Consolidated accounts

CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position

in € thousand	Notes	2024	2023
Goodwill	A1-A3	276,633	165,372
Intangible assets	A2-A3	251,237	185,109
Tangible assets	A4	397,537	268,016
Right of use	A5	36,861	32,940
Other financial assets	A6	12,993	6,243
Share in companies accounted for by the equity method	A7	4,511	4,244
Deferred tax assets[1]	A8	24,628	22,323
Non-current assets		**1,004,401**	**684,246**
Inventories and work in progress	A9	404,166	339,663
Trade receivables	A10	196,081	167,977
Other financial assets	A6	4,312	2,636
Other receivables	A11	89,931	85,302
Cash and cash equivalents	A12	149,631	175,906
Current assets		**844,121**	**771,484**
Assets classified as held for sale	A13	—	—
Assets		**1,848,522**	**1,455,730**
Share capital		10,488	10,573
Reserves attributable to the owners of the parent company[1]		1,032,628	889,728
Equity attributable to the owners of the parent company	A14	**1,043,117**	**900,301**
Non-controlling interests	A14	286	9,616
Equity		**1,043,403**	**909,917**
Deferred tax liabilities	A8	57,233	31,560
Provisions for employee benefits	A15	20,358	19,606
Other provisions	A16	8,899	7,299
Lease liability	A17	26,552	25,001
Other financial liabilities	A18	222,088	40,689
Other payables	A19	5,430	22,612
Non-current liabilities		**340,559**	**146,767**
Other provisions	A16	776	2,309
Trade payables	A20	174,574	149,629
Lease liability	A17	11,550	10,144
Other financial liabilities	A18	57,977	47,709
Other payables	A19	219,683	189,256
Current liabilities		**464,560**	**399,047**
Liabilities		**1,848,522**	**1,455,730**

Income statement

in € thousand	Notes	2024	2023	*Variation*
Revenue from ordinary activities	**A21**	**1,397,380**	**1,246,901**	***12.1%***
Purchases consumed	**A22**	-456,117	-433,873	
External costs	**A23**	-262,223	-230,155	
Personnel costs		-383,213	-342,840	
Taxes and duties		-17,404	-15,294	
Depreciations and provisions	**A24**	-51,192	-44,652	
Other operating income and expenses	**A25**	4,592	8,055	
Current operating profit before depreciation of assets arising from acquisitions[1]		**231,821**	**188,142**	***23.2%***
Depreciations of intangible assets arising from acquisitions	**A24**	-4,324	-3,265	
Operating profit from ordinary activities		**227,497**	**184,876**	***23.1%***
Other non-current income and expenses	**A26**	-10,422	-878	
Operating result		**217,075**	**183,998**	***18.0%***
Financial income and expenses	**A27**	-9,282	-9,845	
Profit before tax		**207,793**	**174,153**	***19.3%***
Income tax	**A28**	-62,478	-53,520	
Share from companies' result accounted for by the equity method	**A7**	467	455	
Result for the period		**145,782**	**121,088**	***20.4%***
attributable to the owners of the parent company		145,290	121,298	*19.8%*
attributable to the non-controlling interests		492	-210	*-334.3%*
Profit attributable to the owners of the parent company, per share	**A30**	€17.35	€14.40	*20.5%*
Profit attributable to the owners of the parent company, diluted per share	**A30**	€17.34	€14.38	*20.6%*

[1]in order to provide a clearer picture of our economic performance, we isolate the impact of the allowance for depreciations of intangible assets resulting from acquisitions. This turned out to have a material impact considering the latest external growth that took place through acquisitions. Therefore, our income statement shows a current operating profit, before depreciation of assets arising from acquisitions (see note A24)

Comprehensive income statement

in € thousand	2024	2023	*Variation*
Result for the period	**145,782**	**121,088**	***20.4%***
Conversion gains and losses	918	-11,951	
Effective portion of gains and losses on hedging instruments	1,733	-1,473	
Items subsequently reclassifiable to profit and loss	**2,651**	**-13,424**	***-119.7%***
Actuarial gains and losses	508	-1,939	
Items not subsequently reclassifiable to profit and loss	**508**	**-1,939**	***-126.2%***
Other items of comprehensive income (before tax)	**3,159**	**-15,363**	***-120.6%***
Tax on items subsequently reclassifiable to profit and loss	-448	381	
Tax on items not subsequently reclassifiable to profit and loss	-207	527	
Comprehensive income	**148,287**	**106,632**	***39.1%***
attributable to the owners of the parent company	147,827	107,304	*37.8 %*
attributable to the non-controlling interests	461	-672	*-168.6 %*

Statement of change in equity

in € thousand	Share capital	Share premiums	Reserves	Conversion reserves	Result for the period	Equity attributable to the owners of the parent company	Non-controlling interests	Equity
Equity as at 01/01/2023 restated[1]	**10,573**	**6,534**	**718,474**	**-17,885**	**121,943**	**839,640**	**-351**	**839,288**
2022 allocation of net income	—	—	110,779	—	-110,779	**—**	—	**—**
Distribution of dividends	—	—	—	—	-11,165	**-11,165**	-7	**-11,172**
Treasury shares	—	—	-18,289	—	—	**-18,289**	—	**-18,289**
Changes in scope	—	—	-15,865	—	—	**-15,865**	10,647	**-5,219**
Other variations	—	—	-1,325	—	—	**-1,325**	—	**-1,325**
Comprehensive income	—	—	-2,505	-11,488	121,298	**107,304**	-672	**106,632**
Equity as at 12/31/2023	**10,573**	**6,534**	**791,269**	**-29,373**	**121,298**	**900,301**	**9,616**	**909,917**
2023 allocation of net income	—	—	110,245	—	-110,245	**—**	—	**—**
Distribution of dividends	—	—	—	—	-11,053	**-11,053**	-4	**-11,057**
Treasury shares	—	—	799	—	—	**799**	—	**799**
Changes in scope	—	—	7,655	—	—	**7,655**	-9,786	**-2,131**
Other variations	-84	—	-2,327	—	—	**-2,411**	—	**-2,411**
Comprehensive income	—	—	1,587	950	145,290	**147,827**	461	**148,287**
Equity as at 12/31/2024	**10,488**	**6,534**	**909,228**	**-28,423**	**145,290**	**1,043,117**	**286**	**1,043,403**

[1]restatement following the IAS 12 amendment related to deferred tax assets and liabilities arising from the same transaction, applicable as at January 1, 2023 (see "Accounting principles and methods applied")

The general shareholders' meeting of Virbac, which was held on June 21, 2024, approved the payment of a dividend of €1.32 per share for the 2023 financial year, for a total amount of €11,164,560 (reduced to €11,054,464 given the number of outstanding shares).

The "Changes in scope" line essentially reflects the impact of the acquisition of Globion's non-controlling interests which was finalized on June 21, 2024 (see note A1). The debt relating to the acquisition of non-controlling interests had been recognized in the Group's equity as of December 31, 2023. In accordance with the provisions of IFRS 10, the effects of the subsequent change in debt were recognized *via* equity.

The reduction of the share capital decided by the board of directors on September 13, 2024 by cancellation of 67,340 treasury shares was carried over to the "Other variations" line for an amount of €84 thousand. This line also includes, in essence, the impact on consolidated reserves of Globion's non-controlling interests reserve adjustment following the completion of the work to allocate the acquisition price.

Cash position statement

in € thousand	2024	2023
Cash and cash equivalents	175,906	177,383
Bank overdraft	-2,517	-639
Accrued interests not yet matured	-31	-65
Opening net cash position	**173,358**	**176,679**
Cash and cash equivalents	149,631	175,906
Bank overdraft	-3,567	-2,517
Accrued interests not yet matured	-27	-31
Closing net cash position	**146,037**	**173,358**
Impact of exchange rates	939	-5,345
Impact of changes in scope[1]	57,623	7,977
Net change in cash position	**-85,883**	**-5,952**

[1]see the cash flow statement

Statement of change in cash position

in € thousand	Notes	2024	2023
Result for the period		**145,782**	**121,088**
Elimination of share from companies' profit accounted for by the equity method	**A7**	-467	-455
Elimination of depreciations and provisions	**A16-A24**	57,352	47,618
Elimination of deferred tax change	**A8**	-4,584	1,686
Elimination of gains and losses on disposals	**A25**	2,451	1,973
Other income and expenses with no cash impact		5,519	-4,090
Cash flow		**206,053**	**167,820**
Net financial interests paid	**A27**	4,727	159
Income tax accrued for the period		67,510	51,454
Cash flow before financial interests and income tax		**278,290**	**219,433**
Effect of net change in inventories	**A9**	-20,890	-9,027
Effect of net change in trade receivables	**A10**	-4,892	-22,040
Effect of net change in trade payables	**A20**	4,076	-9,941
Income tax paid		-44,891	-61,457
Effect of net change in other receivables and payables	**A11-A19**	-7,472	1,673
Effect of change in working capital requirements		**-74,069**	**-100,792**
Net cash flow generated by operating activities		**204,221**	**118,641**
Acquisitions of intangible assets	**A2-A20**	-11,193	-18,859
Acquisitions of tangible assets	**A4-A20**	-69,246	-41,042
Disposals of intangible and tangible assets	**A25**	274	203
Change in financial assets	**A6**	2,934	645
Change in debts relative to acquisitions		-3,485	-925
Acquisitions of subsidiaries or activities[1]	**A1**	-348,436	-62,367
Disposals of subsidiaries or activities		—	—
Withholding tax on distributions		—	—
Dividends received	**A7**	463	475
Net cash flow allocated to investing activities		**-428,689**	**-121,869**
Dividends paid to the owners of the parent company	**A36**	-11,054	-11,165
Dividends paid to the non-controlling interests		-4	12
Change in treasury shares		—	-19,422
Transactions between the Group and owners of non-controlling interests[2]	**A1**	-17,492	—
Increase/decrease of capital		—	—
Cash investments		—	—
Debt issuance	**A18**	273,632	88,651
Repayments of debt	**A18**	-89,291	-50,492
Repayments of lease obligation	**A17**	-12,479	-10,149
Net financial interests paid	**A27**	-4,727	-159
Net cash flow from financing activities		**138,585**	**-2,723**
Change in cash position		**-85,883**	**-5,952**

