while headroom is sensitive, the overall outcome for Animalcare Europe remains robust under all reasonably possible variations. As the Randlab CGU was acquired during the year, its performance will continue to be monitored closely against the assumptions underpinning the acquisition case, and any underperformance may indicate a potential impairment in future periods.

11. Intangible assets

The changes in the carrying value of the intangible assets can be presented as follows for the years 2025 and 2024:

	R&D assets £'000	Patents, distribution rights, licenses & registrations £'000	Product portfolios, product development costs & brand names £'000	Capitalised software £'000	Intangible assets under construction £'000	Customer relationships £'000	Total £'000
Acquisition value/cost							
As at 1 January 2024	10,904	18,779	41,500	4,983	203	–	76,369
Additions	812	59	788	589	554	–	2,802
Disposals	(74)	–	–	(3)	–	–	(77)
Identicare disposal	–	–	–	(1,554)	(198)	–	(1,752)
Transfers	(1,756)	58	2,115	130	(547)	–	–
Currency translation	(215)	(653)	(848)	(174)	(12)	–	(1,902)
As at 31 December 2024	9,671	18,243	43,555	3,971	–	–	75,440
At 1 January 2025	**9,671**	**18,243**	**43,555**	**3,971**	**–**	**–**	**75,440**
Additions	**491**	**1,434**	**896**	**712**	**498**	**–**	**4,031**
Assets acquired through business combinations	**–**	**3,794**	**3,567**	**–**	**–**	**22,477**	**29,838**
Disposals	**(29)**	**1**	**–**	**–**	**–**	**–**	**(28)**
Transfers	**(230)**	**20**	**557**	**151**	**(498)**	**–**	**–**
Currency translation	**236**	**661**	**902**	**221**	**–**	**(369)**	**1,651**
As at 31 December 2025	**10,139**	**24,153**	**49,477**	**5,055**	**–**	**22,108**	**110,932**

	R&D assets £'000	Patents, distribution rights, licenses & registrations £'000	Product portfolios, product development costs & brand names £'000	Capitalised software £'000	Intangible assets under construction £'000	Customer relationships £'000	Total £'000
Accumulated amortisation					–	–	
As at 1 January 2024	(5,629)	(17,187)	(29,135)	(3,834)	–	–	(55,785)
Amortisation	(876)	(870)	(3,402)	(895)	–	–	(6,043)
Identicare disposal	–	–	–	1,362	–	–	1,362
Impairments	(23)	–	–	–	–	–	(23)
Currency translation	163	629	715	139	–	–	1,646
As at 31 December 2024	(6,365)	(17,428)	(31,822)	(3,228)	–	–	(58,843)
At 1 January 2025	**(6,365)**	**(17,428)**	**(31,822)**	**(3,228)**	**–**	**–**	**(58,843)**
Amortisation	**(862)**	**(741)**	**(3,573)**	**(762)**	**–**	**(1,798)**	**(7,736)**
Impairments	**(4)**	**(29)**	**(83)**	**–**	**–**	**–**	**(116)**
Currency translation	**(195)**	**(714)**	**(825)**	**(188)**	**–**	**(44)**	**(1,966)**
As at 31 December 2025	**(7,426)**	**(18,912)**	**(36,303)**	**(4,178)**	**–**	**(1,842)**	**(68,661)**
Net carrying value							
As at 31 December 2025	**2,713**	**5,241**	**13,174**	**877**	**–**	**20,266**	**42,271**
As at 31 December 2024	3,306	815	11,733	743	–	–	16,597

R&D assets relates to acquired development projects as part of the Esteve business combination in 2015, the reverse acquisition of Animalcare Group plc in 2017 and external and internal R&D costs for which the capitalisation criteria are met. Patents, distribution rights, licenses & registrations include amounts paid for exclusive distribution rights as well as distribution rights acquired as part of the Esteve business combination in 2015 and the reverse acquisition of Animalcare Group plc in 2017.

Product portfolios, product development costs and brand names relate to amounts paid for acquired brands as well as external and internal product development costs capitalised on the development projects in the pipeline for which the capitalisation criteria are met.

The net book value of non-commercialised development projects, which refers to projects that have not yet reached the commercial launch phase (the point at which the asset becomes available for use) is £2,991k (2024: £2,666k) and is allocated to R&D assets for £598k, Patents, distribution rights, licenses & registrations for £1,410k and Product portfolios, product development costs & brand names for £983k. No amortisation was charged.

The capitalised software includes IT driven by accelerated CRM software investment.

The total amortisation charge for 2025 is £7,736k (2024: £6,043k), which is included in selling and marketing expenses and general and administrative expenses of the consolidated income statement. Included in the total amortisation charge is £5,640k (2024: £3,988k) relating to acquisition-related intangibles and £2,096k (2024: £2,055k) relating to other intangibles.

An impairment charge of £116k (2024: £23k) related to a non-cash impairment charge of acquisition-related intangibles of R&D assets. In 2025, Animalcare Group plc invested £4,031k (2024: £2,802k) in intangible assets.

During the year, the Group acquired full ownership of the VHH NGF antibody programme and associated intellectual property from Orthros Medical for €1,041k (£908k). The acquisition provides the Group with ownership and control of intellectual property and associated assets, as a result, all remaining development, regulatory and commercial milestone obligations, as well as future royalty commitments linked to product commercialisation, have been extinguished. Upfront payments made in prior years under the original licensing arrangements (€600k, of which €530k is recognised within "Product portfolios, product development costs & brand names") remain appropriately capitalised, with no further financial obligations due under the previous agreements.

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). The Group made an upfront licence payment of €575k (£501k) during the year which has been capitalised and is recognised within "Patents, distribution rights, licenses & registrations ".

During the year, the Group completed the acquisition of Randlab, resulting in the recognition of additional intangible assets within the consolidated balance sheet. As outlined in note 6, the recognised assets comprise customer relationships, brand names and registrations, all measured at fair value at the acquisition date in accordance with IFRS 3 Business Combinations.

The transfers of intangible assets under construction involves the allocation of internally generated assets to various R&D projects, including those relating to patents, distribution rights, licenses, as well as product portfolios and development costs.

Transfers from R&D assets to product portfolios, product development costs & brand names occur when an R&D project advances to a stage where it is ready for commercialisation. Subsequently, the transferred value of these assets initiates depreciation in accordance with their remaining useful life.

12. Property, plant and equipment

The changes in the carrying value of the property, plant and equipment for 2025 and 2024 are presented below:

	Property, plant and equipment £'000	Office furniture and office equipment £'000	Warehouse and office fittings £'000	Leasehold improvements £'000	Total £'000
Acquisition value/cost					
As at 1 January 2024	256	1,375	142	279	2,052
Additions	–	42	1	165	208
Disposals	(123)	(174)	–	(49)	(346)
Identicare disposal	–	(91)	(143)	–	(234)
Currency translation	(11)	(57)	–	(13)	(81)
As at 31 December 2024	122	1,095	–	382	1,599
As at 1 January 2025	**122**	**1,095**	**–**	**382**	**1,599**
Additions	**27**	**194**	**–**	**–**	**221**
Acquired assets through business combinations	**640**	**85**	**–**	**106**	**831**
Disposals	**–**	**(26)**	**–**	**–**	**(26)**
Currency translation	**(36)**	**49**	**–**	**9**	**22**
As at 31 December 2025	**753**	**1,397**	**–**	**497**	**2,647**
Accumulated depreciation					
As at 1 January 2024	(170)	(1,187)	(25)	(267)	(1,649)
Depreciation charge for the year	(10)	(61)	(2)	(37)	(110)
Disposals	123	174	–	49	346
Identicare disposal	–	19	27	–	46
Currency translation	7	52	–	14	73
As at 31 December 2024	(50)	(1,003)	–	(241)	(1,294)
At 1 January 2025	**(50)**	**(1,003)**	**–**	**(241)**	**(1,294)**
Depreciation charge for the year	**(24)**	**(71)**	**–**	**(40)**	**(135)**
Disposals	**–**	**7**	**–**	**–**	**7**
Currency translation	**2**	**(50)**	**–**	**(9)**	**(57)**
As at 31 December 2025	**(72)**	**(1,117)**	**–**	**(290)**	**(1,479)**
Net book value					
As at 31 December 2025	**681**	**281**	**–**	**207**	**1,168**
As at 31 December 2024	72	92	–	141	305

13. Investments in associates

The Group carried an investment in a joint venture (STEM Animal Health Inc.) which was accounted for using the equity method up to 12 April 2024 when the interest in the joint venture was sold.

