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UNIVERSAL REGISTRATION DOCUMENT 2024

including the Annual Financial Report

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UNIVERSAL REGISTRATION DOCUMENT 2024

including the Annual Financial Report

Note: this pdf format document is a translation of three chapters of the Universal Registration Document which serves as Annual Financial Report for the year ended December 31, 2024. It is a partial reproduction of the official version in ESEF format which is available on the Vetoquinol website, www.vetoquinol.com.

The original French Universal Registration Document was filed with the AMF (French Financial Markets Authority) on April 24, 2025.

1

PRESENTATION OF THE GROUP

1.1 VETOQUINOL: COMMITMENT AT THE HEART OF OUR MISSION

Vetoquinol's strong commitment, expertise and passion enable us to fulfill our mission: *to enrich people's lives through our commitment to animal health and welfare.*

Our mission reflects a deep commitment to the living beings that share our world. Animals play an essential role in our lives, whether as faithful companions, as part of our diet, or as partners in essential human activities.

We have a responsibility to give them the best in return: care, respect and a better quality of life.

This mission is paved with challenges: complex situations to manage, constraints to overcome, a supply chain to keep constant, a steady flow of innovation. I am convinced that we, the Vetoquinol teams, have the capacity to successfully meet all these challenges.

The work we do together is like a vocation. Every action, every decision, every effort made by our employees contributes directly to the progress of Vetoquinol and animal health.

We must also remember that we are not alone. We are part of a particularly large ecosystem: customers, partners, communities of breeders and pet owners who have relied on us and trusted us for 92 years. It's together that we advance our mission, and it's by supporting each other that we manage to go even further.

Matthieu Frechin
Chairman and Chief Executive Officer

1.2 VETOQUINOL, A TRUSTED PARTNER IN ANIMAL HEALTH

Vetoquinol was established in 1933 and has since become a leading global player in the animal health industry. Vetoquinol develops, produces and sells pharmaceuticals and non-medicinal products for farm animals (cattle, pigs) and companion animals (dogs, cats).

Vetoquinol is one of the world's Top 10 veterinary pharmaceutical companies. The company is committed to sustainability, growth and responsibility, as well as pursuing its human adventure.

Vetoquinol is dedicated to enriching people's lives through its commitment to animal health and welfare.

1.2.1 Business overview

Vetoquinol is a global leader in the development, manufacturing and sale of veterinary drugs and non-medicinal products, with a dedicated focus on animal health. The veterinary profession is undergoing rapid evolution, and as a leading company in the field, Vetoquinol offers customers comprehensive solutions that include pharmaceutical and nutraceutical products, diagnostics, digital applications, and services.

Vetoquinol has developed a range of products called "Essentials", which offer high potential for growth in the market. These products have been designed to meet the key needs identified by vets for pet owners and cattle and pig breeders. These products are intended for sale on a global scale. Their scale effect improves their economic performance.

Vetoquinol's history began in France. Today, over 90 years later, Vetoquinol products are sold in over 60 countries, including 24 countries in which Vetoquinol operates directly. The USA is Vetoquinol's largest market. France accounts for less than 15% of the Group's sales.

Vetoquinol develops and markets several patented products, but the active ingredients in most cases have fallen into the public domain. These royalty-free molecules are complemented by galenic and formulation innovations, which are born of the company's know-how and research efforts. These innovations represent strong differentiating factors and competitive advantages.

Vetoquinol is an active member of national, regional and international bodies representing the profession. In particular, Vetoquinol is a corporate member of Health For Animals and Animal Health Europe. These bodies represent all the leading global veterinary pharmaceutical companies.

Vetoquinol has dedicated its entire business for over 90 years to the veterinary medicine sector. Its activities benefit the vets, animals, pet owners and breeders that it serves.

As a company that serves three target species representing 80% of the global market, Vetoquinol has a balanced risk profile. Vetoquinol operates in both the companion animals and farm animals segments.

1.2.2 Vetoquinol key figures

2,500 EMPLOYEES IN
24 COUNTRIES, THE
LARGEST IN THE ANIMAL
HEALTH BUSINESS

€539 MILLION ANNUAL
SALES IN 2024, INCLUDING
€328 MILLION FROM
ESSENTIAL PRODUCTS

**3 TARGET ANIMAL
SPECIES:**
DOGS, CATS AND CATTLE

---

4 STRATEGIC SEGMENTS:
PARASITICIDES, MOBILITY,
DERMATOLOGY AND DAIRY
COWS

A BROAD CUSTOMER ECOSYSTEM:
VETS, BREEDERS, PET OWNERS,
E-COMMERCE, PHARMACIES, PET SHOPS

1,000 MARKETING
AUTHORIZATIONS (MA)

500+ REGISTERED
BRANDS

---

31 MILLION UNITS
MANUFACTURED
WITH 4000 REFERENCES
(veterinary drugs,
nutraceuticals, diagnostics
and digital solutions)

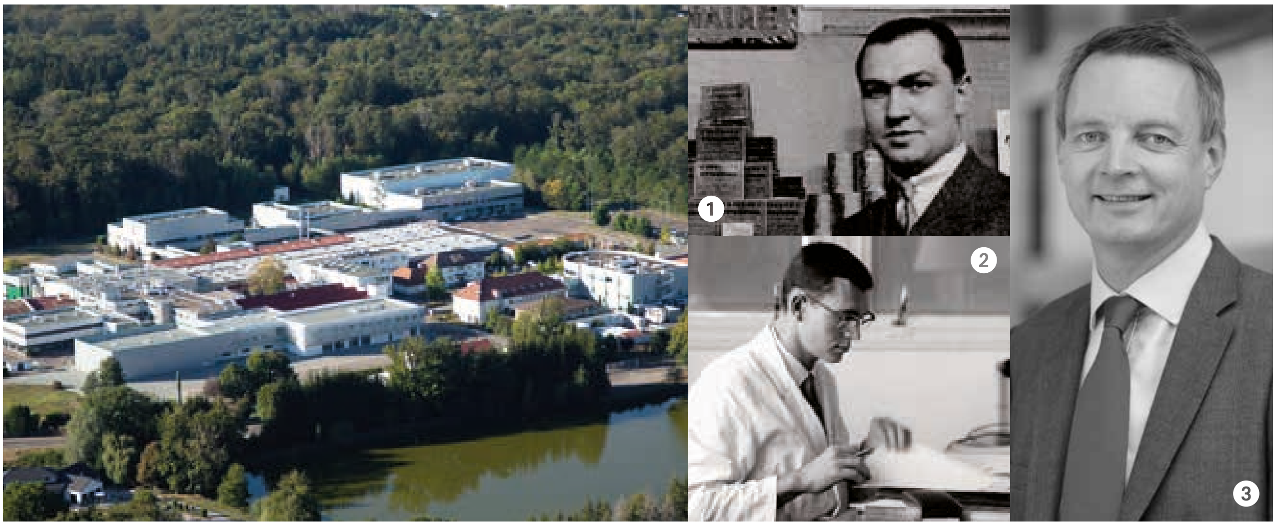
8TH LARGEST ANIMAL HEALTH
COMPANY WORLDWIDE
FAMILY-OWNED COMPANY

3rd generation
at the helm of the Vetoquinol Group

A GLOBAL ANIMAL HEALTH
MARKET VALUED AT **€40BN**

1.2.3 90 years dedicated to animal health

Vetoquinol, a fine long history of entrepreneurship



❶ Joseph Frechin ❷ Étienne Frechin ❸ Matthieu Frechin

Joseph Frechin's inspiration

The company's origins can be traced back to 1933, when it was established in a pharmacy in Lure, a small town in eastern France. Joseph Frechin expanded his pharmacy business to include the production of specialised human pharmaceuticals, naming his company "Laboratoires Biochimiques de l'Est". Mr. Frechin proceeded to build a substantial inventory of oxyquinoline, an antiseptic developed by a chemist friend.

This led him to the decision to utilise the product in a veterinary context. Subsequently, he conducted the inaugural trials with the assistance of his father, Charles Frechin, a highly regarded veterinary surgeon in the area. The outcomes were highly encouraging. The remedy, which was named Vetoquinol, became an instant success and was rapidly made available in many forms, including tablets, powder, gel, oblets, vaginal inserts and creams. In 1948, Joseph Frechin expanded the company into a veterinary department, which became the foundation for Vetoquinol.

Étienne Frechin's far-reaching vision

Following the war, Vetoquinol's expansion was driven by the agricultural sector, which was rebuilding its herds and making increasing use of veterinary medicines. Vetoquinol gradually expanded, employing around 100 people.

In 1962, Étienne Frechin took over the family company to focus on its growth and development. He relocated the company headquarters to Magny-Vernois, a village just outside Lure.

Since then, Vetoquinol has expanded its product range and introduced innovative solutions for customers. By 1980, 20% of sales were already generated outside France.

With a total of 280 employees at the time, the company established an international department and set up subsidiaries in the Netherlands, Ireland and Belgium.

Through acquisitions and mergers, Vetoquinol gradually expanded its global network of subsidiaries.

In 2006, the company successfully completed its IPO, enabling it to secure new funds and expand its operations into new markets. This milestone proved to be an excellent opportunity to enhance its brand image and share its vision for the future of the animal health industry.

Matthieu Frechin's commitment

In April 2010, Matthieu Frechin was appointed Chief Executive Officer of Vetoquinol. As the grandson of the company's founder and the third generation to take the helm, his appointment signifies the shareholders' commitment to continuing Vetoquinol's success story, guided by the same principles of boldness, commitment and independence.

To ensure its continued development, Vetoquinol has decided that it should remain independent. The company's manageable size and family shareholding structure facilitate flexibility and responsiveness.

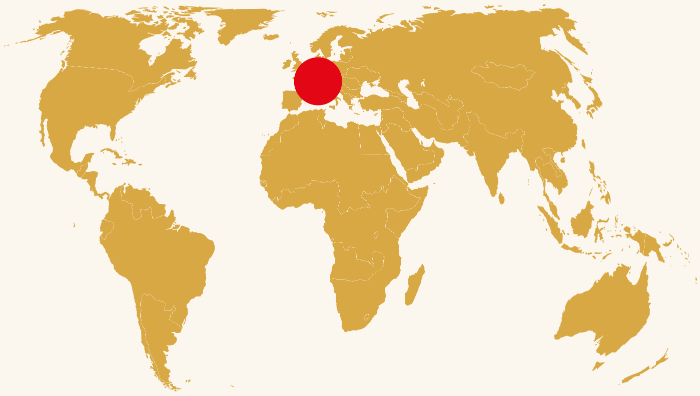
The entrepreneurial focus, innovative approach, and strong team spirit that Matthieu brings to the table are invaluable assets for developing new products and solutions to promote animal health, enhance the daily lives of cattle breeders and pet owners, and assist vets in fulfilling their mission. However, customer needs remain the primary source of our inspiration.

Matthieu Frechin is fostering a new dynamic based on initiative, voluntarism and motivation. This transformation is inspired by Vetoquinol's mission to "enrich people's lives through dedication to animal health and welfare" and by the values shared by employees throughout the Group: trust, dare and collaborate. Vetoquinol is a company that has been shaped by these values. They have created a culture of shared passion, energy, and commitment.

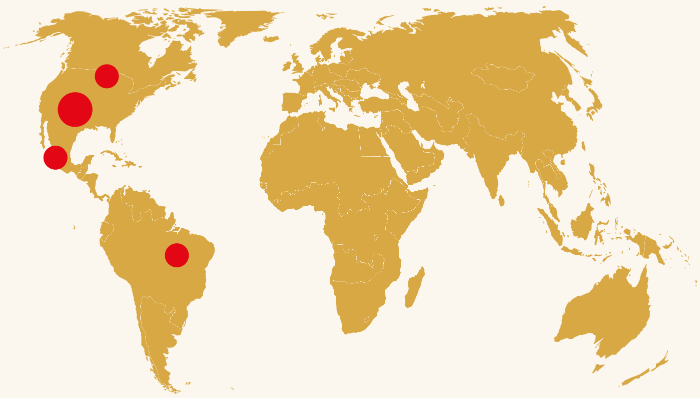
1.2.4 Operations in all main animal health markets

Direct operations in **24 countries**

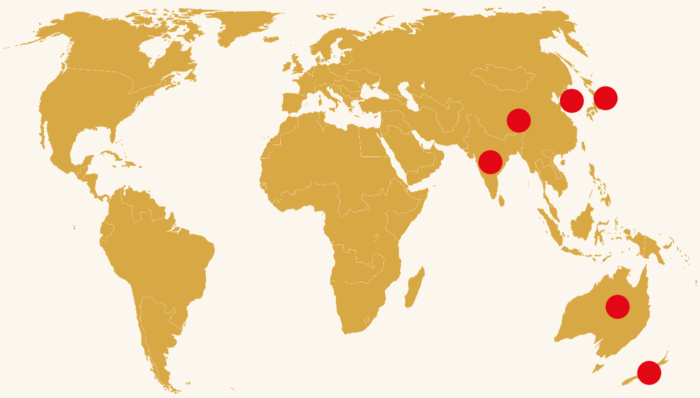
France
Germany
UK
Italy
Spain
Poland
Belgium
The Netherlands
Czech Republic
Austria
Ireland
Portugal
Sweden
Switzerland
USA
Canada
Mexico
Brazil
India
South Korea
China
Australia
Japan
New Zealand



Europe
49%



USA
21%
Americas (excluding the USA)
15%



Asia-Pacific/ rest of the world
15%

More than **30 distributors** worldwide

Proven expertise in company acquisitions

Since Vetoquinol's inaugural subsidiary in the Netherlands in 1977, the Group's development has been primarily driven by external growth. The Group management has consistently pursued an acquisitions strategy, with a focus on commercial and industrial synergies to drive organic sales growth.

Sales and distribution

The Group is divided into four geographical regions: Europe, the USA, Asia-Pacific and Latin America/Canada. In each country, the subsidiary reports to the Business Area (BA) Director to which it is attached, and has its own sales force, marketing department, regulatory department and support functions.

The BA Directors are responsible for managing operations in their respective territories, including partnership management and relationships with local distributors in accordance with the Group's strategy and policies. BA Directors are members of the Group Executive Committee. By the end of December 2024, the Group had a salesforce of over 900 people, qualified to meet customer needs across all subsidiaries. Veterinary experts provide regular technical training for these professionals, while in-house trainers offer guidance on sales and communication skills (Sales Excellence Program).

The company's long-term sales policy is focused on maintaining a high-quality relationship between its veterinary representatives and its veterinary partner customers. This is achieved through active listening and a responsive approach to customer needs. Vetoquinol's customer-centric approach is founded on the principles of listening carefully to customers and identifying and marketing solutions that align precisely with their needs.

Vetoquinol is distinguished by its commitment to providing long-term support to its veterinary partners. Vetoquinol's commitment to quality extends beyond the marketing of products to the design and implementation of value-adding initiatives in collaboration with vets to enhance their daily practice and better serve their clients, pet owners, and breeders. Such tools include digital tools for improved observation and training in technical matters, as well as for selling services.

1.3 VETOQUINOL'S STRATEGY

1.3.1 A strategy focusing on Essential products

Vetoquinol is a leading international pharmaceutical company specialising in the research, manufacture and sale of drugs, non-medicinal products and solutions for the animal health industry.

The veterinary market is evolving rapidly, but remains resilient thanks to the introduction of innovative new products, digital technology, and diagnostic tools that enable Vetoquinol and its customers to respond differently and more effectively to the expectations of breeders, pet owners, and vets. At Vetoquinol, we aim to provide our customers with integrated, complete solutions that meet their needs and integrate the necessary components to achieve results that meet their expectations.

The global human population is expanding, and the demand for animal proteins (such as milk, eggs, and meat) is rising. This is driving livestock farmers around the world to seek greater productivity. They must also focus on the quality, health, and welfare of their animals. Vetoquinol benefits from privileged relationships with veterinarians. As a result, it is well placed to offer breeders advice, products and associated services to assist them in meeting the increasingly complex challenges they face. Vetoquinol's proximity and expertise are invaluable in assisting those tasked with maintaining animal health and preventing zoonotic infections.

The companion animals segment is characterized by sustained growth in mature countries and substantial development potential in emerging countries. Vetoquinol offers solutions that combine efficacy and simplicity of use, which resonate with the unique emotional bonds that pet owners have with their pets. As an animal health company, Vetoquinol selects and is committed to offering cutting-edge solutions to reinforce and safeguard the bond between humans and animals. Vetoquinol’s core mission is to enrich the lives of people and animals by focusing on animal health and welfare.

1.3.2 A multi-specialist strategy geared to “One Health”

The number of significant global health crises has risen sharply over the past century, as the global population has grown, transportation has intensified, the environment has deteriorated, and urban areas have expanded. The health crisis has served as a timely reminder of the importance of working within the context of One Health. One Health promotes an integrated, systemic, and unified approach to public, animal, and environmental health. At Vetoquinol, we recognise the interconnectivity of animal and human health and are committed to implementing a coherent policy in terms of safety, health and the environment.

In order to meet the day-to-day needs of veterinarians, Vetoquinol has developed a range of products, which it refers to as "Essentials". These products cover most of their customers’ needs. These are products with a proven or potential international reach that are either actual or potential leaders in their respective therapeutic field. Vetoquinol offers comprehensive solutions for the majority of treatment areas, with recognised expertise across a range of therapeutic disciplines, including mobility, parasitology, dermatology and dairy cows.

1.4 A HYBRID GROWTH STRATEGY

Vetoquinol's strategic approach is underpinned by sound financial management and robust control of the development, production and marketing process. The business also draws upon extensive expertise in its core areas to drive consistent profitable growth. The external growth strategy has been consistently applied in a measured and controlled manner, with a clear focus on achieving financial results aligned with the company's established standards.

- Targeted growth: Vetoquinol is focusing its resources on a select group of strategic markets and three target species: cattle, dogs, and cats.
- The market for companion animals products remains robust in mature countries despite the challenging economic climate. Household spending on companion animals is high in these countries because they are regarded as an important member of the family. In the farm animals segment, our Group is well positioned to benefit from the increase in the global population and demand for animal proteins.
- Vetoquinol has developed in-depth expertise in targeted therapeutic domains in the companion animals segment. Vetoquinol has selected dermatology, parasitology, and improving mobility as its key areas of expertise. In the farm animals sector, Vetoquinol concentrates its efforts on addressing all pathologies associated with dairy cattle breeding. In 2020, the purchase of Drontal® and Profender® products in Europe gave Vetoquinol access to the companion animals antiparasitic market. In 2022, the European launch of Felpreva® and its subsequent rollout to other countries in 2023 reinforced the company's expertise in this field. This market represents the largest global value within the animal health sector and this success marks a significant milestone in the Group's history.
- Vetoquinol is consolidating its position in Europe while also winning market share in the Americas and Asia-Pacific. The Vetoquinol Group has reinforced its market position in the United States, the world's leading market for animal health products, and is maintaining its investment strategy in Brazil. The Group has a presence in Asia, with operations in China, India, South Korea, Australia, New Zealand and Japan.

Vetoquinol has therefore been able to extend its international reach, strengthen its position in targeted therapeutic segments, leverage its research efforts and, as a result, maintain a balanced risk profile.

As of December 31, 2024, Vetoquinol boasts a robust financial structure to pursue its hybrid growth strategy and the resources to finance its ambitions for external growth and partnerships, while continuing to drive its development in complete independence.

1.5 VALUE-CREATING BUSINESS MODEL

Our vision

To be by 2033 "the most agile animal health company where employees, experts, partners and customers work together to create customized animal health solutions for a better planet".

Our mission

To enrich people's lives through our commitment to animal health and welfare.

ASSETS

HUMAN
2,501 employees in **24** countries

ENVIRONMENTAL
Energy and water

ECONOMIC
€575m shareholders' equity
€185m net cash position***

R&D
5 R&D sites
8.0% of sales invested in R&D
203 people in R&D

INDUSTRIAL
CAPEX > **€18m**
€90.4m spent on raw materials and packaging items

SOCIAL
Relations with our stakeholders
2,300 suppliers, partners and customers on 5 continents

FAMILY-OWNED COMPANY
67% founding family
and **33%** floating

**** Inclus IFR 16 (16,5 M€).*

GROWTH MODEL

PRODUCTION

5 sites worldwide, EU GMP and US GMP certified

4,000 references: veterinary drugs, nutraceuticals, diagnostics and digital solutions

60 subcontractors

vetoquinol ACHIEVE MORE TOGETHER

A leading international pharmaceutical company dedicated to animal health for over 90 years

INNOVATION

4 strategic segments: parasiticides, mobility, dermatology and dairy cows

100+ partners: universities, laboratories, biotechs

5 R&D hubs

Sourcing, formulation, clinical development and registration

Trends in the global animal health market

Increase in global human population and animal protein production.

- Constant regulatory changes
- Importance of animal welfare

CUSTOMER ACCESS

1,000 employees dedicated to customer service

2 target species: companion animals and farm animals

70% of business with companion animals and **30%** with farm animals

Our customers: veterinarians, breeders and pet owners

MAIN ESSENTIAL PRODUCTS

Forcyl, Lydaxx, Marbocyl, PerMacyl, Tolfine

Cefaseptin, Cimalgex, Clavaseptin, Drontal, Felpreva, Flexadin Advanced, Imoxi, Phovia, profender, SIMPLERA, UpCard, Zylkène

TRANSFORMATION

Human resources development

Continuous industrial improvement

Customer experience

Environmental responsibility

Digital transformation

CREATING SHARED VALUE

HUMAN

67,000 hours of training
Gender equality implemented
€125.7m gross salaries paid and **€41.9m** employer contributions

ENVIRONMENTAL

Reduced carbon footprint
Eco-friendly products

ECONOMIC

€539m in sales in 2024
19.3% EBITDA
€86m operating cash flow
Expansion of veterinary clinic business

INTELLECTUAL

1,000 marketing authorizations in portfolio
500+ registered trademarks

INDUSTRIAL

31 million units manufactured

SOCIAL

Commitment and ethics
Company sustainability
Patronage and donations
Animal welfare

FAMILY-OWNED COMPANY

Company sustainability
Stable payout

1.6 GLOBAL ANIMAL HEALTH MARKET

1.6.1 Global animal health market

The animal health industry continued to experience growth in 2024, with an estimated increase of about 5% in value (source: Vetoquinol 2024 estimates). This balanced growth was observed across both the companion animal and farm animal markets, driven exclusively by pricing impact.

With regard to species, the animal health market is divided into two categories of activity: farm animals (cattle, sheep, pigs, poultry, etc.) and companion animals (dogs, cats, horses, etc.). These two market segments have distinctive economic characteristics, reflecting their different product and customer bases.

- The farm animal segment is characterised by high volumes and a strong focus on profitability, making it sensitive to changes in market conditions, particularly in the event of health crises.
- The companion animal segment represents a higher value-added market that is also experiencing faster growth.

Estimate	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Companion animals	55%	55%	54%
Farm animals	45%	45%	46%

1.6.2 Animal health market by region

Europe

Europe has consistently been the most significant market for Vetoquinol, with subsidiaries in all major countries.

In Europe, the farm animals industry's main growth driver is the vaccines segment, which has offset a continuing decline in the antibiotics market. The segment is demonstrating the greatest growth in the areas of parasitology and in specialized pharmaceutical products for dermatology, osteoarthritis and cardiology. The 2020 acquisition of the Drontal® and Profender® ranges, along with the 2022 launch of Felpreva®, has enabled Vetoquinol to establish a strong foothold in the parasitology segment. This aligns with the company's overall strategic vision. In Europe, 2023 saw the launch of Mastatest®, a diagnostic targeting udder infections in dairy cows.

Americas

For the Americas, we can identify two distinct market areas: The North American market, which represents a mature market, and the Latin American market, which represents a developing market, are both significant in the global market.

North America

North America, and the USA in particular, is the world's largest animal health market, accounting for over 40% of the global total. In terms of companion animals products, the US market alone accounts for around half of the global market in this segment. The Canadian market is the world's 9th largest animal health market in value.

The North American market is driven by the companion animals segment, stimulated by parasiticides, dermatology and the introduction of new products. For Vetoquinol, 2023 was marked by the successful launch of Simplera® in the United States, an otological solution dedicated to dogs. In 2024, Vetoquinol strengthened its position in cardiology with the US launch of UpCard-CA1®.

Latin America

The region has experienced significant growth, driven by a strong demand for beef, pork, and poultry. The companion animal market has also seen a surge in popularity as the population's standards of living have improved.

Brazil is the world's 2nd largest market in value and home to one of the largest cattle herds, with approximately ten times the cattle of France. Brazil is pursuing a goal of becoming the world's leading producer and exporter of animal proteins, demonstrating both ambition and political will.

The country is not only one of the world's leading producers of cattle and poultry, but also offers significant growth potential in the companion animal market.

Vetoquinol is seeking to strengthen its presence in this key territory and establish a recognized position there.

Also present in Mexico for over 20 years, Vetoquinol is mainly active in the dairy cow segment and, more recently, in the companion animals segment.

Asia/Pacific (and rest of the world)

Following Latin America, Asia/Pacific represents a territory with considerable growth potential, despite a Chinese market affected by a slowdown in growth initiated by the zero-Covid policy and the impact of the swine fever health crisis.

Vetoquinol has a presence in these markets in two ways. Firstly, it operates through subsidiaries in each market. Secondly, it has a network of distributors in most countries in the zone.

Vetoquinol has a direct presence in South Korea, India, China, Australia/New Zealand and Japan. These territories present a significant growth opportunity for the Group across all species and strategic segments. In 2023, Vetoquinol strengthened its position with the launch of Felpreva® in Australia at the end of 2023.

Vetoquinol is also represented in most countries in the region through a network of distributors.

1.6.3 Animal health market outlook

The ongoing geopolitical and economic challenges are resulting in high levels of uncertainty in terms of the availability of energy supplies and the procurement of key raw materials. Global inflation is reducing consumer purchasing power and creating an uncertain economic situation, with impacts sometimes more noticeable in certain regions.

In spite of this challenging global context, the animal health sector is demonstrating remarkable resilience.

The following are the main trends that should be observed in the animal health market over the next few years:

Market trends

- The companion animal segment is expected to make the most significant contribution to growth.
- The farm animal segment is affected by regional diseases such as swine fever, bluetongue, avian flu and foot-and-mouth disease. Despite this, it is expected to remain resilient, supported by continued demand for animal proteins.
- The combination of an ageing pet population, coupled with the development of diagnostic and treatment services, is expected to drive the sales of veterinary drugs for the treatment of chronic illnesses.
- The consolidation of clinic chains or groups will likely increase, offering Vetoquinol privileged partnership opportunities. This will put pressure on the economic relationship between Vetoquinol and pharmaceutical manufacturers.
- The rapid growth of new distribution channels will help to expand target coverage, particularly in the companion animal segment.

Regulatory changes

- The implementation of new, more restrictive sustainable development and public health standards has resulted in increased regulatory constraints.
- Restrictions on the use of antibiotics have become increasingly strict, with non-curative treatments being banned and the rational use of antibiotics being encouraged in curative treatments. This is being done in an attempt to combat antibiotic resistance.
- The introduction of more robust regulatory measures to better safeguard animal health, with a view to preventing and managing animal-based health crises (e.g. swine fever in Asia) and zoonoses (e.g. coronavirus).

Digital transformation

- Digitalisation has been accelerated in the wake of the Covid crisis, with impacts on both the value chain and the customer access channels.
- A digital transformation of the companion animals and farm animals sector is driving innovation in terms of solutions and services.

1.7 VETOQUINOL: AN INDUSTRIAL GROUP

Vetoquinol's production units transform raw materials (active ingredients, excipients) into finished products, to store and ship them, and, more rarely, manufacture active ingredients. These processes are carried out under conditions that guarantee product quality, safety and efficacy.

In 2024, Vetoquinol manufactured over 31 million units in a variety of forms, including:
- sterile injectable liquids;
- drinkable liquids;
- powders and pellets;
- pastes and cream;
- tablets;
- drug premixes;
- anti-parasite collars and tags;
- soft chews.

As of December 31, 2024, Vetoquinol had five production units.

In general, Vetoquinol's international sales subsidiaries lease the buildings in which they operate.
- All of the company's plants have received GMP approval for their respective products, with the exception of Tarare, where only non-medicinal products are made. The Princeville site in Canada holds FDA-certification.
- In the event that a product requires technical expertise that Vetoquinol lacks, the company partners with subcontracting firms. These suppliers are monitored and evaluated by the Industrial and Quality department to ensure that the same level of compliance is maintained across all Group facilities.

Vetoquinol also handles the distribution of other companies' products, which are also subject to regular monitoring and auditing by the industrial and quality department.

A systematic quality approach has been implemented across all of the Group's production lines, reflected in the scale of the human resources dedicated to this purpose: for every two people in production, there is one person in quality (assurance or control).

Quality control procedures include:
- control and release of raw materials and packaging items;
- control and release of finished products;
- water, air and environmental compliance.

The Quality Assurance department ensures that all Group plants and external manufacturers comply with all pharmaceutical standards, including those set out by GMP, FDA, PMDA, MAPA, FAMI QS and ISO. They also ensure that the necessary resources, in terms of quantity and quality, are available in the areas of materials, equipment, personnel, organisation, premises and flows.

1.7.1 Sites in France (Lure, Tarare, Paris and Angers)

The Lure site, located in Magny-Vernois, is owned by Vetoquinol. The site encompasses an area of nearly 16 hectares, including over 24,000 sqm of built areas (floor area), or nearly 37,000 sqm of developed area. This site houses the company's headquarters, industrial activities, R&D, logistics and Group functions. The site also produces veterinary drugs and non-medicinal products for the entire global market. This unit produces sterile injectable liquids, non-sterile liquids and creams, and products in dry forms.

The Tarare site occupies a 10,000 sqm site with two built-up areas totalling 4,000 sqm. Vetoquinol owns the premises. Since February 2014, the Company has held a commercial lease for office premises in Paris, which house the France Division and various Group functions.

In September 2018, the company expanded its operations by purchasing a research and development center located near Angers. This site occupies approximately 100 hectares of leased agricultural land.

1.7.1.1 Classified facilities

The Lure facility is subject to the dual declaration and registration regime applicable to facilities classified under the ICPE (nomenclature revised in 2006 and 2010).

The site is operated in compliance with its updated authorization order, taking into account the site's recent extensions.