[1]the line “Acquisitions of subsidiaries or activities” reflects the IFRS 3 operations realized over the period in Japan and Türkiye. For Sasaeah, it comprises a part paid to the seller and a repayment of bank loan of the targeted acquisition simultaneously to the transaction. Added to the scope impacts of the “Cash position statement”, it reflects the value of the Sasaeah business acquired for a total amount of approximately €280 million
[2]the acquisition of the second tranche of Globion's shares was illustrated on this line. As the transaction does not modify the control exercised over the entity, it is analyzed as a flow from financing activities

NOTES TO THE CONSOLIDATED ACCOUNTS

General information note

Virbac is an independent, global pharmaceutical laboratory exclusively dedicated to animal health which markets a full range of products designed for companion animals and farm animals.
The Virbac share is listed on the Paris stock exchange in section A of the Euronext.
Virbac is a public limited company governed by French law, whose governance evolved in December 2020 from an organization with an executive board and a supervisory board to an organization incorporating a general management (which relies on a Group executive committee) and a board of directors. Its trading name is "Virbac". The company was established in 1968 in Carros.
After the joint ordinary and extraordinary shareholders' meeting held on June 17, 2014, which adopted the resolution on reviewing the by-laws, the company's lifetime was extended to 99 years, *i.e.* until June 17, 2113.
The head office is located at 1ère avenue 2065m LID 06516 Carros. The company is registered in the Grasse Trade and companies register under the number 417350311 RCS Grasse (France).

Our consolidated accounts for the 2024 financial year were approved by the board of directors on March 12, 2025. They will be submitted for approval to the shareholders' general meeting on June 19, 2025, which has the power to have the statements amended.
The explanatory notes below form part of the consolidated accounts.

Significant events over the period

Sasaeah's acquisition on April 1, 2024

On April 1, 2024, we completed the acquisition of Sasaeah. This strategic acquisition brings Virbac a leadership position in the farm animal vaccines market in Japan, notably in the cattle segment, and a large portfolio of pharmaceutical products for all the major species.

Formed through the combination of two legacy animal health providers (Fujita Pharmaceutical Co. Ltd. and Kyoto Biken Laboratories Inc.) under the stewardship of ORIX Corporation, Sasaeah generates annual revenues of about €75 million, of which around 50% from vaccines. With strong footholds in Japan, Sasaeah develops, manufactures and markets a large portfolio of veterinary products targeting both farm animals and companion animals.

Virbac will benefit from Sasaeah's manufacturing sites in Japan and in Vietnam, its R&D capabilities as well as more than 500 passionate and skilled employees. Virbac will be propelled as a leading animal health player in Japan, with an opportunity to leverage these capabilities within the Group.

Finalization of the acquisition of Globion's minority shares' on June 21, 2024

On June 21, 2024, we finalized the acquisition of Globion's minority shares, bringing our stake to 100%. As planned, this transaction follows the acquisition of a 74% majority stake concluded on November 1, 2023. During the 2024 financial year, in compliance with the twelve-month period provided for by IFRS 3, the Group finalized the work to allocate the acquisition price. As a result, the valuation of goodwill and the fair value of assets and liabilities acquired as a result of the business combination have been updated.

Founded in 2005, as a joint venture between Suguna Group, one of the leading Indian poultry conglomerates, and Lohmann Animal Health, a German poultry vaccines specialist, Globion has developed robust know-how and expertise in the development, manufacturing and commercialization of live and inactivated vaccines targeting a large array of avian pathogens.

Globion is based in Hyderabad where its industrial and R&D facilities employ around 120 full-time employees.

Virbac executive management change

At the beginning of July, the group has announced the resignation of Sébastien Huron from his position as chief executive officer for personal reasons. His mandate ended on September 27, 2024.

Habib Ramdani, Group chief financial officer and deputy chief executive officer prior to the departure of Sébastien Huron, was appointed as interim CEO by the board of directors, giving the appointments and remuneration committee time to recruit the next chief executive officer. Since taking office, Habib Ramdani has been supported by the Group executive committee to execute the roadmap for our Virbac 2030 project.

Capital reduction

During the meeting held on September 13, 2024, the board of directors, acting on the authorization granted by the combined shareholders' meeting on June 20, 2023, decided to reduce the share capital of Virbac by cancelling 67,340 treasury shares. These shares were acquired during 2023 under the share buyback program authorized by the same shareholders' meeting.
As of today, the share capital of Virbac amounts to €10,488,325, represented by 8,390,660 shares of €1.25 each, fully paid-up.
On December 31, the Dick family group holds 50.09% of the share capital of Virbac and 66.21% of its voting rights.
Information on the total number of voting rights and shares, as well as the shareholder structure, are updated on the company's website corporate.virbac.com.

Acquisition of Mopsan in Türkiye on December 2, 2024

On December 2, we finalized the acquisition of Turkish company Mopsan, specialized in the distribution of petfood and companion animal health products.

With a population of more than 4 million cats, 1.3 million healthcare dogs and more than 5,000 veterinarian clinics serving companion animals, Türkiye is one of the key European markets for Virbac, which has been present in Türkiye for more than 20 years through various local distributors, and has had its own subsidiary since 2018.
The acquisition of Mopsan, our distributor of products for companion animals, represents a new step for Virbac's development in Türkiye. Mopsan has been working alongside Turkish veterinarians for over 30 years and has extensive experience in the petfood and companion animal healthcare product sector. Virbac will benefit from its extensive distribution network, in-depth knowledge of the local market and an experienced team.
The company is based in Istanbul and employs nearly 50 employees.

Significant events after the closing date

There is no significant event after the closing date.

Accounting principles and methods

Compliance and basis for preparing the consolidated financial statements

The consolidated financial statements cover the twelve-month periods ended December 31, 2024 and 2023.

In line with regulation n°1606/2002 of the European parliament and of the council of July 19, 2002 on the application of international accounting standards, our consolidated financial statements are established in accordance with the international accounting standards and interpretations, which encompasses the IFRS (International financial reporting standards), the IAS (International accounting standards), as well as applicable interpretations by the SIC (Standards interpretations committee) and the Ifric (International financial reporting interpretations committee), whose application was compulsory at December 31, 2024.

Our consolidated financial statements as of December 31, 2024 have been prepared in accordance with the standard published by the IASB (International accounting standards board*)* and the standard adopted by the European Union as of December 31, 2023. The IFRS standard adopted by the European Union as at December 31, 2024 is available under the heading "IAS/IFRS interpretations and standards", on the following website:
http://ec.europa.eu/finance/company-reporting/standards-interpretations/index.

The consolidated financial statements have been prepared in accordance with the IFRS general principles: true and fair view, business continuity, accrual basis accounting, consistency of presentation, materiality and consolidation.

New standards and interpretations

Mandatory standards and interpretations as at January 1, 2024

- **Amendments to IAS 1 - Presentation of financial statements: classification of liabilities as current or non-current & non-current liabilities with covenants**
- **Amendments to IAS and IFRS 7 - Supplier finance arrangements**
- **Amendments to IFRS 16 - Leases contracts: lease liability in a sale and leaseback**

IFRIC decisions applicable over the period

- **Amendment to IFRS 3 Business combination and IAS 27 Separated financial statements - Merger between parent and subsidiary**
- **Amendment to IFRS 3 Business combination - Payment contingent on continued employment during a post-acquisition handover period**
- **Amendment to IAS 37 Provisions, contingent assets and liabilities - Climate-related commitments**

These new texts have had no significant impact on our accounts.

Consolidation rules applied

Consolidation scope and methods

In accordance with IFRS 10 "Consolidated financial statements", our consolidated financial statements include all of the entities controlled, directly or indirectly, by Virbac, whatever equity share it may have in these entities. An entity is controlled by Virbac once the following three criteria are cumulatively met:

- Virbac has power over the subsidiary whereby it has actual rights that give it the ability to direct relevant activities;
- Virbac is exposed to or has rights to variable returns because of its connections to that entity;
- Virbac has the capacity to exercise its power over this entity so as to affect the amount of returns that it receives.

Determining control takes into account potential voting rights if they are substantive, in other words, whether they can be exercised in a timely fashion when decisions about the entity's relevant activities should be taken.
The entities over which Virbac exercises this control are fully consolidated. As applicable, any non-controlling (minority) interests are valued on the date of acquisition in the amount of the fair value of the identified net assets and liabilities.

In accordance with IFRS 11 "Partnerships", we classify partnerships as joint ventures. Depending on the partnerships, Virbac exercises:

- joint control over a partnership when decisions regarding the partnership's relevant activities require unanimous consent from Virbac and the other parties sharing control;
- significant influence over an associated company when it has the power to participate in financial and operational decisions, albeit without having the power to control or exercise joint control over these policies.

Joint ventures and associated companies are consolidated using the equity method in accordance with IAS 28 "Investments in associated companies and joint ventures" standard.

The consolidated financial statements as at December 31, 2024 include the financial statements of the companies that Virbac controls indirectly or directly, in law or in fact. The list of consolidated companies is provided in note A40.

The changes in perimeter that took place during the year were the following: acquisition of Sasaeah's entities in Japan and Vietnam, and Mopsan in Türkiye.

All transactions between Group companies, as well as inter-company profits, are eliminated from the consolidated accounts.

Foreign exchange conversion methods

- **Conversion of foreign currency operations in the accounts of consolidated companies**

Fixed assets and inventories acquired using foreign currency are converted into functional currency using the exchange rates in effect on the date of acquisition. All monetary assets and liabilities denominated in foreign currency are converted using the exchange rates in effect on the year-end date. The resulting exchange rate gains and losses are recorded in the income statement.