On 13 June 2025 the Group announced that it had acquired a 25% strategic equity stake in InVetro Pty Ltd (InVetro), an Australian-based Companion Animal health business. The Group acquired it's 25% share, via its 100% subsidiary Animalcare Australia Pty Ltd, for a cash consideration of AUD$3m (GBP£1.4m), which was payable at the point of completion. Based on the existing voting rights (25%) and other contractual arrangements, the Group does not have control over the investee as defined under IFRS 10 Consolidated Financial Statements but is considered to hold significant influence in accordance with IAS 28 Investments in Associates and Joint Ventures.

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Carrying amount	
		2025 %	2024 %			2025 £'000	2024 £'000
InVetro Pty Ltd	Australia	**25.00%**	–	Associate	Equity method	**1,493**	–

The tables below provide summarised financial information for the interest in InVetro Pty Ltd. which is material to the group. The information disclosed reflects the amounts presented in the financial statements of InVetro Pty Ltd and not Animalcare's share of those amounts.

As part of Animalcare's 25% investment in InVetro Animal Health Pty Ltd, the Group entered into put and call option arrangements that allow the parties to transact additional shares between 1 July 2029 and 30 June 2030. These options are classified as derivatives in accordance with IFRS 9 Financial Instruments and are measured at fair value through profit or loss. Based on current projections, exercise of the options is not currently expected to generate an economic benefit for either party, resulting in a fair value of nil at 31 December 2025.

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Non-current assets	**124**	–
Current assets	**1,496**	–
Total assets	**1,620**	–
Non-current liabilities	**–**	–
Current liabilities	**(30)**	–
Total liabilities	**(30)**	–
Net assets	**1,590**	–

The table below shows the Animalcare Group share at 25%:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Net assets	**398**	–
Goodwill	**1,095**	–
Investment value in associate	**1,493**	–

13. Investments in associates CONTINUED

Summarised statement of comprehensive income

	For the year ended 31 December 2025 £'000	For the year ended 31 December 2024 £'000
Sales	**566**	636
Operating expenses	**(552)**	(533)
Financial result, net	**–**	38
Net gain for the year	**14**	141

	For the year ended 31 December 2025 £'000	For the year ended 31 December 2024 £'000
Group share in net gain	**4**	47
Depreciation on fair value adjustments on intangible fixed assets (net of deferred tax)	**–**	(16)
Total Group share in net gain for the year	**4**	31
Other comprehensive expense	**–**	(25)
Group share in total comprehensive income	**4**	6

Reconciliation of the aforementioned financial information with the net carrying amount of the investment in the consolidated financial statements:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
As at 1 January	**–**	1,119
Acquisition in equity accounted investee InVetro Pty Ltd.	**1,440**	–
Group share of net gain	**4**	31
Foreign currency translation differences	**49**	(25)
Sale of joint venture STEM Animal Health Inc.	**–**	(1,125)
As at 31 December	**1,493**	–

14. Inventories

Inventories include the following:

	As at 31 December	
	2025 £'000	2024 £'000
Raw materials	**1,167**	1,625
Goods purchased for resale	**12,103**	10,129
Total inventories (at cost or net realisable value)	**13,270**	11,754

The amount of inventory recognised as an expense during 2025 amounts to £36,225k (2024: £31,050k). The inventory includes a provision for write-off of £1,013k (2024: £1,220k). Inventory write-offs during 2025 amounted to £896k (2024: £856k). These costs are classified as part of costs of goods sold.

15. Trade receivables, other current assets and other non-current financial assets

Trade receivables include the following:

	As at 31 December	
	2025 £'000	2024 £'000
Trade receivables	**16,059**	13,545
Expected credit loss	**(85)**	(44)
Total	**15,974**	13,501

The Group applied the IFRS 9 Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables based on historical losses. Trade receivables are non-interest-bearing and are generally on payment terms of between 30 and 90 days.

As at 31 December 2025, trade receivables of an initial value of £85k (2024: £44k) were impaired and fully provided for. The table below shows the changes in the allowance of receivables.

	£'000
As at 1 January 2024	(32)
Additional impairments	(12)
As at 31 December 2024	(44)
At 1 January, 2025	**(44)**
Additional impairment	**(41)**
As at 31 December 2025	**(85)**

Other current assets include the following:

	2025 £'000	2024 £'000
Other receivables	**127**	59,951
Prepayments	**901**	346
Total	**1,028**	60,297

Other receivables in the prior year included an amount of £59.7m relating to the payment made to acquire Randlab Australia Pty Ltd.

Other non-current financial assets are cash guarantees and amount to £82k (2024: £82k) at the end of the reporting year.

16. Cash and cash equivalents

Cash and cash equivalents include the following:

	As at 31 December	
	2025 £'000	2024 £'000
Cash at bank	**2,913**	11,715
Total	**2,913**	11,715

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. There were no restrictions on cash in either 2025 or 2024. The year-on-year decrease in cash balance reflects the utilisation of funds raised through the Group's successful £20m equity raise in 2024.

17. Trade payables

	As at 31 December	
	2025 £'000	2024 £'000
Trade payables	**12,010**	12,908
Total	**12,010**	12,908

The Directors consider that the carrying amount of trade payables approximates to their fair value.

18. Borrowings

Loans and borrowings include the following:

	Interest rate	Maturity	As at 31 December 2025 £'000	2024 £'000
Revolving credit facilities	Euribor +1.26%	March 2029	**5,235**	16,584
Acquisition loan	Euribor +1.50%	March 2029	**6,745**	4,146
Lease liabilities	See note 24		**3,228**	2,435
Total loans and borrowings			**15,208**	23,165
Of which				
Non-current borrowings			**9,863**	19,754
Non-current lease liabilities (note 24)			**2,024**	1,594
Current borrowings			**2,117**	976
Current lease liabilities (note 24)			**1,204**	841

Borrowing facilities

As of 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.

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 finance expense.

The Group's credit facilities are subject to the following financial covenants, which are monitored and maintained on a monthly basis:

- 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.