The Lure site is subject to regular inspection by DREAL, with the most recent inspection occurring in July 2023.

The Lure facility is not subject to the Seveso directives. All drugs and their active raw materials are likely to present some environmental risk; however, the drugs produced by Vetoquinol do not present a greater risk than human or veterinary drugs on the market.

1.7.1.2 Environmental protection

Vetoquinol has put in place an adequate environmental protection programme, with particular focus on waste sorting, water consumption, groundwater and surface water pollution prevention, drinking water network protection, noise abatement and energy consumption. (see Chapter 2, Sustainability).

1.7.1.3 Tarare site

The Tarare site is not subject to the provisions governing classified facilities.

The non-medicated products manufactured on this site do not present any risk to the environment. Only a small number of raw materials, which may present a hazard under certain circumstances, are present in small quantities at the plant.

Significant investment has been made over the past few years in the security of our premises.

1.7.2 Sites in Poland (Gorzów, Klodawa)

Vetoquinol Biowet Sp. Z.o.o. owns three sites in the Gorzów Wielkopolski district:

- a production site in Gorzów itself, with a built surface area of nearly 8,000 sqm, on a plot of land of approximately 14,000 sqm. The site is home to the Polish subsidiary's management, production units and laboratories.
- a production plant in Gorzów with a built area of nearly 8,000 sqm, on a plot of land of around 34,000 sqm;
- a storage site and logistics centre in Gorzów containing over 1,000 sqm of warehouses on a 6,000 sqm plot of land.

The Gorzów facility liaises with local authorities to manage environmental issues. Over the past three years, inspections have not identified any significant issues.

This site is engaged in the production of veterinary drugs and non-medicinal products for the global market outside the USA. The company produces a range of pharmaceutical products, including sterile injectable liquids, non-sterile liquids, gels, non-sterile suspensions, pellets, powders, tablets and liquid parasiticides for which major investments have been made between 2022 and 2024.

1.7.3 Goiania site (Brazil)

Vetoquinol Saúde Animal Ltda, a Group subsidiary, is the owner of the Goiania plant, located in Goiás state. The buildings cover an area of 7,725 sqm on a 15,341 sqm plot. The facility manufactures sterile and non-sterile injectable products, with an annual production capacity of seven million units. Furthermore, the site specialises in the production of external parasiticide devices. The Goiânia plant employs 80 people and is fully compliant with all current MAPA regulations. It was recently GMP-certified by the Brazilian authorities. The Goiânia facility houses a product innovation and research centre.

1.7.4 Princeville site (Canada)

Vetoquinol North America Inc. owns the Princeville plant in the province of Quebec. The site covers 20,000 square metres of land and 7,000 square metres of developed premises (laboratories, workshops, warehouses, office space).

This facility manufactures veterinary pharmaceuticals and non-medicinal products, primarily for the North American market but also for the European and Asian ones. The site produces a variety of products including liquids, pastes, powders and an active ingredient used in one of our proprietary products. This site holds FDA, Health Canada and European Union certifications.

1.7.5 Main investments made over the past three years - excluding IFRS 16

In thousands of euros	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Acquisitions of intangible assets	**(3,133)**	(4,114)	(5,526)
Acquisitions of property, plant and equipment	**(14,545)**	(14,896)	(16,971)

1.8 GROUP R&D STRATEGY

1.8.1 R&D process overview

The process of bringing a molecule (chemical or biotechnological) or compound to regulatory approval can take up to ten years. It is classically segmented into four distinct stages:

1/ Research: The primary objective of this phase is to identify new biological targets involved in pathological processes. Once the targets have been identified and characterized, a large number of potential candidate molecules are tested on them (the screening stage) and their pharmacological activity is measured.

The Group is currently making limited investments and developing a network of contacts with academic and industrial partners in order to evaluate promising candidate molecules and, where appropriate, sign licensing agreements. The Group has developed considerable expertise in developing relevant screening programs and innovative galenic forms that provide a competitive edge, including factors such as tolerance and mode of administration. This initial stage serves to demonstrate the suitability of the candidate molecule(s) for the targeted pathology, thereby establishing a proof of concept.

2/ Preclinical and clinical development: Demonstrating efficacy and safety under preclinical conditions. The objective of this stage is to evaluate the candidate molecule in a controlled environment and to establish a preliminary pharmacokinetic (absorption, distribution, metabolism, elimination) and pharmacodynamic profile in the target animal species. These results confirm the suitability of the candidate molecule for the targeted pathology and demonstrate the safety margin of the future drug, i.e., the product's tolerability. Finally, this stage enables us to determine and confirm the dosage regimen, i.e., the optimal treatment regime to ensure maximum efficacy and minimal side effects. In the field of animal health, this type of preclinical study corresponds to phases I and II of human drug development.

Clinical trials. These trials, conducted on sick animals, represent the final stage of studies conducted before a marketing authorization application is filed. They correspond to phase III of human drug development. The objective of these trials is to confirm data from preclinical studies and verify the efficacy and safety of the drug under future conditions of use. These trials involve a larger number of animals (approximately 200 to 300) than in the preclinical phase.

Safety studies also aim to guarantee the safety of the veterinary practitioner or owner who will administer the product, as they are in contact with the drug.

It is a legal requirement that residue studies are carried out for drugs intended for farm animals (cattle, pigs and poultry), whose products (meat, milk and eggs) are consumed by humans. This is to guarantee consumer safety. The objective of these studies is to determine the minimum waiting period between the conclusion of treatment and the slaughter of the animal (in the case of meat) or the marketing of its products (in the case of milk and eggs). It is important to note that the animal or its products cannot enter the agri-food chain during this waiting period.

In the case of drugs for farm animals, studies are conducted to demonstrate the harmlessness of drug residues released by the animal (feces, urine, etc.) for the environment. These studies, known as ecotoxicology, assess the impact of drug residues on soil, fauna, and flora.

3/ Development of the manufacturing process for the prototype developed and selected above. The objective of this stage is to develop a robust, reproducible manufacturing process leading to a suitable formulation of the drug candidate and to fine-tune all the processes required for the industrialization of the future product. During this phase, the analytical methods used to test the product's stability and the consistency of its subsequent quality throughout its life cycle are also developed. The data is used to define the product's expiration date.

4/ Marketing a veterinary drug: it is necessary to obtain a marketing authorisation (MA). Once submitted to the EMA or to the relevant country authority, the marketing authorisation submission, which brings together all the information obtained during development, undergoes a scientific evaluation by the supervisory authorities (health and/or agriculture). The aim of this evaluation is to verify the quality, safety for the target animal, the user, the consumer and the environment, as well as the efficacy of the veterinary medicinal product itself.

1.8.2 Vetoquinol Group R&D strategy

The Group's R&D activity has two main objectives:

- growth in sales and profitability (i) by bringing to market innovative, high-quality products that meet unmet needs, such as improved efficacy and safety, and ease of administration, compared with products already on the market, (ii) by defending all the Group's relevant marketed products,
- enhancing the Group's reputation and scientific expertise through publications in recognized scientific journals, presentations at scientific events, patent filings and the establishment of a network of scientific experts.

A resolute strategic focus

R&D plays a pivotal role in the selection of robust therapeutic areas and target species through comprehensive analysis. This allows R&D resources to be allocated in the most appropriate and optimal way to its portfolio of projects, while simultaneously strengthening its scientific knowledge in these fields.

R&D conducts research programs aimed at therapeutic and galenic innovation, as well as product development programs focused primarily on the Group's areas of expertise: dermatology, mobility, parasitology and dairy farming.

However, the Group remains true to its history, not hesitating to explore new opportunities in other attractive disease areas where its technological expertise and marketing skills can make a difference.

The diverse skill sets of these businesses enable the Group to register innovative products based on new chemical entities and molecules derived from biotechnology, improvements to existing galenics or packaging, or the development of generics. The Group places particular emphasis on the life-cycle management of its marketed products. This involves the development of new formulations, packaging, dosage and administration routes, extensions of indications or species, and registration in new geographical areas.

These programs are further enhanced by an active policy of partnerships with government bodies (INRAE, veterinary schools, foreign universities, etc.) and the private sector. These partnerships are focused on research and development, including the development of new formulations and the application of innovative drug delivery technologies.

Organization of Vetoquinol's scientific division

The Group's R&D organization is structured to develop new products and is continuously optimized through a process of continuous improvement. The organization currently employs approximately 200 individuals, including approximately 60 scientific managers.

The Group allocated 8.1% of its sales to R&D activities, equating to €43.7 million in 2024.

€m	2024	2023	2022
R&D expenditure	**43.7**	40.1	32.6
% of sales	**8.1%**	7.6%	6.0%

The company's research and development (R&D) operations are primarily based in France, with the center of expertise and scientific excellence located at the company's headquarters in Lure. Additionally, the company has a research center in Angers. The objective of R&D is to develop products for worldwide registration. Vetoquinol's R&D is further enhanced by product development units in key global markets, including the USA and Brazil. These units work in close collaboration with the main R&D center in France, contributing to the development and support of our local products.

These teams have enabled us to register dossiers in Europe, America, and Asia, demonstrating the world-class skills maintained by a network of experts. These experts include pharmacologists, toxicologists, and pharmacokineticists; pathologists and clinicians; and scientific leaders in key strategic areas. The Group has gained the trust of this network of experts thanks to its commitment to ethical conduct and scientific credibility.

Another key objective is to foster strategic alliances to ensure the most effective deployment of our innovative offering in the Group's strategic areas.

Vetoquinol's reputation is enhanced by a policy of publishing and presenting at international scientific conferences.

Given the highly regulated environment in which veterinary drugs are developed, the Group's R&D department has chosen to integrate regulatory affairs skills directly into its teams. This allows them to participate in the entire process, from conception to development, with a dual objective: to advise on development strategy and to integrate data with a view to compiling the registration dossier.

The responsiveness of exchanges between scientists is ensured by three departments across the board:

- Quality Assurance audits and actively contributes to the continuous improvement of development processes, thus guaranteeing the required level of good practice in accordance with GLP, GCP, and GMP standards.
- Pharmacovigilance monitors the safe use of products by our customers.
- The Projects Department coordinates the various players involved in research and development, and consolidates all projects across the portfolio to ensure the proper allocation of human and financial resources.

Overview of current R&D programs

In light of the evolution of the animal health market and the increasing medicalization of companion animals, R&D priorities have undergone a change. The Group, which was originally a company focused almost exclusively on farm animals, is now directing a significant part of its research effort towards companion animals. It is also engaged in the development of innovative production, formulation, and packaging technologies.

The Group's R&D efforts are focused on the development of breakthrough innovations, as well as incremental innovations and the evolution of existing products.

Dependence on human health research for the development of new molecules

In the field of animal health, innovation occurs in specific areas, including vaccines, reproductive management (productivity), and areas common to human health (antibiotic therapy, pain and inflammation management, cardiology, oncology, etc.) or plant protection (parasiticides).

These therapeutic areas present an opportunity for animal health companies backed by a human or plant health group, offering potential access to a portfolio of molecules.

For Vetoquinol, this is not a limiting factor for its innovation, as the company has identified several reasons why this is not the case:

-For applications in the field of animal health, there are numerous molecules used in human health whose patents have fallen into the public domain.

-In fields where research is very active in human health (cardiology, pain management, cancer), many biotech companies are willing to license their technology and/or their molecules for use in animal health. This allows them to contribute to the financing of the early phases of development in human health.

-Medium-sized companies in the human health sector that lack an animal health department, find it advantageous to identify pure player animal health companies to whom they can entrust their molecules when these have potential outlets. This is an intriguing and beneficial addition for these companies. The animal health sector has a distinct growth profile compared to human health, which presents an opportunity for innovation.

-Another source of innovation is “drug repositioning” (also known as “molecule repositioning”). This approach involves repurposing existing molecules for new therapeutic indications.

1.9 NON-FINANCIAL PERFORMANCE

Labels and certifications

Gaïa Rating 2023: 61/100, in line with benchmark index

Employer commitment

Further growth for the company

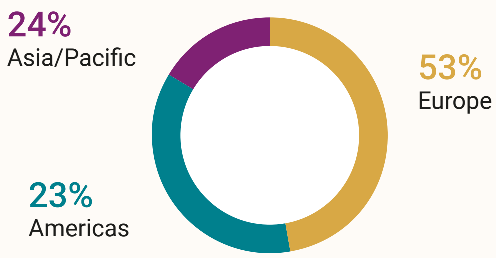
DIVERSITY AT WORK

2,501
employees vs. 2,483 in 2023

People with disabilities

4.52% of workforce France (2023)

Employees worldwide



RECRUITING TALENT

98% permanent contracts

48% of employees trained in 2024
vs. 48% in 2023

TALENT DEVELOPMENT

67,000 hours of training vs. 72,000 in 2023

90% of employees trained in 2024
vs. 98% in 2023

Social commitment

Have a positive impact on our stakeholders

Stakeholder relations
Employees/Customers/Corporate bodies/Shareholders/Suppliers/Partners

Responsible purchasing
Strengthen the system and train buyers

Environmental commitment

Continuing to limit our impact on the environment

Impact measure
Total GHG emissions (Group)

	Scopes 1 and 2
Carbon footprint in tonnes	10,110
Carbon intensity per €M	32.1

1.10 SIMPLIFIED ORGANIZATIONAL CHART

Section 1.2 provides an overview of the Group's business.

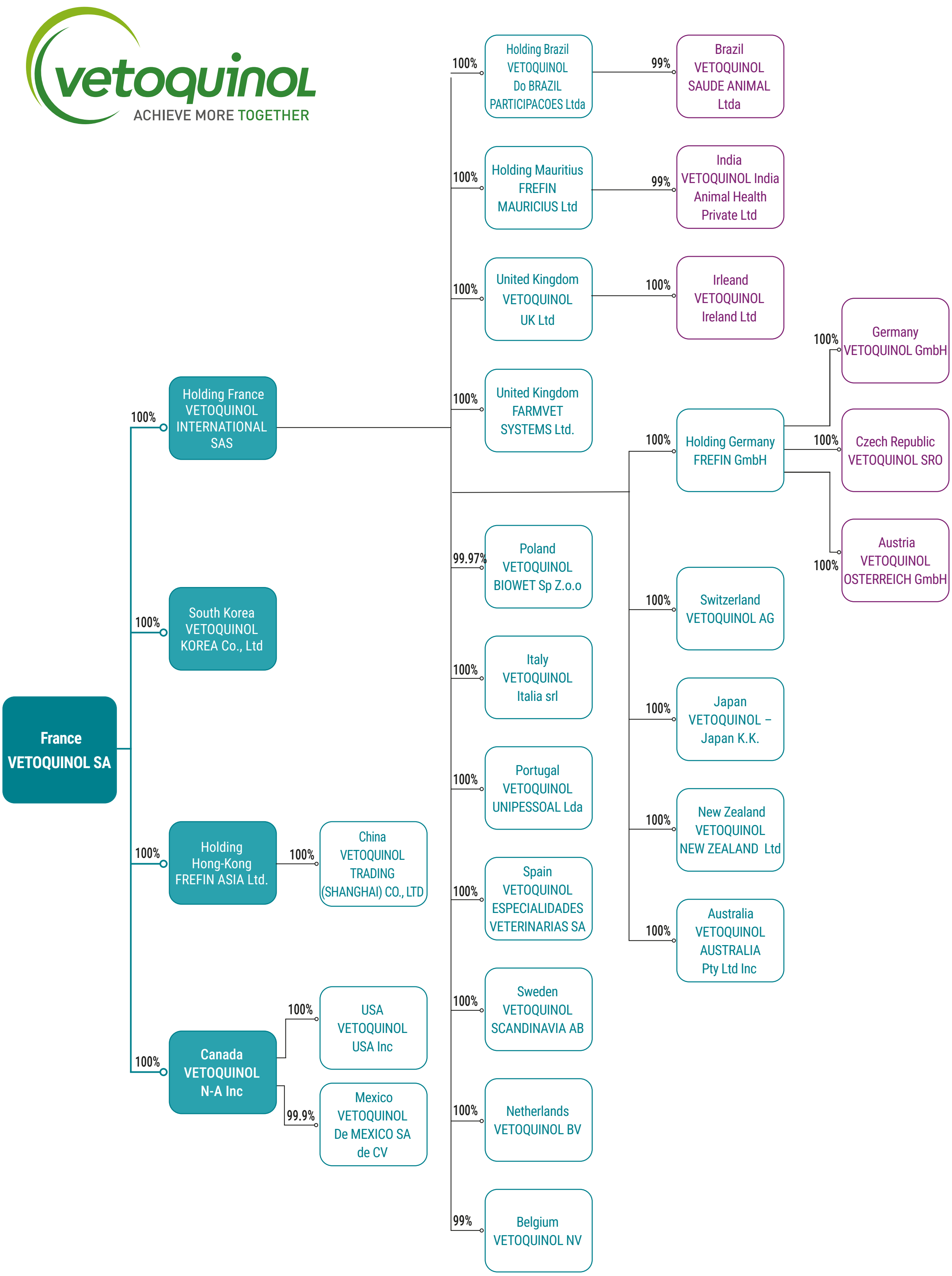
Vetoquinol is organised around its parent company, Vetoquinol SA, which acts as a holding company for the Group and also operates a business in its own right.

The Group's principal industrial site is located in Lure, where its head office is also situated. The company (Vetoquinol SA) invoices its subsidiaries for the finished products that it manufactures.

The executive functions are centralised in the parent company, Vetoquinol SA.

The organisational structure of the Vetoquinol Group remained unchanged in 2024.

The Vetoquinol Group's simplified organization chart at December 31, 2024 is as follows:



2

VETOQUINOL'S SUSTAINABILITY REPORT

In the context of the first publication by Vetoquinol of a sustainability report for the year ending December 31, 2024, the following choices have been made:

- The project will focus on the construction of a dual materiality matrix, with the implementation of a demanding and rigorous methodology.
- The identification of material IROs is of key importance, with a particular focus on the five IROs with a significant double impact (the North-East quarter).
- Please note that these five IROs concern four ESRSs. Consequently, only these four ESRSs relevant to this analysis are presented in this sustainability report.
- Please note that other ESRS not identified as a result of the construction of the double materiality matrix are therefore not addressed in this report.
- The concentration of analysis, trajectory structuring and indicator preparation work will be focused on the five IROs and four ESRSs that were selected previously.
- In the four ESRSs linked to the five IROs presented, a voluntary arbitration was carried out to establish indicators deemed relevant for the company at the time. The indicators presented are therefore not exhaustive.

2.1 ESRS 2: GENERAL DISCLOSURES

2.1.1 Disclosure requirement - BP

2.1.1.1 Disclosure requirement BP-1 - General basis for preparation of the sustainability statements

Vetoquinol's response to this Sustainability Report is consistent with the consolidated financial statements.

Please refer to the ESRS 2 Disclosure Requirement IRO-1 (section 2.1.4) for a table of impacts, risks and opportunities (IROs).

2.1.1.2 Disclosure requirement BP-2 – Disclosures in relation to specific circumstances

Time horizons

The time horizons delineated in this report align with the expectations and definitions outlined in ESRS 2, which stipulates the short, medium and long term for reporting purposes. The period covered by this sustainability report runs from January 1 to December 31, 2024.

Data source

Social data is sourced from the Human Resources Department database, in accordance with the definitions established by the ESRS, particularly in the context of preparing social balance sheets (for legal structures subject to this requirement). These correspond to statutory declarations made to various administrations and social organizations.

The environmental data in this report is based on declarations made periodically by the company's entities. These data are derived from internal measurements (self-monitoring).

At an international level, environmental and social data is collected by the relevant departments and entered into internal reporting tools. Economic and financial data are prepared in accordance with the accounting standards that are currently in force in the industry, and audited by Vetoquinol's Statutory Auditors.

Consolidation techniques and comparability

The consolidation of non-financial data is also in accordance with the accounting standards of the global method. In this case, this means an arithmetic summation of elementary data for the sites included in the scope.

Representativeness and traceability

The indicators deemed relevant to the activity in question are those selected for the present Sustainability Report. In the coming years, a working group may be established to verify their relevance and sustainability. In the latter case, they will be published at a later date.

Transparency - data audit

In accordance with the terms and conditions of the audit specified by law no. 2010-788, Vetoquinol has engaged Alcé Expertise to verify all social, environmental and societal information presented in this report as from the 2024 financial year. From 2018 to 2023, Finexfi was responsible for the certification of the Non-Financial Performance Statement (NFPS).

The Group applies the recommendations of the Middlenext Code concerning the separation of audit mandates between the statutory auditors and the sustainability auditor.

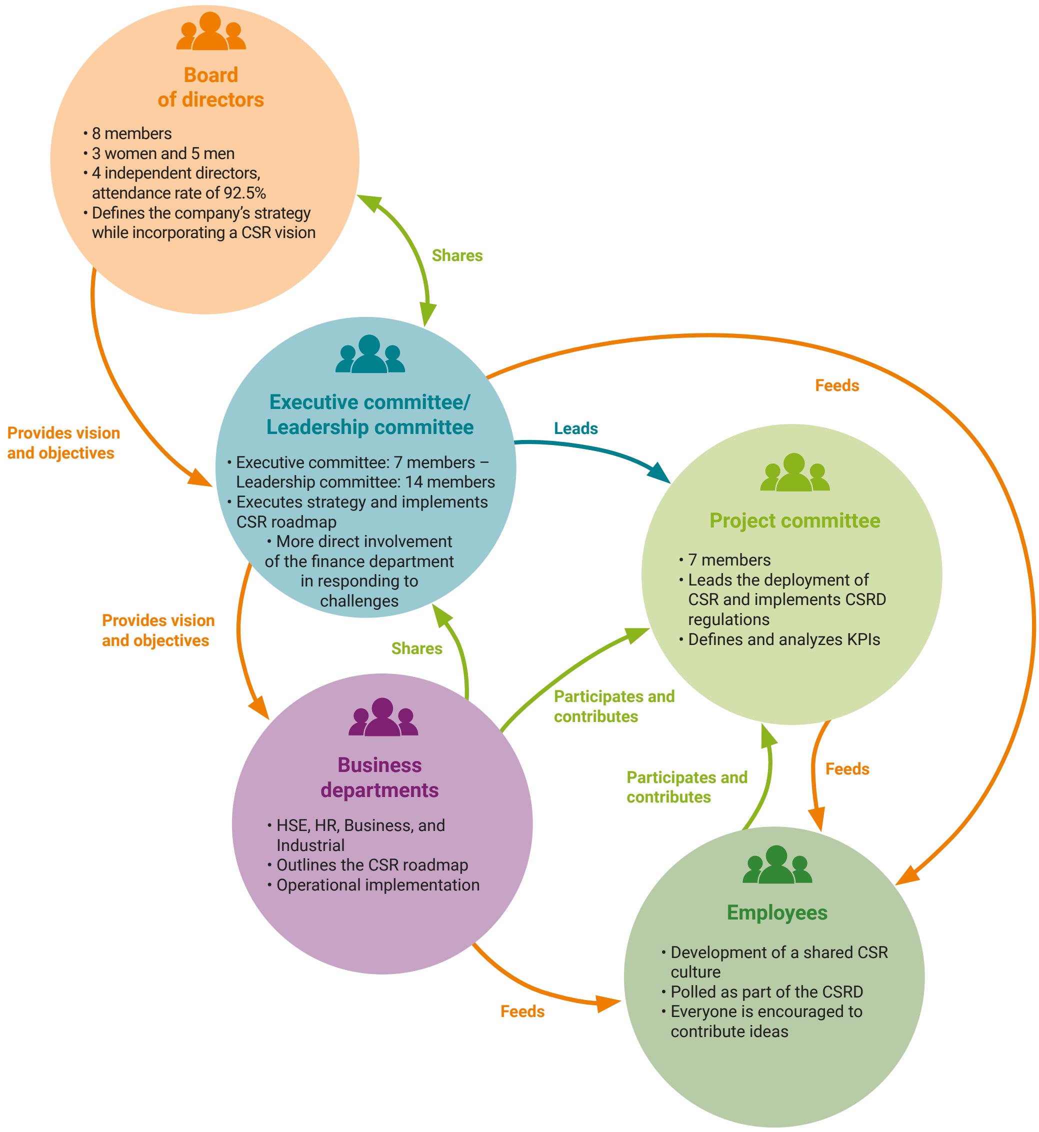
2.1.2 Disclosure requirement - GOV

2.1.2.1 Disclosure requirement GOV-1 – The role of the administrative, management and supervisory bodies

Information on the Group's administrative and management bodies is provided in chapter 4, Governance, of the French version of the Registration Document. This chapter presents the composition of the governing bodies, as well as their roles and responsibilities in overseeing the procedure for managing significant impacts, risks and opportunities. It also includes the role of management in these procedures. Their expertise and skills with regard to sustainability issues are also described in Chapter 4, Governance. Each year, at the final Board meeting of the year, a training plan for directors is drawn up. This plan includes sustainability issues. Furthermore, any director may request training from management at any time if he or she deems it beneficial.

2.1.2.2 Disclosure requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The diagram below illustrates the Group's procedures for informing its administrative and management bodies about sustainability issues, and how these issues are addressed.



2.1.2.3 Disclosure requirement GOV-3 - Integration of sustainability-related performance in incentive schemes

For the current reporting year, sustainability results are not integrated into the incentive systems of the company's Board of Directors or Management Committee.

2.1.3 Disclosure requirement - SBM

2.1.3.1 Disclosure requirement SBM-1 - Strategy, business model and value chain

Please refer to section 1.5, 'Value-creating business model' (SBM-1), for details of the company's overall strategy, business model and value chain.

The business model (section 1.5) is subject to annual adjustments and adaptations by the Executive Committee (Excom).

Sustainable development forms the cornerstone of Vetoquinol's strategic plan Ambition 2026 and is firmly anchored on a solid foundation. This strategic plan has established a specific pillar on sustainable development to which several IROs in this sustainability report refer.

Vetoquinol's vision, mission and values form the backbone of its ambition and strategy:

- **Vision:** to be the most agile animal health company by 2033. We aim to achieve this by fostering collaboration between employees, experts, partners and customers, with the goal of creating customized solutions dedicated to animal health.
- **Mission:** to enrich people's lives through our commitment to animal health and welfare.
- **Values:** trust/dare/collaborate.

Vetoquinol is building its future by changing its size without changing its nature, and by cultivating its history as a family-owned, independent, socially responsible and sustainable company.

4 strategic segments:

Companion animals (dogs and cats):

- parasiticides,
- dermatology,
- mobility.

Farm animals (cattle):

- dairy cows.

3 key initiatives:

- Innovation will enable us to develop a unique offering and concentrate on key strategic segments.
- The sales and marketing teams will be focusing their efforts on the animal health market, which is undergoing rapid evolution. They will be acquiring and developing resources to amplify growth in strategic segments.
- The third initiative will contribute to the continuous improvement of operational quality and safety, and consolidate our commitment to sustainable development.

A commitment to the rational use of antibiotics in animal health

The discovery of antibiotics was a revolutionary development in the field of medicine. However, the excessive use of these drugs has led to the emergence of resistant bacteria. The global fight against antibiotic resistance has prompted European countries to regulate the use of antibiotics, especially the most critical ones. As a committed player in the industry, Vetoquinol is actively involved in this policy by regulating veterinary prescribing and refusing to promote antibiotics for animal growth. The company runs awareness-raising campaigns and supports veterinarians in the proper use of antimicrobials. For over 20 years, the company has been monitoring the evolution of bacterial resistance to ensure the effectiveness of its treatments. Vetoquinol's approach is targeted and curative in nature, promoting the judicious use of anti-infectives. The Group is also involved in research projects with a view to identifying alternatives to antibiotics. Finally, the company is developing rapid diagnostic tools to optimise their use in veterinary medicine.

Animal welfare at the heart of Vetoquinol's strategy

Vetoquinol has defined its mission as follows: *"Enriching people's lives through its commitment to animal health and welfare"*.

The company's products, services, solutions, practices and activities are all designed with the aim of improving the health and welfare, and therefore human health and welfare.

In the context of business, the term "animal welfare" is defined as "the quality of life as experienced by an individual animal". In order to assess an animal's level of welfare, it is necessary to combine knowledge, experience, empathy and sensitivity. There are five "fundamental freedoms" that describe society's expectations regarding the living conditions of animals when they are under human care. These standards have been adopted by the World Organization for Animal Health (WOAH) as part of its definition of animal welfare, and are now widely regarded as the benchmark. These principles underpin a wide range of international, European and French regulatory policies:

- Freedom from hunger, malnutrition and thirst.
- Freedom from fear and distress.
- Freedom from heat stress or physical discomfort.
- Freedom from pain, injury and disease.
- Freedom to express normal patterns of behavior.

The following measures have been implemented:

- Vetoquinol designs, manufactures, and markets products, services, and solutions to improve the health and comfort of animals, i.e., their welfare. This is its primary mission.
- Vetoquinol's commitment to animal welfare is integral to its mission, with the company aiming to enhance the welfare of individuals across the entire value chain, including veterinarians, breeders and private pet owners.
- All Vetoquinol employees working with animals are committed to upholding the ethical principles of the 3Rs (replacement, reduction, refinement) and adhere to the "5 Freedoms" to ensure animal welfare is prioritized.

This "3Rs" rule forms the basis of European regulations on preclinical studies:

- Whenever possible, replace animals with cells or tissues (in vitro) or digital models (alternative preclinical methods).
- Reduce the number of animals used by limiting experiments to those that are absolutely essential, avoiding unnecessary repetition of previous studies, and drafting an experimental protocol that often makes further animal testing unnecessary.
- Refining, i.e. reducing, eliminating or alleviating the pain or distress of animals, and improving their welfare by regulating transport, rearing and housing conditions, and establishing criteria for early termination of the procedure if necessary.