- **Conversion of foreign company accounts**

In accordance with IAS 21 "Effects of changes in foreign exchange rates", each of our entities accounts for its operations in its functional currency, the currency that most clearly reflects its business environment.
Our consolidated financial statements are presented in euros. The financial statements of foreign companies for which the functional currency is not the euro are converted according to the following principles:

- the balance sheet items are converted at the rate in force at the close of the period. The conversion difference resulting from the application of a different exchange rate for opening equity is shown in the other comprehensive income;
- the income statements are converted at the average rate for the period. The conversion difference resulting from the application of an exchange rate different from the balance sheet rate is shown in the other comprehensive income.

In addition, since 2024, the Group has applied IAS 29 relating to hyperinflationary economies. Türkiye is the only country covered by the Group's scope of consolidation and has been included in the list of hyperinflationary economies since 2022. The transactions that we carry out in this country remain insignificant at Group level, and the impact in 2022 and 2023 was negligible. In 2024, it remains negligible, but as the contribution of this country is increasing, the Group has acquired a new Turkish subsidiary within its scope during the period (Mopsan), we however began to apply the provisions of IAS 29 over the period.
The impact of hyperinflation, although trivial, is treated as "Other variations" in the changes in equity, as a financial result in the income statement, and on the lines "Changes in scope and others" in the balance sheet items concerned.

Accounting principles applied

Goodwill

Goodwill is recognized as an asset in our statement of financial position and represents the excess, at the date of acquisition, of the acquisition cost over the fair value of the identifiable assets and liabilities acquired. It also includes the value of the acquired business goodwill.

In line with IAS 36 "Impairment of assets", goodwill is at the very least tested once annually, at the end of the year, regardless of whether there is an indication of an impairment, and consistently whenever events or new circumstances indicate an impairment.
For the purposes of these tests, the asset values are grouped by CGU (Cash generating unit). In the case of goodwill, the related assets held by the legal entity are typically the smallest identifiable group of cash-flow-generating assets. The legal entity is therefore used as a CGU. In the implementation of goodwill impairment testing, we apply a DCF (Discounted cash flow) approach. This approach consists of calculating the value in use of the CGU by discounting estimated future cash flows. When the value in use of the CGU is less than its net carrying amount, an impairment loss is recognized to reduce the net carrying amount of the CGU assets to their recoverable amount, which is defined as the higher between the net fair value and the value in use. The goodwill is first impaired, before the other assets are impaired in proportion to their weighting in the total assets of the CGU, or group of CGUs.

The future cash flows used for the impairment tests are calculated based on estimates (business plans) over a five-year period. IAS 36 authorizes more distant perspectives to be used in certain situations when they provide a better account of the forecasts. This is especially the case when major product launches are being considered.
All of the business plans are validated by the subsidiaries' general management, as well as by the Group's Finance Affairs department. The board of directors formally validates the business plans and main assumptions of impairment tests of the most significant CGUs.
For cash flow forecasts, the perpetual growth rates used, which depend on products and market growth expectations, and the discount rates based on the weighted average cost of capital after tax method, are presented in note A3. The calculation of discount rates is made by geographic area, with the support of a valuation firm.
Valuations carried out during the goodwill impairment tests are sensitive to the assumptions used in regards not only to the selling price and future costs, but also to the discount and infinite growth rates. Sensitivity calculations for measuring our exposure to significant variations in these assumptions are performed.

Intangible assets

IAS 38 sets out the six criteria required to account for an intangible asset:
- technical feasibility required to complete the development project;
- intent to complete the project;
- ability to use the intangible asset;
- support proving that the asset will generate future economic benefits;
- availability of technical, financial and other resources in order to complete the project;
- reliable valuation of the development expenditures.

- **Internal development costs**

They are only recorded under intangible assets if all six IAS 38 criteria have been met.
Intangible assets are valued at their historical acquisition cost, including acquisition fees, plus, if applicable, the internal costs of employees who have contributed in the realization of the intangible asset.

- **Research and development projects acquired separately**

Payments made for the separate acquisition of research and development activities are recognized as intangible assets when they meet the definition of an intangible asset, *i.e.* when they are a controlled resource from which future economic benefits are expected to flow, and which is identifiable, that is, separable, or it arises from contractual or legal rights.
In line with paragraph 25 of IAS 38, the first accounting criterion, which relates to the likelihood the intangible asset will generate future economic benefits, is deemed to be met for research and development activities when they are acquired separately. In this respect, amounts paid to third parties in the form of deposits or installments on generic products that have not yet been granted a Marketing authorization (MA) are recognized as an asset.

The amount of the intangible assets is reduced by any accumulated depreciation and, if applicable, accumulated impairment losses.
The intangible assets with finite useful lives are subject to a linear depreciation, as soon as the asset is ready to be used:
- concessions, patents, licenses and marketing authorizations: amortized over their useful lives;
- standard software (office tools, *etc.*): amortized over a period of three or four years;
- ERP: amortized over a period of five to ten years.

It should be noted that most of the brands owned by the Group, and recognized in our accounts following acquisitions made under IFRS 3, have an indefinite lifespan, except in some cases where we felt that it was more relevant to retain a definite life, considering a set of indicators such as: the history of the acquired brand, possible legal limitations, potential technical obsolescence, *etc*.

Intangible assets with indefinite useful lives are reviewed annually, to ensure that their useful life has not become finite.
During the useful life of an intangible asset, it may seem that the estimation of its useful life has become inadequate. As required by IAS 38, the duration and method of depreciation of this asset are re-examined and if the

expected useful life of the asset is different from previous estimations, the depreciation period is consequently modified.
In accordance with IAS 36 "Impairment of assets", the potential impairment loss of intangible assets is assessed each year. In the case of assets with indefinite useful lives, the tests are carried out during the second half year, regardless of whether there is any indication of impairment, and consistently whenever events or new circumstances indicate an impairment loss for assets with defined useful lives.
Intangible assets are tested for impairment in the same way as goodwill, as described in the paragraph above.

Tangible assets
In accordance with IAS 16, tangible assets are valued at their historical acquisition cost, including acquisition fees, or at their initial manufacturing cost, plus, if applicable, the internal costs of staff directly contributing to the construction of a tangible asset.
In accordance with IAS 23 revised, borrowing costs are incorporated into the acquisition costs of eligible assets.
The amount of the tangible assets is reduced by any accumulated depreciation and, if applicable, accumulated impairment losses.
If applicable, assets are broken down by component, each component having its own specific depreciation period, in line with the depreciation period of similar assets.
Tangible assets are depreciated over their estimated useful lives, namely:

- buildings:
  - structure: forty years;
  - components: ten to twenty years;
- materials and industrial equipment:
  - structure: twenty years;
  - components: five to ten years;
  - computer equipment: three or four years;
- other tangible assets: five to ten years.

Right of use
Our Group recognizes assets related to those leases falling within the scope of the IFRS 16 standard. Consequently, the Group has decided to separately identify the rights of use on a dedicated balance sheet line. The rights of use are generally amortized over the residual term of the contracts or over a longer term in the event of likely renewal.

Inventories and work in progress
Inventories and work in progress are accounted for at the lowest value of the cost and the net realizable value.
The cost of inventories includes all acquisition costs, transformation costs and other costs incurred to bring the inventories to their current location and condition. The acquisition costs of inventories include the purchase price, customs fees and other non-retrievable taxes, as well as transport and handling costs and other costs directly attributable to their acquisition. Rebates granted to customers and other similar items are deducted from this cost.
Inventories in raw materials and supplies are evaluated in accordance with the weighted average cost method.
Inventories in trading goods are also evaluated in accordance with the weighted average cost method. The acquisition cost of raw material inventories includes all additional purchase costs.
The manufacturing work in progress and the finished products are valued at their actual manufacturing cost, including direct and indirect production costs.
Finished products are valued in each of our subsidiaries at the price invoiced by the Group's selling company, plus distribution costs; the margin included in these inventories is eliminated in the consolidated accounts, taking into account the complete average production cost stated for the Group's selling company.
The inventories of spare parts are valued on the basis of the last purchase price.
An impairment loss is recorded where necessary to value inventories at their net realizable value, when the products become out-of-date or unusable or sometimes based on the sales forecasts of certain products in dedicated markets.

Trade receivables
Trade receivables are classified as current assets to the extent that they form part of our normal operating cycle.
Trade receivables are recognized and recorded for the initial amount of the invoice, minus any impairment recorded in the income statement. An estimation of the total bad debt is made when it becomes unlikely that the full amount will be recovered. Bad debts are written off when identified as such.
In accordance with IFRS 9, they are subject to impairment, corresponding to the estimated expected losses, determined by application of an impairment matrix (application of the simplified impairment model provided for by IFRS 9). This approach consists of applying, to each ageing bracket, an impairment rate based on the history of credit losses, adjusted, if applicable, to take into account elements of a prospective nature.
Receivables assigned as part of a factoring contract without recourse are subject to a substantial factoring contract analysis based on the criteria set out in IFRS 9. These receivables are deconsolidated, if applicable.

Other financial assets
The other financial assets recognized in our accounts include mainly loans, other receivables, non-available cash items, and financial derivatives.
Loans and other receivables are accounted for at amortized cost, derivatives are recognized at fair value (see note A6).

Other financial assets at fair value
All of our financial assets are valued at fair value using observable data. The only financial assets that come under this category are hedging instruments and marketable securities (see note A32).

Cash and cash equivalents
The cash position is made up of bank balances, securities and cash equivalents highly liquid, readily convertible to known amounts and that can therefore be used to meet short-term cash commitments.
The majority of these investments are UCITS (Undertakings for collective investment in transferable securities) and futures contracts with maturities that are generally under three months, or, when above - without exceeding twelve months - they are easily available and can be called back without material penalties. These are in place with first-class counterparties.

The bank accounts subject to restrictions (restricted accounts) are excluded from the cash flow and reclassified as other financial assets.

Treasury shares
Shares in the parent company held by the parent company or its consolidated subsidiaries (whether classified in the statutory accounts as non-current financial assets or marketable securities), are recognized as a deduction from shareholders' equity at their purchase cost. Any gain or loss on disposal of these shares is directly recognized (net of tax) in shareholders' equity and not recognized in income for the year.