Net debt reconciliation

	For the year ended 31 December	
	2025 £'000	2024 £'000
Net debt		
Cash and cash equivalents	**2,913**	11,715
Borrowings	**(11,980)**	(20,730)
Lease liabilities	**(3,228)**	(2,435)
Total	**(12,295)**	(11,450)

	Liabilities from financing activities		Other assets	
	Borrowings £'000	Leases £'000	Cash £'000	Total £'000
Net debt as at 1 January 2024	**(2,933)**	**(2,943)**	**4,642**	**(1,234)**
Financing cash flows	(17,812)	1,090	9,612	(7,110)
New leases and modifications	–	(874)	–	(874)
Foreign exchange adjustments	–	109	(2,539)	(2,430)
Disposal Identicare	–	297	–	297
Interest expense	15	(114)	–	(99)
Net debt as at 31 December 2024	**(20,730)**	**(2,435)**	**11,715**	**(11,450)**
Financing cash flows	9,651	1,507	(9,063)	2,095
New leases and modifications	–	(1,226)	–	(1,226)
Foreign exchange adjustments	(821)	(80)	261	(640)
Changes due to business combinations	–	(812)	–	(812)
Interest expense	(80)	(182)	–	(262)
Net debt as at 31 December 2025	**(11,980)**	**(3,228)**	**2,913**	**(12,295)**

19. Provisions

Provisions consist of the following:

	As at 31 December	
	2025 £'000	2024 £'000
Severance costs	**152**	129
Other	**22**	21
Total	**174**	150

Severance payment provisions relate to legal obligations towards commercial agents in Italy.

	Severance costs £'000	Other £'000	Total £'000
Carrying amount at start of the year	129	21	150
Charged to profit and loss	23	1	24
Carrying amount at end of the year	152	22	174

20. Accrued charges

	As at 31 December	
	2025 £'000	2024 £'000
Accrued charges	**86**	47
Total due within one year	**86**	47

Accrued charges mainly relate to employee and accrued bank interest costs.

21. Other current liabilities

Other current liabilities include the following:

	As at 31 December	
	2025 £'000	2024 £'000
Employee-related liabilities	**3,637**	3,072
Indirect taxes payable	**1,212**	1,398
Other rebate related payables	**38**	743
Total	**4,887**	5,213

Indirect taxes payable relate to outstanding VAT payable.

22. Fair value

Financial assets

The carrying value and fair value of the financial assets for 31 December 2025 and 2024 are presented as follows:

	Carrying value		Fair value	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets measured at amortised cost				
Trade and other receivables (current)	**15,974**	13,501	**15,974**	13,501
Other financial assets (non-current)	**82**	82	**82**	82
Cash and cash equivalents	**2,913**	11,715	**2,913**	11,715
Total financial assets measured at amortised cost	**18,969**	25,298	**18,969**	25,298

The fair value of the financial assets has been determined on the basis of the following methods and assumptions:

- The carrying value of the cash and cash equivalents and the current receivables approximate their fair value due to their short-term character
- Trade and other receivables are being evaluated on the basis of their credit risk and interest rate. Their fair value is not different from their carrying value on 31 December 2025 and 2024

Financial liabilities

The carrying value and fair value of the financial liabilities for 31 December 2025 and 2024 are presented as follows:

	Carrying value		Fair value	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial liabilities measured at amortised cost				
Borrowings	**11,980**	20,730	**11,980**	20,730
Lease liabilities	**3,228**	2,435	**3,228**	2,435
Trade payables	**12,010**	12,908	**12,010**	12,908
Other rebate related payables	**38**	743	**38**	743
Total financial liabilities measured at amortised cost	**27,256**	36,816	**27,256**	36,816
Total non-current	**11,887**	21,348	**11,887**	21,348
Total current	**15,369**	15,468	**15,369**	15,468

The fair value of the financial liabilities has been determined on the basis of the following methods and assumptions:

- The carrying value of trade payables and other liabilities approximates their fair value due to the short-term character of these instruments
- Loans and borrowings are evaluated based on their interest rates and maturity date. Most interest-bearing debts have floating interest rates and their fair value approximates to their amortised cost value

23. Share capital

	As at 31 December	
	2025 Number	2024 Number
Allotted, called up and fully paid ordinary shares of 20p each	**69,045,945**	68,976,418

	As at 31 December	
	2025 £'000	2024 £'000
Allotted, called up and fully paid ordinary shares of 20p each	**13,809**	13,795

The Company does not have a limited amount of authorised share capital.

The following share transactions have taken place during the year ended 31 December 2025:

	As at 31 December 2025	
	Number	£'000
At 1 January 2025	**68,976,418**	13,795
Exercise of share options	**69,527**	14
At 31 December 2025	**69,045,945**	13,809

	As at 31 December 2024	
	Number	£'000
At 1 January 2024	**60,107,926**	12,022
Exercise of share options	**266,342**	53
Capital increase (net of costs)	**8,602,150**	1,720
At 31 December 2024	**68,976,418**	13,795

Dividends

	As at 31 December	
	2025 £'000	2024 £'000
Ordinary final dividend as at 31 December 2023 of 3.0p per share	**–**	1,803
Ordinary interim dividend paid as at 31 December 2024 of 2.0p per share	**–**	1,216
Ordinary final dividend as at 31 December 2024 of 3.0p per share	**2,070**	–
Ordinary interim dividend paid as at 31 December 2025 of 2.2p per share	**1,517**	–
	3,587	3,019

The interim dividend of 2.2 pence per share was paid in November 2025.

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.

24. IFRS 16 Leases

The balance sheet shows the following amounts relating to leases as at 31 December 2025:

	As at 31 December 2025 £'000	As at 31 December 2024 £'000
Buildings	**1,538**	1,237
Vehicles	**1,312**	1,074
Other	**203**	5
Total right-of-use assets	**3,053**	2,316
Current lease liabilities	**1,204**	841
Non-current lease liabilities	**2,024**	1,594
Total lease liabilities	**3,228**	2,435

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and buildings £'000	Vehicles £'000	Other £'000	Total £'000
Acquisition value/cost				
As at 1 January 2024	2,367	2,518	19	4,904
Additions	178	594	3	775
Disposals	(97)	(519)	–	(616)
Disposal of Identicare Limited	(351)	–	(7)	(358)
Currency translation	(90)	(116)	(1)	(207)
Contract modifications	63	29	–	92
As at 31 December 2024	2,070	2,506	14	4,590
Additions	**–**	**884**	**200**	**1,084**
Acquired assets through business combinations	**812**	**–**	**–**	**812**
Disposals	**–**	**(691)**	**–**	**(691)**
Currency translation	**88**	**125**	**10**	**223**
Contract modifications	**37**	**(166)**	**48**	**(81)**
As at 31 December 2025	**3,007**	**2,658**	**272**	**5,937**
Accumulated depreciation				
As at 1 January 2024	**(782)**	**(1,298)**	**(5)**	**(2,085)**
Depreciation charge for the year	(294)	(730)	(4)	(1,028)
Disposals	97	519	–	616
Disposal of Identicare Limited	111	–	–	111
Contract modifications	–	8	–	8
Currency translation	35	69	–	104
As at 31 December 2024	(833)	(1,432)	(9)	(2,274)
Depreciation charge for the year	**(573)**	**(733)**	**(59)**	**(1,365)**
Disposals	**–**	**648**	**–**	**648**
Contract modifications	**(9)**	**244**	**–**	**235**
Currency translation	**(54)**	**(73)**	**(1)**	**(128)**
As at 31 December 2025	**(1,469)**	**(1,346)**	**(69)**	**(2,884)**
Net book value				
At 31 December 2024	1,237	1,074	5	2,316
At 31 December 2025	**1,538**	**1,312**	**203**	**3,053**

24. IFRS 16 Leases CONTINUED

Below are the values for the movements in lease liability during the year:

	Lease liability £'000
As at 1 January 2025	**2,435**
Additions	1,084
Change due to business combination	812
Interest expense	182
Payments	(1,507)
Modifications	142
Currency translation adjustment	80
As at 31 December 2025	**3,228**

	Lease liability £'000
At 1 January 2024	**2,943**
Additions	775
Disposal of Identicare Limited	(297)
Interest expense	114
Payments	(1,090)
Modifications	99
Currency translation adjustment	(109)
At 31 December 2024	**2,435**

The following amounts are recognised in the income statement:

	As at 31 December	
	2025 £'000	2024 £'000
Depreciation expense of right-of-use assets	**(1,365)**	(1,028)
Interest expense on lease liabilities	**(182)**	(114)
Gain on IFRS 16 modification	**(10)**	1
Expense relating to short-term leases and low-value assets	**(262)**	(182)
Total amount recognised in the income statement	**(1,819)**	(1,323)

Cash-flows relating to leases are presented as follows:

- Cash payments for the principal portion of the lease liabilities as cash flows from financing activities
- Cash payments for the interest portion consistent with presentation of interest payments chosen by the Group
- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities as cash flows from operating activities. In the current and prior year, the cash flow for these items equalled the charge to the income statement

25. Risks

In the exercise of its business activity, the Group is exposed to credit, liquidity and market risks.

Credit risk

As of 31 December 2025 the Group's maximum credit risk exposure amounted to £15,974k, corresponding to the trade receivables reported in the consolidated financial statements (2024: £13,501k).

The Group manages this risk through a stringent credit collection process. Historically, no significant bad debt losses have been incurred. Additionally, the Group does not have any individual customers that account for a material proportion of either the consolidated turnover or the year-end trade receivables balance.

The following is an ageing schedule of trade receivables:

	Total £'000	Non-due £'000	< 30 days £'000	31–60 days £'000	61–90 days £'000	91–180 days £'000	> 181 days £'000	Expected loss rate
31 December 2025	**15,974**	**14,805**	**723**	**94**	**370**	**20**	**(38)**	**0.5%**
Receivables	16,059	14,805	723	94	370	105	(38)	
Expected credit loss	85	–	–	–	–	85	–	
31 December 2024	**13,501**	**12,806**	**637**	**185**	**(72)**	**(34)**	**(21)**	**0.3%**
Receivables	13,544	12,806	637	185	(72)	(34)	22	
Expected credit loss	43	–	–	–	–	–	43	

Liquidity risk

Liquidity risk represents the risk that the Group may be unable to meet its financial obligations as they fall due. The Group manages this risk by relying primarily on operating cash flows to service its financing commitments and by maintaining sufficient headroom on its existing credit facilities to provide an additional working capital buffer.

As at 31 December 2025, the Group had the following sources of liquidity available:

- Cash and cash equivalents: £2,913k
- Undrawn credit facilities with a syndicate of four banks: £33,159k

25. Risks CONTINUED

The table below provides an analysis of the maturity dates of the financial liabilities:

	< 1 year £'000	1–3 years £'000	4–5 years £'000	> 5 years £'000	Total £'000
At 31 December 2025					
Borrowings[1]	(2,177)	(9,878)	–	–	(12,055)
Lease liabilities	(1,307)	(1,874)	(293)	(12)	(3,486)
Trade payables	(12,010)	–	–	–	(12,010)
Other current liabilities	(4,887)	–	–	–	(4,887)
Total	**(20,381)**	**(11,752)**	**(293)**	**(12)**	**(32,438)**

	< 1 year £'000	1–3 years £'000	4–5 years £'000	> 5 years £'000	Total £'000
At 31 December 2024					
Borrowings[1]	(1,021)	(2,927)	(16,886)	–	(20,834)
Lease liabilities	(841)	(1,290)	(325)	(143)	(2,599)
Trade payables	(12,545)	–	–	–	(12,545)
Other current liabilities	(5,213)	–	–	–	(5,213)
Total	**(19,620)**	**(4,217)**	**(17,211)**	**(143)**	**(41,191)**

1 The maturity analysis for borrowings includes both principal and the related interest components, reflecting the variable interest rate in effect at the reporting date. This results in £60k being included within borrowings due within one year and £15k within borrowings due in one to three years, whereas the balance sheet presents only the contractual principal amounts.

The amounts disclosed in the table above are the contractual undiscounted cash flows. The lease liabilities are translated at closing rate. Balances due within one year equal their carrying balances as the impact of discounting is not significant.

The Group's indebtedness and its restrictions and covenants agreed upon in the financing agreements may adversely affect the Group's liquidity position. Any breach of covenants can lead to loans being immediately due and payable.

To enhance cash management, the Group operates an international cash pooling system across multiple banks, designed to reduce excess cash holdings. The Group closely monitors cash balances across its entities and utilises short-term credit line withdrawals to further optimise cash levels.

Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies which give rise to the risks associated with currency exchange rate fluctuations. Exposures are managed by a combination of matching foreign currency income and expenditure, maintaining foreign currency deposits and the use of forward contracts. The carrying values of the Group's foreign currency assets and liabilities, including intercompany balances, at the reporting date were:

	As at 31 December			
	Assets 2025 £'000	Asset 2024 £'000	Liabilities 2025 £'000	Liabilities 2024 £'000
EUR/GBP	**(491)**	13,328	**79,934**	62,435
GBP/EUR	**307**	30,245	**56**	44,267
EUR/USD	**1,994**	1,460	**2,007**	703
GBP/USD	**(134)**	–	**26**	153
EUR/CAD	**–**	–	**18**	17
EUR/SEK	**7**	6	**–**	2
EUR/DKK	**–**	–	**1**	1
EUR/AUD	**26,123**	59,327	**–**	–
GBP/AUD	**324**	324	**–**	–
AUD/USD	**–**	–	**24**	–
AUD/GBP	**–**	–	**48**	–
AUD/NZD	**248**	–	**2**	–
NZD/AUD	**–**	–	**425**	–
AED/AUD	**–**	–	**524**	–

The cumulative effect of the foreign currency translation effects is reported as other reserves in the statement of financial position and amounts to £1,915k (2024: £2,090k) with the movement of £175k charge (2024: charge of £528k) recognised through the consolidated statement of comprehensive income.

At the end of the reporting year, the Group is mainly exposed to EUR, AUD and USD. The following table details the effect of a 10.0% increase and decrease in the exchange rate of these currencies against the functional currencies GBP and EUR when applied to outstanding monetary items denominated in foreign currency as at 31 December 2025. A positive number indicates that an increase in profit would arise from a 10.0% change in value of GBP, EUR or AUD against these currencies; a negative number indicates that a decrease would arise.

	Strengthening £'000	Weakening £'000
EUR/GBP	8,043	(8,043)
GBP/EUR	5,578	(5,578)
AED/AUD	52	(52)
NZD/AUD	42	(42)
GBP/USD	16	(16)
EUR/CAD	2	(2)
GBP/AUD	(32)	32
EUR/USD	1	(1)
AUD/NZD	(25)	25
EUR/AUD	(2,621)	2,621
AUD/USD	2	(2)
AUD/GBP	5	(5)

25. Risks CONTINUED

Interest rate risk

The maturity dates and interest rates of the Group's financial debts and liabilities are detailed in note 18. The Group's exposure to interest rate risk primarily relates to its existing borrowing facilities, which are subject to variable interest rates. There are no significant differences between the nominal interest rates disclosed in note 18 and the effective interest rates of these loans.