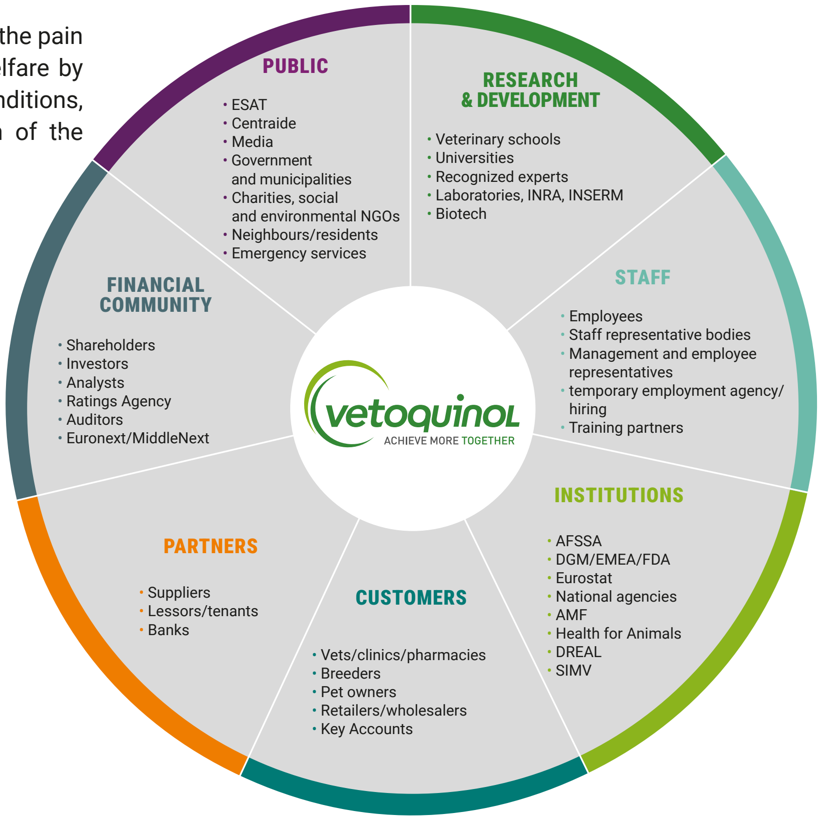
One Health

The "One Health" initiative is based on the conviction that animal health, human health and our shared environment are part of a profoundly interdependent system.

Protecting animal health is integral to protecting human health. Unhealthy animals have the potential to pose a threat to humans and their environment. Consequently, the spread of zoonoses is a matter of growing concern. Zoonoses have played a role in human disease epidemics. Vetoquinol's commitment to animal welfare is integral to the company's mission to limit the spread of zoonoses and promote a health context conducive to sustainable development.

2.1.3.2 Disclosure requirement SBM-2 - Interests and views of stakeholders

The Vetoquinol Group engages its stakeholders, including employees and external parties, in the development and review of its strategic plans, incorporating both business and CSR initiatives. This was particularly evident when the Group conducted its 2024 double materiality analysis, which identified the main impacts, risks and opportunities (IROs) of its activities and its value chain (upstream and downstream) for its stakeholders *(see diagram below)*.



The methodology employed, including consultation with various stakeholders, is explained in ESRS 2 Disclosure Requirement IRO-1 *(section 2.1.4)*.

2.1.3.3 Disclosure requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Each issue identified as material from the point of view of impacts, risks and opportunities (IROs) is the subject of an in-depth description within ESRS 2 Disclosure Requirement IRO-1 (section 2.1.4) to highlight the link between IROs and the Group's business model.

2.1.4 Disclosure requirement - IRO

2.1.4.1 Disclosure requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, a double materiality analysis was conducted with the company's support, facilitated by a service provider: Héros de l'Ordinaire, in order to identify the main CSR issues representing a risk and/or an opportunity for Vetoquinol and potentially impacting both its external and internal stakeholders. This analysis also provided an opportunity to update the Group's stakeholder map, taking into account the intensity of impacts and relationships.

Methodology

<u>Step 1: Critical review and setting up of committees</u>

A kick-off meeting was held at the beginning of the assignment with members of Vetoquinol's Executive Committee. At this meeting, the methodology was presented, the working, control, and validation bodies were set up, and the final deliverables were defined. After the meeting, a critical review of the CSR approach was conducted. A thorough analysis of the 2023 NFPS and internal action plans was conducted, along with an audit of all internal documents. This analysis enabled a more comprehensive understanding of how ESG/CSR issues are addressed within the Group.

<u>Step 2: Stakeholder mapping</u>

The Project Committee has used collaborative tools that favor reflection and comprehensiveness. These tools have allowed the Committee to qualify the various stakeholders with regard to the quality of the relationship and the potential impact (positive or negative) of these stakeholders on the company. The Committee has also used these tools to determine the closeness of the relationship.

This work resulted in a list of internal and external stakeholders who were contacted over the following weeks to collect their expectations.

Stakeholders have been selected to cover a representative range of expectations (employees, customers, suppliers, partners).

<u>Step 3: Stakeholder interviews</u>

The study involved more than 750 individuals from both within and outside the organization.
Stakeholders were interviewed in small focus groups and individual interviews. Group employees in France were surveyed using an online questionnaire. The questions were based on the former materiality issues (financial impact only), cross-referenced with sectoral issues, thus leaving room for the integration of new issues that may not have been identified.

<u>Step 4: Identifying the issues</u>

To identify the issues relevant to the Group, we conducted a thorough analysis of major global trends, international standards, industry guides, and the work of EFRAG and its peers. The conclusions of this work led to the retention of 33 representative issues for the Group, divided into 4 themes: environmental, social, ethical, value chain and governance.

The issues listed were then grouped and discussed during construction workshops with the Project Committee. This comprehensive review yielded 12 material and priority issues.

<u>Step 5: Vetoquinol's assessment and calculation method for ranking issues</u>

The Project Committee held a series of workshops, during which specific interviews were conducted with subject matter experts. These interviews were used to assess each issue's potential impacts, risks, and opportunities. The Project Committee also held meetings with the highest levels of management bodies.

Financial materiality (risks and opportunities) has been studied on the basis of the Group's existing risk management grid.

The materiality of impact has been studied according to 4 criteria:

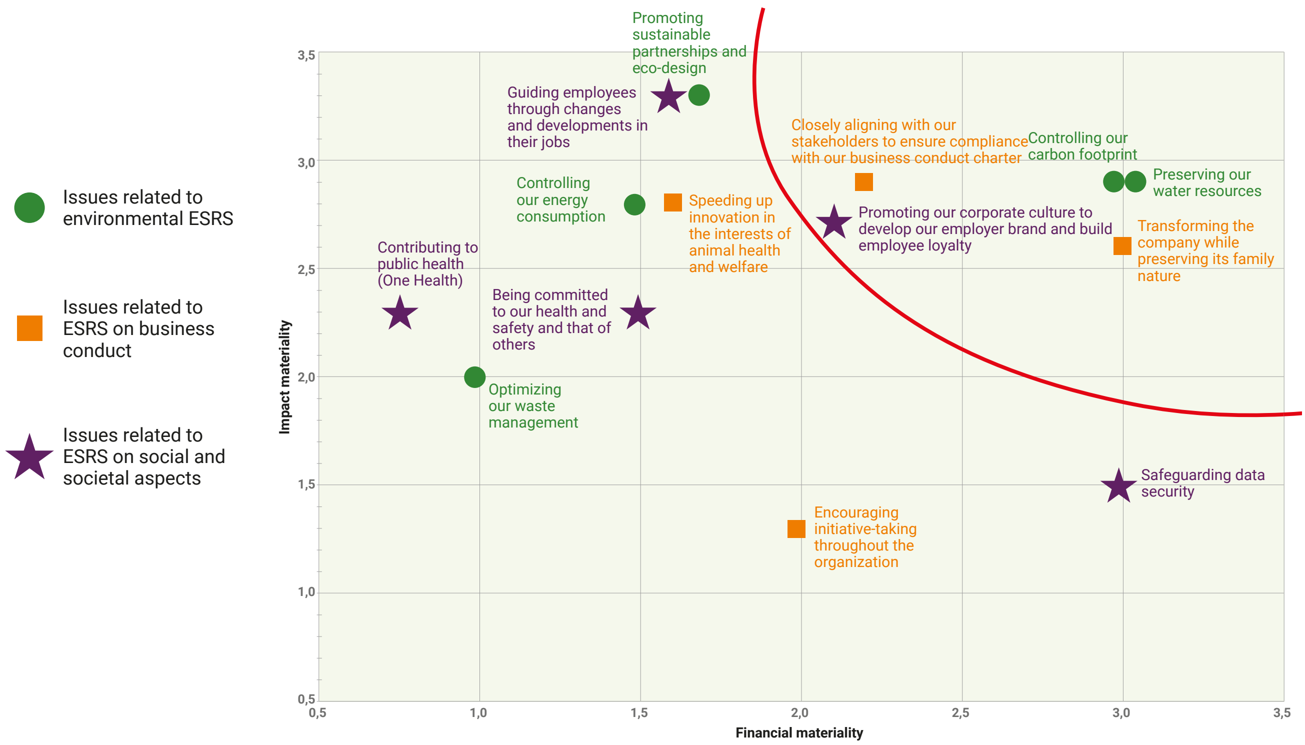
- Scale (severity/benefit for humans or the environment) ;
- Scope (extent of positive or negative impact on a region, a number of people, etc.) ;
- Irreversibility of the impact ;
- Probability of the impact.

Financial and impact ratings have been recalculated to provide a score out of 4. To formulate the final version of the double materiality vision, only issues with ratings exceeding 30% of the total score are considered material.

<u>Step 6: Review and approval by Vetoquinol's Board of Directors of the approach adopted, the double materiality matrix and the IROs selected.</u>

The work involved in preparing this sustainability report, the complete methodological approach and the double materiality matrix were presented to the Board of Directors on December 12, 2024. As a result, the Board was able to approve and validate the approach, matrix and IROs selected.

Results of the dual materiality analysis



For the initial year of implementation of the CSRD regulation, Vetoquinol has elected to provide a comprehensive overview of issues with ratings exceeding 50% of the score in financial materiality and impact materiality. This amounts to presenting the 5 IROs in the 'north-east quarter' of the double materiality matrix above.

Dashboard of non-financial issues/risks with high materiality

Non-financial issues/risks	Impacts, risks and opportunities	Policies	Key performance indicators	Targets (2026)
Managing our carbon footprint	**Impact:** the Group's activities emit GHGs that contribute to global warming. **Risks:** the main risks are physical (floods, droughts and heatwaves), regulatory and financial. **Opportunities:** introduction of more energy-efficient production systems and use of low-carbon energies.	Note 2.2.1	*CO_2 emissions (scope 1 & 2) (tCO_2e)* *Energy intensity (tCO_2e/€m) (total scope 1 & 2)*	*N/A - according to scope non-CDMO manu-factured product volumes* *6% reduction in energy intensity vs. 2022*
Preserving our water resources	**Impact:** the production of veterinary medicines consumes large quantities of water. **Risks:** reduction or even cessation of activity during periods of drought. **Opportunities:** reduce water use and optimize water consumption.	Note 2.2.2	*Total water withdrawal* *Water intensity (m^3/€m sales of non-CDMO manufactured products)*	*25% reduction in total withdrawal vs. 2022* *30% reduction in water intensity vs. 2022*
Promoting our corporate culture to develop our employer brand and build employee loyalty	**Impact:** increasing the skills and experience of employees within our family business. **Risks:** operational risks, lack of attractiveness and retention of talent, and financial risks. **Opportunities:** improve employee skills and performance.	Note 2.3.1	*Attrition rate* *Absenteeism rate*	*TBD*
Transforming the company while preserving its family nature	**Impact:** the Group's growth is hybrid (organic growth + acquisitions). **Risks:** financial, regulatory and operational risks associated with potentially difficult-to-integrate growth. **Opportunities:** develop business while respecting local regulations, the environment and the company's family DNA.	Note 2.4.1	*% of the company controlled by the family*	*Voting rights > 50%*
Closely aligning with our stakeholders to ensure compliance with our business conduct charter	**Impact:** the Group's business is highly regulated and it is important to limit the number of non-compliances. **Risks:** this issue is closely linked to compliance, operational, financial and reputational risks that could harm the Group's business and reputation with stakeholders. **Opportunities:** optimize costs related to new regulations through anticipation.	Note 2.4.2	*Number of compliant critical suppliers*	*100% by end 2026 for EHS questionnaire*

Contribution of Vetoquinol's strategy to the Sustainable Development Goals

In September 2015, 17 Sustainable Development Goals (SDGs) were adopted by 193 UN countries. Also known as the "2030 Agenda", this program aims to transform society by eradicating poverty and ensuring a just and inclusive transition to sustainable and global development.

Environment	Social	Governance
6 CLEAN WATER AND SANITATION Ensure reasonable water consumption and control effluent treatment.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH Guarantee a healthy working environment for all Group employees and develop and promote decent working conditions.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Innovate by researching, developing and bringing to market new drugs/ therapies, services and solutions, whether disruptive or incremental, and develop the associated skills.
7 AFFORDABLE AND CLEAN ENERGY Optimize our energy consumption and develop the use of renewable energies.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Hire, train and develop Vetoquinol employees, with a focus on internal promotion.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION Integrate sustainable development issues into the industrialization and marketing of our products.
13 CLIMATE ACTION Managing Vetoquinol's carbon footprint.	5 GENDER EQUALITY 10 REDUCED INEQUALITIES Guarantee equality between men and women.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS Develop and promote ethical business practices.

The SDGs align with Vetoquinol's mission: " To enrich people's lives through our commitment to animal health and welfare".

2.2 ENVIRONMENTAL ESRS

This section provides a comprehensive overview of the environmental challenges, organized by priority according to the findings of the dual materiality analysis. It also details the current state of this issue, along with risk mitigation strategies. Additionally, it includes monitoring indicators, objectives, and action plans that have been implemented or are in development. The Group is also contributing to the Sustainable Development Goals (SDGs 6, 7, and 13).

2.2.1 ESRS E1: Climate change

Challenge: managing our carbon footprint

2.2.1.1 Disclosure requirement related to ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The resilience of the business model in the face of global warming makes it possible to meet *Disclosure Requirement E1-1 - Transition plan for climate change mitigation.*

2.2.1.2 Disclosure requirement related to ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The methodological process followed to identify IROs is described in ESRS 2 *Disclosure Requirement IRO-1 (chapter 2.1.4).* As part of this procedure, the upstream and downstream value chain has been taken into account, and stakeholders have been consulted.

Vetoquinol has established ambitious targets to reduce its carbon footprint. This step will enable us to develop governance, reporting and GHG (greenhouse gas) emissions reduction mechanisms.

Impacts

Vetoquinol emits greenhouse gases (GHGs), which contribute to global warming, directly from its industrial and service activities and indirectly from other players in its upstream and downstream value chain.

Risks

The Vetoquinol Group's production sites are exposed to various hazards linked to global warming, depending on their location:

- France: Heat waves, droughts and water stress, floods (depending on region), storms.
- Poland: cold snaps, floods, heat waves.
- Canada: Wide variations in climate, increased risk of forest fires, heat waves, winter storms and floods.
- Brazil: deforestation and impacts on water resources, heat waves, floods and prolonged drought.

Vetoquinol is aware that these climatic phenomena can have a lasting impact on its industrial operations, the availability of raw materials and the integrity of its infrastructures.
Vetoquinol is committed to mitigating the impact of climate change on the quality and availability of its veterinary pharmaceutical specialties.

Opportunities

A number of key opportunities allow us to act proactively on these issues.
Vetoquinol has increased its efforts in the following areas:

- Energy optimization: Our production sites have obtained ISO 50001 certification, and we are implementing projects to make our sites more autonomous and efficient. These projects include the production of renewable and low-carbon energy, with the goal of limiting consumption.
- Enhancing climate resilience: In the face of extreme events, it is essential to adapt infrastructure by reinforcing building insulation and protecting critical installations: HVAC (Heating, Ventilation, Air Conditioning), IT, etc.
- International regulatory watch: It is essential to closely monitor changes in standards in order to proactively anticipate and implement the necessary adaptations.

Our outlook and action plans for ESRS E1

Vetoquinol has established management structures at the group level (group HSE structure) and at the industrial site level (local HSE structures and energy manager). These measures are being implemented to ensure that its infrastructures are able to adapt to environmental challenges.

2.2.1.3 Disclosure Requirement E1-1 - Transition plan for climate change mitigation

The key actions identified for the Group as a whole, linked to the climate transition plan, include the following subjects in particular:

2.2.1.3.1 Decarbonization of activities and energy efficiency

Objective: Reduce greenhouse gas (GHG) emissions and energy consumption at major emitting sites.

Example of priority actions

- Carbon assessment: Carry out an annual carbon assessment of each site to identify the main sources of emissions (scope 1 and 2), and carry out a carbon assessment for the Group as a whole (scope 3). The aim here is to identify the priority actions to be implemented to limit the carbon footprint of sites and the Group, in collaboration with the stakeholders in our value chain.
- Energy optimization: Replacement campaigns for energy-hungry equipment (compressors, boilers, air conditioning), installation of heat recovery systems, challenges to our process control parameters.
- Low-carbon energy and renewable energies: Studies and gradual deployment of a policy to reduce our dependence on fossil fuels: plans to build a biomass heating plant (France), technical studies for the installation of solar panels (France), purchase of green energy (Poland).
- Sustainable mobility: Increase the proportion of electric vehicles used for business travel (company cars) and optimize logistics to limit transport, install electric charging stations.

Monitoring indicator: Implementation of KPIs to confirm the effectiveness of these policies.

2.2.1.3.2 Adaptation to climate risks and site resilience

Objective: Ensure business continuity in the face of climatic hazards.

Example of priority actions

- Climate risk mapping: Identify site vulnerabilities (heatwaves, floods, storms).
- Business Continuity Plan (BCP): Develop resilience strategies in the event of extreme events (e.g. secure storage of sensitive raw materials).
- Improved thermal insulation of buildings: Reduce air-conditioning and heating requirements.
- Reforestation and biodiversity: Integrate carbon offset projects (e.g. reforestation in India; biodiversity enhancement: flower fallow, orchard and beehives on the Lure site, etc.).

Monitoring indicator: Number of resilience measures suggested and percentage of progress made in implementing them.

2.2.1.3.3 Team commitment and awareness-raising

Objective: Engage employees in the climate transition.

Example of priority actions

- In-house training: raising employee awareness of climate issues and best practices (eco-driving, etc.).
- Internal challenge to reduce our carbon footprint: Encourage local initiatives and get teams involved (safety/environmental days, etc.).
- Regulatory watch and innovation: Monitoring legislative and technological developments to anticipate new obligations and opportunities (participation in Common Interest Groups, PSCI membership).

Follow-up indicator: Number of awareness-raising measures proposed and percentage of progress in their implementation.

2.2.1.3.4 Our results at the end of 2024

Vetoquinol prioritizes the production of its key pharmaceutical specialties at its major industrial sites, maintaining proximity to its customers. The production of pharmaceutical specialties continues to emit carbon. In this context, the Group's aim is to limit the carbon footprint of its production.

Vetoquinol has therefore set itself a target of a 6% reduction in its GHG emissions from scopes 1 and 2, in carbon intensity (Note: Tons of CO_2 equivalent per €m of sales manufactured by our plants) between 2020 and 2026.

Projects to achieve these ambitions include purchasing low-carbon energy, strengthening in-house and regional production, replacing energy-hungry machinery, limiting the fleet of combustion-powered vehicles for scopes 1 and 2, and training employees.

Regarding scope 3 emissions, the Group initially calculated these emissions for France. Following this exercise, the Group developed action plans to reduce scope 3 emissions (e.g. assessing all our suppliers and associated priority actions, making changes to our supply chain, etc.). The Group's subsequent objective is to expand the scope 3 calculations to industrial sites as a preliminary measure.

Despite these actions, scope 1 and 2 GHG emissions remained stable between 2020 and 2024.

2.2.1.4 Disclosure Requirement E1-5 - Energy consumption and mix

Energy consumption and energy mix

In GWh	2023	2024
Geographical area	**Group**	**Group**
Total energy consumption (scopes 1 & 2)	**46.13**	**46.90**
Total fossil fuel consumption (gas + oil derivatives + share in electricity generation)	30.09	30.4
Fuel consumption from crude oil or derivatives	10.15	11.23
Fuel consumption from natural gas	17.3	16.3
Total nuclear energy consumption (64.8% in 2023, 67% in France in 2024)	6.84	6.9
Total renewable energy consumption (purchase + production)	9.19	9.59
Share of renewable energies consumed out of total energy	**19.9%**	**20.4%**

The Group currently monitors energy performance based on gas, liquid energy, and electricity consumption.

Gas consumption is down 15.6% from 2023 levels.

Electricity consumption has remained consistent with 2023 levels, despite a substantial increase in production volumes.

Liquid energy consumption (fuels) has increased by 10.5% since 2023.

Each group site, whether industrial or non-industrial, is currently implementing a pilot action plan. This plan is designed to reduce energy consumption through technical improvements and the development of eco-responsible behaviors.

In 2024, several noteworthy actions were taken to enhance the "energy" performance of the various sites. These actions included the replacement of steam traps, two new compressors with improved efficiency, the replacement of gas boilers with heat pumps, the promotion of staff awareness (encouraging the use of public transportation, etc.), and the investment in more environmentally-friendly transportation options (electric and hybrid cars, etc.).

2.2.1.5 Disclosure Requirement E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

Vetoquinol is committed to controlling its carbon footprint in the short, medium and long term.

Given its activity and energy sources, Vetoquinol does not have a significant impact in terms of GHG emissions in relation to its added value. The use of natural gas for its production sites, and electricity with low greenhouse gas emissions in France (mainly nuclear) and Canada (mainly hydroelectric), contributes to its low energy-related emissions.

Vetoquinol is committed to sustainable development and is therefore working to reduce its carbon footprint. To achieve this objective, it is essential that we calculate our carbon footprint, a central tool for measuring our impact.

Vetoquinol has been measuring its scopes 1 & 2 emissions since 2017, and the scope of calculation since 2020 now includes all industrial and R&D sites as well as the Group's main sales entities.

Scope 1 corresponds to direct emissions linked to fuel consumption and any emissions of refrigerant gases at our sites.

Scope 2 corresponds to indirect emissions linked to electricity consumption, calculated according to country-specific emission factors or local supplier factors.

The Vetoquinol Group now conducts annual assessments of its carbon emissions for scopes 1 and 2, encompassing the entire Group.

Scope 3 has been assessed for France in 2022, and an associated action plan has been proposed. It is also planned to periodically assess scope 3 for the Group as a whole. However this exercise is considerably more complex given the Group's international scope.

Vetoquinol SA is responsible for the emission of around 39,100 tonnes of fossil CO_2 in 2022 within the established perimeter (scopes 1, 2 and 3).

Regarding the annual assessment of scope 1 and 2 emissions, the results at Group level are as follows:

GHG emissions (scopes 1 & 2)

In tCO_2e	2023	2024
Geographical area	**Group**	**Group**
CO_2 emissions (scope 1 and scope 2) (tCO_2e)	9,585	10,110
Energy intensity (tCO_2e/€m) (scopes 1 & 2 total)	31.9	32.1

In 2024, greenhouse gas emissions for scopes 1 and 2 amounted to almost 10,110 tonnes of CO_2 equivalent, representing a 5.5% increase compared to 2023. Meanwhile, carbon intensity remained stable (+0.6%) between 2023 and 2024.

Vetoquinol has established an objective to reduce its carbon intensity, defined as CO_2 emissions per million euros of sales manufactured. To this end, various carbon trajectory hypotheses are studied. Specifically, they are used to guide our key choices in terms of sustainable investment in the short term.

Each Group entity, whether industrial or non-industrial, is committed to implementing an action plan aimed at reducing energy consumption and, consequently, greenhouse gas emissions. The Group HSE department monitors the plan's progress on a quarterly basis, and the Leadership Committee reviews it as part of the monitoring of strategic plan indicators.

The ISO 50001 energy management system in force at the Lure site, the Group's main emitting site, makes an ongoing contribution to optimizing our greenhouse gas emissions.

2.2.1.6 Disclosure Requirement E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

To date, the Group has no policy or objective in favor of financing absorption and mitigation projects outside its value chain.

2.2.2 ESRS E3: Water and marine resources

Challenge: Preserving our water resources

2.2.2.1 Disclosure Requirement related to ESRS 2 IRO-1 - Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The methodological process followed to identify IROs is described in ESRS 2 Disclosure Requirement IRO-1 (chapter 2.1.4). As part of this procedure, the upstream and downstream value chain has been taken into account, and stakeholders have been consulted.

Vetoquinol recognizes water as a fundamental element of its value chain.

The company's commitment to sustainability is reflected in its strategic approach to water management, which is driven by the understanding that water scarcity is a pressing concern in today's environment.

At Vetoquinol, water is utilized during pivotal stages of the manufacturing process for veterinary pharmaceutical specialties. These stages include drug formulation, equipment cleaning, plant cooling, steam production, and effluent treatment.

Impacts

The environmental impacts associated with water use have been identified:

- Pressure on water resources: large-scale water abstraction, contributing to resource scarcity in certain regions, particularly during periods of water stress.
- Discharge of micropollutants: potential presence of residues of active pharmaceutical substances in effluents, which can affect aquatic ecosystems (endocrine disruption, development of antibiotic resistance, etc.).
- Industrial effluent discharge: discharge of wastewater containing pollutants (organic matter, solvents, chemicals) requiring advanced treatment before discharge into the natural environment.
- Energy footprint: energy consumption associated with pumping, purifying and treating water (process and wastewater), contributing to greenhouse gas emissions.

Risks associated with water management

Risks associated with water use are identified.

These risks include physical, regulatory and financial risks, the stakes of which vary depending on our production sites:

- France: tightening regulations and water resource management – There is growing pressure on water resources, particularly during the summer months. Regulations on industrial effluents are being tightened. The presence of pharmaceutical residues in effluents is a significant concern. Societal pressure and demands for transparency are on the rise.
- Poland: water availability and environmental compliance – Poland is one of the regions with the lowest availability of fresh water per capita. There is a risk of water stress in certain industrial zones. The regulatory framework is evolving, and it requires substantial investment in order to meet the requirements of effluent treatment and consumption reduction. Recurrent pollution of water resources necessitates increased monitoring.
- Canada: wastewater management and the impact of climate – Our industrial sites are well-equipped with resources, though we are cognizant of the increasingly stringent regulations on industrial effluent discharges. There is an increasing risk of exposure to extreme climatic events.
- Brazil: water stress and a complex regulatory framework – There is a risk of water shortages in certain regions, and water pollution and limited treatment infrastructures frequently lead to tighter controls on the pharmaceutical industry. The impacts of climate change are significant, including droughts and increased pressure on water resources.

Opportunities

A number of key opportunities allow us to act proactively on these issues.

Vetoquinol has increased its efforts in the following areas:

- Increased monitoring of consumption and discharge: installation of additional metering infrastructure with automated data collection. Studies are being conducted to establish alert and action thresholds.
- Investment in advanced treatment technologies: biological treatment, neutralization, per-ozonation.
- Implementation of water resilience plans: drastic reduction in our groundwater consumption (implementation of closed cooling circuits), optimization of our Purified Water and Water for Injectable Preparations production systems, challenge of our existing cleaning parameters and studies on the reuse of "gray" water.
- Strengthening communication with local stakeholders (authorities and communities) to improve the acceptability and transparency of practices.

Our outlook and action plans for ESRS E3

Vetoquinol is setting up management structures at Group and industrial site level to prepare its infrastructures to adapt to these environmental challenges.

2.2.2.2 Disclosure Requirement E3-1 - Policies related to water and marine resources

The water resilience plan includes key actions at Group level and more localized actions, particularly at industrial sites.

Please find below a summary of the key actions.

2.2.2.2.1 Group governance and management

Water risk assessment and mapping: Identify the specific vulnerabilities of each site, analyze the impact on critical processes.

- Definition of a Group water resilience policy: define targets for reducing and optimizing water consumption at Group and site level.
- Water performance management & reporting: implementation and monitoring of KPIs on consumption, discharge and reuse, standardization of reporting.

2.2.2.2.2 Industrial sites governance & management

- Reducing water consumption: detecting and repairing leaks, optimizing processes (cooling, PW, WFI, CIP, SIP), raising awareness and training teams in best practices.
- Water reuse and recycling: Studies on the recovery and treatment of process water, implementation of closed circuits for cooling and utilities, studies on the reuse of rainwater for non-critical uses.
- Securing water supplies: depending on the situation and local partnerships.
- Discharge management and treatment: deployment of high-efficiency treatment plants.

2.2.2.3 Disclosure Requirement E3-2 - Actions and resources related to water and marine resources

Given the geographical location of its main production site in Haute-Saône, Vetoquinol has always been aware of the importance of preserving water resources and quality.

For instance, Vetoquinol swiftly invested in a state-of-the-art wastewater treatment facility at its primary production site.

Water consumption is a significant concern in the manufacturing process of our veterinary pharmaceutical specialties.

Pharmaceutical constraints (Good Manufacturing Practices) call for the production of very high quality water (purified water and water for injectable preparations), which requires a very high level of raw water consumption.

In addition, as the aim is to avoid cross-contamination between veterinary pharmaceutical preparations, increasingly efficient and reproducible cleaning processes need to be put in place. These processes can also rapidly consume large quantities of raw water.

These cleanings are generally carried out with detergent-added water, followed by successive rinses with increasingly pure water.

To optimize these processes, metering and sub-metering points are installed, as are TOC (Total Organic Carbon) and conductivity detectors. All these measuring instruments are used to optimize cycle operation and limit water consumption.

Despite these strict regulatory constraints, Vetoquinol has proposed an action plan to reduce water consumption, particularly at its production sites.

This includes the following actions, some of which will not be completed until 2025:

- Optimization of our purified water production processes.
- Increased number of metering and sub-metering points to limit the impact of leaks.
- Modification of our process cooling principles at the major production site.

In addition, all Group employees are periodically made aware of the importance of water management through the "environment quarter-hour" program.

2.2.2.4 Disclosure Requirement E3-3 - Targets related to water and marine resources

By 2026, Vetoquinol aims to reduce its gross water withdrawal (drinking water, groundwater, and river water) by 25% compared to 2022 across the Group.

By 2026, Vetoquinol also aims to reduce its water intensity (number of m3 of water consumed per million euros of revenue) by 30% compared to 2022.

2.2.2.5 Disclosure Requirement E3-4 - Water consumption

Overall water consumption in 2024 for industrial and R&D sites is down 21% on the previous year.