Conversion reserves
This item represents the conversion variance of net opening positions for foreign companies, arising from the differences between the conversion rate at the date of entry into the consolidation and the closing rate of the period, and also other conversion differences recorded on the profit for the period arising from differences between the conversion rate of the income statement (average rate) and the closing rate for the period.

Reserves
This item represents the share attributable to the owners of the parent company in the reserves accumulated by the consolidated companies, since their entry into the scope of consolidation.

Non-controlling interests
This item represents the share of the shareholders outside the Group in the equity and the income of the consolidated companies.

Derivative instruments and hedge accounting
We hold derivative financial instruments only for the purpose of reducing our exposure to rate or exchange risks on balance sheet items and our firm or highly likely commitments.
We use hedge accounting to offset the impact of the hedged item and of the hedging instrument in the income statement, on a quasi-systematic basis, when the following conditions are met:
- the impact on the income statement is significant;
- the hedging links and effectiveness of the hedging can be properly demonstrated.

We hedge most of our significant and certain foreign exchange positions (receivables, liabilities, dividends, intra-group loans), as well as our future sales and purchases (see note A33).

Trade payables
Trade payables and other debts fall within the category of financial liabilities valued at amortized cost, as defined by the IFRS 9 "Financial instruments". These financial liabilities are initially recorded at their nominal value.

Other financial liabilities
The other financial liabilities consist primarily of bank loans and financial debts. Loan and debt instruments are valued initially at the fair value of the consideration received, minus the transaction costs directly attributed to the operation. Thereafter, they are valued at their amortized cost.

Lease liability
The Group recognizes in its financial statements a liability relating to leases falling within the scope of the IFRS 16. We have chosen to isolate lease liabilities, for their current and non-current part, on a dedicated balance sheet line. These debts are discounted on the basis of rates determined with the support of an actuary, according to the country risk, the category of the underlying asset and the lease period.

Retirement plans, severance pay and other post-employment benefits

- **Defined-contribution retirement plans**

The advantages associated with defined contribution retirement plans are expensed as incurred.

- **Defined-benefit retirement plans**

Our liabilities arising from defined benefit retirement plans are determined using the projected unit credit actuarial method. These liabilities are measured at each reporting date. The method used to calculate the liabilities is based on a number of actuarial assumptions. The discount rate is determined in relation to the yield on investment grade corporate bonds (issuers rated "AA"). The Group's obligations are subject to a provision for their amount, net of the fair value of the hedging assets. In accordance with IAS 19 revised, actuarial differences are recorded in the other items of the comprehensive income.

Other provisions
A provision is recognized when the Group has a present obligation resulting from a past event which will probably lead to an outflow of economic benefits that can be reasonably estimated. The amount recorded under provisions is

the best estimate of the expenditure required to settle the existing obligation on the balance sheet date, and is discounted if the effect is material.

Taxation

Our subsidiaries account for their taxes based on the respective tax regulations applicable locally. The parent company and its French subsidiaries are part of a fiscally integrated group. Under the terms of the tax consolidation agreement, each consolidated company is required to account for tax as if it were taxed separately. The income or expense of tax consolidation is recognized in the parent company's accounts.
Our Group recognizes deferred taxes on timing differences between the carrying amount and the tax base of an asset or liability. Tax assets and liabilities are not discounted.
In accordance with the IAS 12, which allows under certain conditions the offsetting of tax liabilities and receivables, the deferred tax assets and liabilities have been offset by tax entity. In situations involving a net deferred tax asset on tax loss carryforwards, it is only recognized in accordance with IAS 12 if there are strong indications that it can be offset against future taxable profits.

Non-current assets held with a view to sale and discontinued activities

IFRS 5 states that an activity is considered discontinued when the classification criteria of an asset being held with a view to sale have been fulfilled, or when the Group ceases the activity. An asset is classified as held for sale if its carrying amount will be mainly recovered through sale rather than through continued use.
As at December 31, 2024, no asset was classified as held for sale.

Revenue from ordinary activities

In accordance with IFRS 15, revenue recognition is assessed in light of performance obligations and transfer of control. In relation to the accounting of the sale of products, the transfer of risks and rewards is an indicator of transfer of control, even if this is not always the key criterion.
Our income from ordinary activities reflects the sale of animal health and nutrition products. Revenue comprises the fair value before tax of the goods and services sold by the integrated companies as part of their normal operations, after elimination of intra-group sales.
Returns, discounts and rebates are recorded over the accounting period for underlying sales and are deducted from revenue. These amounts are calculated as follows:

- provisions for rebates related to the achievement of objectives are measured and recognized at the time of the corresponding sales;
- provisions for product returns are calculated based on management's best estimate of the amount of products that will eventually be returned by customers. Provisions for returns are estimated based on past experience with returns, but also on items such as: inventory levels in the various distribution channels, product expiration dates, and information on the potential discontinuation of products. In each case, provisions are regularly reviewed and updated based on the most recent information at management's disposal.

Other income accounted for into our accounts consists mainly of license fees. Each contract is subject to specific analysis in order to identify the performance obligations and to determine the progress of each one of them towards achievement at the closing date of our consolidated accounts, and revenue is recognized accordingly.

Employee costs

Employee costs mainly include the cost of retirement plans. In accordance with the revised IAS 19 standard, actuarial differences are recorded in the other items of the comprehensive income.
They also include optional and compulsory profit-sharing.

Taxes and duties

We have opted for a classification of the business value added contribution/tax in the "Taxes and duties" item of the operating profit.

Operating profit

Operating profit corresponds to income from ordinary activities, minus operating expenses.
Operating expenses include:

- purchases consumed and external costs;
- employee costs;
- taxes and duties;
- depreciations and provisions;
- other operating income and expenses.

Operating items also include tax credits that may qualify for government grants and that meet the IAS 20 criteria (relates primarily to the research tax credit).

- **Current operating profit, before depreciation of assets arising from acquisitions**

In order to provide a clearer picture of our economic performance, we use the current operating profit before depreciation of assets arising from acquisitions, as the main indicator of performance. To this end, we isolate the impact of the depreciation of intangible assets resulting from acquisition transactions. Indeed, these have a material effect considering the latest external growth that took place through recent acquisitions.

- **Operating profit from ordinary activities**

Operating profit from ordinary activities corresponds to operating profit, excluding the impact of other non-current income and expenses.

- **Other non-current income and expenses**

Other non-current income and expenses are non-recurring income and expenses, or income and expenses resulting from non-recurring decisions or operations for an unusual amount. They are presented on a separate line in the income statement in order to make it easier to read and understand current operational performance.
They mainly include the following items which, where appropriate, are described in a note to the consolidated financial statements (note A26):
- restructuring costs where material;
- impairment or scrapping of assets where material according to quantitative criteria;
- the effect of revaluing inventories acquired as part of a business combination at fair value;
- the disposals of assets of significant value;
- any revaluation of the participation in a subsidiary previously held, in the event of a change in control;
- profits or costs incurred by the acquisition or sale of an asset, where material according to quantitative criteria (unless a specific treatment is set for by an applicable standard).

Net result from ordinary activities

Net profit from ordinary activities represent the net profit restated for the following items:
- the “Other non-current income and expenses” line;
- non-current tax, which includes the tax impact of “Other non-current income and expenses”, as well as all non-recurring tax income and expenses.

Financial income and expenses

Financial expenses mainly include interest paid for the Group’s financing, interests on lease liabilities, negative changes in the fair value of financial instruments recognized in the income statement, as well as realized and unrealized foreign exchange losses.
Financial income includes interest income, positive changes in the fair value of financial instruments recognized in the income statement, realized and unrealized foreign exchange gains, as well as gains and losses on disposal of financial assets.

Earnings per share

The net earnings per share is calculated by dividing the net result attributable to the shareholders of the parent company by the weighted average number of shares issued and outstanding at the end of each reporting period (that is, net of treasury shares). Diluted earnings per share are calculated by dividing the net earnings attributable to the shareholders of the parent company by the weighted average number of ordinary shares outstanding, plus, in the event of the issue of dilutive instruments, the maximum number of shares that could be issued (upon conversion into ordinary shares of Virbac equity instruments, thereby giving deferred access to Virbac capital).

Main sources of uncertainty relating to estimations

Our consolidated financial statements have been established in accordance with international accounting standards, and include a number of estimates and assumptions considered as realistic and reasonable.
Certain facts and circumstances could lead to changes in estimates and assumptions, which could affect the value of assets, liabilities, equity and Group results.

Acquisition prices

Some acquisition contracts relating to business combinations or the purchase of intangible assets, include a clause that could impact the acquisition price, based on the financial performance, the success or failure of a marketing authorization, or the outcome of clinical trials.
We estimate accordingly the acquisition price at the end of the fiscal year, based on the most realistic assumptions in relation to the achievement of these objectives.

Goodwill and other intangible assets

We own intangible assets that were purchased or acquired through business combinations, in addition to the resulting goodwill. As indicated in the section “Accounting policies and methods”, we perform at least an annual impairment test of goodwill, intangible assets in progress and assets with an indefinite life, based on an assessment of future cash flows incremented by a terminal value. Valuations carried out during the goodwill impairment tests are sensitive to the assumptions used in regards not only to the selling price and future costs, but also to the discount and infinite growth rates. Sensitivity calculations for measuring our exposure to significant variations in these assumptions are performed.
In the future, we may have to depreciate these goodwill items and other intangible assets in the event of a deterioration in the outlook for the return of these assets, based on the result of the impairment tests of one of these assets.
As of December 31, 2024, the net total goodwill was €276,633 thousand and the value of the intangible assets was €251,237 thousand.

Deferred taxes

Deferred tax assets are recognized on deductible temporary differences between tax and accounting values of assets and liabilities. Deferred tax assets, and in particular those relating to tax loss carryforwards, are recognized

only if it is probable, in line of IAS 12, that sufficient future taxable profits will be available within a reasonable period of time, which involves a significant amount of judgment.
At each balance sheet date, we analyze the origin of losses for each of the tax entities in question and re-measure the amount of deferred tax assets based on the likelihood of making sufficient taxable profits in the future.