A 100 basis point (bp) change in interest rates would have impacted the Group's financial result by approximately £149k in 2025 and £154k in 2024. In 2025, a 100 bp increase would have reduced the financial result, while a 100 bp decrease would have improved it. In 2024, the opposite applied: a 100 bp increase would have improved the financial result, and a 100 bp decrease would have reduced it. The change in sensitivity between years reflects the Group's cash management approach. In 2024, the Group held excess cash in term deposits, increasing exposure to interest rate movements. In 2025, no excess cash was placed in term deposits, resulting in a lower potential uplift from rising rates and a corresponding shift in the sensitivity profile.

26. Remuneration paid to the Company's auditors

	For the year ended 31 December	
	2025 £'000	**2024 £'000**
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**316**	324
The audit of the Company's subsidiaries pursuant to legislation	**176**	151
Total audit fees	**492**	475
Other services	**10**	9
Total non-audit fees	**10**	9
Total auditors' remuneration	**502**	484
Of which paid to:		
Current auditor	**502**	409
Prior auditor	**–**	75

27. Share-based payments

The Group operates a number of equity-settled share-based payment programmes that allow employees to acquire shares in the Group. The Group also operates long-term incentive plans for certain members of the Senior Executive team and other members of the Leadership team. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of such equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions (with a corresponding movement in equity).

The fair value of the options issued under the long-term incentive plan have been determined using industry standard methods, in conjunction with a third-party valuation specialist.

The Group recognised a total share-based payment charge of £214k (2024: £678k). In the prior year, £259k of the total charge was included within nonunderlying items

Long-term incentive plan (LTIP)

The Group has made a number of awards pursuant to the long-term incentive plan as follows:

	2025 LTIP option	2024 LTIP option	2023 LTIP option	2022 LTIP option	2021 LTIP option	2020 LTIP option	2019 LTIP option
Outstanding at 1 January	**–**	**439,690**	**168,008**	**280,579**	**–**	**–**	**–**
Granted during the year	449,367	–	–	–	–	–	–
Vested during the year	–	–	–	(250,062)	–	–	–
Lapsed during the year	–	–	(75,048)	(30,517)	–	–	–
Outstanding at 31 December	**449,367**	**439,690**	**92,960**	**–**	**–**	**–**	**–**
Exercisable at 31 December 2025				214,284	99,055	11,844	7,916

The options outstanding and exercisable at the year-end have a weighted average remaining contractual life of 8.3 years.

The options granted will vest subject to the following performance conditions based on EPS being met:

Earnings per share growth	Extent to which EPS tranche will vest
Less than 3%	0%
3%	25%
10%	100%
Between 3% and 10%	Between 25% and 100% on a straight-line basis

All options granted are subject to the same TSR performance criteria as per the table below:

Rank of the Company's TSR compared to the comparator group	Extent to which the TSR tranche will vest
Upper quartile or above	100%
Between median and upper quartile	Pro rata between 25% and 100% on a ranking basis
Median	25%
Below median	0%

27. Share-based payments CONTINUED

2025 LTIP Options

On 28 November 2025 and 22 December 2025, the Board approved two separate grants of nil-cost options under the LTIP. These comprised 155,145 options awarded to members of the Leadership Team and 294,222 options awarded to members of the Senior Executive Team, each over ordinary shares with a nominal value of 20.0 pence per share. The awards will become exercisable upon vesting on 31 December 2027 and 22 December 2028 respectively and may be exercised until 28 November 2035 and 22 December 2035, being the tenth anniversary of the relevant grant dates.

50% of the option award will be subject to the EPS performance condition and the remaining 50% will be subject to the TSR performance condition. Accordingly, if one of the performance conditions is met but the other is not, the Option award will vest in part.

Inputs into the option pricing models were as follows:

	Senior Executive Team	Leadership Team
Weighted average share price	£2.38	£2.49
Weighted average exercise price	£0.20	£0.20
Expected volatility	27.2%	26.7%
Expected life	2.03 years	2.09 years
Expected dividend yield	2.02%	2.09%
Fair value per option – EPS tranche	£2.05	£2.20
Fair value per option – TSR tranche	£1.77	£1.89
Risk-free rate	3.67%	3.62%

2024 LTIP Options

On 24 April 2024, the Board approved the grant of nil-cost options under the LTIP over a total of 439,690 ordinary shares with a nominal value of 20.0 pence per share which were awarded to certain members of the Senior Executive Team. The options were originally intended to be granted on 30 October 2023, however were deferred due to MAR-related conditions. The LTIP awards will vest on 31 December 2026 subject to the performance criteria being met over the three-year financial period ending 31 December 2026. On vesting, awards can be exercised until 24 April 2034, being the tenth anniversary of the date of grant.

50% of the option award will be subject to the EPS performance condition and the remaining 50% will be subject to the TSR performance condition. Accordingly, if one of the performance conditions is met but the other is not, the Option award will vest in part.

Inputs into the option pricing models were as follows:

Weighted average share price	£2.17
Weighted average exercise price	£Nil
Expected volatility	27.9%
Expected life	2.69 years
Expected dividend yield	2.30%
Fair value per option – EPS tranche	£2.03
Fair value per option – TSR tranche	£1.50
Risk-free rate	3.85%

2023 LTIP Options

On 30 October 2023, the Board approved the grant of nil-cost options under the LTIP over a total of 194,346 ordinary shares with a nominal value of 20.0 pence per share which were awarded to certain members of the Senior Executive Team and Leadership Team. During the year 75,048 of the options lapsed due to cessation of employment, leaving 92,960 options outstanding.

The LTIP awards will vest on 31 December 2026 subject to the performance criteria being met over the three-year financial period ending 31 December 2026. On vesting, awards can be exercised until 30 October 2033, being the tenth anniversary of the date of grant.

50% of the option award will be subject to the EPS performance condition and the remaining 50% will be subject to the TSR performance condition. Accordingly, if one of the performance conditions is met but the other is not, the Option award will vest in part.

The fair value of the options issued under the LTIP have been determined using industry standard methods, in conjunction with a third-party valuation specialist.

Inputs into the option pricing models were as follows:

Weighted average share price	£1.73
Weighted average exercise price	£Nil
Expected volatility	31.8%
Expected life	3.2 years
Expected dividend yield	2.55%
Fair value per option – EPS tranche	£1.59
Fair value per option – TSR tranche	£1.08
Risk-free rate	4.39%

2022 LTIP options

On 28 April 2022, the Board approved the grant of nil-cost options under the LTIP over a total of 302,037 ordinary shares with a nominal value of 20.0 pence per share which were awarded to the Company's Executive Directors and certain members of the Senior Executive Team and Leadership Team. During 2023 and 2024 8,175 and 13,283 of the options lapsed respectively due to cessation of employment, leaving 280,579 options outstanding.

On 1 July 2025, 250,062 options vested,with the remaining 30,517 options lapsed. Of the 250,062 vested options, 35,778 options were exercised during the year, leaving 214,284 options unexercised as at 31 December 2025. The participants have 6.5 years in which to exercise these options.

Details of the performance targets set and actual achievement against them in respect of the 2022 LTIP awards vesting, based on a three-year performance to1 July 2025, are set out below:

Performance measure	Weighting	Performance period end	Threshold (25% vesting)	Maximum (100% vesting)	Actual	% of vesting award
Underlying EPS	50%	1 July 2025	13.0p	15.8p	14.8p	78%
TSR	50%	1 July 2025	Median	Upper quartile	Upper quartile	100%

2021 LTIP option

On 31 December 2024, 124,307 options vested, with the remaining 124,307 options lapsed. Of the 120,307 vested options, 25,252 options were exercised during the year, leaving 99,055 options unexercised as at31 December 2025. The participants have 6 years in which to exercise these options.