Water balance

m³	2023		2024	
Geographical area	**France**	**Group**	**France**	**Group**
Total water withdrawal	**79.5**	**102.0**	**65.2**	**91.4**
Withdrawals by origin				
Groundwater withdrawals	21.2	25.1	18.9	23.3
Water network purchase	42.5	61.0	37.1	58.9
Other (surface + demineralized + closed circuits)	15.9	15.9	9.2	9.2
Proportion from groundwater (%)	27%	25%	29%	26%
Withdrawals by use				
Drug manufacturing	ND	ND	ND	ND
Plant cleaning	ND	ND	ND	ND
Recycled and reused water	**0**	**0**	**0**	**0**
Returned to natural environment	**21.2**	**ND**	**18.9**	**ND**
Total returned via wastewater treatment plant	21.0	ND	29.5	ND
Proportion in relation to the sample	53%	ND	74%	ND
Net consumption (consumption - return)	ND	ND	ND	ND
WATER INTENSITY (WATER CONSUMPTION/€M SALES)		**0.34**		**0.29**

In 2024, there was a 10.4% decrease in overall water consumption at industrial and R&D sites compared to 2023, despite the continued operation of manufacturing facilities at various sites throughout the year.

This outcome serves to substantiate the efficacy of the action plans that were implemented.

Water consumption remains a significant challenge for Vetoquinol's production sites in the years ahead, against a backdrop of tightening regulatory requirements, particularly in terms of cleaning validation.

The development of new cleaning methods, in conjunction with these challenges, increases the risk of over-consumption of water.

New cleaning methods must include measures to limit the impact on water resources.

Water withdrawals in water-stressed areas

Thousands of m³	2023	2024
Number of sites located in areas with high water stress	0	0
Percentage of sites located in areas with high water stress	0	0
Total water consumption in areas with high water stress	0	0

Source: (aqueduct 4.0 ranking).

Vetoquinol's industrial sites are located in France, Poland, Brazil and Canada. Although high water stress zones have been identified in some of these countries, our sites are not located in these zones.

To date, the company has not calculated the volumes of water stored at its various industrial sites. These volumes are already included in the water consumption figures shown in the above table.

2.2.3 European taxonomy

The European Union (EU) has published European Regulation 2020/852 of June 18, 2020, also known as the "Taxonomy" regulation. This new legislation aims to establish a framework that will promote sustainable investments within the EU.

After a thorough examination of the new Delegated Regulation (EU) 2023/2485, which amends the Climate Delegated Regulation (EU) 2021/2139, and the New Delegated Acts (EU) 2023/2486, relating to the four other environmental objectives, we can confirm that none of our activities are considered to contribute substantially to these regulations.

Please note that Annexes I and II provide definitions of eligible activities, including the corresponding Statistical Nomenclature of Economic Activities in the European Community (NACE) codes, as well as the technical criteria for qualifying them as effectively sustainable according to the taxonomy regulation. Consequently, activities that do not meet these definitions are considered as undefined in the reference framework (as such, "non-eligible").

Vetoquinol researches, develops, manufactures and markets veterinary medicines. At this time, these activities are not considered to make a substantial contribution to the two climate objectives defined by the taxonomy.

2.2.3.1 Presentation of key performance indicators required for fiscal 2024

Sales of veterinary specialties are potentially fully captured by the Taxonomy under the pollution prevention and reduction objective. Vetoquinol therefore presents 100% of its sales as eligible for taxonomy.

2.2.3.2 Capital expenditure indicator (or CapEx)

CapEx corresponds to new acquisitions of property, plant and equipment and intangible assets during the year, before depreciation, amortization or revaluation.

In 2024, the Vetoquinol Group carried out a critical review of CapEx invested (excluding restatements related to the application of IFRS 16) in all the company's subsidiaries. The methodology adopted consisted of a multi-criteria analysis of CapEx, taking into account the financial materiality of the investment, the nature of the investment, and ultimately the eligibility of the investments retained.

The following capital expenditures were eligible:
- related to potentially sustainable activities,
- part of a plan to make an activity sustainable or to expand a sustainable activity,
- linked to economic activities known as "eligible individual measures" in the Taxonomy, aimed at reducing the company's environmental footprint,

The sum of the CapEx thus identified and validated as eligible under the taxonomy amounts to €1,047,000, or 5.7% of the Group's Capex 2024.

The rights of use of leased assets resulting from the application of IFRS 16 have not been taken into account, as these items are not included in the Group's Capex.

There were no capital expenditures resulting from business combinations in the year ended December 31, 2024.

2.2.3.3 Operating expenditure indicator (or OpEx)

The OpEx (restated for IFRS 16) to be considered include the following:
- related to eligible activities,
- related to Vetoquinol's sustainability objectives as part of a plan to expand or make a business sustainable,
- related to economic activities called "individual measures" in the Taxonomy aimed at reducing the company's environmental footprint. Exemples include expenditures on premises, vehicles and data hosting.

Not all operating expenses need to be considered. Only research and development costs, building renovation costs, short-term leasing charges, asset maintenance, upkeep and repair costs, and any other direct expenditures relating to the day-to-day maintenance of tangible assets required for their proper operation, should be considered.

According to Delegated Regulation (EU) 2021/2139 of June 4, 2021, as the Vetoquinol Group's activities are not considered to substantially contribute to the first two environmental objectives; therefore they are not eligible. Only operating expenses relating to individual measures can therefore be considered.

Since the Vetoquinol Group did not incur any operating expenses under these individual measures in 2024, the proportion of the Group's OpEx expenses relating to economic activities aligned with the taxonomy is 0%.

A study was carried out on OpEx and CapEx for buildings and cars, to determine if they be "aligned" in this way. The three indicators of the green/European taxonomy for fiscal 2024 are as follows:
- share of eligible sales: 100%;
- eligible OpEx share: not significant and reported 0%;
- share of aligned CapEx (excluding IFRS16): 5.7% (€1,047k/€18,404k).

2.3 ESRS SOCIAL

In this section, you will find the social challenges listed in order of importance according to the results of our dual materiality analysis, the current status of this theme, risk mitigation measures, as well as monitoring indicators, objectives and action plans launched or to come.

2.3.1 ESRS S1: Own workforce

Challenge: Promote our corporate culture to develop our employer brand and build employee loyalty

2.3.1.1 Disclosure Requirement related to ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The methodological process used to identify IROs is described in ESRS 2 *Disclosure Requirement IRO-1 (chapter 2.1.4).*

Impacts

Ensure the stability of our workforce and skills by developing employee experience within our family business. Communicate our corporate culture to attract the new skills we need.

Risks

Loss of skills with operational impacts in the event of departures, difficulties in attracting talent (longer vacancies and/or need to lower expectations for certain roles due to recruitment challenges at the appropriate level).

Opportunities

To safeguard against rising staff turnover and enhance the company's appeal, thereby ensuring the seamless attraction of the talent and skills essential to maintain competitiveness in the evolving industry and market landscape.

Our objectives

Vetoquinol has listed its 3 main objectives below:
- Develop our employer brand by promoting our culture as an independent, family-run company, and our industry as a magnet for passionate people.
- Attract and/or develop the necessary skills for our transformation.
- Improve employee retention by fostering their development.

Our KPIs

Themes and KPIs	2024 results
Employer Brand	
Number of subscribers and visitors to LinkedIn Corporate page (Vetoquinol Global page)	49,300 subscribers
Number of visits to LinkedIn Corporate page (Vetoquinol Global - All pages) from February 28, 2024 to February 26, 2025	65,808 visits
Professional equality index (Vetoquinol SA scope)	82/100
Attracting and/or developing transformation-related skills	
Total number of visits to LinkedIn Career pages from January 31, 2024 to January 30, 2025	6,962
Total number of visits to our Vetoquinol Careers Page	14,000
Improving retention	
Voluntary turnover with and without India	12.89% / 7.61%
Internal mobility rate for executives (excluding sales force) Group scope	36%

Our initiatives

- Overhaul of our HR Information System (HRIS)
- Compensation & Benefits Structure.
- Managing employee development plans.
- Skills repositories.
- Feedback culture.

2.3.1.2 Disclosure Requirement S1-1 – Policies related to own workforce

Training, employee development and skills management

At Group level, we completed 66,567 hours of "traditional" training in 2024, marking a 6% decrease from 2023. This decline is primarily attributable to the training on our new ERP, which was mostly carried out in 2023 following its launch that same year, as compared to 2024. The aim was to train employees to use this new tool in the 10 countries where the launch took place.

2.3.1.3 Disclosure Requirement S1-6 - Characteristics of the undertaking's employees

The headcount shown below includes employees on permanent contracts and fixed-term contracts, excluding those on work-study contracts who were with the Group at the end of the financial year on December 31. They do not include trainees or temporary staff.

Company workforce: breakdown by gender and country

Breakdown of workforce by gender

Number of employees (headcount)	2023	2024
Women	1,197	1,207
Men	1,286	1,294
TOTAL EMPLOYEES	**2,483**	**2,501**

Breakdown of workforce by strategic region

Number of employees (headcount)	2023	2024
Europe	1,328	1,329
Americas	576	580
Asia/Pacific	579	592
TOTAL EMPLOYEES	**2,483**	**2,501**

Company workforce: breakdown by contract type

Breakdown of workforce by contract type and gender

Number of employees (headcount)	2023	2023	2024	2024
	Men	Women	Men	Women
Permanent employees	1,272	1,168	1,281	1,182
Temporary employees	14	29	13	25
TOTAL EMPLOYEES	**1,286**	**1,197**	**1,294**	**1,207**

Breakdown of workforce by profession

Number of employees (headcount)	2023	2024
Administration	313	314
IT	68	69
Sales and Marketing	1,134	1,147
Production	320	319
Quality	208	219
Scientific	203	202
Supply chain and purchasing	237	231
TOTAL EMPLOYEES	**2,483**	**2,501**

Breakdown by socio-professional category

Number of employees (headcount)	2023	2024
Executives	755	758
Sales force	738	764
Technicians and employees	707	701
Workers	283	278
TOTAL EMPLOYEES	**2,483**	**2,501**

Breakdown of workforce by contract type and geographical area

Number of employees (headcount)	2023			2024		
	Europe	Americas	Asia/Pacific	Europe	Americas	Asia/Pacific
Permanent employees	1,298	572	570	1,299	578	586
Temporary employees	30	4	9	30	2	6
TOTAL EMPLOYEES	**1,328**	**576**	**579**	**1,329**	**580**	**592**

Breakdown of workforce by gender and geographical area

Number of employees (headcount)	2023			2024		
	Europe	Americas	Asia/Pacific	Europe	Americas	Asia/Pacific
Women	809	321	67	824	320	63
Men	519	255	512	505	260	529
TOTAL EMPLOYEES	**1,328**	**576**	**579**	**1,329**	**580**	**592**

Breakdown of workforce by contract type (full-time or part-time)

Number of employees (headcount)	2023	2024
Full-time employees	2,434	2,437
Part-time employees	49	64
TOTAL EMPLOYEES	**2,483**	**2,501**

Voluntary employee turnover

Number of employees (headcount)	2023	2024
Turnover	14.43% at Group level 8.74% excluding India	12.89% at Group level 7.61% at Group level (excluding India)

The turnover rate analysis must be carried out with or without India. The turnover rate is particularly high in India: 38.6% in 2023 and 34.6% in 2024. This high rate can be attributed to India's significant growth in the animal health market, which has led to the establishment and expansion of numerous companies, both domestic and international, seeking to hire top talent. In light of these considerations, we have strategically decided to separate India from the rest of the Group, particularly given that our Indian subsidiary boasts the Group's largest sales force.

2.3.1.4 Disclosure Requirement S1-7 - Characteristics of non-employee workers in the undertaking's own workforce

The Vetoquinol Group employs temporary workers through service providers as part of its activities. The temporary employees described below represent the average number of temporary employees in France at December 31.

	2023	2024
Temporary employment contract* (temping)	18.64	32.58

Scope : Vetoquinol SA

2.3.1.5 Disclosure Requirement S1-9 - Diversity metrics

Breakdown by gender

At December 31, 2024, 37.5% of Vetoquinol's Board of Directors were women.

Feminization rate	2023	2024
Management - LeadCom members	14%	14%
Board of Directors	37.5%	37.5%

Within LeadCom, the male/female split remains identical in 2023 vs. 2024.

Gender equality index

	2023	2024
Professional equality index	91	82

For 2024, the Professional Equality Index for Vetoquinol SA, the French entity with 753 employees in all functions, was 82/100 (2023: 91/100), above the minimum set by French regulations at 75% (a composite index for which French regulations lay down the precise method of calculation). The decline in the 2024 index is due to indicators no. 2: individual increase differentials. This is a purely cyclical aspect, mainly linked to the high proportion of women hired and promoted in H2 2023 and H1 2024, and consequently not eligible for individual increases in 2024. The salaries of new hires or those recently promoted only change in the year following their hiring/promotion. Therefore, they are excluded from 2024 increases.

Age distribution

Age pyramid at December 31

	2023	2024
Number of employees (headcount) aged under 30	**447**	**458**
Percentage of employees aged under 30	18%	18%
Number of employees (headcount) aged between 30 and 50	**1,539**	**1,510**
Percentage of employees aged between 30 and 50	62%	61%
Number of employees (headcount) aged over 50	**497**	**533**
Percentage of employees aged over 50	20%	21%

Integrating young people and keeping seniors in work

	2023	2024
Number of employees (headcount) with less than 5 years' seniority	1,287	1,257
Number of employees (headcount) with between 5 and 25 years' seniority	1,063	1,098
Number of employees (headcount) with more than 25 years' seniority	133	146

2.3.1.6 Disclosure Requirement S1-12 - Disabled persons

In 2023, in France (Vetoquinol SA), the employment rate for disabled people was 4.52% (figure published for 2023).

Certain levels of disability (intermediate) can generate an additional number of days off for these employees.

2.3.1.7 Disclosure Requirement S1-13 - Training and skills development metrics

Employee training

	2023	2024
Number of employees having received at least one training course	2,431	2,250
Number of training hours	71,434	66,567
Proportion of employees trained out of average workforce	97%	89%

The employee training coverage rate is calculated by determining the number of employees who have participated in at least one training course during the year. Due to a high rate of employee turnover, certain countries may experience a higher than average employee coverage rate within their respective workforces. The departure of one employee may have been preceded by the training of a successor, resulting in a situation where a departing employee has already received at least one training session during the year. The two figures represent an average of one employee per year, but they are counted as two employees because at least one training course was completed by each.

The decline in employee training can be attributed to the implementation of our new ERP tool in 2023, which necessitated training in 10 countries during that same year. This training was not conducted in 2024.

Vetoquinol is continuing its group-wide skills development initiative.

Average number of hours per employee – *excluding China, Mexico & USA	2024
Average number of hours per employee – Men	31.9
Average number of hours per employee – Women	24.2

The average number of training hours per employee is higher for men, as it includes all sales force training in India. Indeed, India has a relatively high turnover rate, and each new employee is thoroughly trained on their new position. To ensure proficiency, these sessions are held on a regular basis, with multiple sessions scheduled each month.

Absenteeism

The absenteeism rate is calculated for permanent and fixed-term contracts (trainees and work-study contracts are excluded). It is defined as follows:

- Number of days absent (excluding maternity and paternity leave).
- Number of days theoretically worked multiplied by 100

For the 2024 financial year, the rate stands at 3.61%.

2.4 ESRS GOVERNANCE

This section provides a comprehensive overview of governance issues, systematically organized by order of importance. It encompasses the findings of the dual materiality analysis, the current status of this theme, risk mitigation measures, monitoring indicators, objectives, and action plans that have been initiated or are in development. The Group is also contributing to the Sustainable Development Goals (SDGs 9, 12, and 16).

2.4.1 ESRS G1: Business conduct – Role of governance bodies

Challenge: Transform the company while preserving its family nature

Faced with changes in the animal health market and growing internationalization, Vetoquinol is evolving while preserving its family identity and human values. Since its founding in 1933, the company has successfully combined growth, innovation, and independence, guided by the Frechin family's long-term vision. Its stable governance spanning three generations, majority family ownership, and long-term vision guarantee stability, freedom of decision-making, and growth over time.

Change management plays a key role in implementing strategic transformations, whether these involve international expansion, the adoption of new technologies, or the evolution of skills and competencies. These changes are not merely a response to market demands; rather, they are systematically and collaboratively implemented, ensuring that the entrepreneurial spirit and close ties with employees and stakeholders are maintained.

2.4.1.1 Disclosure Requirement ESRS 2 GOV-1 - The role of the administrative, supervisory and management bodies

As described in the Corporate Governance Report (Chapter 4 of the French version of this document), the Board of Directors sets the direction of the company's business, defines its strategy and oversees its implementation. The Chairman of the Board of Directors organizes and directs the work of the Board, on which he reports to the Annual General Meeting. He ensures that the company's governing bodies operate smoothly, and in particular that the directors are able to fulfill their duties.

As described in the Corporate Governance Report (Chapter 4 of the French version of this document), the Audit Committee is responsible for advising the Board of Directors on Vetoquinol SA's interim, annual, consolidated and parent company financial statements, as well as on internal control, internal audit and compliance.

The roles of Vetoquinol's Board of Directors and Audit Committee, as described in ESRS 2 Disclosure Requirement GOV-1 (chapter 2.1.2), consist mainly in challenging the Group's sustainable development approach, including issues relating to corporate culture and business ethics (including business conduct, anti-corruption and conflicts of interest).

2.4.1.2 Disclosure Requirement ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

The methodological process followed to identify IROs is described in ESRS 2 Disclosure Requirement IRO-1 (chapter 2.1.4). As part of this procedure, the upstream and downstream value chain has been taken into account, and stakeholders have been consulted.

Impacts

Vetoquinol operates in an international context, with numerous subsidiaries and suppliers, and is therefore exposed to legal compliance issues, as well as to various regulatory developments in the pharmaceutical, social, financial and tax fields. The Group's growth strategy is a combination of organic growth and acquisitions.

Risks

Vetoquinol recognizes the financial, regulatory, and operational risks associated with potentially challenging growth.

Opportunities

Vetoquinol is committed to developing its business in accordance with applicable regulations, environmental sustainability, and the company's family DNA.

Our objectives

Vetoquinol's strategic objective is to drive the transformation of the family business and adapt its business model to the evolving challenges of the animal health market, with the aim of ensuring its long-term growth and success.

Our initiatives

2.4.1.2.1 Adapting company development and skills to the market

Vetoquinol operates in an ever-changing world, both in terms of the technologies used and the concentration, diversification and transformation of its customers.

In its value chain, innovation, production and customer access, Vetoquinol aims to digitalize, harmonize and globalize its processes. Vetoquinol is piloting a short-, medium- and long-term roadmap to achieve these goals. This means investing in employee skills development, as well as in increasingly integrated information systems.

2.4.1.3 Disclosure Requirement G1-1 - Corporate culture and business conduct policies

Vetoquinol is committed to upholding ethical principles in all aspects of its business operations. Respect for these values, expressed in its Code of Ethics and Anti-Corruption Code of Conduct, is essential both in the company's internal dealings and in its relations with customers, suppliers, the authorities and, more generally, all its external stakeholders.

2.4.1.3.1 Family governance

Vetoquinol's Board of Directors is made up of 50% family directors and 50% independent directors. This mix provides a balance between family values and diversified, objective expertise. The Frechin family's objective is to maintain this balance. The Frechin family holds a 63% stake in the capital and exercises a 77% voting control. The objective is to ensure the continuity of the family business by maintaining the majority ownership and voting rights.

Capital distribution table		2023	2024
Percentage of capital held by founders, families and executives	%	67.03%	67.06%
Control of capital (holding ≥ 34% of shares) by a shareholder or group of shareholders	Y/N	N	N
Percentage of capital held in treasury stock	%	0.42%	0.73%
Percentage of capital held by employees (excluding management)	%		
Double voting rights	Y/N	Y	Y

A robust embodiment of the family's leadership, endorsed by all the company's managers and employees, fosters strong alignment with the company's vision and support for the execution of the company's strategy.

Vetoquinol is founded on strong human values that are at the heart of our strategy:
- Trust: recognizing the commitment, reliability, honesty and skills of each individual.
- Dare: taking initiative, innovating, not fearing failure, learning from experience and adopting an entrepreneurial mindset.
- Collaborate: encouraging internal and external partnerships and consulting all stakeholders. It means respecting others and benefiting from everyone's diversity, talent and culture.

These values guide the behavior and conduct of our employees, both internally and with our external stakeholders.

2.4.1.3.2 Code of ethics

The company has established a Code of Ethics, which serves as a set of shared rules of conduct.

The Code of Ethics sets out the commitments, practices and behaviors that all employees must follow:
- Loyalty and integrity in both internal and external relations.
- Compliance with all applicable laws and regulations.
- Objectivity in all situations.
- Promote Vetoquinol values.
- Preserve the company's image of integrity.

Vetoquinol is committed to:
- Complying with all applicable laws and regulations in the countries where it operates.
- Maintaining ethical business relationships with all our partners.
- Following the principles of the International Labour Organization regarding fundamental rights at work.
- Fighting against all forms of discrimination.
- Complying with applicable environmental standards.

The Code of Ethics serves as the foundational framework for the common rules that guide the behavior and actions of all Vetoquinol Group employees in their day-to-day activities. In particular, it incorporates the Middlenext anti-corruption code of conduct, to which Vetoquinol subscribes (described below). This code is applicable to the following:

- all employees of the Vetoquinol Group, regardless of their role, hierarchical position, contract type or country of work. It also applies to all corporate officers of the Vetoquinol Group;
- all professional activities and relationships within or outside the Vetoquinol Group.

Upon joining the Group, each employee receives a copy of the Code of Ethics. The Code of Ethics is also available on the Vetoquinol website (www.vetoquinol.com).

All employees are required to acquaint themselves with the regulations outlined in this Code and adhere to them. In the event that employees have any questions regarding a particular situation and/or the content of the Code, they are encouraged to contact their manager and/or the Group's designated ethics advisors.

All employees are expected to adhere to the guidelines outlined in this Code, regardless of their work environment, and to exercise common sense and good judgment.

Likewise, every manager is expected to promote the rules contained in the Code during the day-to-day management of their teams and in decision-making processes.

2.4.1.3.3 Anti-corruption code of conduct

Vetoquinol is committed to upholding the highest ethical standards in all its activities and to fostering a culture of integrity among its employees.

Vetoquinol has adopted the MiddleNext Anti-Corruption Code of Conduct, aligned with the United Nations Convention against Corruption, with the aim of proactively combating all forms of corruption.

The Code establishes explicit guidelines on various fundamental issues:

- Public-sector employees: distinct set of regulations that govern their specific relationship with the company.
- Gifts and invitations: management policies to avoid conflicts of interest.
- Donations: to be made to charitable or political organizations.
- Patronage and sponsorship: subject to regulation to ensure ethical compliance.
- Facilitation payments: prevention of all forms of illicit payments.
- Third-party supervision: monitoring relations with external partners.
- Conflicts of interest: situations in which personal interests or loyalties interfere with one's professional judgment or actions. Managing and preventing these situations is essential for maintaining integrity and effectiveness in the workplace.
- Accounting records and internal controls: ensuring the transparency and integrity of accounting practices.

All employees are expected to adhere to the standards outlined in this Code of Conduct and to respect the established rules. It is imperative to adhere to the ethical principles established by the Vetoquinol Group in all professional endeavors.

In November 2021, the Anti-Bribery Code of Conduct was supplemented with a gifts and invitation policy. This policy is intended to guide employees in handling such situations.

2.4.1.3.4 Alert process

All employees are encouraged to report any suspected breaches of the Vetoquinol Anti-Bribery Code of Conduct, as well as any actions that might not align with our company values and Code of Ethics. To do so, they need to use the following link: https://report.whistleb.com/vetoquinol.

The objective of this service is to establish a secure and confidential communication channel to facilitate the early identification of issues, thereby minimizing potential risks and enabling prompt corrective actions when necessary. It is an essential instrument for ensuring that our actions are ethically sound and that employees, customers, and the public have confidence in us.

2.4.1.3.5 Protection of whistle-blowers

If an individual expresses legitimate suspicion or concern in accordance with this protocol, they will not be subject to disciplinary action or retaliation, regardless of the outcome. This protection applies provided that the individual acted in good faith.

2.4.1.3.6 Processing alerts

The Ethics Committee, made up of the Human Resources Director, a Country Director and the Legal and Compliance Expert, is responsible for processing and, where necessary, investigating any alerts transmitted under this system. Every year, a report on alerts is presented to the Board of Directors' Audit Committee.

2.4.1.3.7 Corruption prevention training

In addition to the training offered to a number of its employees, Vetoquinol is implementing a training module dedicated to the prevention of corruption.

At Vetoquinol SA, ethics and anti-corruption training is compulsory for all managers upon joining the Group, and is updated every two years. This training is also taken by corporate officers.

Number of alerts reported and investigated

Vetoquinol does not establish specific targets for the number of alerts to be reported. Vetoquinol encourages its employees to report any situation that would justify raising an alert.

2.4.1.3.8 Risk mapping

Vetoquinol has set up a global risk mapping system.

The Group places particular emphasis on supplier integrity, which is a matter of significant importance to the company. To this end, an anti-corruption questionnaire has been introduced to assess supplier integrity throughout the qualification and validation process. This approach is intended to ensure partnerships that align with Vetoquinol's ethical principles. For more information, please refer to chapter 5 of this document. (French version only)

2.4.2 ESRS G1: Business conduct

Challenge: closely align with our stakeholders to ensure compliance with our business conduct charter

2.4.2.1 Disclosure Requirement ESRS 2 SBM-2 – Interests and views of stakeholders

The value chain was considered during the stakeholder consultation phase of developing the double materiality matrix. The survey included stakeholders such as customers, suppliers, and employees who work with Vetoquinol. These stakeholders were invited to share their insights on the prioritization of Vetoquinol's concerns, with a focus on the subjects of "Business ethics" and "Responsible purchasing and value chain workers," which address critical issues of human rights.

2.4.2.2 Disclosure Requirement ESRS 2 IRO-1 – Description of processes to identify and assess material impacts, risks and opportunities

The methodological process followed to identify IROs is described in ESRS 2 Disclosure Requirement IRO-1 (chapter 2.1.4). As part of this procedure, the upstream and downstream value chain has been taken into account, and stakeholders have been consulted.

Impacts

Vetoquinol operates in a demanding and restrictive regulatory environment. Vetoquinol aims to enhance the alignment of its suppliers with its social, economic, environmental and image challenges.

Risks

This issue is closely linked to a similar risk of non-compliance, which could damage the Group's business and reputation.

Opportunities

Vetoquinol addresses this challenge by securing the value chain with its suppliers.

Our objectives

Vetoquinol presents its main objectives below:
- Act on the quality of its value chain.
- Comply with good business practices.
- Contribute to the long-term economic performance of the company.

2.4.2.3 Disclosure Requirement G1-2 – Management of relationships with suppliers

Vetoquinol prioritizes ethics and transparency in its interactions with employees, customers, suppliers, and partners. The company's Code of Ethics articulates the principles that guide the actions of Group employees on a daily basis, ensuring fair, objective, and honest conduct.

Our actions

2.4.2.3.1 Responsible purchasing policy

The Vetoquinol Group is committed to its approach to sustainable development and corporate social responsibility, and we are eager to involve all our partners in this process. This approach demonstrates the Group's commitment to establishing sustainable and balanced supplier relations, while respecting the rights and obligations of all parties. The Group is committed to maintaining a high level of compliance by fostering collaboration with Partners who share its values of sustainable development, ethics, and trust. This collaboration aims to offer products and solutions that fully align with the Group's values and expectations, as well as those of its customers. Accordingly, the Group expects its Partners to comply with the standards set out in the Responsible Procurement Charter available at www.vetoquinol.com, and to act ethically and responsibly in their customer-supplier relationships.

From a practical standpoint, Group purchasing is governed by structured purchasing policies covering:
- Direct purchases: raw materials and production components.
- Indirect purchases: services, utilities and non-production services.
- Subcontracting: contracting and monitoring external partners.

The following actions are intended to enhance supplier standards:
- Progressive roll-out of a master-data supplier initiated in 2020, with extension to all subsidiaries from 2021.
- Reinforced verification of expenses and orders via integrated compliance tools.
- Anti-corruption commitment and promotion of business ethics through validation questionnaires.

The following measures have been implemented to ensure the procurement of supplies and the effective management of costs:
- Double sourcing strategy and implementation of safety stocks to limit risks.
- Long-term contracts with key suppliers to secure and stabilize supplies.
- Anticipate and adapt to geopolitical tensions and market price fluctuations (food, energy, transport).

2.4.2.3.2 Sustainable development and responsible choice of materials

Vetoquinol has committed to integrating more sustainable practices into its purchasing processes, particularly through the following initiatives:
- The selection of more environmentally-friendly raw materials.
- A reduction in the ecological footprint of packaging.

Thanks to these initiatives, Vetoquinol strengthens its resilience in the face of market challenges and confirms its commitment to responsible, sustainable growth.

KPI: number of critical suppliers responding to Vetoquinol's EHS compliance questionnaires.

Indirect Purchasing Scope: critical suppliers, i.e. 135 out of over 16,000.

Subcontractor Scope: critical suppliers (21 out of 40).

Scope Direct Purchasing (stocked): critical suppliers, i.e. 170 out of 600.

At December 31, 2024	Non-production purchases	Subcontracting purchases	Production purchases	TOTAL
Number of critical suppliers	135	21	170	326
Number of critical suppliers surveyed	135	21	170	296
Number of critical suppliers scored	40	21	170	231
% compliance	*30%*	*100%*	*100%*	*71%*
2025 targets	70%	100%	100%	
2026 targets	100%	100%	100%	

New suppliers are required to comply with the anti-corruption code of conduct previously outlined. Contracts signed by Vetoquinol also include clauses referring to the anti-corruption code of conduct and the procurement charter.

Vetoquinol is committed to adhering to anti-corruption measures.

2.4.2.3.3 Regulatory compliance

Compliance with current laws and regulations is essential for fostering trust among economic stakeholders. It is also a prerequisite for the long-term survival of the Group, which, as a family business, is committed to a long-term approach. The company's reputation is a direct consequence of the conduct of its employees; the illegal behavior of a single employee can cause considerable damage to the Group.

Any behavior that could potentially involve the Group in unlawful activities is strictly prohibited. Vetoquinol and its employees are committed to adhering to all applicable national and international laws and regulations in the countries where the Group operates. Regardless of any sanctions that may be imposed by law, any employee found to have committed such an infraction, which constitutes a violation of their professional obligations, will be subject to disciplinary action.