Provisions for pension schemes and other post-employment benefits
As indicated in note A15, the Group has established retirement plans as well as other post-employment benefits.
The corresponding commitments were calculated using actuarial methods that take into account certain assumptions such as the benchmark salary for scheme beneficiaries and the likelihood of the persons in question being able to benefit from the scheme, and the discount rate. These assumptions are updated at each year-end. Actuarial differences are immediately recognized in the other items of the comprehensive income.
The net amount of commitment relating to employee benefits was €20,358 thousand as at December 31, 2024.

Other provisions
Other provisions mainly relate to miscellaneous commercial and social liabilities and disputes.
No provisions are established if the company deems that the liabilities are contingent (as defined by IAS 37).
As at December 31, 2024, the amount of other provisions was €9,676 thousand.

Uncertain tax positions
Ifric 23 requires the valuation and recognition of tax liabilities and tax assets in the balance sheet on the basis of uncertain tax positions. The standard creates a 100% risk of detection and introduces the following methods: the most likely amount or mathematical expectation corresponding to the weighted average of the various assumptions.
Our analysis of the new tax risks identified during the year, as well as those previously accrued in accordance with IAS 37 and IAS 12, and re-evaluated at the closing date, led to the determination of a tax liability of €7.5 million in our accounts as of December 31, 2024.

A1. Goodwill

Changes in goodwill by CGU

in € thousand	Gross value as at 12/31/2023	Impairment value as at 12/31/2023	Book value as at 12/31/2023	Increases	Sales	Impair-ment	Conversion gains and losses	Book value as at 12/31/2024
Sasaeah			**—**	93,368	—	—	223	**93,591**
United States	62,201	-3,650	**58,551**	—	—	—	3,622	**62,174**
India[1]	33,750	—	**33,750**	5,918	—	—	1,211	**40,879**
Chile	24,095	—	**24,095**	—	—	—	-1,165	**22,930**
New Zealand	14,520	-154	**14,366**	—	—	—	-794	**13,572**
SBC	7,594	—	**7,594**	—	—	—	344	**7,937**
Denmark	4,643	—	**4,643**	—	—	—	—	**4,643**
Uruguay	4,306	—	**4,306**	—	—	—	274	**4,580**
Peptech	3,371	—	**3,371**	—	—	—	-102	**3,268**
Australia	3,214	-312	**2,902**	—	—	—	-50	**2,852**
Italy	1,585	—	**1,585**	—	—	—	—	**1,585**
Colombia	1,552	—	**1,552**	—	—	—	-68	**1,484**
Greece	1,358	—	**1,358**	—	—	—	—	**1,358**
Other CGUs	9,020	-1,722	**7,298**	8,580	—	—	-99	**15,779**
Goodwill	**171,210**	**-5,838**	**165,372**	**107,865**	**—**	**—**	**3,396**	**276,633**

[1]Globion included. The increase corresponds to the completion of the acquisition accounting as of December 31, 2024

The change in this position is explained by:

- the acquisition of the companies in the Sasaeah group on April 1, 2024 for €93.4 million;
- the acquisition of Mopsan our Turkish distributor on December 2, 2024 for €8.6 million ("Other CGU" lines);
- the completion of Globion's goodwill, acquired on November 1, 2023, in accordance with the provisions of IFRS 3 allowing a period of twelve months to finalize the acquisition accounting in the event of new items available since the acquisition date (+€5.9 million);
- conversion gains and losses for €3.4 million.

Business combination

Acquisition of Sasaeah

On April 1, 2024, we completed the 100% acquisition of Sasaeah. This strategic acquisition brings Virbac a leadership position in the farm animal vaccines market in Japan, notably in the cattle segment, and a large portfolio of pharmaceutical products for all the major species.

This operation meets the criteria for a business combination defined by IFRS 3 and has, therefore, been accounted for accordingly. The fair value valuation of acquired assets and liabilities assumed is detailed below and leads to the recognition of goodwill of €93.4 million.

in € thousand	Valuation
Tangible assets and right of use	87,161
Intangible assets	79,146
Trade receivables and other receivables	26,248
Cash and cash equivalents	56,748
Inventories	45,721
Other financial assets and deferred tax asset	17,739
Goodwill	93,368
Total acquired assets	**406,131**
Trade payables and other payables	-31,913
Loans and financial debts, incl. lease liability	-138,377
Deferred tax liability	-31,931
Fair value of acquired liabilities	**-202,221**
Acquisition price	**203,910**

The purchase price consists of a payment of €203.9 million, and of the reimbursement of a debt acquired upon acquisition for €138.4 million. There is no earn-out payment. Further, it should be noted that the purchase price includes the acquisition of cash in the amount of €56.7 million.

Goodwill, which corresponds to the difference between the price paid and the fair value of the acquired net assets recorded in the Group's consolidated accounts, is recognized or its final amount as at December 31, 2024.

The sales performed by this company over the 2024 year total circa €74.1 million (of which €52.1 million since the acquisition date) for a net result close to €10.3 million (of which €8.4 million since the acquisition date).

<u>Acquisition of Globion India Private Ltd</u>

On November 1, 2023, we acquired, through our subsidiary Virbac Animal Health India Private Ltd, a majority stake in Globion India Private Ltd from Suguna Holding Private Ltd. This transaction allows us to strengthen our position as a leader in animal health in India by extending Virbac India's existing poultry ranges to the growing avian vaccine segment.

Founded in 2005, as a joint venture between Suguna Group, one of India's leading poultry conglomerates, and Lohmann Animal Health, a German poultry vaccine specialist, Globion has developed solid know-how and expertise in the development, manufacture and marketing of live and inactivated vaccines targeting a wide range of avian pathogens.

Initially, Virbac bought 74% of the shares (installment 1). On June 21, 2024, we finalized the acquisition of Globion's minority shares for the remaining 26% (installment 2), thus increasing our stake to 100% as of December 31, 2024

This transaction constitutes a business combination within the meaning of IFRS 3, and it was already recorded as such in the consolidated accounts closed December 31,2023, by using the partial goodwill method.

As at December 31, 2024, in accordance with the provisions of IFRS 3, which allows newly obtained information about conditions prevailing at the date of acquisition to be reflected for a period not exceeding twelve months, the calculation of goodwill, the fair value of the net assets acquired and their tax impact has been finalized. Goodwill reflects the expected synergies in the poultry segment described above.

in € thousand	Valuation
Tangible assets and right of use	11,580
Intangible assets	23,040
Trade receivables and other receivables	2,805
Cash and cash equivalents	2,726
Inventories	2,177
Other financial assets and deferred tax asset	100
Goodwill	28,353
Total acquired assets	**70,781**
Trade payables and other payables	-2,763
Deferred tax liability	-6,976
Fair value of acquired liabilities	**-9,739**
Acquisition price	**61,042**

Acquisition price under IFRS 3 was made up of:
- a payment of €52.5 million for installment 1;
- the installment 2 of non-controlling interests valued at €8.5 million in the context of partial goodwill.

Payment of installment 2, operated in June 2024, amounted to €17.5 million.
There is no price complement.

<u>Acquisition of Mopsan Veteriner</u>

On December 2, we finalized the acquisition of Turkish company Mopsan, specialized in the distribution of petfood and companion animal health products.

With a population of more than 4 million cats, 1.3 million healthcare dogs and more than 5,000 veterinarian clinics serving companion animals, Türkiye is one of the key European markets for Virbac, which has been present in Türkiye for more than 20 years through various local distributors, and has had its own subsidiary since 2018.
The acquisition of Mopsan, our distributor of products for companion animals, represents a new step for Virbac's development in Türkiye. Mopsan has been working alongside Turkish veterinarians for over 30 years and has extensive experience in the petfood and companion animal healthcare product sector. Virbac will benefit from its extensive distribution network, in-depth knowledge of the local market and an experienced team.
The company is based in Istanbul and employs nearly 50 employees.

This transaction constitutes a business combination within the meaning of IFRS 3, and it was recorded as such in the consolidated accounts.

As the acquisition took place at the end of the year, the additional work in progress could lead to the reassessment, by the closing of the accounts for the first half of 2025, of the fair value of the net assets acquired and the associated tax impact. Indeed, IFRS 3 allows for a period not exceeding twelve months, to reflect newly obtained information regarding facts that prevailed on the date of acquisition and to retrospectively adjust the amounts of the business combination that were not final at the end of the first financial year during which the combination took place. The calculation of goodwill presented below is therefore provisional.

in € thousand	Fair value in the consolidated accounts at December 31,2024
Total amount paid as at December 31, 2024	10,901
Group part of the fair value of the net assets acquired (100%)	2,322
Provisionnal goodwill	**8,579**

in € thousand	Fair value in the consolidated accounts at December 31,2024
Intangible assets	11
Tangible assets	541
Other assets and deferred tax asset	3,558
Inventories	2,494
Cash and cash equivalents	979
Financial debts	-126
Other operating receivables and debts	-5,135
Total	**2,322**

The sales performed in 2024 by this company total €13 million (of which €1.6 million since the acquisition date) for a net result close to €1.4 million (of which €0.2 million since the acquisition date).