2020 LTIP options

On 31 December 2023, 164,982 options vested, with the remaining 164,982 options lapsed. Of the 20,341 vested options brought forward to 1 January 2025, 8,497 options were exercised during the year, leaving 11,844 options unexercised as at 31 December 2025. The participants have 4.9 years in which to exercise these options.

2019 LTIP options

On 6 June 2022, 145,382 options vested, with the remaining 198,709 options lapsed. Of the 7,916 vested options brought forward to 1 January 2025, nil options were exercised during the year, leaving 7,916 options unexercised as at 31 December 2025. The participants have 3.4 years in which to exercise these options.

28. Related party transactions

This disclosure provides an overview of all transactions with related parties. Interests in subsidiaries are disclosed in note 29.

Transactions between the Company and its subsidiaries, which are related parties, are eliminated in the Consolidated Financial Statements and no information is provided thereon in this section.

Remuneration of the Directors, who are the key management personnel of the Group, is included in the Directors' Remuneration Report, and further disclosed below:

	For the year ended 31 December	
	2025 £'000	**2024 £'000**
Short-term employee benefits	**1,222**	1,583
Post-employment benefits	**27**	27
Share-based payments	**168**	213
Total	**1,417**	1,823

Short-term employee benefits include £nil (2024: £392k) arising from gains associated with the exercise of LTIP options during the year.

In addition, during the year the Group also acquired a 25% minority interest in InVetro Pty Ltd. This transaction is classified as a related party transaction under IAS 24 Related Party Disclosures, as InVetro Pty Ltd is an associate of the Group and not a wholly owned subsidiary. The total consideration paid amounted to £1,440k – see note 13.

29. Subsidiary undertakings

Name	Country of incorporation	Registered address	% equity interest 2025	% equity interest 2024	Consolidation method
Ecuphar NV	Belgium	Legeweg 157i, 8020 Oostkamp	100%	100%	Fully consolidated
Ecuphar BV	The Netherlands	Verlengde Poolseweg 16, 4818 CL Breda	100%	100%	Fully consolidated
Ecuphar Veterinary Products BV	The Netherlands	Verlengde Poolseweg 16, 4818 CL Breda	100%	100%	Fully consolidated
Ornis Sarl	France	Rue de Roubaix 33, 59200 Tourcoing	100%	100%	Fully consolidated
Ecuphar GmbH	Germany	Brandteichstraße 20, 17489 Greifswald	100%	100%	Fully consolidated
Euracon Pharma Consulting und Trading GmbH	Germany	Max-Planck Str. 11, 85716 Unterschleißheim	100%	100%	Fully consolidated
Ecuphar Veterinaria Slu	Spain	C/ Cerdanya, 10-12, pl 6. 08173 Sant Cugat del Vallés Barcelona	100%	100%	Fully consolidated
Ecuphar Italia S.r.l	Italy	Viale Francesco Restelli, 3/7, piano 1, 20124 Milano	100%	100%	Fully consolidated
Belphar LDA	Portugal	Sintra Business Park, Edifício 1, Escritório 2K 2710-089 Sintra	100%	100%	Fully consolidated
Animalcare Ltd	United Kingdom	Moorside, Monks Cross, York, YO32 9LB	100%	100%	Fully consolidated
Animalcare Australia Pty Ltd	Australia	71 Milperra Rd, Revesby NSW	100%	100%	Fully consolidated
Randlab Australia Pty Ltd	Australia	71 Milperra Rd, Revesby NSW 2212	100%	0%	Fully consolidated
Randlab Middle East Veterinary Medicines Trading LLC	United Arab Emirates	Warehouse 5 Area 3, AL Qusais Industrial Estate, Dubai	100%	0%	Fully consolidated
Randlab (New Zealand) Ltd	New Zealand	3/180 Montgomerie Road, Mangere, Auckland, New Zealand	100%	0%	Fully consolidated
Randlab Pty Ltd	Australia	71 Milperra Rd, Revesby NSW 2212	100%	0%	Fully consolidated
InVetro Pty Ltd	Australia	Level 24, Three International Towers, 300 Barangaroo Avenue, Barangaroo, NSW 2000	25%	0%	Equity method

30. Subsequent events

On 16 April 2026, subsequent to the reporting date, Animalcare Group plc announced that it had reached agreement on the terms of a recommended cash offer by CCP Paw 2 Limited, a wholly owned indirect subsidiary of funds managed by Charterhouse Capital Partners LLP, to acquire the entire issued and to be issued share capital of the Company. Further details are set out in the scheme document that was published on 12 May 2026.

The announcement constitutes a non adjusting event after the reporting period for the purposes of IAS 10 – Events after the Reporting Period, and accordingly no adjustments have been made to the financial statements in respect of this.

Company Statement of Financial Position

AS AT 31 DECEMBER 2025

	Note	As at 31 December 2025 £'000	2024 £'000
Non-current assets			
Investments in subsidiary companies	4	**148,696**	148,293
Trade and other receivables	5	**57,668**	19,448
Right-of-use-assets	8	**8**	20
Deferred tax asset	9	**454**	571
		206,826	168,332
Current assets			
Trade and other receivables	5	**2,850**	8,643
Cash and cash equivalents	6	**–**	14
		2,850	8,657
Total assets		**209,676**	176,989
Current liabilities			
Trade and other payables	7	**(994)**	(1,180)
Lease liabilities	8	**(7)**	(12)
		(1,001)	(1,192)
Net current assets		**1,849**	7,465
Non-current liabilities			
Lease liabilities	8	**–**	(7)
Trade and other payables	7	**(24,365)**	–
		(24,365)	(7)
Total liabilities		**(25,366)**	(1,199)
Net assets		**184,310**	175,790
Capital and reserves			
Called-up share capital	10	**13,809**	13,795
Share premium account		**149,992**	149,992
Retained earnings		**20,509**	12,003
Total shareholders' funds		**184,310**	175,790

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present a separate Profit and Loss account in these separate financial statements. The total comprehensive income dealt with in the financial statements of the Company was £11,677k (2024: £6,883k).

The notes on pages 168 to 175 are an integral part of these financial statements.

The financial statements of Animalcare Group plc, registered number 01058015, on pages 166 to 175, were approved by the Board of Directors and authorised for issue on 13 May 2026. They were signed on their behalf by:

JENNIFER WINTER
Chief Executive Officer

CHRIS BREWSTER
Chief Financial Officer

Company Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2025

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 January 2024		12,022	132,798	7,745	152,565
Total comprehensive income for the year		–	–	6,883	6,883
Transactions with owners of the Company, recognised in equity:					
Capital increase (net of costs)	10	1,720	17,194	–	18,914
Exercise of share options	10	53	–	–	53
Dividends paid	3	–	–	(3,019)	(3,019)
Share-based remuneration	11	–	–	394	394
Balance at 31 December 2024 and 1 January 2025		**13,795**	**149,992**	**12,003**	**175,790**
Total comprehensive income for the year		**–**	**–**	**11,677**	**11,677**
Transactions with owners of the Company, recognised in equity:					
Exercise of share options	10	**14**	**–**	**–**	**14**
Dividends paid	3	**–**	**–**	**(3,587)**	**(3,587)**
Share-based remuneration	11	**–**	**–**	**416**	**416**
Balance at 31 December 2025		**13,809**	**149,992**	**20,509**	**184,310**

Notes to the Company Financial Statements

YEAR ENDED 31 DECEMBER 2025

1. Material accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the Company.

Financial Information

Animalcare Group plc ("the Company") is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is domiciled in the United Kingdom. The address of its registered office is Moorside, Monks Cross, York, YO32 9LB. The Company's principal activities are that of a holding company for the Group's subsidiaries.