2.4.2.4 Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery

See paragraph 2.4.1 above.

2.4.2.4.1 Combating tax evasion

Vetoquinol meticulously verifies the consistency of legal and financial information provided by its business partners. The Group is actively committed to respecting the principles of transparency and ethics in all its financial transactions.

Vetoquinol:
- Does not engage in "aggressive" tax schemes, as defined the European Directive DAC 6 (2018/822) on cross-border tax avoidance schemes.
- Does not engage in tax avoidance practices prohibited by the ATAD Directive (2016/1164), which establishes the framework for tax practices within the European Union.

This framework is designed to ensure that our conduct is in accordance with all applicable legal and ethical standards.

2.4.2.4.2 Disclosure Requirement G1-5 – Political influence and lobbying activities

Vetoquinol is a member of industry trade organizations in countries where it operates directly (Health for Animals, NOAH...). Vetoquinol is also a member of other official representative bodies related to its activity (Middlenext...).

2.4.2.4.3 Disclosure Requirement G1-6 – Payment practices

The Group's payment practices, particularly with regard to payment terms to SMEs, are described in section 3.4.1 Customer and supplier payment terms (French version only).

2.5 SUMMARY TABLE OF NON-FINANCIAL INDICATORS

GOVERNANCE		2023	2024
Capital distribution table			
Percentage of capital held by founders, families and executives	%	67.03%	67.06%
Control of capital (holding ≥ 34% of shares) by a shareholder or group of shareholders	Y/N	Y	Y
Percentage of capital held in treasury stock	%	0.42%	0.73%
Percentage of capital held by employees (excluding management)	%	N/S	N/S
Share capital held by other shareholders holding at least 5% of total shares	%	N/A	N/A
Double voting rights	Y/N	Y	Y
Composition of governance bodies			
Separation of the roles of Chairman of the Board and Chief Executive Officer	Y/N	Y	N
Number of Board members	VA	8	8
Number of women on the Board of Directors	VA	3	3
Percentage of women on the Board of Directors	%	37.50%	37.50%
Number of executive members on the Board of Directors	VA	1	1
Number of independent directors	VA	4	4
How governance bodies work			
Commitment to comply with the recommendations of a corporate governance code	Y/N	Y	Y
Assessment of Board performance	Y/N	Y	Y
Number of Board meetings	VA	4	4
Average attendance rate of directors at Board meetings	%	100.00%	92.50%
Existence of an Audit Committee whose Chairman is independent and has significant audit/ finance experience	Y/N	Y	Y
Non-statutory Compensation and Appointments Committee / number of meetings per year	Y/N	Y	Y
Existence of a non-statutory CSR Commission / number of meetings per year	Y/N	N	N
Compensation of executives and directors			
Total remuneration paid to members of the Board of Directors	€k	chapter 4	chapter 4
Total remuneration paid to the chief executive officer (excluding remuneration for directorship)	€k	chapter 4	chapter 4
Transparency regarding the criteria for variable compensation for the chief executive officer	Y/N	Y	Y
Business ethics			
Publication of a formalized business conduct and anti-corruption policy	Y/N	Y	Y
Activities in countries exposed to corruption risks	Y/N	Y	Y
Existence of an alert system	Y/N	Y	Y
Audit fees as a percentage of total statutory auditors' fees	%	100.00%	100.00%
Have you been the subject of public controversy (founded or unfounded), litigation or an unfavorable court ruling (conviction) in the last three years?	Y/N	N	N
CSR Policy / Social & Environmental Performance			
Formalization of a structured CSR/ESG strategy (with or without objectives)	Y/N	Y	Y
Analysis and prioritization of the Group's ESG challenges	Y/N	Y	Y
Signatory of the United Nations Global Compact	Y/N	N	N
Existence of a CSR manager	Y/N	N	N
Existence of an HSE manager	Y/N	Y	Y
CSR strategy presented to the Board of Directors during the year	Y/N	Y	Y
Annual review of the company's environmental and social performance by the Board of Directors	Y/N	Y	Y
Cybersecurity / Data protection			
Compliance with European GDPR regulations (General Data Protection Regulation)	Y/N	Y	Y
Presentation of IT risks to governance bodies at least once a year	Y/N	N	N

SOCIAL		2023	2024
Features and social policy			
Existence of a Group Human Resources Department	Y/N	Y	Y
Total workforce at year-end	VA	2,483	2,501
Permanent workforce - Year-end	VA	2,440	2,463
Number of permanent female employees at year-end	VA	1,197	1,207
Percentage of total workforce located in country of head office	%	30.37%	30.55%
Voluntary turnover rate (excluding India)	%	8.74%	7.61%
Working conditions			
Employee departure rates: resignations, contractual termination, end of trial period at employee's initiative, end of fixed-term contract or apprenticeship, redundancy (Group data excluding India)	%	12.80%	11.77%
Existence of profit-sharing schemes (profit-sharing, employee shareholding, etc.) outside the legal framework	Y/N	Y	Y
Employee surveys conducted over the past three years	Y/N	Y	Y
Percentage of workforce operating in countries that are sensitive in terms of fundamental rights at work	%	0%	0%
Skills development			
Percentage of employees having an annual appraisal interview (including India)	%	73%	70%
Workforce training rate / Rate of employees having received training	%	97.90%	89.96%
Average number of training hours per employee	VA	28.9	26.8
Diversity / Equal opportunities			
Share of women in workforce	%	48%	48%
Share of women in management workforce	%	49%	49%
Percentage of permanent workforce aged over 50	%	20%	21%
Percentage of permanent workforce aged under 30	%	18%	18%
Average age of employees	VA	41.3	41.4
Health and safety			
Existence of an HSS (Health, Safety, Security) management system	Txt	Y	Y
Analysis of occupational health and safety risks, including psycho-social risks	Y/N	Y	Y
Absenteeism rate (excluding maternity and paternity leave)	%	3.40%	3.61%
Number of lost-time accidents (LTA)	VA	6	6
Number of accidents without lost time (NLTA)	VA	8	34
Workplace accidents frequency rate	VA	1.3	1.3
Workplace accidents severity rate	VA	0.018	0.017

ENVIRONMENT		2023	2024
Environmental policy and management system			
Existence of a formalized environmental policy	Y/N	Y	Y
ISO 14001 certification	Y/N	N	N
Total accruals for environmental risks	€k	nil	nil
Energy and GHG			
Has the company set a quantitative climate target (energy, GHG emissions)?	Y/N	Y	Y
Measures to save energy and reduce greenhouse gas emissions	Y/N	Y	Y
Total electricity consumption	MWh	18,556	18,535
Total gas consumption	MWh	17,621	16,703
Total energy consumption	MWh	46,130	43,800
Greenhouse gas emissions for scope 1 (tCO_2e)	tCO_2e	7,266	7,159
Greenhouse gas emissions for scope 2 (tCO_2e)	tCO_2e	2,319	2,058
Contribution to reducing (or offsetting) greenhouse gases by financing carbon reduction or sequestration projects outside its business sector (tCO_2e)	tCO_2e	nil	nil
Water			
Total water consumption	m³	101,980	91,374
Waste			
Existence of a waste management action plan	Y/N	Y	Y
Non-hazardous waste generated	T	436	498
Hazardous waste generated	T	393	1,569

EXTERNAL STAKEHOLDERS		2023	2024
Supplier relations / supply chain			
Responsible procurement policy including social and/or environmental criteria	Y/N	Y	Y
Customer relations, civil society and product liability			
Existence of a quality management system and proportion of activities benefiting from external certification	Y/N	Y	Y
Customer satisfaction surveys conducted over the past three years	Y/N	Y	Y
Subsidiaries registered in countries at risk of financial opacity or tax havens	Y/N	N	N
Number of trainees, apprentices, PhD students, etc.	VA	Not available	Not available

2.6 REPORT ON CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852

To the Annual General Meeting,

This report is issued in our capacity as Statutory Auditors of Vetoquinol. It relates to the sustainability information and the information provided for in Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024 and included in the Group management report and presented in sections 2.1 to 2.5 of Chapter 2 included in the universal registration document.

Pursuant to Article L.233-28-4 of the French Commercial Code, Vetoquinol is required to include the above-mentioned information in a separate section of its management report. This information has been prepared in a context of initial application of the aforementioned articles, characterized by uncertainties over the interpretation of the texts, the use of significant estimates, the absence of established practices and frameworks, notably for the analysis of double materiality, and by an evolving internal control system. They enable us to understand the impact of the Group's activities on sustainability issues, as well as the way in which these issues influence the development of the Group's business, results and situation. Sustainability issues include environmental, social and corporate governance issues.

Pursuant to Article L.821-54 II of the aforementioned Code, our assignment consists of carrying out the work required to issue an opinion, expressing limited assurance, on :

- compliance with the sustainability reporting standards adopted pursuant to Article 29 ter of Directive (EU) 2013/34 of the European Parliament and of the Council of December 14, 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by Vetoquinol to determine the information published, and compliance with the obligation to consult the Social and Economic Committee provided for in the sixth paragraph of Article L.2312-17 of the Labor Code;
- the compliance of the sustainability information included in the Group management report and presented in sections 2.1 to 2.5 of chapter 2 of the universal registration document with the requirements of article L. 233-28-4 of the French Commercial Code, including the ESRS; and
- compliance with the disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

The performance of this mission is carried out in compliance with the ethical rules, including independence, and quality rules prescribed by the French Commercial Code.

It is also governed by the Haute Autorité de l'Audit guidelines "Mission de certification des informations en matière de durabilité et de contrôle des exigences de publication des informations prévues à l'article 8 du règlement (UE) 2020/852".

In the three separate sections of this report that follow, we present, for each of the areas covered by our engagement, the nature of the verifications we performed, the conclusions we drew from these verifications and, in support of these conclusions, the matters which required our particular attention and the procedures we performed in relation to these matters. We draw your attention to the fact that we do not express a conclusion on these matters taken in isolation, and that the procedures described should be considered in the overall context of the formation of the conclusions reached in respect of each of the three areas of our engagement.

Finally, where we feel it necessary to draw your attention to one or more sustainability-related disclosures made by Vetoquinol in the Group management report, we have included a paragraph of comments.

The limits of our mission

As the purpose of our assignment is to provide limited assurance, the nature (choice of control techniques), scope (extent) and duration of the work are less than those required to provide reasonable assurance.

In addition, this mission does not involve guaranteeing the viability or quality of the Group's management, in particular making an assessment, which would go beyond compliance with ESRS reporting requirements, of the relevance of the choices made by Vetoquinol in terms of action plans, targets, policies, scenario analyses and transition plans.

It does, however, allow us to express conclusions concerning the process of determining the sustainability information published, the information itself, and the information published in application of Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to our verifications might make.

Our assignment does not cover any comparative data.

Compliance with ESRS of the process implemented by Vetoquinol to determine the information published, and compliance with the obligation to consult the Social and Economic Committee provided for in the sixth paragraph of Article L.2312-17 of the French Labor Code.

Type of checks performed

Our work consisted of verifying that:

- the process defined and implemented by Vetoquinol has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability issues, and to identify those material impacts, risks and opportunities that have led to the publication of sustainability information in the Group's management report and presented in sections 2.1 to 2.5 of chapter 2 of the Universal Registration Document, and
- the information provided on this process also complies with the ESRS.

We also checked compliance with the obligation to consult the Social and Economic Committee.

Conclusion of the checks carried out

Based on the checks we have carried out, we have not identified any material errors, omissions or inconsistencies concerning the compliance of the process implemented by Vetoquinol with the ESRS.

Concerning the consultation of the Social and Economic Committee provided for in the sixth paragraph of Article L.2312-17 of the French Labor Code, we inform you that a first information meeting took place on January 27, 2025 and a second consultation is scheduled for March 21, 2025; as mentioned in section 2.1.4.1 of Chapter 2 in the Universal Registration Document.

Elements that received particular attention

We present below the elements to which we have paid particular attention concerning the compliance with the ESRS of the process implemented by Vetoquinol to determine the information published.

Stakeholder identification

Information on the identification of stakeholders is given in the Group's management report and presented in section 2.1.4.1 Dialogue with stakeholders of the chapter in the Universal Registration Document.
We have taken note of the analysis carried out by Vetoquinol to identify:

- stakeholders, who may affect or be affected by the entities within the scope of the information, through their direct or indirect activities and business relationships in the value chain;
- the main users of sustainability statements (including the main users of financial statements).

We interviewed CSR management and/or other persons we deemed appropriate, and inspected the available documentation.

Our procedures included the following:

- assess the consistency of the main stakeholders identified by Vetoquinol with the nature of its activities and geographical location, taking into account its business relationships and value chain;
- exercise our critical faculties to assess the representative nature of the stakeholders identified by Vetoquinol;
- assess the appropriateness of the description given in section 2.1.4.1 Disclosure Requirement IRO-1 - Description of procedures for identifying and assessing significant impacts, risks and opportunities in chapter 2 of the Universal Registration Document, in particular, with regard to the procedures Vetoquinol has put in place to gather the interests and views of stakeholders and the commitments Vetoquinol has made to these stakeholders as part of its CSR strategy.

Concerning the identification of impacts, risks and opportunities ("IRO")

Information on the identification of impacts, risks and opportunities is given in the Group management report and presented in section 2.1.4.1 Disclosure Requirement IRO-1 - Description of procedures for identifying and assessing significant impacts, risks and opportunities in Chapter 2 of the Universal Registration Document.

We have taken note of the process implemented by Vetoquinol concerning the identification of impacts (negative or positive), risks and opportunities, actual or potential, in relation to the sustainability issues mentioned in paragraph AR 16 of the "Application Requirements" of ESRS 1 and, where applicable, those specific to Vetoquinol, as presented in section 2.1.4.1 Disclosure Requirement IRO-1 – Description of procedures for identifying and assessing significant impacts, risks and opportunities in Chapter 2 included in the Universal Registration Document.

In particular, we appreciated the approach adopted by Vetoquinol to determine its impacts and dependencies, which may be a source of risks or opportunities, including the dialogue implemented, where appropriate, with stakeholders.

We also assessed the completeness of the activities included in the scope used to identify IROs.

We have reviewed Vetoquinol's matrix of identified IROs, including a description of their breakdown within the Group's own activities and value chain, as well as their time horizon (short, medium or long term - presented at the level of thematic standards), and assessed the consistency of this matrix with our knowledge of the Group.

We have:

- appreciated the top-down approach used by Vetoquinol to gather information on subsidiaries;
- appreciated the way Vetoquinol considered the list of sustainability topics listed by ESRS 1 (AR 16) in its analysis;
- assessed the consistency of the actual and potential impacts, risks and opportunities identified by Vetoquinol with the available sectoral analyses;
- assessed the consistency of the current and potential impacts, risks and opportunities identified by Vetoquinol, particularly those that are specific to Vetoquinol because they are not covered or are insufficiently covered by the ESRS standards, with our knowledge of the Group;
- appreciate how Vetoquinol has taken into account different time horizons, particularly with regard to climate issues;
- assessed whether Vetoquinol has taken into account the risks and opportunities that may arise from both past and future events as a result of its own activities or business relationships, including actions taken to manage certain impacts or risks;
- assess whether Vetoquinol has taken account of its dependence on natural, human and/or social resources when identifying risks and opportunities.

Concerning the assessment of impact materiality and financial materiality

Through interviews with the CSR Steering Committee and inspection of available documentation, we have familiarized ourselves with the impact materiality and financial materiality assessment process implemented by Vetoquinol, and assessed its compliance with the criteria defined by ESRS 1.

In particular, we have:

- assessed the consistency of the thresholds thus determined with our knowledge of the Group;
- verified that all actual or potential impacts (positive or negative), risks and opportunities identified by Vetoquinol have been assessed;
- assessed whether Vetoquinol has evaluated IROs independently of any mitigation measures;
- verified that the assessment of financial materiality has been carried out without inappropriate compensation between risks and opportunities;
- assessed the appropriateness of the information given in section 2.1.4.1 Disclosure Requirement IRO-1 - Description of procedures for identifying and assessing significant impacts, risks and opportunities in Chapter 2 of the Universal Registration Document.

We have familiarized ourselves with the decision-making process and internal control procedures implemented by Vetoquinol, and have assessed the presentation thereof in section 2.1.4.1 Disclosure requirement IRO-1 - Description of procedures for identifying and assessing material impacts, risks and opportunities in chapter 2 of the universal registration document.

We have taken note of the qualitative and quantitative analyses carried out by Vetoquinol to determine the materiality of the impacts with regard to:

- their probability of occurrence;
- of their scope;
- of their extent;
- in the case of negative impacts, their irremediable nature.

We have taken note of the qualitative and quantitative analyses carried out by Vetoquinol to determine the materiality of risks and opportunities with regard to:

- their probability of occurrence; and
- the potential scale of their short-, medium- or long-term financial impact.

We have assessed the way in which Vetoquinol has established and applied the materiality criteria defined by ESRS 1, including the setting of thresholds, to determine the material information disclosed:

- for indicators relating to material IROs identified in accordance with the relevant ESRS standards;
- information specific to Vetoquinol.

Compliance of the sustainability information included in the Group management report and presented in sections 2.1 to 2.5 of chapter 2 of the Universal Registration Document with the requirements of article L.233-28-4 of the French Commercial Code, including the ESRS

Type of checks performed

Our work consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the information provided enables an understanding of the preparation and governance of the sustainability information included in the Group's management report and presented in sections 2.1 to 2.5 of chapter 2 of the Universal Registration Document, including the methods used to determine the value chain information and the disclosure exemptions adopted;
- the presentation of this information ensures that it is easy to read and understand;
- the scope chosen by Vetoquinol for this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of its users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that could influence the judgment or decisions of the users of this information.

Conclusion of the checks carried out

Based on our review, nothing has come to our attention that causes us to believe that the sustainability disclosures included in the Group management report presented in sections 2.1 to 2.5 of Chapter 2 of the Universal Registration Document are materially inconsistent with the requirements of article L.233-28-4 of the French Commercial Code, including the ESRS.

Observation

Without qualifying the conclusion expressed above, we draw your attention to the information presented in the sections:

- 2.1.4 IRO Disclosure Requirements in chapter 2 of the Universal Registration Document, which specify the context in which sustainability information has been compiled and the methodological principles applied;
- 2.2.1.3 Disclosure Requirement E1-1 - Sustainability State Climate Transition Plan, which specifies the perimeter used to calculate greenhouse gas emissions. Section "2.2.1.3.4 Our results to the end of 2024" also mentions the limitations linked to data availability, and the initial limitation to the perimeter of France.

Elements that received particular attention

We hereby present to you the elements to which we have paid particular attention concerning the compliance of the sustainability information included in the Group's management report and presented in sections 2.1 to 2.5 of chapter 2 of the Universal Registration Document with the requirements of article L.233-28-4 of the French Commercial Code, including the ESRS.

Information provided in application of environmental standards (ESRS E1 to E5)

Information on climate change, and in particular greenhouse gas emissions, is given in section 2.2.1 Climate change (ESRS E1) of chapter 2 of the Universal Registration Document, and on pollution in section 2.2.2 ESRS E3: Aquatic and marine resources (ESRS E3).

Our procedures included the following:

- on the basis of interviews with the CSR Steering Committee or the people concerned, in particular the Health, Safety and Environment (HSE) department, we have assessed whether the description of the policies, actions and targets implemented by Vetoquinol cover the following areas: climate change mitigation and adaptation, air pollution and water pollution;
- assess the appropriateness of the information presented in sections 2.2.1. Climate change (ESRS E1) and 2.2.2. Aquatic and marine resources (ESRS E3) and its overall consistency with our knowledge of the Group.

With regard to information published under the greenhouse gas emissions balance (included in E1):

- we have examined the internal control and risk management procedures implemented by Vetoquinol to ensure the consistency of the information published;
- we have assessed the consistency of the scope considered for the assessment of the greenhouse gas emissions balance with the scope of the consolidated financial statements and the upstream and downstream value chain;
- we have familiarized ourselves with the greenhouse gas emissions inventory protocol used by Vetoquinol to draw up its greenhouse gas emissions balance sheet, and have assessed its application to a selection of emissions categories and sites, for scope 1 and scope 2.
- With regard to Scope 3 emissions, we have assessed:
  - the justification for the inclusion and exclusion of different categories, and the transparency of the information provided in this respect,
  - the information gathering process,

- we have assessed the appropriateness of the emission factors used and the related conversion calculations, as well as the calculation and extrapolation assumptions, taking into account the uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used;
- for physical data (such as energy consumption), we have reconciled, on a test basis, the underlying data used to draw up the greenhouse gas emissions balance with the supporting documents;
- we have implemented analytical procedures;
- with regard to the estimates that we considered to be the most significant ones used by Vetoquinol in drawing up its greenhouse gas emissions balance sheet, we interviewed the members of the CSR Steering Committee to find out about the methodology used to calculate the estimated data and the sources of information on which these estimates are based;
- we have verified the arithmetical accuracy of the calculations used to establish this information.

Information published on air and water pollution and substances of very high concern:
- we have examined the internal control and risk management procedures implemented by Vetoquinol to ensure the consistency of the information published;
- we have verified the arithmetical accuracy of the calculations used to establish this information.

Compliance with disclosure requirements under Article 8 of Regulation (EU) 2020/852

Type of checks performed

Our work consisted in verifying the process implemented by Vetoquinol to determine the eligibility and alignment of the activities of the entities included in the consolidation. They also involved checking the information published pursuant to Article 8 of Regulation (EU) 2020/852, which involves verifying:
- compliance with the rules governing the presentation of this information to ensure that it is legible and understandable;
- on the basis of a selection, of the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgment or decisions of users of this information.

Conclusion of the checks carried out

Based on the checks we have carried out, we have not identified any material errors, omissions or inconsistencies concerning compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Observation

Without calling into question the conclusion expressed above, we draw your attention to the paragraphs "2.2.3 European taxonomy" in Chapter 2 of the Sustainability Statement, which present the limitations relating to certain information presented and the main methodological choices made to assess alignment, in particular the treatment of leases and the non-application of IFRS 16.

Elements that received particular attention

We determined that there were no such items to disclose in our report.

Le Mans, March 14, 2025

Statutory Auditors
Sustainability Auditor

Alcé Expertise
Aurélie Jaeg

6

CONSOLIDATED FINANCIAL STATEMENTS

6.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In order to provide a clearer picture of its economic performance, the Group presents an APM entitled "EBIT before amortization of acquired intangible assets". This indicator isolates the non-cash impacts of amortization recognized in connection with acquisitions.

In thousands of euros	Notes	2024	2023
Sales	6.5.8	539,196	529,271
Purchases consumed		(150,797)	(155,640)
Other purchases and external expenses	6.5.10	(114,405)	(107,359)
Staff costs	6.5.11	(167,539)	(157,286)
Taxes other than on income		(7,580)	(7,659)
Depreciation, amortization and impairment of fixed assets.	6.5.21/6.5.22	(12,974)	(12,344)
Depreciation, amortization and impairment of fixed assets - IFRS 16		(6,107)	(5,887)
Net impact of provisions		3,479	(3,536)
Other operating income	6.5.13	6,580	6,666
Other operating expenses	6.5.13	(865)	(1,213)
EBIT BEFORE DEPRECIATION OF ACQUIRED ASSETS		**88,988**	**85,013**
% VS SALES		**16,5%**	**16,1%**
Amortization of intangible assets		(12,913)	(13,394)
EBIT		**76,075**	**71,619**
% VS SALES		**14,1%**	**13,5%**
Non-recurring operating income and expenses	6.5.14	1,247	2 645
OPERATING INCOME		**77,322**	**74,264**
% VS SALES		**14,3%**	**14,0%**
Income from cash and cash equivalents	6.5.17	5,946	3,274
Cost of gross financial liabilities	6.5.17	(480)	(477)
Interest paid – Lease liabilities		(591)	(441)
COST OF NET FINANCIAL LIABILITIES	**6.5.17**	**4,875**	**2,356**
Other financial income	6.5.17	4,815	4,731
Other financial expenses	6.5.17	(5,999)	(4,446)
NET FINANCIAL INCOME	**6.5.17**	**3,691**	**2,642**
INCOME BEFORE TAX		**81,012**	**76,906**
Income tax expense	6.5.18	(22,332)	(21,340)
NET INCOME BEFORE EQUITY ACCOUNTING		**58,680**	**55,566**
Share of income from equity investments		0	0
CONSOLIDATED NET INCOME		**58,680**	**55,566**
Attributable to: Parent company shareholders		58,685	55,560
Non-controlling interests		(5)	5
Foreign exchange differences arising from foreign operations, recyclable		3,236	(3,686)
Actuarial gains (losses), net of tax non-recyclable		113	(57)
Other comprehensive income, net of tax			
Total comprehensive income for the period, net of tax		**62,029**	**51,822**
Attributable to: Parent company shareholders		62,034	51,817
Non-controlling interests		(5)	5
Basic EPS (€)	6.5.19	4.98	4.70
Diluted EPS (€)	6.5.19	4.98	4.70

6.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	Dec 31, 2024	Dec 31, 2023
ASSETS			
Goodwill	6.5.20	76,414	75,036
Other intangible assets	6.5.21	142,087	153,995
Property, plant and equipment	6.5.22/6.5.23	76,593	75,695
Leasehold rights of use		16,004	14,004
Investments accounted for by the equity method		-	-
Other financial assets	6.5.24	1,522	1,491
Deferred tax assets	6.5.18	10,332	8,621
Total non-current assets		*322,952*	*328,842*
Inventories	6.5.27	112,286	103,538
Trade and other receivables	6.5.28	94,826	99,216
Income tax receivables		3,126	8,509
Other current assets	6.5.28	4,613	4,663
Cash and cash equivalents	6.5.29	206,331	147,464
Total current assets		*421,181*	*363,390*
Total non-current assets and disposal groups		(0)	(0)
TOTAL ASSETS		**744,133**	**692,232**
SHAREHOLDERS' EQUITY			
Share capital and additional paid-in capital	6.5.30	70,831	70,831
Reserves		446,324	400,622
Net income for the year		58,685	55,560
Equity attributable to parent company shareholders		**575,840**	**527,013**
Non-controlling interests		92	97
Shareholders' equity		**575,932**	**527,110**
LIABILITIES			
Financial liabilities - non-current	6.5.31	178	172
Financial lease liabilities - non-current		11,037	9,491
Deferred tax liabilities	6.5.18	6,037	7,169
Accruals for employee benefits	6.5.32	7,988	7,617
Other accruals	6.5.33	746	563
Other long-term liabilities		686	721
Total non-current liabilities		**26,671**	**25,732**
Trade and other payables	6.5.34	128,373	125,980
Income tax liabilities		2,747	4,940
Financial liabilities - current	6.5.31	4,392	2,987
Financial lease liabilities - current		5,516	4,978
Other accruals	6.5.33	502	502
Other current liabilities		1	2
Total current liabilities		*141,530*	*139,390*
Total liabilities		**168,201**	**165,122**
Total non-current assets associated with a disposal group of assets		-	-
TOTAL EQUITY AND LIABILITIES		**744,133**	**692,232**

6.3 CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros	Notes	Dec 31, 2024	Dec 31, 2023
Consolidated net income		**58,680**	**55,566**
Elimination of non-cash income and expenses:			
Amortization and provisions		24,511	28,615
Amortization and provisions - IFRS 16		6,107	5,887
Elimination of equity method income		-	-
Income tax expense	6.5.18	22,332	21,340
Interest expense	6.5.17	(4,620)	(1,727)
Interest expense - IFRS 16		591	441
Accruals for employee benefits		159	161
Capital gain (net of tax)		511	663
Other transactions with no impact on cash and cash equivalents		-	-
Calculated income and expenses related to share-based payments		-	-
Cash flow from operations		**108,271**	**110,945**
Taxes paid	6.5.18	(21,815)	(21,921)
Change in WCR	6.5.26	(630)	367
Net cash flow from operating activities		**85,826**	**89,391**
Acquisition of intangible assets	6.5.21	(3,133)	(4,114)
Acquisition of property, plant and equipment	6.5.22	(14,545)	(14,896)
Acquisition of financial assets		(2)	-
Proceeds from sale of assets		2,079	139
Repayments - other long-term investments		(45)	(10)
Cash flows from business combinations	6.5.7	(0)	(0)
Cash flow from investing activities		**(15,647)**	**(18,881)**
Capital increase		-	0
Net acquisition/sale of treasury shares		(2,934)	-
Issuance of borrowings and other financial liabilities	6.5.31	845	1,037
Decrease in financial liabilities		(1,887)	(2,637)
Cash flows from financing activities IFRS 16		(6,606)	(6,159)
Interest paid	6.5.17	(481)	(477)
Interest received	6.5.17	5,094	2,204
Dividends paid to parent company shareholders	6.5.30.4	(10,058)	(9,465)
Dividends paid to non-controlling interests		(0)	(1)
Investment grants and conditional advances		-	-
Other cash flows from financing activities		-	-
Cash flow from financing activities		**(16,028)**	**(15,497)**
Effect of exchange rate changes on cash and cash equivalents		2,077	(2,395)
Net increase (decrease) in cash and cash equivalents after effect of exchange rate changes		56,229	52,618
Cash and cash equivalents at beginning of period		146,207	93,589
Change in cash and cash equivalents		56,229	52,618
Cash and cash equivalents at end of period	6.5.29	**202,436**	**146,207**

6.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Share capital and additional paid-in capital (note 6.5.28)	Conversion reserve	Actuarial gains and losses	Other reserves	Total reserves	Net income for the year	Total equity - attributable to parent company shareholders	Non-controlling interests	Total shareholders' equity
BALANCE AT 12/31/2022	**70,831**	**(18,290)**	**486**	**383,549**	**365,745**	**47,995**	**484,571**	**92**	**484,663**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**55,560**	**55,560**	**5**	**55,566**
Other comprehensive income, net of tax	-	(3,686)	(57)	-	(3,743)	-	(3,743)	-	(3,743)
Comprehensive income for the period	**-**	**(3,686)**	**(57)**	**-**	**(3,743)**	**55,560**	**51,817**	**5**	**51,822**
Income appropriation	-	-	-	47,995	47,995	(47,995)	-	-	-
Stock options & bonus share grants	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	90	90	-	90	-	90
Dividends recognised as distributions to owners	-	-	-	(9,465)	(9,465)	-	(9,465)	-	(9,465)
Other	-	-	-	(0)	(0)	-	(0)	-	(0)
BALANCE AT 12/31/2023	**70,831**	**(21,977)**	**429**	**422,169**	**400,621**	**55,560**	**527,013**	**97**	**527,110**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**58,685**	**58,685**	**(5)**	**58,680**
Other comprehensive income, net of tax	-	3,236	113	-	3,350	-	3,350	-	3,350
Comprehensive income for the period	**-**	**3,236**	**113**	**-**	**3,350**	**58,685**	**62,034**	**(5)**	**62,029**
Income appropriation	-	-	-	55,560	55,560	(55,560)	-	-	-
Stock options & bonus share grants	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	(3,101)	(3,101)	-	(3,101)	-	(3,101)
Dividends recognised as distributions to owners	-	-	-	(10,058)	(10,058)	-	(10,058)	-	(10,058)
Other	-	-	-	(48)	(48)	-	(48)	-	(48)
BALANCE AT 12/31/2024	**70,831**	**(18,740)**	**542**	**464,522**	**446,324**	**58,685**	**575,840**	**92**	**575,932**

6.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.5.1 Overview

Vetoquinol is a leading international player in animal health, with operations in Europe, the Americas and Asia/Pacific.