A2. Intangible assets

Changes in intangible assets

in € thousand	Concessions, patents, licenses and brands Indefinite life	Finite life	Other intangible assets	Intangible assets in progress	Intangible assets
Gross value as at 12/31/2023	**116,747**	**119,533**	**82,958**	**27,072**	**346,311**
Acquisitions and other increases	—	205	4,756	5,387	**10,348**
Disposals and other decreases	-112	-950	-2,659	-792	**-4,513**
Changes in scope and others	31,478	37,595	2,044	-506	**70,611**
Transfers	—	—	16,257	-16,186	**71**
Conversion gains and losses	-425	492	319	515	**902**
Gross value as at 12/31/2024	**147,689**	**156,875**	**103,675**	**15,490**	**423,730**
Depreciation as at 12/31/2023	**-3,180**	**-88,571**	**-68,745**	**-707**	**-161,202**
Depreciation expense	—	-6,426	-5,584	—	**-12,010**
Impairment losses (net of reversals)	—	-395	—	500	**105**
Disposals and other decreases	—	178	2,466	—	**2,644**
Changes in scope and others	—	-726	-1,442	—	**-2,168**
Transfers	—	-40	40	—	**—**
Conversion gains and losses	—	334	-187	-8	**139**
Depreciation as at 12/31/2024	**-3,180**	**-95,646**	**-73,453**	**-214**	**-172,492**
Net value as at 12/31/2023	**113,568**	**30,963**	**14,213**	**26,366**	**185,109**
Net value as at 12/31/2024	**144,510**	**61,230**	**30,222**	**15,276**	**251,237**

The other intangible assets relate essentially to IT projects, in several of the Group' subsidiaries. They all have defined useful lives.
The increase in intangible assets is explained for €69.2 million by the acquisition of Sasaeah and the review of Globion's intangible assets following the finalization of the PPA (Purchase price allocation). The rest of the increase is linked to investments in IT projects, particularly at Virbac in France (parent company) and to R&D investments relating to new licensing contracts.
The outflows mainly come from the derecognition of assets that were fully amortized or depreciated in previous financial years and which no longer generate an inflow of resources for the Group.
The "Transfers" line materializes the commissioning of these projects.

Concessions, patents, licenses and brands

The item "'Concessions, patents, licenses and brands" includes:

- rights relating to the patents, know-how and Marketing authorizations necessary for the Group's production activities and commercialization procedures;
- trademarks;
- distribution rights, customer files and other rights to intangible assets.

It consists primarily of intangible assets arising from acquisitions, which are accounted for in accordance with IAS 38, as well as assets acquired as part of external growth transactions, as defined by IFRS 3.

As at December 31, 2024

in € thousand	Acquisition date	Brands	Patents and know-how	Marketing authorizations and registration rights	Customers lists and others	Total
United States: iVet	2021	1,185	—	—	142	**1,327**
SBC	2015	—	3,084	2,029	—	**5,113**
Uruguay: Santa Elena	2013	3,773	9,580	3	—	**13,356**
Australia: Axon	2013	859	436	—	—	**1,294**
Australia: Fort Dodge	2010	1,442	429	—	—	**1,871**
New Zealand	2012	2,968	416	130	608	**4,122**
Centrovet	2012	15,589	23,742	12	881	**40,224**
Multimin	2011-2012	2,984	1,810	—	—	**4,794**
Peptech	2011	923	—	—	—	**923**
Colombia: Synthesis	2011	1,359	—	91	—	**1,450**
Schering-Plough Europe	2008	1,711	—	—	—	**1,711**
India	2006-2023	10,129	—	—	21,182	**31,312**
Sasaeah	2024	59,904	10,910	8	7,403	**78,225**
Others		6,702	2,819	9,040	1,453	**20,015**
Total intangible assets		**109,530**	**53,226**	**11,313**	**31,670**	**205,739**

As at December 31, 2023

in € thousand	Acquisition date	Brands	Patents and know-how	Marketing authorizations and registration rights	Customers lists and others	Total
United States: iVet	2021	1,114	—	—	1,273	**2,387**
SBC	2015	—	3,735	2,035	—	**5,770**
Uruguay: Santa Elena	2013	3,548	9,007	112	—	**12,667**
Australia: Axon	2013	885	571	—	—	**1,457**
Australia: Fort Dodge	2010	1,487	442	—	—	**1,929**
New Zealand	2012	3,143	499	206	919	**4,767**
Centrovet	2012	16,381	25,350	12	1,936	**43,679**
Multimin	2011-2012	3,037	2,297	—	—	**5,334**
Peptech	2011	952	—	—	—	**952**
Colombia: Synthesis	2011	1,443	—	186	—	**1,630**
Schering-Plough Europe	2008	1,711	—	—	—	**1,711**
India: GSK	2006	9,802	—	—	—	**9,802**
Others		31,004	4,206	8,751	8,486	**52,446**
Total intangible assets		**74,508**	**46,107**	**11,302**	**12,614**	**144,530**

The classification of intangible assets, based on the estimated useful life, is the result of the analysis of all relevant economic and legal factors, to conclude on whether or not there is a foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.
Innovative or differentiated products in general, and vaccines and other assets from biotechnologies in particular, are generally classified as intangible assets with indefinite useful lives, once a detailed analysis has been conducted and experts have given their opinions on their potential. This approach is based on Virbac's past experience.

As at December 31, 2024

in € thousand	Intangible assets with indefinite life	Intangible assets with finite life	Total
Brands	109,530	—	**109,530**
Patents and know-how	32,773	20,453	**53,226**
Marketing authorizations (MA) and registration rights	2,207	9,106	**11,313**
Customers lists and others	—	31,670	**31,670**
Total intangible assets	**144,510**	**61,230**	**205,739**

As at December 31, 2023

in € thousand	Intangible assets with indefinite life	Intangible assets with finite life	Total
Brands	74,508	—	**74,508**
Patents and know-how	36,742	9,364	**46,107**
Marketing authorizations (MA) and registration rights	2,302	8,999	**11,302**
Customers lists and others	15	12,599	**12,614**
Total intangible assets	**113,568**	**30,963**	**144,530**

A3. Impairment of assets

At end of the 2024 financial year, we have conducted intangible assets impairment tests. These involve comparing their net carrying amount, including acquisition goodwill, to the recoverable amount of each Cash-generating unit (CGU).

A fair value assessment of assets acquired during the financial year is conducted on the date of acquisition.

CGUs are homogeneous groups of assets whose continued use generates cash inflows that are substantially independent of cash inflows generated by other groups of assets.
The net carrying amount of the CGUs includes acquisition goodwill, tangible and intangible assets as well as other assets and liabilities that can be directly assigned to the CGUs and that contribute directly to the generation of future cash flows.

CGUs recoverable amount is determined using the value in use. This is based on estimates of future discounted cash-flows positions, commonly known as the Discounted cash flow (DCF) method.

Future cash flows are flows net of tax and are valued based on cash flow forecasts consistent with the budget and the latest mid-term estimates (business plans).
All business plans are validated by our subsidiaries’ management as well as by the Group's Financial Affairs department. The board of directors formally validates the business plans and main assumptions of impairment tests of the most significant CGUs.
Beyond the finite horizon for forecasting future cash flows set at five years for all the CGUs, an infinite growth rate is applied to the terminal value.
We have considered a zero infinite growth rate for MA and patents. The infinite growth rate was set up at 2% for subsidiaries based in mature markets such as Europe, Australia, Japan and New Zealand, except for North America, Uruguay, Colombia and Republic South Africa where we used a rate of 2.5%, consistent with the country's long-term inflation rate, at 3.5% for Chile and at 5% for emerging markets such as India.
The discount rates used for these calculations are based on the average weighted cost of capital estimated for each of the Group's cash-generating units. These are after-tax discount rates, determined by region or country (applied to after-tax cash flows) and are prepared with the support of a valuation firm.

For the 2024 financial year, the discount rates used are the following:
- 9.45% for the United States;
- 8.55% for Europe;
- 10.0% for Chile and 9.3% for the rest of Latin America;
- 9.85% for India;
- 8.45% for Far East Asia;
- 7.9% for Pacific and South Africa.

Sensitivity tests
We have also performed sensitivity analyses on key assumptions for all of the tested CGUs. Changes in assumptions are as follows:
- increase of +2.0 points in the discount rate;
- decrease of -2.0 points in the infinite growth rate.

These two variations in key assumptions would not result in any impairment of the assets tested except for the Chilean CGU, for which the increase of +2 points in WACC would result in an impairment of €1.7 million.

The three CGUs most sensitive to these sensitivity analyses are Chile, SBC and the United States.

Furthermore, for the five most significant CGUs, namely the United States, Chile, India, Australia and New Zealand (representing 45% of the gross value of intangible assets and goodwill as of December 31, 2024), we have carried out additional sensitivity tests by changing the Ebit ratio after tax on revenue, by more or less 2 points compared to the basis scenario.
Assuming a drop of -2.0 points in this ratio and a discount rate higher than at least +1.0 point, it would be appropriate to depreciate the Chile CGU by €5.5 million.
The changes in this ratio to arrive at break-even point, at constant discount rates and terminal growth rates, would be as follows:

- -6.0 point change for the United States CGU;
- -3.8 point change for the Chile CGU;
- -30.1 point change for the India CGU;
- -21.9 point change for the Australia CGU;
- -21.2 point change for the New Zealand CGU.