Basis of preparation

The Company financial statements cover year from 1 January 2025 to 31 December 2025.

The financial statements have been prepared and approved by the Directors under the historical cost convention, in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and in conformity with the requirements of the Companies Act 2006.

The Company has elected to adopt FRS 101 for the year ended 31 December 2025 and its comparatives. In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but has made amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions. The Company has departed from consistent accounting policies with the Group as the Group financial statements are prepared under UK-adopted international accounting standard and the Company Directors have taken the decision to prepare the Company financial statements in accordance with FRS 101.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present a separate Profit and Loss account in these separate financial statements. The total comprehensive income dealt with in the financial statements of the Company was £11,677k (2024: £6,883k profit).

Disclosure exemptions adopted

Under FRS 101, the following disclosures exemptions have been adopted:

- Preparation of a cash flow statement – IAS 7 Statement of Cash flows
- Paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment requiring the details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the Group as they are wholly owned within the Group
- Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation)
- Paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- IFRS 7 Financial Instruments: Disclosure

Going concern

The Company is the Parent of the Group, therefore for the purposes of the assessment of going concern the Group as a whole is considered, as financing is arranged on a group-wide basis.

As of 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 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 optimizes 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%

As of 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.

The principal risks and uncertainties facing the Group are set out in the Strategic Report.

The Directors have prepared cash flow forecasts covering a period to December 2027, being at least twelve months from the date of approval of these financial statements (the going concern assessment period). These forecasts indicate that the Group will have sufficient funds and liquidity to meet its obligations as they fall due, in particular when taking into account the potential impact of "severe but plausible" downside scenarios to factor in a range of downside revenue estimates, higher than expected inflation across our cost base, and a higher level of investment in our early-stage R&D portfolio, with corresponding mitigating actions. The Group also conducted a reverse stress test assessment to evaluate the performance decline necessary to breach its banking covenants. The required decline was found to be so severe that it was considered implausible, as it would necessitate a significant reduction in both gross margin and cash conversion to breach the Group's tightest covenant. The output from these scenarios shows that the Group expects to comply with its banking covenants associated with the current committed facilities throughout the going concern assessment period. Subsequent to the reporting date, on 16 April 2026, the Group announced a recommended acquisition (the "Acquisition") of Animalcare Group plc by CCP Paw 2 Limited, a wholly-owned indirect subsidiary of funds managed by Charterhouse Capital Partners LLP ("Charterhouse"). Completion of the transaction remains subject to customary conditions, including shareholder approval and court sanction, and therefore there is uncertainty at the date of approval of these financial statements as to whether, and when, the transaction will complete.

The Directors have considered Charterhouse's stated intentions for the Group, but acknowledge that decisions as to the future of the Group will be outside of their control.

The Acquisition, therefore, gives rise to a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding this, these financial statements have been prepared on a going concern basis and therefore do not contain the adjustments that would result if the Group was unable to continue as a going concern. The Directors do not expect this to impact the continued operation of the Group in the 12 months from the date of approval of these financial statements.

In the event that the acquisition does not complete, the Group would continue to operate as normal, relying on its existing funding arrangements and the successful execution of its business plan. Notwithstanding the uncertainty set out above, and for the reasons set out above, the Directors are satisfied that it is appropriate to prepare the Group financial statements on a going concern basis.

Employee benefits – pensions

The Company operates a stakeholder pension scheme available to all eligible employees. Payments to this scheme are charged as an expense as they fall due.

Investments in subsidiaries

Investments in Group companies are stated at cost less provisions for impairment losses.

Share options issued by the Company to employees in a subsidiary of the Group are capitalised as an asset in the Company's financial statements. The capitalised amount is recorded as an investment in the subsidiary, and the value of the issued Share Options is transferred to the subsidiary. The transfer is recorded as an intercompany transaction, with the corresponding entry in the subsidiary's financial statements.

Impairment indicator assessments are undertaken annually at the financial year end.

Whenever events or changes in circumstances indicate that the carrying amount of investments may not be recoverable, they are subject to impairment tests.

Where the carrying value of investments exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the investments are written down accordingly.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to future cash flows projected after the fifth year.

Impairment charges are included in profit or loss.

Dividends

Dividends paid are recognised within the statement of changes in equity only when an obligation to pay the dividend arises prior to the year end.

Share-based payments

The Company operates a number of equity-settled share-based payment programmes that allow employees to acquire shares of the Company via a Long-Term Incentive Plan for certain members of the Leadership Team and Executive Directors. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of such equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions (with a corresponding movement in equity).

The fair value of the options issued under the Long-Term Incentive Plan has been determined using industry standard methods, in conjunction with a third-party valuation specialist.

1. Material accounting policies CONTINUED

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be financial instruments and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

The Company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits repayable on demand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Shares issued by the company are recognised through equity and measured at the fair value of the proceeds received, net of directly attributable transaction costs. The par value of issued shares is recorded in share capital, and any amount received in excess of the par value is recorded through share premium. Direct costs related to the issuance of shares are deducted from the proceeds and recorded as a reduction in share premium. Indirect costs are expensed as incurred.

New standards adopted as of 2025

Standards and interpretations applicable for the annual period beginning on or after 1 January 2025

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The Group has no transactions that would be affected by the newly effective standards or its accounting policies are already consistent with the new requirements. The Group has not early adopted any standards.

Material accounting judgements, estimates and assumptions

CARRYING VALUE OF INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiaries are reviewed annually for impairment. This assessment required management to make significant judgements and estimates, including an initial assessment as to whether indicators are identified. When indicators are identified, determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investment's value in use or consideration of the net asset value of the entity. These value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. Where such calculations are required, they prepared in conjunction with the impairment test in relation to goodwill, details of which are provided in note 10 of the consolidated financial statements.

2. Directors' remuneration and interests

Information relating to Directors' emoluments and share options, including awards made during the financial year, is set out in note 8.7 of the Group's consolidated financial statements.

3. Dividends

	For the year ended 31 December	
	2025 £'000	**2024 £'000**
Ordinary final dividend for the year ended 31 December 2023 of 3.0p per share	**–**	1,803
Ordinary interim dividend paid for the year ended 31 December 2024 of 2.0p per share	**–**	1,216
Ordinary final dividend for the year ended 31 December 2024 of 3.0 p per share	**2,070**	–
Ordinary interim dividend paid for the year ended 31 December 2025 of 2.2p per share	**1,517**	–
	3,587	3,019

An interim dividend of 2.2 pence per share was paid in November 2025. 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.

4. Investments in subsidiary companies

Subsidiary undertakings

Cost and net book value	2025 £'000	2024 £'000
At 1 January	**148,293**	148,114
LTIP awards for subsidiary employees	**403**	179
At 31 December	**148,696**	148,293

Investments in subsidiaries are assessed annually to determine if there is any indication that these may be impaired.

4. Investments in subsidiary companies CONTINUED

A list of the subsidiary undertakings at the date of the statement of financial position, all of which are wholly owned, is given below.