Independent and a pure player, Vetoquinol innovates, develops and markets veterinary medicines and non-medicated products for farm animals (cattle, pigs) and companion animals (dogs, cats).

Since its creation in 1933, Vetoquinol has combined innovation and geographic diversification. The strengthening of the product portfolio and acquisitions in high-potential territories ensure hybrid growth for the Group. Vetoquinol employs 2,501 people.

Vetoquinol has been listed on NYSE Euronext Paris since 2006 (mnemonic code: VETO).

The parent company, Vetoquinol SA, is a public limited company with its registered office at Magny-Vernois, 70200 Lure.

Vetoquinol SA, the Group's parent company, is controlled by Soparfin.

The Vetoquinol Group's consolidated financial statements were approved by the Board of Directors on March 18, 2025. The accounts will be submitted for approval to the next Annual General Meeting, to be held on May 22, 2025.

6.5.2 Key events

6.5.2.1 Sale of an industrial site in Brazil

Other operating income and expenses totaled €1.2 million (€2.6 million in 2023). The net income recorded in 2024 is primarily due to the sale of an industrial site in Brazil. For reference, the net income recorded in 2023 reflected the final acquisition price discussions with the minority and former shareholders of Clarion (the Brazilian subsidiary), as well as the uncertain and contracted macroeconomic situation affecting the valuation of intangible assets recognized at the time of acquiring this subsidiary.

6.5.2.2 R&D effort

In 2024, the Group has increased its R&D effort to 8.1% of sales (2023: 7.6%), reflecting its commitment to sustainably increase R&D spending to support innovation.

6.5.3 Accounting principles

6.5.3.1 General framework and environment

The consolidated financial statements for the year ended December 31, 2024 have been prepared in accordance with the International Accounting Standards and Interpretations (IAS/IFRS) adopted by the European Union and applicable at December 31, 2024. These standards and interpretations have been applied consistently over the financial years presented.

The application of the other standards, amendments and interpretations that came into force on January 1,,2024 did not have a material impact on the Group's financial statements.

The financial statements have been prepared in accordance with the historical cost convention, with the exception of financial assets and liabilities measured at fair value through profit or loss (including derivatives).

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates, the main ones of which are described in note 6.5.6.

6.5.3.2 Consolidation and business combinations

6.5.3.2.1 Consolidation scope

A subsidiary is defined as an entity controlled by the Group. The Group is deemed to have control when it:
- holds power over the entity;
- is exposed, or has the right, to variable returns due to its relationship with the entity;
- has the ability to exercise its power in such a way as to influence the amount of returns it obtains.

Subsidiaries over which the Group directly or indirectly exercises de jure or de facto exclusive control are fully consolidated. Such control is presumed in cases where the Group holds, directly or indirectly through its subsidiaries, more than half of the voting rights. Non-controlling interests are determined on the basis of percentage interest.

The Group accounts for jointly-controlled companies and companies over which it exercises significant influence using the equity method. The activity of these entities is presented separately in our consolidated income statement, on a dedicated line, before net income.

Companies are consolidated from the date on which control is transferred to the Group, and deconsolidated from the date on which the Group ceases to exercise control over them.

Acquisitions of subsidiaries (representing businesses within the meaning of IFRS 3) are accounted for using the purchase method. The cost of an acquisition comprises the fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date, irrespective of the amount of minority interests. The excess of the cost of acquisition over the Group's interest in the fair value of assets, liabilities and contingent liabilities recorded constitutes goodwill (note 6.5.20). Conversely, if the Group's share of the fair value of assets, liabilities and contingent liabilities exceeds the acquisition cost, the excess is immediately recognized in the income statement.

The interests of non-controlling shareholders are presented in the balance sheet in a specific category of shareholders' equity. The amount of their share in consolidated net income and other comprehensive income is presented separately following these two aggregates.

Intra-group balances and transactions, including profits and losses and dividends, are eliminated on consolidation.

The Group comprises Vetoquinol SA and its subsidiaries. It does not own any jointly-controlled companies or associates.

The scope of Group companies is presented in note 6.5.45 "Group companies".

6.5.3.3 Business combinations

Acquisition costs, other than those related to the issuance of debt or equity securities, are expensed as incurred in connection with a business combination.

Within one year of the acquisition date, the following adjustments are made:

- changes in fair value linked to facts and circumstances existing at the acquisition date result in an adjustment to the cost of the business combination;
- changes in fair value arising from events subsequent to the acquisition date are recognized in the income statement;
- beyond this period, any price adjustment arising from the business combination is recognized in the income statement.

The Group has 12 months from the acquisition date to finalize the accounting for the business combination in question.

6.5.3.4 Foreign currency conversion

6.5.3.4.1 Functional currency and presentation currency

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros, the company's presentation currency.

6.5.3.4.2 Transactions, assets and liabilities

In Group companies, transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the time. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date.

Non-monetary items are translated using the historical rate at the transaction date when measured at historical cost, and using the rate at the date of determination of fair value when measured at fair value.

Exchange differences arising from these transactions are recognized in the income statement, with the following exceptions:

- those relating to a gain or loss recognized directly in other comprehensive income, which are recognized in equity, and;
- those arising from the translation of a net investment in a subsidiary, which are recognized in other comprehensive income and taken to income when the investment is sold.

6.5.3.4.3 Translation of financial statements of Group companies

The financial statements of Group companies denominated in functional currencies other than the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate on each balance sheet date;
- Income statement items are translated at the average annual exchange rate or at the exchange rate on the transaction date for significant transactions;
- all resulting translation differences are recognized as a separate component of other comprehensive income.

6.5.3.5 Impairment of assets

In accordance with the requirements of IAS 36, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount. In addition, the Group tests annually for impairment an intangible asset with an indefinite useful life, or an intangible asset not yet ready for use, by comparing its carrying amount with its recoverable amount.

An impairment loss is recognized to the extent that the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped into Cash-Generating Units (CGUs), which represent the lowest level of independent cash flow. The CGUs defined for the Vetoquinol Group are the following companies: Vetoquinol United States, Vetoquinol Canada, Vetoquinol France, Vetoquinol United Kingdom, Vetoquinol Belgium, Vetoquinol Switzerland, Vetoquinol Czech Republic, Vetoquinol Austria, Vetoquinol Poland, Vetoquinol Ireland, Vetoquinol Germany, Vetoquinol Italy, Vetoquinol Scandinavia, Vetoquinol India, Vetoquinol Asia, Vetoquinol Australia, Vetoquinol Brazil and FarmVet Systems.

For non-financial assets (other than goodwill) that have been impaired, any reversal of the impairment loss is reviewed at each annual or interim closing date. Impairment losses are charged first to Goodwill. Any unallocated surplus is allocated to the assets associated with the CGU.

6.5.3.6 Climate-related estimates and assumptions

As part of its strategic ambition, the Group has defined actions aimed at reducing its impact on the environment and climate.

At December 31, 2024, based on the work already undertaken, the Group has not identified any item that could have an impact on the consolidated financial statements.

6.5.4 Financial risk management

6.5.4.1 Foreign exchange risk management

The Group centralizes the risk of foreign currency fluctuations on subsidiaries with industrial sites and, as far as possible, on the parent company, Vetoquinol SA, by ensuring that distribution subsidiaries invoice and are invoiced in their operating currency.

Distribution subsidiaries are therefore not exposed to currency risk. At Vetoquinol SA, foreign currency flows are centralized and hedging instruments may be put in place as needed. In most cases, these instruments have a term of less than one year, and there are no outstanding instruments at the balance sheet date. Consequently, the hedging provisions of IAS 39 did not apply at either December 31, 2024 or December 31, 2023.

The Group is a net seller of currencies in circulation, such as USD (approx. \$35.5 M) and GBP (approx. £24.3 M). The Group's net position is in balance with its needs and resources for other currencies.

As previously stated, the foreign exchange risk associated with the activities of subsidiaries essentially involves only a risk of variation in the consolidated income statement.

Based on the accounts drawn up at the end of 2024 and for foreign subsidiaries only, a 10% appreciation of the euro against all other currencies would have generated a €30.4 million drop in consolidated sales (2023: €30.2 million) and a €3.6 million drop in consolidated operating income (2023: €3.8 million).

Conversely, a 10% fall in the euro against other currencies would have generated an increase in sales of €37.1 million (2023: €37.0 million) and an increase in consolidated operating income of €4.4 million (2023: €4.6 million).

As a result of sales in foreign currencies, the company is exposed to a foreign exchange risk between the date of invoicing and the date of collection in foreign currencies and the sale of foreign currencies on the market.

Foreign exchange gains and losses, as well as any gains and losses on hedging transactions, are recognized in the financial result. Most of these transactions are entered into and settled during the year, over very short periods, which explains why no amount is recorded in the balance sheet at the balance sheet dates.

The analysis of the Group's exposure to currency risk (IFRS 7), based on notional amounts, is as follows:

In thousands of euros	EUR	USD	CAD	GBP	INR	PLN	BRL	AUD	CHF	Other currencies	Total
Dec. 31, 2024											
Trade receivable	39,110	12,583	8,233	12,258	5,021	1,076	6,498	1,280	595	2,931	89,586
Impairment of trade receivables	(1,729)	-	(2)	(6)	(224)	(190)	(380)	-	(37)	(230)	(2,799)
Total customers	**37,381**	**12,583**	**8,231**	**12,252**	**4,797**	**887**	**6,118**	**1,280**	**558**	**2,701**	**86,788**
Prepayments	1,845	200	79	-	79	2	348	-	3	4	2,560
Prepaid expenses	2,178	697	379	192	83	152	165	27	25	412	4,311
Government receivables	1,516	-	1	-	118	365	984	24	45	1,237	4,290
Other operating receivables	101	126	-	61	-	23	36	-	0	11	359
Sundry receivables	652	206	16	0	11	3	213	-	10	21	1,132
Provisions	-	-	-	-	-	-	-	-	-	-	-
Total other receivables	**6,292**	**1,230**	**475**	**254**	**290**	**546**	**1,746**	**50**	**83**	**1,684**	**12,651**
Trade and other payables	78,971	12,245	10,346	11,140	3,130	3,516	3,290	915	606	4,213	128,374
Total trade and other payables	**78,971**	**12,245**	**10,346**	**11,140**	**3,130**	**3,516**	**3,290**	**915**	**606**	**4,213**	**128,374**
Gross balance sheet exposure	**(35, 298)**	**1,568**	**(1,640)**	**1,365**	**1,957**	**(2,083)**	**4,574**	**416**	**35**	**172**	**(28,935)**

In thousands of euros	EUR	USD	CAD	GBP	INR	PLN	BRL	AUD	CHF	Other currencies	Total
Dec. 31, 2023											
Trade receivable	35,527	15,865	11,612	10,553	4,437	402	6,668	1,682	1,051	4,694	92,491
Impairment of trade receivables	(1,993)	-	(2)	(14)	(226)	(154)	(336)	-	(33)	(412)	(3,169)
Total customers	**33,534**	**15,865**	**11,610**	**10,539**	**4,210**	**248**	**6,332**	**1,682**	**1,019**	**4,282**	**89,322**
Prepayments	1,599	74	485	-	42	7	279	-	2	22	2,510
Prepaid expenses	2,476	264	311	126	69	139	116	18	2	686	4,207
Government receivables	2,647	-	-	74	477	500	1,341	17	46	1,093	6,195
Other operating receivables	100	-	-	45	-	22	43	23	-	33	266
Sundry receivables	1,001	129	10	-	17	1	188	0	2	31	1,379
Provisions	-	-	-	-	-	-	-	-	-	-	-
Total other receivables	**7,821**	**467**	**806**	**246**	**605**	**669**	**1,968**	**58**	**52**	**1,865**	**14,556**
Trade and other payables	78,439	12,710	10,457	9,297	3,036	2,914	3,635	1,372	687	3,436	125,982
Total trade and other payables	**78,439**	**12,710**	**10,457**	**9,297**	**3,036**	**2,914**	**3,635**	**1,372**	**687**	**3,436**	**125,982**
Gross balance sheet exposure	**(37,084)**	**3,621**	**1,959**	**1,489**	**1,780**	**(1,997)**	**4,666**	**368**	**384**	**2,711**	**(22,104)**

6.5.4.2 Interest rate risk management

The Group's general interest-rate risk policy is to manage interest-rate risk globally through the use of swaps. In accordance with IAS 39, the Group applies hedge accounting when the conditions are met. When these conditions are not met, or when the stakes are not significant, as has been the case in recent years, derivatives are recorded in the balance sheet at fair value, with any change in fair value recognized in the income statement, in accordance with the provisions of IAS 39.

The Group's exposure to interest-rate risk is not very significant, and mainly concerns two balance sheet items: financial liabilities and cash flow.

At the end of December 2024, 81.6% of the Group's financial liabilities (including bank overdrafts) bore interest at a fixed rate (2023: 92.9%). Floating-rate commitments totaled €3.9 million at December 31, 2024 (2023: €1.3 million).

Investments taken out by the Group (term deposits with major banks) are at fixed rates with guaranteed capital.

On the basis of the financial statements at the end of 2024, an increase of 100 basis points in interest rates would have resulted in an increase in income of €765,000 (increase in income of €703,000 in 2023).

6.5.4.3 Liquidity risk management

The Group's cash and cash equivalents - excluding bank overdrafts - amounted to €206.3m at December 31, 2024 (2023: €147.5m), and consisted of cash and fixed-interest-bearing time deposits. At the end of December 2024, these terms and cash equivalents represented €125.9 M (2023: €75.9 M).

In 2024, the Group generated cash flow before net cost of debt and tax of €108.3m, compared with €110.9m the previous year.

Given the Group's financial position at December 31, 2024, the Group considers that it is not exposed to any liquidity risk. At December 31, 2024, the Group's cash position was sufficient to meet its financial maturities of less than one year. Net cash and cash equivalents, excluding IFRS 16, amounted to €201.8m at December 31, 2024 (2023: €144.3m).

Collection of trade receivables and cash is handled locally by each of the Group's subsidiaries. The Group's Finance Department carries out ongoing reporting of subsidiaries' cash movements. time deposits. As of December 31, 2023, these DATs and cash equivalents totaled €75.9 million (2022: €37.9 million).

In 2023, the Group generated cash flow before net cost of debt and tax of €110.9 million, compared with €116.2 million the previous year.

Given the Group's financial position at December 31, 2023, the Group considers that it is not exposed to any liquidity risk. As of December 31, 2023, the Group's cash position was sufficient to meet its financial maturities of less than one year. Net cash and cash equivalents, excluding IFRS 16, stood at €144.3 million at December 31, 2023 (2022: €90.2 million).

The collection of trade receivables and cash is handled locally by each of the Group's subsidiaries. The Group's Finance Department is responsible for ongoing reporting of subsidiaries' cash movements. This enables the Group to refine its net positions and maintain its ability to meet its financial commitments.

6.5.4.4 Credit risk management

Credit risk represents the risk of financial loss to the Group should a customer or counterparty to a financial instrument default on its contractual obligations. For the Group, this risk can only arise from trade receivables. As far as investments are concerned, the Group limits its exposure to credit risk by investing only in liquid and secured securities. Given the characteristics of the terms used, management believes that bank counterparties will not default.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of its customers. The Group currently distributes its products in over a hundred countries worldwide, supported by subsidiaries in 24 countries and a network of 100 distribution partners.

In certain geographical areas, the concentration of wholesalers and/or purchasing groups could result in a revision of Group margins following the renegotiation of these contracts. However, this risk appears limited, as the Group is sufficiently large and diversified geographically and by product not to be subject to such pressure. By way of illustration, the Group's largest wholesale distributor accounts for 6.1% of 2024 consolidated sales (2023: 7.0%).

Customers who do not meet the Group's creditworthiness requirements can only enter into transactions if they pay for their orders in advance.

The sale of goods is subject to a retention-of-title clause, which provides the Group with a guarantee in the event of non-payment. The Group does not require specific guarantees for trade and other receivables.

The carrying amount of the Group's financial assets represents the maximum exposure to credit risk at December 31, 2024, i.e. €96.1m (2023: €98.9m).

6.5.5 Capital management

The Group's policy is to maintain a solid capital base, in order to preserve the confidence of investors, creditors and the market, and to support the future development of the business. The Board of Directors, assisted by Executive Management, monitors the number and diversity of shareholders, the return on equity and the level of dividends paid to holders of common shares.

The Group occasionally buys its own shares on the market. The pace of these purchases depends on market prices. These shares are mainly used in connection with stock options and bonus share plans. Decisions to buy or sell are made on a case-by-case basis by the Chairman and/or the Chief Executive Officer. The Group has no defined share buyback program. In addition to these occasional practices, the Group has a liquidity contract (see note 6.5.30).

During the year, the Group made no changes to its capital management policy.

6.5.6 Information on judgments and estimates

The preparation of financial statements requires management to exercise judgment and to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and disclosures of contingent assets and liabilities. The estimates made and the underlying assumptions adopted are estimated on the basis of past experience and other factors considered reasonable in the light of current circumstances and forecasts. Consequently, actual values may differ from estimated values.

The estimates and assumptions prepared on the basis of information available at the balance sheet date relate to the following:
- provisions for trade receivables and year-end discounts;
- the amount of the provision for expected credit losses (IFRS 9);
- product life cycle duration;
- provisions for restructuring, environmental issues and litigation;
- the valuation of goodwill, intangible assets and property, plant and equipment acquired and their estimated useful life;
- pension commitments.

6.5.7 Business combinations

6.5.7.1 Reconciling acquisition cost with cash outflow reported in the SOCF

There have been no business combinations in the last two years.

6.5.8 Operating segments - IFRS 8

For the 2024 and 2023 financial years, sales are generated primarily by the sale of veterinary products and services. The Group does not generate revenue from patent, know-how, manufacturing or brand licenses.

In accordance with IFRS 15, revenue is defined as the value of the payment that the Group anticipates receiving in return for the transfer of goods or services to its customers. Group sales are recognized when control of the products is transferred, after deduction of trade discounts and rebates.

To account for its sales, the Group follows the steps below:
- contract identification,
- identification of the different performance obligations in the contract,
- determination of the transaction price,
- allocation of the transaction price,
- income recognition when benefit obligations are met.

6.5.8.1 Segment reporting - IFRS 8

In accordance with IFRS 8, the segment information presented is based on internal management data reported to the Group Operations Committee, the Group's chief operating decision-maker. The Group's operating segments are geographical segments, and are monitored individually in terms of internal reporting.

A geographical segment is a group of assets and operations engaged in providing products or services in a particular economic environment, and which is exposed to risks and profitability that differ from those of the other economic environments in which the Group operates.

The Group's worldwide organization is divided into three zones, each of which is defined by the location of the Group's assets and operations:
- Europe;
- Americas;
- Asia/Pacific, distributors and rest of the world.

Additionally, the Group monitors and reports on the proportion of sales generated by companion animals and farm animals.

6.5.8.2 Operating segment results for fiscal 2024

In thousands of euros **By asset location**	**Europe**	**USA**	**Americas excluding USA**	**Asia/Pacific (rest of the world)**	**Consolidated total**
Sales	**455,428**	**117,231**	**119,886**	**59,582**	**752,127**
Inter-segment sales	(169,841)	(3,204)	(39,820)	(65)	(212,931)
Total external sales	**285,587**	**114,027**	**80,066**	**59,516**	**539,196**
EBIT	**42,542**	**8,270**	**18,065**	**7,198**	**76,075**
Non-recurring operating income and expenses	(602)	40	2,060	(250)	1,247
Operating income	**41,939**	**8,310**	**20,125**	**6,948**	**77,322**
Net financial income					3,691
Income before tax					**81,012**
Income tax					(22,332)
Income after tax					**58,680**
Share of income from equity investments					-
CONSOLIDATED NET INCOME					**58,680**

Tracking by destination zone or end market (geographical area).

In thousands of euros **By region**	Europe	USA	Americas excl. USA	Asia/Pacific (rest of the world)	Consolidated total
Sales	396,457	149,948	106,995	98,727	752,127
Inter-segment sales	(132,902)	(37,758)	(26,435)	(15,836)	(212,931)
TOTAL EXTERNAL SALES	**263,555**	**112,190**	**80,559**	**82,891**	**539,196**

The Vetoquinol Group also tracks sales by species.

In thousands of euros **By species**	Companion animals	Farm animals	Consolidated total
Sales	537,016	215,111	752,127
Inter-segment sales	(159,323)	(53,608)	(212,931)
TOTAL EXTERNAL SALES	**377,693**	**161,504**	**539,196**

6.5.8.3 Operating segment results for fiscal 2023

In thousands of euros **By asset location**	Europe	USA	Americas excl. USA	Asia/Pacific (rest of the world)	Consolidated total
Sales	**392,664**	**123,602**	**112,744**	**60,632**	**689,642**
Inter-segment sales	(122,454)	(1,923)	(35,960)	(35)	(160,371)
Total external sales	**270,210**	**121,679**	**76,784**	**60,597**	**529,271**
EBIT	**34,850**	**17,336**	**12,566**	**6,867**	**71,619**
Non-recurring operating income and expenses	(4)	23	2,626	0	2,645
Operating income	**34,846**	**17,358**	**15,192**	**6,867**	**74,264**
Net financial income					2,642
Income before tax					**76,906**
Income tax					(21,340)
Income after tax					**55,566**
Tax base relating to share accounted for using equity method					-
CONSOLIDATED NET INCOME					**55,566**

Tracking by destination zone or end market (geographical area).

In thousands of euros **By geographical area**	Europe	USA	Americas excl. USA	Asia/Pacific (rest of the world	Consolidated total
Sales	349,798	151,844	97,332	90,668	689,642
Inter-segment sales	(98,925)	(31,258)	(19,165)	(11,023)	(160,371)
TOTAL EXTERNAL SALES	**250,873**	**120,585**	**78,167**	**79,645**	**529,271**

The Vetoquinol Group also tracks sales by species.

In thousands of euros **By species**	Companion animals	Farm animals	Consolidated total
Sales	490,634	199,007	689,642
Inter-segment sales	(118,880)	(41,491)	(160,371)
TOTAL EXTERNAL SALES	**371,755**	**157,516**	**529,271**

6.5.8.4 Other non-cash segment items included in the income statement

In thousands of euros	Europe	USA	Americas excl. USA	Asia/Pacific (rest of the world)	Consolidated total
31/12/2024					
Depreciation and amortization	(20,603)	(2,287)	(2,461)	(536)	(25,887)
Net impact of provisions	1,474	2,258	(654)	401	3 479
Depreciation and amortization - IFRS 16	(3,727)	(820)	(976)	(585)	(6,107)
Impairment of goodwill	-	-	-	-	-
Expenses related to the granting of stock options	-	-	-	-	-
Expenses related to the granting of bonus shares	-	-	-	-	-
31/12/2023					
Depreciation and amortization	(19,557)	(2,431)	(3,196)	(554)	(25,738)
Provisions and reversals	(1,184)	(1,671)	(119)	(562)	(3,536)
Depreciation and amortization - IFRS 16	(3,641)	(762)	(892)	(593)	(5,887)
Impairment of goodwill	-	-	-	-	-
Expenses related to the granting of stock options	-	-	-	-	-
Expenses related to the granting of bonus shares	-	-	-	-	-

6.5.8.5 Assets, liabilities and segment investments

Segment assets and liabilities presented here include deferred taxes.

In thousands of euros	Europe	USA	Americas excl. USA	Asia/Pacific (rest of the world)	Consolidated total
December 31, 2024					
Assets	536,003	72,092	76,286	59,752	744,133
Liabilities	131,063	(8,398)	28,878	16,658	168,201
Acquisition of assets	14,997	199	2,765	62	18,022
Acquisition of related assets - IFRS 3 - Business combinations	-	-	-	-	-
December 31, 2023					
Assets	479,244	77,544	78,577	56,867	692,232
Liabilities	118,154	3,906	27,783	15,279	165,122
Acquisition of assets	15,723	223	1,750	35	17,731
Acquisition of related assets - IFRS 3 - Business combinations	-	-	-	-	-

6.5.9 Research & Development costs

Research & Development costs recorded as expenses for FY 2024 amounted to €43.7m, or 8.1% of sales (2023: €40.1m, or 7.6% of sales).

6.5.10 Other purchases and external expenses

In thousands of euros	2024	2023
General subcontracting	20,895	19,428
Leases (*)	984	1,993
Maintenance	5,300	4,977
Insurance	1,813	1,794
Studies and research	2,365	1,784
External personnel	2,607	1,378
Fees and remunerations paid to intermediaries	26,803	24,417
Advertising, publications, public relations	24,217	23,115
Freight and public transport of staff	10,822	10,107
Travel, business trips, receptions	12,022	11,646
Postage and telecommunications	1,573	1,700
Royalties on concessions, patents, licenses, trademarks, etc.	950	983
Other external services	3,141	3,151
Miscellaneous	916	886
TOTAL	**114,405**	**107,359**

(*) In 2024, €6,597k (€6,146k in 2023) is deducted from leases in connection with the IFRS 16 restatement (commercial leases, vehicle and IT equipment leases). The residual amount corresponds to short-term leases outside the scope of IFRS 16.

IFRS 16 establishes a single lease accounting model for lessees, whereby a right of use is recognized as an asset and a lease liability as a liability. In the income statement, the lessee recognizes depreciation and interest expense.

6.5.11 Staff costs

In thousands of euros	2024	2023
Remuneration	125,679	118,701
Social security charges (*)	38,590	36,422
Termination benefits	1,975	1,295
Accruals for employee benefits (note 6.5.32)	1,196	832
Long-term employee benefits - actuarial gains and losses recognized in P&L	99	35
Expenses related to the granting of stock options	-	-
Expenses related to the granting of bonus shares	-	-
TOTAL EMPLOYEE BENEFITS	**167,539**	**157,286**

(*) The cost of defined-contribution pension plans is included in total payroll costs.

6.5.12 Share-based payments - bonus shares

At the end of 2024, no further free share plans were outstanding.

6.5.13 Other operating income and expenses

In thousands of euros	2024	2023
Operating grants	291	290
Investment grants transferred to income for the year	99	99
Tranfer of expenses	-	10
Proceeds from disposals of assets	192	139
CIR (Research Tax Credit)	4,862	5,087
Other income	1,136	1,041
OTHER OPERATING INCOME	**6,580**	**6,666**
Book value of assets sold	(70)	(52)
Other expenses	(795)	(1,161)
OTHER OPERATING EXPENSES	**(865)**	**(1,213)**
TOTAL	**5,715**	**5,453**

Vetoquinol's CIR (Research Tax Credit) relates to research expenditure and is therefore recognized in operating income.

Other expenses include losses on receivables of €0.04m. At the end of 2023, other expenses included losses on irrecoverable receivables of €0.2 million.

Other products include:

In thousands of euros	2024	2023
Royalties		-
Shipping costs rebilled to customers	335	289
Compensation	17	55
Net disposal of assets	-	-
Miscellaneous	784	697
TOTAL	**1,136**	**1,041**

6.5.14 Non-recurring operating income and expenses

In thousands of euros	2024	2023
Restitution of escrow account (Brazil)	-	3,748
Net proceeds from debt payable to minority interests (Brazil)	-	2,449
Value adjustment of intangible assets (Brazil)	849	-
Capital gains on fixed asset disposals, net of provisions (Brazil)	1,058	-
Miscellaneous (USA - Scandinavia - Brazil)	333	23
Other operating income	**2,241**	**6, 220**
Net costs related to disposals (Brazil)	(141)	-
Loss of value of intangible assets (Brazil)	-	(3,573)
Loss of value of intangible assets (New Zealand)	(250)	-
Loss of value of intangible assets (France)	(600)	-
Miscellaneous, penalties (France)	(2)	(2)
Other operating expenses	**(994)**	**(3,575)**
TOTAL	**1,247**	**2,645**

In 2024, the Group recorded net proceeds from the sale of an industrial site in Brazil.

In 2023, the Group concluded discussions on the final acquisition price with Clarion's minority shareholders and former shareholders (UGT VTQ Brazil), resulting in a net profit of +€2.6 million. This profit was broken down as follows:

- release of the entire escrow account in favour of Vetoquinol for €3.7m;
- recognition of a net gain of €2.4 million on the balance of shares acquired, resulting from the reduction in debt initially recognized in 2019 (at December 31, 2022, debt amounted to €5.2 million, and the price actually paid to minority shareholders was €2.8 million);
- loss of value of intangible assets recognized on acquisition of Clarion for €3.5m.

6.5.15 Leases - IFRS 16

Leases at the transition date mainly comprise contracts that qualified as operating leases under IAS 17.

For this transition, right-of-use assets have been valued at the discounted rental amount as of January 1,,2019.

The most significant changes introduced by this standard are as follows:

- recognition of a right-of-use asset of €16.0 million at December 31, 2024 (€14.0 million at December 31, 2023) and a financial liability of €16.6 million at December 31, 2024 (€14.5 million at December 31, 2023);
- neutralization of rental expenses for €6.6 M in 2024 (€6.1 M in 2023). Conversely, depreciation and financial expenses are now recorded at €6.1 M and €591,000 respectively in 2024 (€5.9 M and €441,000 in 2023).