We also conduct additional sensitivity analyses based on the break-even point for all of the tested CGUs. The break-even point refers to the discount rate, combined with a zero perpetual growth rate, on the basis of which Virbac would have to record an impairment.
For the major CGUs, the results of the break-even point are presented below.

in € thousand	Net book value of CGU as at 12/31/2024	Discount rate, combined into a zero perpetual growth rate, from which impairment is established
United States	168,594	14.0%
India	110,480	20.7%
Chile	88,350	6.8%
Australia	41,167	41.6%
Uruguay	36,022	33.3%
SBC	29,683	16.0%
New Zealand	27,226	29.9%
Antigenics	16,123	118.4%
Peptech	10,977	427.2%
Multimin	7,091	182.3%
Denmark	9,348	82.3%

A4. Tangible assets

The main assets constituting the Group's tangible assets are:

- lands;
- constructions, which include:
  - the buildings;
  - the development of buildings;
- technical facilities, materials and industrial equipment;
- other tangible assets, which notably include:
  - IT equipment;
  - office furniture.

in € thousand	Lands	Buildings	Technical facilities, materials and equipment	Other tangible assets	Tangible assets in progress	Tangible assets
Gross value as at 12/31/2023	**27,235**	**222,558**	**264,451**	**36,557**	**34,686**	**585,487**
Acquisitions and other increases	—	2,485	7,849	3,020	61,485	**74,838**
Disposals and other decreases	—	-223	-9,343	-395	-561	**-10,522**
Changes in scope and others	25,569	89,756	72,313	561	14,240	**202,439**
Transfers	—	5,548	9,378	984	-15,876	**33**
Conversion gains and losses	-82	1,090	1,595	-269	355	**2,689**
Gross value as at 12/31/2024	**52,721**	**321,214**	**346,242**	**40,458**	**94,329**	**854,965**
Depreciation as at 12/31/2023	**—**	**-123,526**	**-167,102**	**-26,344**	**-499**	**-317,471**
Depreciation expense	—	-11,698	-17,684	-3,061	—	**-32,443**
Impairment losses (net of reversals)	—	-2	213	—	-53	**158**
Disposals and other decreases	—	212	9,173	380	—	**9,765**
Changes in scope and others	—	-62,445	-52,891	-535	—	**-115,871**
Transfers	—	2	-107	—	—	**-104**
Conversion gains and losses	—	-679	-886	92	13	**-1,461**
Depreciation as at 12/31/2024	**—**	**-198,135**	**-229,284**	**-29,468**	**-540**	**-457,427**
Net value as at 12/31/2023	**27,235**	**99,033**	**97,348**	**10,213**	**34,187**	**268,016**
Net value as at 12/31/2024	**52,721**	**123,078**	**116,958**	**10,991**	**93,789**	**397,537**

On April 1, 2024, we completed the acquisition of Sasaeah. This acquisition contributes to a net increase in tangible assets of +€86 million, which allows us to benefit from Sasaeah production sites in Japan and Vietnam as well as these facilities.

Other significant investments during the period amounted to €74.8 million in gross value, whereas €47.3 million at the historic Carros site, including building refurbishments and new industrial equipment to increase our production capacity. We are also investing in our production sites in the United States, Australia, and to a lesser extent in Mexico or Uruguay.

Conversion gains and losses impact the item "Tangible assets" for a net amount of €1.2 million.

The "Transfers" line essentially shows the commissioning of fixed assets.

A5. Right of use

In presenting our financial statements, we have chosen to isolate the right of use resulting from the contracts that fall within the scope of the IFRS 16, on a separate line in the statement of financial position.
Changes in the right of use during 2024 are analyzed as follows:

in € thousand	Right of use
Gross value as at 12/31/2023	**65,106**
Increases	15,317
Decreases	-6,307
Changes in scope	2,674
Transfers	—
Conversion gains and losses	-176
Gross value as at 12/31/2024	**76,614**
Depreciation as at 12/31/2023	**-32,166**
Allowances	-12,783
Impairment losses (net of reversals)	—
Termination of contracts	5,880
Changes in scope	-713
Transfers	—
Conversion gains and losses	30
Depreciation as at 12/31/2024	**-39,752**
Net value as at 12/31/2023	**32,940**
Net value as at 12/31/2024	**36,861**

The table below shows the right of use for each asset category:

in € thousand	Lands and buildings	Technical facilities, materials and equipment	Transportation equipment	Hardware /software	Office equipment and others	Total
Gross value as at 12/31/2023	**38,435**	**3,807**	**17,457**	**4,672**	**734**	**65,106**
Increases	6,200	1,156	7,227	445	290	**15,317**
Decreases	-702	-842	-3,578	-1,143	-44	**-6,307**
Changes in scope	1,722	99	850	4	—	**2,674**
Transfers	—	—	—	—	—	**—**
Conversion gains and losses	434	-36	-506	-83	15	**-176**
Gross value as at 12/31/2024	**46,089**	**4,184**	**21,450**	**3,896**	**995**	**76,614**
Depreciation as at 12/31/2023	**-18,450**	**-2,370**	**-8,652**	**-2,254**	**-440**	**-32,166**
Allowances	-5,124	-893	-5,509	-1,100	-157	**-12,783**
Termination of contracts	609	793	3,469	979	29	**5,880**
Changes in scope	-365	-18	-325	-4	—	**-713**
Transfers	—	—	—	—	—	**—**
Conversion gains and losses	-283	36	225	61	-9	**30**
Impairment as at 12/31/2024	**-23,614**	**-2,452**	**-10,793**	**-2,318**	**-577**	**-39,752**
Net value as at 12/31/2023	**19,985**	**1,437**	**8,805**	**2,418**	**294**	**32,940**
Net value as at 12/31/2024	**22,475**	**1,733**	**10,658**	**1,578**	**417**	**36,861**

The increase in rights of use is related to new contracts signed during the period, or renewal options approved by our subsidiaries in 2024. The year also saw the impact of changes in the scope of consolidation with the recognition of the lease contracts of the acquired entities (Sasaeah amounting to €2.7 million).

The main increases relate to the car fleet in all subsidiaries, real estate leases, notably in France for new offices, in India for several warehouses, in the United States for warehouses and offices, and in China for a new plant, as well as technical facilities, material and industrial equipments mainly in France.

The net value of the rights of use slightly increases during the period (+€3.9 million), the rise being however balanced by the allowances for depreciation amounting to €12.8 million.

Analysis of the residual rent liability

The table below shows the rent payments resulting from non-capitalized leases under exemptions set out in the standard:

in € thousand	Residual rental costs
Variable rental costs	-2,114
Rental costs on short-term contracts	-1,368
Rental costs on assets of low value	-1,343
Residual rental costs	**-4,825**

A6. Other financial assets

Change in other financial assets

in € thousand	2023	Increases	Decreases	Change in consolidation scope	Transfers	Conversion gains and losses	2024
Loans and other financial receivables	**5,750**	350	-3,468	7,792	799	-85	**11,139**
Currency and interest rate derivatives	**43**	1,341	—	—	—	—	**1,384**
Restricted cash	**124**	1	—	—	—	2	**127**
Other	**325**	25	-89	145	-33	-30	**342**
Other financial assets, non-current	**6,243**	**1,717**	**-3,557**	**7,937**	**766**	**-113**	**12,993**
Loans and other financial receivables[1]	**140**	137,668	-105	—	-137,668	2	**37**
Currency and interest rate derivatives	**2,495**	1,779	—	—	—	—	**4,274**
Restricted cash	**—**	—	—	—	—	—	**—**
Other	**—**	—	—	—	—	—	**—**
Other financial assets, current	**2,636**	**139,447**	**-105**	**—**	**-137,668**	**2**	**4,312**
Other financial assets	**8,879**	**141,139**	**-3,638**	**7,937**	**-136,902**	**-110**	**17,305**

[1]the movements on the "Loans and other financial receivables - current" line are canceled and correspond to the intra-group financing related to the acquisition of Sasaeah (see note A18 for more details)

The amount of other financial assets increased by €8.4 million.
The main variation, on the line "Loans and other receivables, current", is due to the acquisition of Sasaeah in Japan for €7.9 million. This amount is primarily made up of a €7.5 million hedging asset on pension liabilities (see also note A15). In the statement of financial position, this surplus hedging is shown net of the provision.

Finally, the €3 million increase in foreign exchange and interest rate derivatives is due to the JPY hedging of the loan granted by Virbac to Virbac Japan following the acquisition of Sasaeah.

Other financial assets classified according to their maturity

As at December 31, 2024

in € thousand	Payments			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Loans and other financial receivables	37	9,805	1,335	**11,177**
Currency and interest rate derivatives	4,274	1,384	—	**5,658**
Restricted cash	—	—	127	**127**
Other	—	142	201	**343**
Other financial assets	**4,311**	**11,331**	**1,663**	**17,305**

As at December 31, 2023

in € thousand	Payments			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Loans and other financial receivables	140	5,661	89	**5,891**
Currency and interest rate derivatives	2,495	43	—	**2,539**
Restricted cash	—	—	124	**124**
Other	—	325	—	**325**
Other financial assets	**2,636**	**6,029**	**214**	**8,879**

A7. Information about IFRS 12

Information about non-controlling interests

Since the acquisition of the non-controlling interests of the company Holding Salud Animal (HSA) during 2021 second semester, increasing hence our ownership to 100% in all Chile's entities, and the acquisition of the non-controlling interests of Globion on June 21, 2024 (see note A1), the portion of non-controlling interests in our equity remains insignificant, as most of the fully consolidated entities are wholly owned. The following entities contribute to the non-controlling interests:

- Pharma 8 Llc: entered into the consolidation scope during the 2022 financial year, this company carries our farm animal activities in the United States. This is not material;
- Kyoto Biken Hanoi Laboratories: part of Sasaeah Group acquired in 2024 (see note A1), this entity based in Vietnam exclusively sources Kyoto Biken in Japan for the production of vaccines.

Information about equity-accounted companies

in € thousand	Company's individual accounts using equity method				Consolidated financial statements	
	Balance sheet total	Equity	Sales	Result	Share of equity	Share of result
AVF Animal Health Co Ltd	NA	NA	—	—	4,511	467
Share in companies accounted for by the equity method					**4,511**	**467**

In line with IFRS 12, companies consolidated through equity method are not considered material to our financial statements, therefore information disclosed is limited to aforementioned items.

A8. Deferred taxes

In accordance with IAS 12 standard, allowing offsetting of tax liabilities and receivables under certain conditions, deferred tax assets and liabilities have been offset by tax entity.

Variation in deferred taxes

in € thousand	2023	Variations	Transfers	Change in consolidation scope	Conversion gains and losses	2024
Deferred tax assets	**43,186**	2,479	-350	7,576	-1,247	**51,645**
Deferred tax liabilities	**52,424**	-1,657	26	33,862	-404	**84,250**
Deferred tax offset	**-9,237**	**4,136**	**-376**	**-26,285**	**-843**	**-32,605**

The change in deferred taxes presented above includes, for -€448 thousand, deferred tax on the effective portion of profits and losses on hedging instruments recognized in other comprehensive income.

In accordance with the IAS 12 standard, which requires under certain conditions the offsetting of tax liabilities and receivables, the deferred tax assets and liabilities have been offset by tax entity in the statement of financial position, for €27,017 thousand.