Name	Country of registration or incorporation	Registered address	Principal activity	Class
Ecuphar NV	Belgium	Legeweg 157i, 8020 Oostkamp	Holding company, marketer of veterinary pharmaceuticals	Ordinary
Animalcare Limited[1]	United Kingdom	Moorside, Monks Cross, York YO32 9LB	Developer and marketer of veterinary pharmaceuticals	Ordinary
Ecuphar BV[1]	The Netherlands	Verlengde Poolseweg 16, 4818 CL Breda	Marketer of veterinary pharmaceuticals	Ordinary
Ecuphar Veterinary Products BV[1]	The Netherlands	Verlengde Poolseweg 16, 4818 CL Breda	Non-trading	Ordinary
Ornis SARL[1]	France	Rue de Roubaix 33, 59200 Tourcoing	Non-trading	Ordinary
Ecuphar GmbH[1]	Germany	Brandteichstraße 20, 17489 Greifswald	Marketer of veterinary pharmaceuticals	Ordinary
Euracon Pharma Consulting & Trading GmbH[1]	Germany	Max-Planck Str. 11, 85716 Unterschleißheim	Non-trading	Ordinary
Ecuphar Veterinaria SLU[1]	Spain	Carrer Cerdanya, 10, 12, 08173 Sant Cugat del Vallès, Barcelona	Developer and marketer of veterinary pharmaceuticals	Ordinary
Ecuphar Italia SRL[1]	Italy	Viale Francesco Restelli, 3/7, piano 1, 20124 Milano	Marketer of veterinary pharmaceuticals	Ordinary
Belphar LDA[1]	Portugal	Sintra Business Park , nº 7, Edifício 1-Escritório 2K, 2710 089 Sintra	Marketer of veterinary pharmaceuticals	Ordinary
Animalcare Australia Pty[1]	Australia	71 Milperra Rd, Revesby NSW 2212	Holding company	Ordinary
Randlab Australia Pty Ltd[1]	Australia	71 Milperra Rd, Revesby NSW 2212	Marketer of veterinary pharmaceuticals	Ordinary
Randlab Middle East Veterinary Medicines Trading LLC[1]	United Arab Emirates	Warehouse 5 Area 3, AL Qusais Industrial Estate, Dubai	Marketer of veterinary pharmaceuticals	Ordinary
Randlab (New Zealand) Ltd[1]	New Zealand	3/180 Montgomerie Road, Mangere, Auckland, New Zealand	Marketer of veterinary pharmaceuticals	Ordinary
Randlab Pty Ltd[1]	Australia	71 Milperra Rd, Revesby NSW 2212	Holding company	Ordinary

1 These subsidiaries are indirectly owned through related undertakings in the list.

5. Trade and other receivables

Trade and other receivables include the following:

	As at 31 December	
	2025 £'000	2024 £'000
Current receivables		
Corporation tax – Group relief	**2,485**	2,843
Prepayments	**23**	58
Amounts due from subsidiaries	**342**	5,742
Total current receivables	**2,850**	8,643
Non-current receivables		
Amounts due from subsidiaries	**57,668**	19,448
Total non-current receivables	**57,668**	19,448
Total receivables	**60,518**	28,091

The corporation tax receivable reflects the relief allocated to fellow Group companies within the same tax group, arising from the cumulative taxable loss built up within the Company.

The Directors consider that the carrying amount of other receivables approximates to their fair value.

Non-current amounts due from Group undertakings at 31 December 2025 are unsecured, and repayment may only be made with the unanimous written consent of all Parties and only where such repayment would not impair solvency or liquidity. There is no expectation of repayment in the foreseeable future.

Current amounts due from Group undertakings are unsecured, have no fixed repayment date and are repayable on demand.

6. Cash and cash equivalents

	As at 31 December	
	2025 £'000	2024 £'000
Cash and cash equivalents	**–**	14

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less

7. Other financial liabilities

		As at 31 December	
	Note	2025 £'000	2024 £'000
Current liabilities			
Trade payables		**119**	296
Lease liabilities	8	**7**	12
Taxes and social security costs		**139**	126
Other creditors		**140**	201
Accruals		**502**	557
Amounts due to subsidiaries		**94**	–
Total current liabilities		**1,001**	1,192
Non-current liabilities			
Amounts due to subsidiaries		**24,365**	–
Lease liabilities	8	**–**	7
Total non-current liabilities		**24,365**	7
Total financial liabilities		**25,366**	1,199

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

8. IFRS 16 Leases

The balance sheet shows the following amounts relating to leases as at 31 December:

	2025 £'000	2024 £'000
Vehicles	**8**	20
Total right-of-use assets	**8**	20
Current lease liabilities	**7**	12
Non-current lease liabilities	**–**	7
Total lease liabilities	**7**	19

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Vehicles £'000
Acquisition value/cost	
At 1 January 2025 and 31 December 2025	**48**
Accumulated depreciation	
At 1 January 2025	**(28)**
Depreciation charge for the year	**(12)**
At 31 December 2025	**(40)**
Net book value	
At 31 December 2025	**8**

The following amounts are recognised in the income statement:

	For the year ended 31 December 2025 £'000
Depreciation expense of right-of-use assets	**(12)**
Total amount recognised in the income statement	**(12)**

Below are the values for the movements in lease liability during the year:

	Lease liability £'000
As at 1 January 2025	(19)
Payments	12
As at 31 December 2025	**(7)**

Interest expense on lease liabilities recognised in the income statement amounted to less than £1k and is therefore not disclosed in the tables above. There was no expense incurred during the current or prior year in respect of short-term leases, low-value assets or variable lease payments.

9. Deferred tax asset

The following are the major components of the deferred tax assets recognised by the Company, and the movements thereon, during the current and prior reporting period:

	Accelerated tax depreciation £'000	Share-based payments £'000	Tax losses '000	FX gain/loss through OCI £'000	Other £'000	Total £'000
Balance at 1 January 2025	(2)	(488)	–	–	(81)	(571)
Credit to income	–	57	(318)	–	77	(184)
Credit to equity reserves	–	209	(63)	155	–	301
At 31 December 2025	**(2)**	**(222)**	**(381)**	**155**	**(4)**	**(454)**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would move to 25% (rather than remain at 19%, as previously enacted). Deferred taxes as at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. Called-up share capital

Share capital

	As at 31 December	
	2025 Number	2024 Number
Allotted, called up and fully paid ordinary shares of 20p each	**69,045,945**	68,976,418

	As at 31 December	
	2025 £'000	2024 £'000
Allotted, called up and fully paid ordinary shares of 20p each	**13,809**	13,795

The Company does not have a limited amount of authorised share capital.

The following share transactions have taken place during the year ended 31 December 2025:

	2025	
	Number	£'000
At 1 January 2025	**68,976,418**	**13,795**
Exercise of share options	**69,527**	**14**
At 31 December 2025	**69,045,945**	**13,809**

11. Share-based payments

For details of the company's share-based payments arrangements see note 27 of the Group's consolidated financial statements.

12. Subsequent events

For details of the company's subsequent events see note 30 of the Group's consolidated financial statements.

Directors and Advisers

Board of Directors

Chair
Ed Torr

Chief Executive Officer
Jennifer Winter

Chief Financial Officer
Chris Brewster

Non-Executive Directors
Doug Hutchens
Sylvia Metayer
Marc Coucke
Alternate Director to Marc Coucke – Els Degroote

Company Secretary
Chris Brewster

Company Number
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