The principles are as follows:

- the lease term for a contract corresponds to its non-cancellable period, unless the Group is reasonably certain of exercising the renewal or termination options provided for in the contract;
- the discount rate used to calculate the right of use and the rental liability is determined on the basis of the marginal debt ratio at the contract commencement date;
- liabilities are valued at the present value of remaining lease payments, discounted using the incremental borrowing rate of each lessee (entity by entity);
- in the absence of an implicit rate defined in the contract, the discount rate applied is the average 10-year marginal rate that the lessee would have had to pay.

The average discount rate for rental liabilities at December 31, 2024 is 3.7% (3.0% at December 31, 2023). This discount rate corresponds to the average rate weighted by the amount of rental debt to which it relates.

The main contracts that have been restated are property leases and transport vehicle leases.

The Group has opted for the two exemptions provided for in IFRS 16, which permit the exclusion of short-term contracts and contracts for low-value assets from the balance sheet:

- Short-term leases of 12 months or less.
- Leases on low-value assets: these concern leases where the replacement value of the assets is less than or equal to US$5,000.

The table below outlines the rights of use recognized as assets, by asset class.

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Land	0	0
Buildings	9,735	8,628
Plant, machinery & equipment	2	1
Transport equipment	6,175	5,185
Furniture, office equipment, computers	91	190
TOTAL	**16,004**	**14,004**

IMPACT ON THE FINANCIAL STATEMENTS (IN THOUSANDS OF EUROS)

Balance sheet impact - IFRS 16	Dec 31, 2024	Dec 31, 2023
Non-current assets before IFRS 16	306,949	314,838
Leasehold rights of use	16,004	14,004
NON-CURRENT ASSETS AFTER IFRS 16	**322,952**	**328,842**
Current liabilities before IFRS 16	136,014	134,411
Financial lease liabilities due within one year	5,516	4,978
CURRENT LIABILITIES AFTER IFRS 16	**141,530**	**139,390**
Non-current liabilities before IFRS 16	15,635	16,241
Financial lease liabilities due in more than one year	11,037	9,491
NON-CURRENT LIABILITIES AFTER IFRS 16	**26,671**	**25,732**

INCOME STATEMENT - IFRS 16 IMPACTS	2024	2023
Other purchases and external charges before IFRS 16	(121,002)	(113,505)
Rent cancellation	6,597	6,146
EXTERNAL EXPENSES AFTER IFRS 16	**(114,405)**	**(107,359)**
Depreciation, amortization and impairment of fixed assets before IFRS 16	(12,974)	(12,344)
Depreciation, amortization and impairment of fixed assets - IFRS 16 impacts	(6,107)	(5,887)
DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF FIXED ASSETS AFTER IFRS 16	**(19,081)**	**(18,231)**
Cost of gross financial liabilities before IFRS 16	(480)	(477)
Interest paid – Lease liabilities	(591)	(441)
COST OF GROSS FINANCIAL LIABILITIES AFTER IFRS 16	**(1,071)**	**(917)**
Income tax expense before IFRS 16	(22,332)	(21,340)
Deferred tax - IFRS 16 impacts	-	-
INCOME TAX EXPENSE AFTER IFRS 16	**(22,332)**	**(21,340)**
TOTAL IMPACT RESULT	**(101)**	**(182)**

6.5.16 EBITDA

In thousands of euros	2024	2023
Operating income	**77,322**	**74,264**
Net impact of provisions recognized in other operating income and expenses	(1,586)	3,573
Net impact of provisions	(3,479)	3,536
Depreciation, amortization and impairment of fixed assets	25,887	25,738
Depreciation, amortization and impairment of fixed assets - IFRS 16	6,107	5,887
EBITDA	**104,251**	**112,997**
% VS SALES	**19.3%**	**21.3%**

- Excluding the favorable non-recurring impact of the €6.1 million reduction in the acquisition price of Clarion, Group EBITDA for 2023 would have been €106.9 million (20.2% vs. revenues).

6.5.17 Net financial income

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Interest income on cash and cash equivalents	5,946	3,274
Income from disposal of cash equivalents	-	-
INCOME FROM CASH AND CASH EQUIVALENTS	**5,946**	**3,274**
Interest on bonds	-	-
Interest on borrowings and overdrafts	(480)	(477)
Interest on other borrowings - IFRS 16	(591)	(441)
Interest on finance leases	-	-
COST OF GROSS FINANCIAL LIABILITIES	**(1,071)**	**(917)**
COST OF NET FINANCIAL LIABILITIES	**4,875**	**2,356**

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Foreign exchange gains	4,645	4,673
Other income	170	58
OTHER FINANCIAL INCOME	**4,815**	**4,731**
Financial expenses on employee benefits	(159)	(161)
Foreign exchange losses	(5,675)	(4,066)
Other expenses	(165)	(219)
OTHER FINANCIAL EXPENSES	**(5,999)**	**(4,446)**
OTHER FINANCIAL INCOME AND EXPENSES	**(1,184)**	**285**

6.5.18 Income tax

Deferred taxes are recognized for temporary differences between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. No deferred tax is recognized if it arises from the initial recognition of an asset or liability relating to a transaction, other than a business combination, which, at the time of the transaction, affects neither accounting profit nor taxable profit. No deferred tax liability is recognized on initial recognition of goodwill.

Deferred taxes are determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

For the purposes of calculating the deferred taxes of French companies, the tax rate used is the standard French corporate income tax rate, i.e. 25.83% for 2024 (2023: 25.83%).

In the event that the realization date of the temporary difference is after 2024, the associated deferred taxes are calculated at the rate of 25.83%.

Income tax expense breaks down as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Tax expense	(25,208)	(20,292)
Deferred tax income/(expense)	2,876	(1,047)
TOTAL	**(22,332)**	**(21,340)**

The reconciliation between theoretical tax at the statutory rate in France and effective tax is as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Net income for the period	**58,680**	**55,566**
Restatement of the CIR	(4,862)	(5,087)
Restatement of CVAE - treated in accordance with IAS 12	(377)	(403)
Non-recurring items	(1,586)	(2,626)
Tax base relating to share accounted for using equity method	-	-
Income tax expense	22,332	21,340
Income before tax, restated for tax credits	**74,187**	**68,790**
Theoretical tax at 25.83% (2023: 25.83%)	**19,159**	**17,765**
Non-deductible expenses and non-taxable income	2,227	1,570
Impact of change in tax rate	-	-
Changes in carryforward deficits	(94)	736
Tax rate differences on foreign companies	(99)	(1,116)
Other taxes (in accordance with IAS12)(*)	504	973
Impact of the reduced rate	(14)	32
Withholding tax	1,101	1,261
Taxes without a base (tax credits, etc.)	(115)	(35)
Miscellaneous	(335)	154
Effective tax	**22,332**	**21,340**
EFFECTIVE TAX RATE	**30.10%**	**31.02%**

(*) Impact generated by the restatement of CVAE-type taxes.

Movements in deferred tax assets during the year were as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Opening	**8,621**	**10,632**
Recorded in the income statement	2,649	(1,858)
Recorded in other comprehensive income	(39)	20
Changes in scope of consolidation	-	-
Reclassifications	(905)	(231)
Conversion differences	6	58
CLOSING	**10,332**	**8,621**

Movements in deferred tax liabilities during the year were as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Opening	**7,169**	**8,017**
Recorded in the income statement	(227)	(811)
Recorded in other comprehensive income	-	-
Changes in scope of consolidation	-	-
Changes in deferred tax liabilities due to goodwill	-	-
Transfer to liabilities held for sale	-	-
Reclassifications	(965)	73
Conversion differences	60	(111)
CLOSING	**6,037**	**7,169**

In 2024, unrecognized deferred tax assets arising from tax losses recognized in subsidiaries amounted to €0.7m (2023: €1.7m).
In accordance with IAS 12 and subject to certain conditions, a company may offset its deferred tax assets and liabilities. This offsetting has been carried out above under the heading "Reclassification".

Net deferred taxes by nature are as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Intangible assets	(6,402)	(6,928)
Component approach (net)	271	271
Other temporary differences (net)	2,347	2,114
Internal margin on inventories	6,967	5,319
Restatement of finance leases	(36)	(36)
Employee benefits	1,789	1,693
Tax loss carryforwards	229	-
Regulated provisions	(1,089)	(1,311)
Other (net)*	219	330
TOTAL	**4,295**	**1,453**
Of which: Deferred tax assets	10,332	8,621
Deferred tax liabilities	(6,037)	(7,169)

** Including conversion adjustments.*

6.5.19 Income per share

6.5.19.1 Basic income per share

Basic income per share are calculated by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the number of treasury shares held.

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Net income attributable to ordinary shareholders	58,685	55,560
Weighted average number of common shares	11, 881,902	11,881,902
Treasury shares at end of period (direct holding)	(82,483)	(47,740)
Treasury shares at end of period (liquidity contract)	(3,746)	(1,652)
Restated weighted average number of shares outstanding over the period	11,795,673	11,832,510
BASIC INCOME PER SHARE (IN €/SHARE)	**4.98**	**4.70**

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6.5.19.2 Diluted income per share

At December 31, 2024, there were no further bonus share plans. Diluted income per share is calculated by adjusting net income attributable to ordinary shareholders by the weighted average number of shares outstanding during the year, adjusted for the effects of all potential dilutive ordinary shares.

	Dec 31, 2024	Dec 31, 2023
Net income attributable to ordinary shareholders (in thousands of euros)	58,685	55,560
Expenses related to bonus share grants	**-**	**-**
Profit used to calculate diluted income (in thousands of euros)	**58,685**	**55,560**
Weighted average number of shares outstanding over the period	11,881,902	11,881,902
Treasury shares at end of period (direct holding)	(82,483)	(47,740)
Treasury shares at end of period (liquidity contract)	(3,746)	(1,652)
Restated weighted average number of shares outstanding over the period	**11,795,673**	**11,832,510**
Dilutive effect of bonus share grants	-	-
Number of shares including dilutive effect	**11,795,673**	**11,832,510**
Diluted income per share (€/share)	4.98	4.70

6.5.20 Goodwill

6.5.20.1 Goodwill

Goodwill is valued at cost, less any accumulated impairment losses. For the initial valuation of goodwill, see section 6.5.3.3.
In accordance with IAS 36, goodwill is allocated to cash-generating units for the purposes of the impairment tests described below. Goodwill is tested for impairment at least once a year - and more frequently if there are indications of impairment. It is carried at cost, less any accumulated impairment losses. Impairment losses are not reversible.

In thousands of euros	Dec 31, 2024	Dec 31, 2023
At January 1		
Net value at opening	**75,036**	**76,173**
Acquisitions linked to business combinations	-	-
Impairment losses recognized in income statement	-	-
Reclassifications / Allocation of goodwill	-	-
Exchange differences, net	1,378	(1,137)
At December 31		
Net value at closing	**76,414**	**75,036**

6.5.20.2 Impairment tests - Valuation of fixed assets

In accordance with the requirements of IAS 36, an impairment test was carried out on all Cash-Generating Units ("CGUs") containing goodwill.

The CGUs defined for the Vetoquinol Group are the following companies: Vetoquinol USA, Vetoquinol Canada, Vetoquinol France, Vetoquinol UK, Vetoquinol Belgium, Vetoquinol Switzerland, Vetoquinol Czech Republic, Vetoquinol Austria, Vetoquinol Poland, Vetoquinol Ireland, Vetoquinol Germany, Vetoquinol Italy, Vetoquinol Scandinavia, Vetoquinol India, Vetoquinol Asia, Vetoquinol Australia, Vetoquinol Brazil and FarmVet Systems.

The breakdown of goodwill allocated to these cash-generating units is as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Vetoquinol Biowet Poland	2,229	2,196
Vetoquinol GmbH/Germany	1,705	1,705
Vetoquinol United Kingdom	424	405
FarmVet Systems	-	-
Vetoquinol Ireland	421	421
Vetoquinol Switzerland	1,198	1,217
Vetoquinol Austria	772	772
Vetoquinol Czech Republic	955	972
Vetoquinol USA	26,356	24,961
Vetoquinol Belgium	500	500
Vetoquinol Italy	6,465	6,465
Vetoquinol Brazil	-	-
Vetoquinol Scandinavia	962	993
Vetoquinol Asia	44	41
Vetoquinol India	7,988	7,730
Vetoquinol SA France	14,426	14,437
Vetoquinol Australia	1,688	1,723
Vetoquinol Canada	10,283	10,497
TOTAL	**76,414**	**75,036**

The difference in value between 2023 and 2024 arises solely from exchange differences on goodwill denominated in foreign currencies.

The recoverable amount of intangible assets is determined using the discounted cash flow method, which is based on their value in use. This method determines the recoverable amount of the asset by calculating the present value of the estimated future cash flows expected to be derived from the asset's continued use and its eventual disposal at the end of its useful life. This value is then reduced by the working capital requirements and the value of other assets existing at the test date. This valuation includes a terminal value obtained by discounting to infinity a cash flow deemed normative at the end of the forecast period.

Cash flow projections have been prepared over a five-year period, based on a forecast business plan for fiscal 2025 prepared by management and the following key assumptions for the years 2026 to 2029:

WACC rates have been determined by CGU taking into account:

- risk-free rate: between 2.5% and 3.5%;
- market risk premium: between 5.0% and 5.8%;
- pre-tax cost of financial liabilities: between 5.0% and 7.6%;
- a sector gearing of 4.7%;
- a country risk premium and the country's tax rate;
- an industry median debt-free beta of 0.93;
- Equity size premium of 1.2%;
- WACC rates ranged from 9.0% to 13.3% depending on the CGU;
- Perpetual growth rates have been set according to the country in which the CGU is located, and vary from 1.9% to 4.5% depending on the country.

A summary table for CGUs where the amount of goodwill is significant outlines the primary assumptions and highlights the key sensitivities.

No further impairment losses were recognized in 2024 or 2023.

Similarly, an impairment test was conducted on the Equistro brand, an intangible asset with an indefinite life, using a sales growth rate of 2.0% to infinity and a discount rate of 9.0%. This brand is shown under "Other subsidiaries" in the table below. Based on this impairment test, no impairment loss has been recognized.

Sensitivity analyses performed by varying the discount rate by +/- 1% do not reveal any significant negative differences either at end-2024 or end-2023.

CGU	Goodwill in €k at end December 2024	Unamortized trademarks in €k at end December 2024	Other intangible assets of which "product list" / Products - Specialties	Total intangible assets + Goodwill	Estimated Recoverable Value (RV) based on value in use	Difference in % between Net Book Value and Recoverable Value	Growth rate to infinity	Impact in % on RV if growth rate to infinity decreases by -1%.	Discount rate (WACC) used	Impact in % on RV if WACC increases by +1%.
Vetoquinol India	7,988	4,082	1	12,071	63,076	80.9%	4.5%	-7%	13.3%	-10%
Vetoquinol Italy	6,465	-	155	6,620	61,404	89.2%	1.9%	-7%	10.8%	-10%
Vetoquinol USA	26,356	0	11,285	37,641	222,077	83.1%	2.2%	-10%	9.3%	-13%
Vetoquinol SA	14,426	6,828	102,817	124,071	210,839	41.2%	2.0%	-10%	9.7%	-13%
Vetoquinol Canada	10,283	-	100	10,382	207,527	95.0%	2.1%	-10%	9.2%	-14%
Selection subtotal	**65,517**	**10,910**	**114,357**	**190,784**	**764,923**	**75.1%**		**-9%**		**-13%**
Other subsidiaries	10,897	9,074	7,746	27,717	316,599	91.2%				
TOTAL BALANCE SHEET	**76,414**	**19,983**	**122,104**	**218,501**	**1,081,522**					

6.5.21 Intangible assets

In thousands of euros	Concessions, licenses and patents	Computer programs	Trademarks	"product lists" / Products - Specialties	Other intangible assets	Total
At December 31, 2022						
GROSS BOOK VALUE	**16,001**	**31,870**	**20,161**	**181,912**	**25,931**	**275,875**
ACCUMULATED DEPRECIATION	**(13,203)**	**(19,159)**	**(128)**	**(52,156)**	**(22,520)**	**(107,166)**
NET VALUE	**2,797**	**12,711**	**20,033**	**129,757**	**3,410**	**168,709**
Acquisitions	100	3,728	-	-	178	4,006
Acquisitions through business combinations	-	-	-	-	-	-
Purchase price allocation - asset recognition	-	-	-	-	-	-
Change in consolidation method	-	-	-	-	-	-
Disposals (net book value)	-	(96)	-	-	-	(96)
Reclassifications	(894)	36	11	(1,535)	2,368	(15)
Depreciation and amortization	(334)	(1,918)	(9)	(12,021)	(3,971)	(18,253)
Perimeter exit	-	-	-	-	-	-
Exchange differences, net	(20)	22	(175)	(277)	95	(356)
At December 31, 2023						
GROSS BOOK VALUE	**14,071**	**29,744**	**21,036**	**176,695**	**30,937**	**272,482**
ACCUMULATED DEPRECIATION	**(12,422)**	**(15,262)**	**(1,176)**	**(60,771)**	**(28,856)**	**(118,487)**
NET VALUE	**1,648**	**14,482**	**19,859**	**115,924**	**2,081**	**153,995**
Acquisitions	-	3,274	-	250	111	3,635
Acquisitions through business combinations	-	-	-	-	-	-
Purchase price allocation - asset recognition	-	-	-	-	-	-
Change in consolidation method	-	-	-	-	-	-
Disposals (net book value)	-	(695)	-	-	-	(695)
Reclassifications	-	(1,739)	-	1,700	14	(25)
Depreciation and amortization	(613)	(2,162)	(1)	(10,523)	(1,382)	(14,681)
Perimeter exit	-	-	-	-	-	-
Exchange differences, net	(81)	(23)	125	(180)	17	(142)
At December 31, 2024						
GROSS BOOK VALUE	**13,991**	**30,300**	**21,231**	**178,902**	**31,266**	**275,689**
ACCUMULATED DEPRECIATION	**(13,037)**	**(17,162)**	**(1,247)**	**(71,731)**	**(30,425)**	**(133,602)**
NET VALUE	**954**	**13,137**	**19,983**	**107,171**	**841**	**142,087**

The "Trademarks" column includes, at the end of December 2024:

- the Equistro® trademark for €8.9 million, which is an asset with an indefinite useful life and therefore not depreciated;
- the Drontal® and Profender® trademarks for €6.8m;
- other trademarks (around forty at a cost of €4.1 million) were recognized at the time of the 2009 acquisition of Wockardt® (India); these trademarks are individually insignificant, and the India CGU to which they are allocated is subject to an overall impairment test.

The "Products/Specialties" column at the end of 2024 consists mainly of the following intangible items:

- products/specialties valued at €4,080,000 when Clarion was acquired,
- products/specialties valued at €4,904,000 (2023: €5,685,000) on the acquisition of Bioniche's animal health division,
- Drontal® and Profender® products/specialties for €87.8m by the end of 2024 (2023: €96.1m),
- other products/specialties for the balance of €10,435,000 (2023: €9,609,000).

6.5.21.1.1 R&D expenses

In accordance with IAS 38, research costs are expensed and internal development costs are recognized as intangible assets only if all six criteria defined by IAS 38 are met. In view of the risks and uncertainties associated with regulatory approvals and the R&D process, the criteria for capitalization are not deemed to have been met until marketing approval has been obtained.

Payments made for the separate acquisition of research and development work are recognized as "other intangible assets" when they meet the definition of an intangible asset. This is determined by whether the asset is a controlled resource from which Vetoquinol expects future economic benefits and whether it is identifiable. This means that the asset must be separable or result from contractual or legal rights. In accordance with paragraph 25 of IAS 38, the initial recognition criterion, which pertains to the probability of future economic benefits generated by the intangible asset, is presumed to have been met for research and development work when acquired separately. In this context, amounts paid to third parties in the form of upfront or milestone payments for pharmaceutical products that have not yet obtained marketing approval are capitalized. These rights are amortized on a straight-line basis over their useful life, commencing from the time marketing authorization is obtained.

Payments related to research and development agreements for access to technologies or databases, as well as payments for the acquisition of generic files, are also capitalized. Intangible assets are amortized over their useful life as soon as they are brought into service.

Subcontracting agreements and expenditure on research and development service contracts or payments relating to ongoing research and development collaborations, which remain independent of the outcome of the latter, are expensed over the periods in which the services are received.

6.5.21.1.2 Other intangible assets

Intangible fixed assets are recorded in the balance sheet at historical cost and are systematically amortized over their useful life, with the exception of rights, trademarks and other components of the Equistro® range, which have an indefinite useful life. An impairment test is carried out at least annually to validate that no impairment needs to be recorded.

Amortization periods are the same throughout the Group:

Categories	Mode	Duration
Concessions and patents	Linear	5 to 15 years
Computer programs	Linear	3 to 10 years
Products and/or MA	Linear	5 to 20 years
Other of which customer relations	Linear	3 to 10 years

6.5.22 Property, plant and equipment

Property, plant, and equipment are recorded at the acquisition cost (initially the purchase price plus incidental expenses and acquisition costs) or production cost, less depreciation. The straight-line depreciation method is considered a sound economic decision. In accordance with revised IFRS 3, fixed assets are revalued at fair value when they are recognized following a business combination. Land is not subject to depreciation. The Group applies the following depreciation periods for property, plant and equipment subject to depreciation:

Categories	Mode	Duration
Buildings	Linear	15 to 40 years
Fixtures	Linear	10 to 20 years
Operating equipment	Linear	6 to 20 years
Transport/office/research equipment	Linear	3 to 8 years
Other property, plant and equipment	Linear	5 to 15 years

In thousands of euros	Land	Buildings	Technical installations	Other property, plant and equipment	Property, plant and equipment in progress, advances and prepayments	Total
At December 31, 2022						
GROSS BOOK VALUE	**3,433**	**86,634**	**72,496**	**17,029**	**15,016**	**194,607**
ACCUMULATED DEPRECIATION	**(1,175)**	**(57,592)**	**(51,502)**	**(13,341)**	**-**	**(123,611)**
NET VALUE	**2,257**	**29,042**	**20,994**	**3,687**	**15,016**	**70,996**
Increases	18	1,785	2,191	431	9,301	13,725
Acquisitions through business combinations	-	-	-	-	-	-
Purchase price allocation - asset recognition	-	-	-	-	-	-
Change in consolidation method	-	-	-	-	-	-
Disposals (net book value)	-	(6)	(4)	(25)	(690)	(726)
Depreciation and amortization	(156)	(4,439)	(5,064)	(1,398)	-	(11,058)
Exchange differences, net	24	327	95	85	489	1,021
Perimeter exit	-	-	-	-	-	-
Reallocation of assets held for sale	895	(259)	-	1,065	-	1,701
Reclassifications	282	3,376	5,696	1,002	(10,321)	35
At December 31, 2023						
GROSS BOOK VALUE	**4,651**	**92,393**	**79,743**	**21,265**	**13,795**	**211,846**
ACCUMULATED DEPRECIATION	**(1,331)**	**(62,568)**	**(55,835)**	**(16,418)**	**-**	**(136,151)**
NET VALUE	**3,319**	**29,825**	**23,908**	**4,847**	**13,795**	**75,695**
Increases	50	2,327	4,549	473	6,989	14,388
Acquisitions through business combinations	-	-	-	-	-	-
Purchase price allocation - asset recognition	-	-	-	-	-	-
Change in consolidation method	-	-	-	-	-	-
Disposals (net book value)	(829)	(0)	(69)	(997)	(1,190)	(3,085)
Depreciation and amortization	(170)	(2,701)	(5,331)	(1,419)	-	(9,620)
Exchange differences, net	(74)	(526)	(171)	(101)	63	(809)
Perimeter exit	-	-	-	-	-	-
Reallocation of assets held for sale	-	-	-	-	-	-
Reclassifications	49	2,185	2,542	928	(5,680)	25
At December 31, 2024						
GROSS BOOK VALUE	**3,841**	**96,109**	**84,503**	**17,785**	**13,978**	**216,215**
ACCUMULATED DEPRECIATION	**(1,495)**	**(64,998)**	**(59,075)**	**(14,054)**	**-**	**(139,622)**
NET VALUE	**2,345**	**31,111**	**25,428**	**3,732**	**13,978**	**76,593**

6.5.23 IFRS 5

Not applicable.

6.5.24 Other financial assets

At December 31, 2024, other financial assets include the equity interests in PAT (Plant Advanced Technologies) for a net value of €238,000. In November 2017, Vetoquinol acquired a stake in PAT, which is headquartered in Vandœuvre-lès-Nancy.

PAT specializes in the identification, optimization and production of rare plant biomolecules for the cosmetics, pharmaceutical and agrochemical industries. PAT boasts unique, globally-patented and environmentally-friendly know-how (PAT milking plants® and Target Binding®). The company is listed on Euronext Growth Paris.

Other financial assets mainly comprise deposits and guarantees paid, considered as receivables, and as such valued at amortized cost. They are not material at Group level.

6.5.25 Derivative financial instruments

At December 31, 2024, as at December 31, 2023, the Group held no derivative instruments.

As part of its foreign exchange and interest rate risk management, the Group sometimes enters into derivative contracts. These instruments are used exclusively by the Group's centralized treasury department and are intended to hedge risks.

With regard to currency hedging, these contracts mainly involve the purchase of forward contracts with maturities of less than one year. Interest-rate hedging instruments are mainly swaps.

The Group applies the hedge accounting provisions of IAS 39 to its hedging transactions. Derivative financial instruments are recognized in the balance sheet at fair value at the balance sheet date, depending on the type of hedge:

- for cash flow hedges, the change in the fair value of the derivative is recorded in an equity account called "cash flow hedge reserve." The change in the fair value of the derivative is reversed through the income statement as and when the hedged risk is realized (for the effective portion of the hedge, the ineffective portion is recorded in the income statement);
- for fair value hedges, the change in the fair value of the derivative is recognized in the income statement, as is the change in the fair value of the hedged item.
- At each balance sheet date, the fair value of the instruments used is obtained by reference to their market value.

6.5.26 Reconciliation of changes in working capital requirements (WCR) in the statement of cash flows (SOCF)

In thousands of euros	Dec. 31, 2023	Changes in scope of consolidation	Change in WCR in SoCF	Reclassifications	Currency translation differences	Restructuring impacts	Dec. 31, 2024
Inventories	103,538	-	8,814	-	(66)	-	112,286
Trade and other receivables	99,216	-	(3,868)	-	(501)	-	94,847
Other current assets	4,663	-	154	(154)	(50)	-	4,613
Other long-term liabilities	721	-	(35)	-	0	-	686
Conditional advances from the State	-	-	-	-	-	-	-
Trade and other payables (excluding fixed asset payables)	121,968	0	4,505	(185)	(1,081)	-	125,206
Other current liabilities	2	-	(1)	-	(0)	-	1
Conditional advances from the State (portion due in less than one year)	-	-	-	-	-	-	-
WCR RECONCILIATION	**84,726**	**(0)**	**630**	**31**	**465**	**-**	**85,852**

6.5.27 Inventories

Purchased raw materials, packaging materials and merchandise are valued at acquisition cost, using the weighted average cost method.
Finished products are valued at production cost, including consumption of materials, direct and indirect production expenses, and depreciation of production assets.
In certain instances, the FIFO (first-in, first-out) method is employed to determine the value of various inventories. This practice is minimal and inconsequential.

When the current value at the balance sheet date (market value for finished goods and merchandise, and value in use for work-in-progress and raw materials) is lower than the book value, an impairment loss is recognized for the amount of the difference. This depreciation is applied to slow-moving items or items whose expiration date is too close to their probable realization date.

6.5.27.1 Breakdown of inventories by type

In thousands of euros	Dec 31, 2024			Dec 31, 2023		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Raw materials & supplies	41,192	(2,404)	38,788	37,018	(1,422)	35,596
Other supplies	152	-	152	797	-	797
Work-in-progress	20,101	(1,002)	19,099	17,188	(2,091)	15,097
Intermediate and finished products	45,388	(4,756)	40,633	43,265	(7,646)	35,619
Goods	13,683	(69)	13,614	16,672	(243)	16,429
TOTAL	**120,516**	**(8,230)**	**112,286**	**114,940**	**(11,402)**	**103,538**

6.5.27.2 Changes in impairment losses

In thousands of euros	Dec 31, 2022	Allowances	Reclassifications	Reversals	Currency translation differences	Dec 31, 2023
Raw materials & supplies	1,126	1,498	-	(1,216)	14	1,422
Work-in-progress	972	2,194	-	(1,089)	13	2,091
Intermediate and finished products	3,342	11,027	-	(6,670)	(53)	7,646
Goods	1,386	169	-	(1,292)	(20)	243
TOTAL	**6,826**	**14,888**	**-**	**(10,267)**	**(45)**	**11,402**

In thousands of euros	Dec 31, 2023	Allowances	Reclassifications	Reversals	Currency translation differences	Dec 31, 2024
Raw materials & supplies	1,422	2,293	-	(1,321)	10	2,404
Work in progress	2,091	903	-	(1,995)	3	1,002
Intermediate and finished products	7,646	2,909	-	(5,777)	(22)	4,756
Goods	243	63	-	(235)	(2)	69
TOTAL	**11,402**	**6,167**	**-**	**(9,328)**	**(11)**	**8,230**

The Group monitors inventories on an individual basis (pharmaceutical batches). A 100% provision is recorded if a batch is unsaleable: if it is defective and/or does not comply with good manufacturing practice.

Similarly, batches that cannot be sold because their expiration date is too short are depreciated (100% depreciation for expiration dates of less than 6 months). In the event of low sales budgets for an item, a provision for depreciation is recorded on the basis of new sales forecasts. Sales forecasts are reviewed on a monthly basis, taking into account inventory volumes.

6.5.28 Trade and other receivables

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Trade receivable	89,586	92,491
Impairment of trade receivables	(2,799)	(3,169)
Trade receivables, net	**86,788**	**89,322**
Prepayments	2,560	2,510
Government receivables	4,290	6,195
Other operating receivables	359	266
Sundry receivables	830	922
Provisions	-	-
Other receivables	**8,038**	**9,893**
Total trade and other receivables	**94,826**	**99,216**
Prepaid expenses	4,311	4,207
Loans and guarantees	296	456
Other	6	0
Total other current assets	**4,613**	**4,663**

All net trade receivables are due within one year. The value of receivables is reduced to reflect the risk of non-recovery. This is done on a customer-by-customer basis, with each receivable being analysed individually. However, the Group also applies the following automatic impairment procedure: receivables over 180 days and under 360 days are provisioned at 50%; over 360 days, receivables are provisioned at 100%.

The Group has applied the International Financial Reporting Standards (IFRS) 9 "Financial Instruments" since January 1, 2018. The application of this standard has resulted in the recognition of an additional provision to account for anticipated losses on the Group's trade receivables. At December 31, 2024, this provision amounted to €585,000 (€964,000 at December 31, 2023).

Receivables are recognized at the fair value of the cash receivable. Given the Group's business practices, this is generally equal to the face value of the receivable. Receivables are then recognized net of provisions for impairment, which are established following an individual analysis of the risk of non-recovery.

6.5.29 Cash and cash equivalents

Cash and cash equivalents include bank balances, investments and cash equivalents, and are carried at fair value. They are short-term investments and/or liquid investments readily convertible into a known amount of cash and not subject to risks of changes in value (capital guarantee).

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Marketable securities	20,822	13,874
Availability	185,508	133,590
Cash and cash equivalents on the balance sheet (assets)	**206,331**	**147,464**

Total cash and cash equivalents shown in the statement of cash flows include:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Total cash and cash equivalents on the balance sheet	206,331	147,464
Bank overdrafts (note 6.5.29)	(3,895)	(1,257)
Cash and cash equivalents in the SoCF	**202,436**	**146,207**

6.5.30 Notes – Share capital, reserves and other equity interest

In thousands of euros	Number of shares	Share capital	Additional paid-in capital	Total
At December 31, 2022	**11,881,902**	**29,705**	**41,126**	**70,831**
At December 31, 2023	**11,881,902**	**29,705**	**41,126**	**70,831**
At December 31, 2024	**11,881,902**	**29,705**	**41,126**	**70,831**

At December 31, 2024, the share capital of €29,704,755 (2023: €29,704,755) was made up of 11,881,902 shares (2023: 11,881,902 shares) with a par value of €2.50 each.

6.5.30.1 Bonus shares

The Board of Directors has not granted any new bonus shares over the past two years. At the end of December 2024, as at the end of December 2023, there were no further bonus shares.

6.5.30.2 Stock options

None.

6.5.30.3 Treasury shares not covered by a liquidity contract

At the end of 2024, Vetoquinol held 82,483 of its own shares (2023: 47,740).

6.5.30.4 Dividend distribution

Dividend distributions to Group shareholders are recorded as liabilities over the period in which they were authorized by the shareholders.

The Annual General Meeting of May 28, 2024 approved a dividend payment of €10,099,616.70 (€0.85/share) for 2023 (2023: €9,505,521.60 (€0.80/share) for 2022). At the time of payment, Vetoquinol held some of these shares, so the dividend corresponding to these shares was not paid out and was allocated to retained income. Dividends paid in 2024 amount to €10,058,192.80 (2023: €9,464,535.20).

The Group's dividend policy is to pay a dividend of at least 15%.

For fiscal 2024, the Board has proposed a dividend payment of €0.89 per share, to be paid on June 6, 2025.

6.5.31 Financial liabilities

Financial liabilities are primarily comprised of borrowings from credit institutions and bank overdrafts.

Borrowings are recognized at amortized cost, net of transaction costs incurred.

Loans maturing within one year are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the debt for at least 12 months after the balance sheet date, in which case they are classified as non-current liabilities.

For borrowings corresponding to restated finance leases, the capital borrowed corresponds to the original value of the assets acquired under finance leases, which is included under property, plant and equipment.

Interest expense is recognized as an expense in the period in which it is incurred.

Current and non-current financial liabilities break down as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Loans and other financial liabilities	178	172
Financial lease liabilities - non-current	11,037	9,491
Total financial liabilities - non-current	**11,214**	**9,663**
Loans and other financial liabilities	497	1,730
Financial lease liabilities - current	5,516	4,978
Bank overdrafts	3,895	1,257
Total financial liabilities - current	**9,908**	**7,965**
TOTAL FINANCIAL LIABILITIES	**21,122**	**17,628**

Financial liabilities by maturity break down as follows:

In thousands of euros	Total	< 1 year	1 to 5 years	> 5 years
At December 31, 2023				
Loans and other financial liabilities	1,901	1,730	172	-
Finance lease liabilities	14,469	4,978	8,814	677
Bank overdrafts	1,257	1,257	-	-
TOTAL FINANCIAL LIABILITIES	**17,628**	**7,965**	**8,986**	**677**
At December 31, 2024				
Loans and other financial liabilities	675	497	178	-
Finance lease liabilities	16,552	5,516	10,129	907
Bank overdrafts	3,895	3,895	-	-
TOTAL FINANCIAL LIABILITIES	**21,122**	**9,908**	**10,307**	**907**

6.5.31.1 Reconciliation of opening and closing balances

The reconciliation between opening and closing financial debts (excluding bank overdrafts), distinguishing between cash and non-cash cash flows, is as follows:

In thousands of euros	Dec 31, 2023	Cash flow	Non-cash variations				Dec 31, 2024
			Acquisitions	Foreign exchange effects	Reclassification/ Impact of IFRS 16	Fair value effects	
Loans and other financial liabilities - non-current	172	-	-	(7)	-	-	178
Loans and other financial liabilities - current	1,730	(1,384)	-	152	-	-	497
Finance lease liabilities	14,469	-	-	(37)	2,120	-	16,552
Hedging items	-	-	-	-	-	-	0
TOTAL FINANCIAL LIABILITIES	**16,371**	**(1,384)**	**-**	**108**	**2,120**	**-**	**17,227**

6.5.31.2 Breakdown by currency and type of interest rate

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Fixed rate	1,118	431
INR	**1,118**	**431**
Fixed rate	1,092	2,190
BRL	**1,092**	**2,190**
Fixed rate	211	307
AUD	**211**	**307**
Fixed rate	2,204	2,221
USD	**2,204**	**2,221**
Fixed rate	1,719	648
CAD	**1,719**	**648**
Fixed rate	137	191
CHF	**137**	**191**
Fixed rate	152	62
CNY	**152**	**62**
Fixed rate	361	47
CZK	**361**	**47**
Fixed rate	687	842
GBP	**687**	**842**
Fixed rate	52	98
JPY	**52**	**98**
Fixed rate	232	125
KRW	**232**	**125**
Fixed rate	296	314
MXN	**296**	**314**
Fixed rate	496	85
PLN	**496**	**85**
Fixed rate	18	42
SEK	**18**	**42**
Fixed bond rate	-	-
Fixed & variable swapped rates	8,452	8,766
Variable rate	-	-
EUR	**8,452**	**8,766**
Fixed rate	17,227	16,371
Variable rate	-	-
Total (all currencies combined)	**17,227**	**16,371**
Bank overdrafts	3,895	1,257
TOTAL	**21,122**	**17,628**

6.5.31.3 Statement of collateral granted as security

None.

6.5.31.4 Credit lines

- At December 31, 2024, the Group had credit lines of €45m (2023: €45m) with banks. These credit lines had not been drawn down either at the end of 2024 or 2023.

6.5.31.5 Liquidity risk

Given the cash available at the end of December 2024, the Group is not exposed to liquidity risk. Contractual cash flows include the notional amounts of financial liabilities and undiscounted contractual interest.

In thousands of euros	Book value	Contractual cash flows	Breakdown of contractual cash flows		
			< 1 year	1 to 5 years	> 5 years
At December 31, 2024					
Loans and other financial liabilities	675	675	497	178	-
Bank overdrafts	3,895	3,895	3,895	-	-
Trade payables	39,419	39,419	39,419	-	-
Payables on fixed assets	3,166	3,166	3,166	-	-
Sundry operating liabilities	43,488	43,488	43,488	-	-
TOTAL FINANCIAL LIABILITIES	**90,642**	**90,642**	**90,465**	**178**	**-**

In thousands of euros	Book value	Contractual cash flows	Breakdown of contractual cash flows		
			< 1 year	1 to 5 years	> 5 years
At December 31, 2023					
Loans and other financial liabilities	1,901	1,901	1,730	172	-
Bank overdrafts	1,257	1,257	1,257	-	-
Trade payables	42,001	42,001	42,001	-	-
Payables on fixed assets	4,012	4,012	4,012	-	-
Sundry operating liabilities	41,170	41,170	41,170	-	-
TOTAL FINANCIAL LIABILITIES	**90,341**	**90,341**	**90,170**	**172**	**-**

6.5.32 Accruals for employee benefits

6.5.32.1 Pension obligations and other long-term employee benefits

The plans in place to provide these benefits can be classified as either defined contribution or defined benefit plans.

Defined contribution plans: in accordance with the laws and practices of each country, Vetoquinol pays contributions based on salaries to national organizations in charge of pension and welfare schemes. There are no actuarial liabilities in this respect. Vetoquinol's payments are expensed as incurred.

Defined benefit post-employment plans: the liability recognized in the balance sheet corresponds to the present value of the defined benefit obligation at the balance sheet date.

In accordance with IAS 19 (revised) "Employee benefits", the corresponding commitments are calculated annually by independent actuaries using the projected unit credit method with pro rata seniority at term.

The amounts of commitments corresponding to benefits granted to employees are valued on the basis of assumptions concerning salary increases, retirement age and mortality, then discounted to their present value on the basis of the interest rates on long-term bonds issued by top-tier issuers.

Actuarial gains and losses relating to pensions and post-employment benefits, arising from adjustments linked to changes in actuarial assumptions and experience, are recognized in other comprehensive income net of deferred taxes in the period in which they arise.

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Accrued pension benefits	6,050	5,885
Other employee benefits (Time savings account, long-service awards, other schemes, etc.)	1,937	1,732
TOTAL ACCRUALS FOR EMPLOYEE BENEFITS	**7,988**	**7,617**

6.5.32.2 Pension benefits

Pension benefits are in place for the French, Polish and Italian sites. In France, employees are entitled to end-of-career benefits under the national collective agreement for the manufacture and sale of pharmaceutical, para-pharmaceutical and veterinary products. A sensitivity analysis, conducted by varying the discount rate by +/- 0.25%, did not reveal any significant difference in the commitment, with a maximum difference of +/- €160,000.

6.5.32.2.1 The changes recorded in liabilities are as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Net book value at January 1	**5,885**	**5,631**
Expenses recognized in the income statement	960	674
Actuarial gains and losses recognized in other comprehensive income	(153)	77
Paid contributions	(170)	(328)
Reclassifications	(149)	(14)
Fund benefits	(327)	(175)
Conversion differences	4	19
New liabilities due to company acquisitions	-	-
NET BOOK VALUE AT DECEMBER 31	**6,050**	**5,885**

6.5.32.2.2 The amounts recognized in the income statement for the year are as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Current service cost	718	475
Financial cost	159	161
Past service cost	-	-
Actuarial gains and losses recognized in income	83	37
TOTAL	**960**	**674**

6.5.32.2.3 The main actuarial assumptions applied in France are as follows:

	Dec 31, 2024	Dec 31, 2023
Discount rate	3.40%	3.20%
Rate of salary increases	2.70%	2.70%
Social security charges	45.40%	45.40%
Survival table	TF-TH 2000-2002	
Turnover rate	By age group	

6.5.32.3 Other long-term employee benefits

In France, employees are entitled to long-service awards in accordance with Decree no. 2000-1015 in the Official Journal of October 19, 2000, as well as company agreements or customary practice. Vetoquinol also has its own long-service award system, under which employees receive bonuses according to their length of service. Similar benefits are also in place in Poland and India.

6.5.32.3.1 The changes recorded in liabilities are as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Net book value at January 1	**1,732**	**1,678**
Expenses recognized in the income statement	335	194
Actuarial gains and losses recognized in equity	-	-
Paid contributions	(158)	(164)
Reclassifications	-	-
Conversion differences	29	24
New liabilities due to company acquisitions	-	-
NET BOOK VALUE AT DECEMBER 31	**1,937**	**1,732**

6.5.32.3.2 The amounts recognized in the income statement for the year are as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Current service cost	302	178
Financial cost	17	17
Past service cost	-	-
Actuarial gains and losses recognized in income	16	(2)
TOTAL	**335**	**194**

6.5.32.3.3 The main actuarial assumptions used for long-service awards are as follows:

	Dec 31, 2024	Dec 31, 2023
Discount rate	3.20%	3.10%
Revaluation rate for rewards	0.60%	0.60%
Social security charges	45.40%	45.40%
Survival table	TF-TH 2000-2002	
Turnover rate	By age group	

6.5.33 Other accruals

Accruals are recognized when the Group has a present obligation (legal or constructive) as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

Restructuring provisions include, in particular, the cost of restoring premises to their original condition and severance pay. No provision is made for future operating losses.

In thousands of euros	Provision for litigation	Other provisions	Total
At December 31, 2022	**750**	**1,124**	**1,874**
Additional accruals and increases	418	66	484
Amounts used	(577)	(745)	(1,322)
Reclassifications	-	19	19
Unused amounts reversed	-	-	-
Provisions for company acquisitions	-	-	-
Exchange rate differences	-	10	10
At December 31, 2023	**590**	**475**	**1,065**
Additional accruals and increases	564	135	699
Amounts used	(451)	(384)	(834)
Reclassifications	-	315	315
Unused amounts reversed	-	-	-
Provisions for company acquisitions	-	-	-
Exchange rate differences	-	3	3
At December 31, 2024	**704**	**544**	**1,248**

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Current	502	502
Non-current	746	563
TOTAL	**1,248**	**1,065**

Provisions for litigation concern provisions for commercial and industrial disputes.

Nature of provisions	Balance sheet value at end December 2024	Balance sheet value at end December 2023
Disputes/termination of employment contract	554	453
Restructuring plan - closure of Italian site - severances	193	110
Restructuring plan - closure of Italian site - refurbishment of premises	0	0
SUB-TOTAL - NON-CURRENT PROVISIONS	**746**	**563**
Disputes/termination of employment contract	319	162
Provision for the risk of non-use/collection of an asset	0	0
Provision for contingencies - litigation	183	340
SUB-TOTAL - CURRENT PROVISION	**502**	**502**

6.5.34 Trade and other payables

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Trade payables	39,419	42,001
Payables on fixed assets	3,166	4,012
Tax and social security liabilities	41,512	37,975
Sundry operating liabilities	43,488	41,170
Other sundry liabilities	788	822
Total trade and other payables	**128,373**	**125,980**
Deferred income	1	2
TOTAL OTHER CURRENT LIABILITIES	**1**	**2**

All trade payables are due within one year. Other sundry liabilities consist mainly of "annual or quarterly discounts" payable to our indirect customers.

6.5.35 Assets and liabilities by accounting category

The fair value of derivative financial instruments is based on valuations provided by banking counterparties.

The value of non-derivative financial liabilities shown in the table below (in the "Fair value" column) corresponds to the value of future cash flows generated by repayment of principal and interest, discounted at market interest rates at the balance sheet date.

Cash and cash equivalents are carried at amortized cost, as income and interest are regularly recognized in the income statement. At December 31, 2024, as at December 31, 2023, there were no derivative financial instruments.

In thousands of euros - 2024	Assets/liabilities measured at fair value through profit or loss	Assets/ liabilities measured at amortized cost	Non-financial instruments	Total balance sheet value	Fair value
Other investments	238	-	-	238	238
Other non-current assets (loans and advances)	-	1,284	-	1,284	1,284
Accounts receivable	-	99,438	-	99,438	99,438
Cash and cash equivalents	-	206,331	-	206,331	206,331
Derivative financial instruments	-	-	-	-	-
Financial assets 2024	**238**	**307,054**	**-**	**307,292**	**307,292**
Bond issues	-	(0)	-	(0)	(0)
Short- and long-term borrowings	-	4,570	-	4,570	4,570
Finance lease liabilities	-	16,552	-	16,552	16,552
Derivative financial instruments	-	-	-	-	-
Trade payables	-	39,419	-	39,419	39,419
Payables on fixed assets	-	3,166	-	3,166	3,166
Sundry operating liabilities	-	43,488	-	43,488	43,488
Financial liabilities 2024	**-**	**107,194**	**-**	**107,194**	**107,194**

In thousands of euros - 2023	Assets/liabilities measured at fair value through profit or loss	Assets/ liabilities measured at amortized cost	Non-financial instruments	Total balance sheet value	Fair value
Other investments	169	-	-	169	169
Other non-current assets (loans and advances)	-	1,322	-	1,322	1,322
Accounts receivable	-	103,879	-	103,879	103,879
Cash and cash equivalents	-	147,464	-	147,464	147,464
Derivative financial instruments	-	-	-	-	-
Financial assets 2023	**169**	**252,664**	**-**	**252,833**	**252,833**
Bond issues	-	(0)	-	(0)	(0)
Short- and long-term borrowings	-	3,159	-	3,159	3,159
Finance lease liabilities	-	14,469	-	14,469	14,469
Derivative financial instruments	-	-	-	-	-
Trade payables	-	42,001	-	42,001	42,001
Payables on fixed assets	-	4,012	-	4,012	4,012
Sundry operating liabilities	-	41,170	-	41,170	41,170
Financial liabilities 2023	**-**	**104,811**	**-**	**104,811**	**104,811**

6.5.36 Dividends per share

Dividends paid in 2024 amounted to €10,058,192.70 (2023: €9,464,535.20), i.e. €0.85/share (2023: €0.80/share).

The dividend to be proposed at the Annual General Meeting on May 22, 2025 will be €0.89 per share.

6.5.37 Headcount

2024 Headcount by function and region	France	Western Europe (excluding France)	Eastern Europe	Americas	Asia	Consolidated total
Administration	133	44	33	73	31	314
Sales & Marketing	101	187	62	264	533	1,147
Information Technology	44	9	7	7	2	69
Production	161	0	81	77	0	319
Quality	98	9	46	63	4	220
Scientific	134	13	16	34	6	203
Supply Chain & Purchasing	93	25	33	62	16	229
Total headcount 2024	**764**	**287**	**278**	**580**	**592**	**2,501**

2023 Headcount by function and region	France	Western Europe (excluding France)	Eastern Europe	Americas	Asia	Consolidated total
Administration	128	46	34	74	32	314
Sales & Marketing	102	189	62	262	519	1,134
Information Technology	40	11	7	8	2	68
Production	163	0	86	70	0	319
Quality	91	7	44	62	4	208
Scientific	132	13	16	35	7	203
Supply Chain & Purchasing	98	27	32	65	15	237
Total headcount 2023	**754**	**293**	**281**	**576**	**579**	**2,483**

6.5.38 Off-balance sheet commitments

6.5.38.1 Guarantees given

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Guarantees and sureties	8	8
Mortgages and pledges	-	-
TOTAL	**8**	**8**

6.5.38.2 Guarantees received

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Guarantees and sureties	-	-
Liability guarantees	-	-
TOTAL	**-**	**-**

At end-December 2024, as at end-December 2023, there were no further guarantees received.

6.5.38.3 Capital expenditure commitments

Investments contracted at the balance sheet date but not recorded in the accounts are as follows:

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Intangible assets	521	80
Property, plant and equipment	6,248	4,956
TOTAL	**6,769**	**5,036**

6.5.39 Contingent assets and liabilities

None.

6.5.40 Related party disclosures

6.5.40.1 Remuneration paid to key executives

In thousands of euros	Dec 31, 2024	Dec 31, 2023
Short-term benefits	1 163	1 170
Post-employment benefits	-	-
TOTAL	**1 163**	**1 170**

The key executives of the Vetoquinol Group are:

- Matthieu Frechin, Chairman and CEO;
- Dominique Derveaux, COO;
- Alain Masson, Executive Vice President and Chief Pharmacist.

6.5.40.2 Transactions with related parties

None.

6.5.41 Post-closing events

6.5.41.1 Q1 2025 sales

On April 24, 2025, Vetoquinol will publish its sales for the first quarter of fiscal 2025.

6.5.42 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings, including any proceedings of which the company is aware, which are pending or threatened, that are likely to have or have had in the past 12 months a material impact on the financial position or profitability of the company and/or the Group.

6.5.43 Financial or commercial situation

No significant change in the financial or commercial situation since the year-end.

6.5.44 Fees

The fees presented here concern the fees of the statutory auditors and members of their networks, in accordance with AMF regulations. These fees concern the Statutory Auditors for French companies (essentially the issuer and a sub-holding company), in respect of the certification and review of individual and consolidated financial statements.

Fees paid outside France include the certification of financial statements by members of the network of fully consolidated subsidiaries.

In thousands of euros	Forvis Mazars	PWC
	2024	2024
	Amount	Amount
Fees for certification of financial statements		
Transmitter	108	124
Fully consolidated subsidiaries	174	125
Services other than certification of financial statements (SOTCFS)		
SOTCFS required by law and regulations - Issuer		
SOTCFS required by law and regulations - Fully consolidated subsidiaries		
Other SOTCFS - Issuer		
Other SOTCFS - Fully consolidated subsidiaries	3	
TOTAL	**285**	**249**

6.5.44.1 Pre-approval policies and procedures defined by the Audit Committee

Vetoquinol's Audit Committee has established a policy and procedures for approving audit services and pre-approving other services to be provided by the Statutory Auditors.

6.5.45 Group companies

Companies	Head office	Dec. 31, 2024		Dec. 31, 2023	
		% held	% interest	% held	% interest
Vetoquinol SA	Magny-Vernois - 70200 Lure - France	**100%**	**100%**	100%	100%
Vetoquinol NA Inc.	2000 Chemin Georges - Lavaltrie - Québec J5T 3S5 Canada	**100%**	**100%**	100%	100%
Vetoquinol USA Inc.	Corporation trust Center - 1209 Orange Street - Wilmington - Delaware 19801 - United States	**100%**	**100%**	100%	100%
Vetoquinol de Mexico SA de CV	Blvd Manuel Avila Camacho 118 piso 22 Despacho 2202 - Col. Lomas de Chapultepec - Delegation Miguel Hidalgo - Mexico	**100%**	**100%**	100%	100%
Vetoquinol Saude Animal Ltda	Avenida Fausto Dallape Dallape, 90, térreo, sala 1, Terra Preta Cidade de Mairipora - Estado de Sao Paulo CEP 07662-670 - Brésil	**99%**	**100%**	99%	100%
Vetoquinol Do Brasil Participacoes Ltda	Avenida Fausto Dallape Dallape, 90, térreo, sala 1, Terra Preta Cidade de Mairipora - Estado de Sao Paulo CEP 07662-670 - Brésil	**100%**	**100%**	100%	100%
Vetoquinol Especialidades Veterinarias SA	Carretera de Fuencarral, km 15,700 - Edificio Europa I, Portal 3, piso 2, puerta 5, - 28108 Alcobendas (Madrid) - Spain	**100%**	**100%**	100%	100%
Vetoquinol Unipessoal Lda	Rua Amílcar Cabral nº7, 3ºPiso, Sala 5 - Agualva, 2735-534 - Agualva-Cacém - Portugal	**100%**	**100%**	100%	100%
Vetoquinol UK Ltd	Steadings Barn - Pury Hill Business Park - Towcester - United Kingdom - Northants NN12 7LS - UK	**100%**	**100%**	100%	100%
Vetoquinol Ireland Ltd	12 Northbrook Road, Ranelagh, Dublin 6 - Ireland	**100%**	**100%**	100%	100%
FarmVet Systems Ltd	27 High Street - Moneymore - Co Londonderry - Magherafelt BT45 7PA - UK	**100%**	**100%**	100%	100%
Vetoquinol NV	Galileilaan 11/401 - 2845 Niel - Belgium	**99%**	**99%**	99%	99%
Vetoquinol BV	Postbus 9202, 4801 LE Breda - The Netherlands	**100%**	**100%**	100%	100%
Vetoquinol International	Magny-Vernois - 70200 Lure - France	**100%**	**100%**	100%	100%
Frefin GmbH	Reichenbachstraße 1 - 85737 Ismaning - Germany	**100%**	**100%**	100%	100%
Vetoquinol GmbH(formerly Chassot GmbH)	Reichenbachstraße 1 - 85737 Ismaning - Germany	**100%**	**100%**	100%	100%
Vetoquinol Biowet Poland Sp. z.o.o.	Ul. Kosynierow Gdynskich 13/14 St. - 66-400 Gorzów WKLP - Poland	**100%**	**100%**	100%	100%
Vetoquinol AG	Freiburgstrasse 255 - 3018 Bern - Switzerland	**100%**	**100%**	100%	100%
Vetoquinol s.r.o	Walterovo nám?stí 329/3 - Mechanika 2 - 158 00 Prague - Czech Republic	**100%**	**100%**	100%	100%
Vetoquinol Österreich GmbH	Gußhausstraße 14/5 1040 Wien - Austria	**100%**	**100%**	100%	100%
Vetoquinol Italia S.r.l	Via Piana 265 - Capocolle di Bertinoro - Italy	**100%**	**100%**	100%	100%
Vetoquinol Scandinavia AB	Box 9 - 265 21 Åstorp - Sweden	**100%**	**100%**	100%	100%
Frefin Mauritius Ltd.	5th Floor, Rubis Center 30 Dr Eugene Laurent Street - Port Louis - Republic of Mauritius	**100%**	**100%**	100%	100%
Vetoquinol India Animal Health Private Ltd.	Office no. 501, Hamilton-B Building, Hiranandani Business Park, Ghodbunder Road, Thane - 400607 - India	**100%**	**100%**	100%	100%
Frefin Asia Ltd.	Rooms 2310 & 2312, 23/F, Wayson Commercial Building - 28 Connaught Road West - Sheung Wan - Hong Kong	**100%**	**100%**	100%	100%
Vetoquinol Korea Co. Ltd.	(Janghang-dong) 195, M CITY Tower, Baengma-ro,Ilsandong-gu, Goyang-si, Geyonggi-do - South Korea	**100%**	**100%**	100%	100%
Vetoquinol Trading (Shanghai) CO., Ltd,	Suite 1607, Block C, 85 Loushanguan Road, Oriental International Plaza, Changing District - 200336, Shanghai, People's Republic of China	**100%**	**100%**	100%	100%
Vetoquinol Australia Pty Ltd Inc.	Level 4, 380 Collins Street, Melbourne - Vic 3000 - Australia	**100%**	**100%**	100%	100%
Vetoquinol New Zealand Ltd	Level 4, 74 Taharoto Road, Takapuna, Auckland, 0622 - New Zealand	**100%**	**100%**	100%	100%
Vetoquinol-Zenoaq K.K.	Axon HAMAMATSUCHO Building, Shiba Daimon 1-1-23,, Minato-ku, TOKYO 105-0012 - Japan	**100%**	**100%**	100%	100%

6.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ending December 31, 2024

To the Annual General Meeting of Vetoquinol SA,

6.6.1 Opinion

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Vetoquinol SA for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the financial position and the assets and liabilities of the Group as at December 31, 2009 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the European Union.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

6.6.2 Basis for opinion

6.6.2.1 Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' Responsibilities Relating to the Audit of the Consolidated Financial Statements".

6.6.2.2 Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors for the period from January 1st, 2024 to the date of issue of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

6.6.3 Justification of assessments - Key audit points

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we are required to report to you on the main points of our audit that relate to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the year, and on our responses to these risks. We have determined that there were no key audit issues to report.

6.6.4 Specific checks

In accordance with professional standards applicable in France, we have also verified the information given in the Board of Directors' management report relating to the Group.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

6.6.5 Other verifications and disclosures required by law and regulations

6.6.5.1 Presentation format for consolidated financial statements to be included in the Annual Financial Report

In accordance with the professional practice standard on statutory auditors' procedures relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified that the consolidated financial statements, which are to be included in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code and prepared under the responsibility of the Chief Executive Officer, comply with the format defined by European Delegated Regulation no. 2019/815 of December 17, 2018. As these are consolidated financial statements, our procedures include verifying that the presentation of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the Annual Financial Report complies, in all material respects, with the single European electronic reporting format.

We are not responsible for verifying that the consolidated financial statements actually included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

6.6.5.2 Appointment of Statutory Auditors

We were appointed Statutory Auditors of Vetoquinol SA by your General Meeting of May 23, 1990 for PricewaterhouseCoopers Audit and May 30, 2017 for Forvis Mazars.

At December 31, 2024, PricewaterhouseCoopers was in the 35thyear of its engagement without interruption, including 19 years since the Company's shares were admitted to trading on a regulated market, and Forvis Mazars was in the 8thyear of its engagement.

6.6.6 Responsibilities of management and those charged with corporate governance in relation to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union, and to implement such internal control procedures as it determines are necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these statements, where appropriate, the necessary going concern information and to apply the going concern accounting policy, unless the company is to be wound up or cease trading.

It is the responsibility of the Audit Committee to monitor the financial reporting process and the effectiveness of internal control and risk management systems, as well as internal audit where appropriate, with regard to procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

6.6.7 Statutory Auditors' responsibilities relating to the audit of the consolidated financial statements

6.6.7.1 Audit objective and approach

Our responsibility is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free from material misstatement. Reasonable assurance refers to a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will identify all material misstatements. Misstatements may be the result of fraud or error and are considered material when it is reasonable to expect that they could, individually or in aggregate, influence the economic decisions made by users of the financial statements.

As stipulated by article L.821-55 of the French Commercial Code, our role as statutory auditors does not include guaranteeing the viability or quality of your company's management.

In the context of an audit carried out in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit.

In addition:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control;
- it obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy and, based on the information gathered, whether or not there is any significant uncertainty linked to events or circumstances that could call into question the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of his report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the informa-

tion provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;

- It assesses the overall presentation of the consolidated financial statements, and whether they give a true and fair view of the underlying transactions and events;
- concerning the financial information of the persons or entities included in the scope of consolidation, it gathers information that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. He is responsible for directing, supervising and performing the audit of the consolidated financial statements, and for expressing an opinion on these financial statements.

6.6.7.2 Report to the Audit Committee

We submit a report to the Audit Committee setting out the scope of our audit, the work program implemented and the conclusions drawn from our work. We also report to the Audit Committee on any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information.

The matters set out in the report to the Audit Committee include the risks of material misstatement which we considered to be the most important for the purposes of our audit of the consolidated financial statements for the year and which therefore constitute the key points of our audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of EU Regulation no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where necessary, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Lyon, April 23, 2025

Statutory Auditors

PricewaterhouseCoopers Audit	**Forvis Mazars**
Michel Bouzigues	Emmanuel Charnavel

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Vetoquinol SA

French public limited company with capital of €29,704,755

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