Deferred taxes breakdown by nature

Below table indicates deferred tax positions breakdown by nature as of December 31, 2024:

in € thousand	Deferred tax assets	Deferred tax liabilities	Total deferred tax by nature
Internal margin on inventories	17,740	33	**17,708**
Retirement and end of career severance commitments	5,392		**5,392**
Sales adjustments (IFRS 15)	1,811		**1,811**
Inventory adjustments (IAS 2)	3,506	785	**2,721**
Other non-deductible provisions	6,787		**6,787**
Other charges with deferred deduction	3,378	2,622	**757**
Lease contracts (IFRS 16)	9,564		**9,564**
Tax loss carryforwards	194		**194**
Total deferred tax asset bases			**44,933**
Adjustments on intangible assets	5,814	58,911	**53,097**
Adjustments on tangible assets	6,544	11,366	**4,822**
Adjustments on fiscal provisions	-9,328	6	**9,334**
Activation of expenses linked to acquisitions	271	1,086	**815**
Other income taxed in advance	-29	446	**475**
Lease contracts (IFRS 16)		8,995	**8,995**
Total deferred tax liability bases			**77,538**
Total deferred tax accounted for	**51,645**	**84,250**	**-32,605**
Impact of compensation by fiscal entity	-27,017	-27,017	
Net deferred tax	**24,628**	**57,233**	**-32,605**

Deferred tax asset use horizon

The table below details the useful life of deferred deductible expenses:

in € thousand	Deferred tax assets as at 12/31/2024	Use horizon		
		less than 1 year	from 1 to 5 years	more than 5 years
Deferred tax on other charges with deferred deduction in Chile	**1,873**	328	1,545	—
Deferred tax on tax losses carried forward	**194**	87	107	—
Deferred tax on retirement and end of career severance commitments	**5,392**	1,234	720	3,438
Deferred tax on other bases	**44,186**	29,973	7,100	7,113
Total deferred tax assets	**51,645**	**31,621**	**9,473**	**10,551**

Most tax loss carry forwards are carried forward indefinitely. They may only be used by the subsidiaries that generated the corresponding tax losses.

Non-capitalized tax losses

In addition, the amount of non-capitalized tax losses as of December 31, 2024, amounts to €52 million (compared to €62 million as of December 31, 2023), mainly resulting from our subsidiary Virbac Corporation in the United States on the one hand, and Virbac Taiwan on the other hand, whose main focus is on research and development activities. Most tax loss carry forwards (particularly those of our American subsidiary which are used since 2023 up to the tax result of the year) are carried forward indefinitely. The utilization period for tax losses generated by the Taiwan subsidiary is ten years from the date they are generated.

Expiry date	in € thousand
2025	1,416
2026	255
2027	933
2028	1,023
2029	6,687
2030	468
2031	464
2032	1,274
2033	754
2034	1,308
Over 10 years	—
Unlimited	37,335

A9. Inventories and work in progress

in € thousand	Raw materials and supplies	Work in progress	Finished products and goods for resale	Inventories and work in progress
Gross value as at 12/31/2023	**107,142**	**29,061**	**233,649**	**369,852**
Variations	-57	2,961	11,506	**14,410**
Changes in scope	10,080	20,123	19,406	**49,609**
Transfer	7,063	-28,518	21,455	**—**
Conversion gains and losses	-573	124	-470	**-919**
Gross value as at 12/31/2024	**123,655**	**23,752**	**285,545**	**432,953**
Depreciation as at 12/31/2023	**-5,708**	**-1,290**	**-23,191**	**-30,189**
Allowances	-4,208	—	-13,569	**-17,776**
Reversals	2,337	128	18,867	**21,332**
Changes in scope	-379	-504	-932	**-1,815**
Transfer	—	1,290	-1,290	**—**
Conversion gains and losses	-175	—	-163	**-338**
Depreciation as at 12/31/2024	**-8,132**	**-376**	**-20,277**	**-28,786**
Net value as at 12/31/2023	**101,434**	**27,771**	**210,458**	**339,663**
Net value as at 12/31/2024	**115,522**	**23,376**	**265,268**	**404,166**

Excluding foreign exchange, net inventories increased by €65.8 million, including €47.8 million from the impact of changes in scope (see note A1) mainly due to the acquisition of Sasaeah.
The increase of €18.0 million excluding impacts of foreign exchange and changes in scope, is particularly noticeable in inventories of finished products and goods, and manufacturing work in progress, mainly at Virbac SA, the latter entity producing for the rest of the Group, and is mainly explained by the joint effects:

- of the increase in activity observed over the year;
- of the increase in our production costs.

The United States is also to a lesser extent one of the contributors to this increase, which is partially offset by a reduction in inventories in Chile as well as in the Philippines.

The ratio of inventories to revenue has increased by 1.4 point at real rates. At constant exchange rates and scope, the ratio of inventories to revenue decreased by 0.4 point.

Finally, it should be noted that the transfer movements for the period concern reclassifications carried out within the parent company, inventories of manufacturing work in progress to inventories of finished products and inventories of raw materials.

A10. Trade receivables

in € thousand	Trade receivables
Gross value as at 12/31/2023	**170,800**
Variations	**4,862**
Changes in scope	**26,814**
Transfer	**-524**
Conversion gains and losses	**-3,023**
Gross value as at 12/31/2024	**198,927**
Depreciation as at 12/31/2023	**-2,822**
Allowances	**-904**
Reversals	**934**
Changes in scope	**-93**
Conversion gains and losses	**39**
Depreciation as at 12/31/2024	**-2,847**
Net value as at 12/31/2023	**167,977**
Net value as at 12/31/2024	**196,081**

The net trade receivables item is up by €31.1 million, excluding foreign exchange effects, whereas a €26.7 million of change in perimeter impact arising from the acquisition of Sasaeah.
The €4.9 million increase observed excluding foreign exchange and changes in scope impacts is mainly due to:

- Virbac Brazil with a combined effect of the impact of the increase in sales by volume and to a lesser extent, a slight increase in payment terms;
- Virbac SA and Virbac France, due to a higher level of activity at the end of 2024 compared to that at the end of 2023;
- a decrease in deconsolidated receivables in Italy offset by an increase in trade receivables (see below).

This increase is partially offset by a decrease in trade receivables in the United Kingdom, for which the balance of the item at the end of 2023 was impacted by the late payment of a major distributor, as well as in Australia, following the reduction in outstanding amounts of two main customers at the end of 2024 compared to 2023.

It should be noted that deconsolidated receivables, as they have been assigned under factoring contracts, amount to €9.0 million as at December 31, 2024 (compared with €12.0 million as at December 31, 2023). This decrease mainly concerns our Italian subsidiary, as well as the entity Alfamed, in France, due to the exit of a major customer from the factoring program.

The credit risk from trade receivables and other receivables is presented in note A33.

A11. Other receivables

in € thousand	2023	Variations	Change in consolidation scope	Transfers	Conversion gains and losses	2024
Income tax receivables	**21,392**	-7,381	—	—	-828	**13,183**
Social receivables	**734**	-353	2	—	-2	**381**
Other State receivables	**41,705**	10,784	2,160	—	-1,009	**53,640**
Advances and prepayments on orders	**3,992**	1,180	12	—	-176	**5,008**
Depreciation on various other receivables	**—**	—	—	—	—	**—**
Prepaid expenses	**9,319**	2,258	663	33	87	**12,359**
Other various receivables	**8,160**	-2,902	38	3	62	**5,360**
Other receivables	**85,302**	**3,585**	**2,875**	**36**	**-1,866**	**89,931**

The net increase in this item is +€3.6 million, excluding the effect of scope of consolidation (+€2.9 million) and foreign exchange impact (-€1.9 million). This change is mainly due to the joint effects:

- of the increase in other receivables on the State for €10.8 million, in particular for the parent company (+€5.9 million) due to the increase in the research tax credit receivables, as well as in Mexico, which recorded an increase in VAT receivables of +€5.6 million;
- of the decrease in income tax receivables of -€7.4 million, including in particular -€10.5 million for the parent company which received repayment of the overpaid installments for 2023, offset by an increase of €3 million in Brazil.

The other changes are individually immaterial.

A12. Cash and cash equivalents

in € thousand	2023	Variations	Change in scope	Transfers	Conversion gains and losses	2024
Available funds	**79,294**	-27,672	54,479	-104	-1,051	**104,945**
Marketable securities	**96,611**	-57,165	3,249	—	1,991	**44,685**
Cash and cash equivalents	**175,906**	**-84,837**	**57,727**	**-104**	**939**	**149,631**
Bank overdraft	**-2,517**	-1,049	—	—	—	**-3,567**
Accrued interests not yet matured	**-31**	3	—	—	—	**-27**
Overdraft	**-2,548**	**-1,046**	**—**	**—**	**—**	**-3,594**
Net cash position	**173,358**	**-85,883**	**57,727**	**-104**	**939**	**146,037**

The main investment vehicles used are UCITS and term accounts with a maturity of less than three months. These term deposits have the following characteristics: they are renewable by tacit agreement and may be repaid before maturity.
The decrease in marketable securities is mainly related to the distribution of dividends by one of our subsidiaries to the parent company.
Bank overdrafts correspond to the overdraft lines negotiated but not confirmed by our banks.

The variation of €57,727 thousand carried over in "Changes in scope" is mainly related to the acquisition of Sasaeah on April 1, 2024 and to a lesser extent, to the acquisition of Mopsan on December 2, 2024 (see note A1).

A13. Assets classified as held for sale

As of the closing date of the financial year, no assets have been classified as assets held for sale.

A14. Equity

in € thousand	2024	2023
Capital	10,489	10,573
Premiums linked to capital	6,534	6,534
Legal reserve	1,089	1,089
Other reserves and retained earnings	683,520	650,505
Consolidation reserves	230,715	146,077
Conversion reserves	-28,423	-29,377
Actuarial gains and losses	-6,096	-6,398
Result for the period	145,289	121,298
Equity attributable to the owners of the parent company	**1,043,117**	**900,301**
Other reserves and retained earnings	-165	10,358
Conversion reserves	-41	-533
Result for the period	492	-210
Non-controlling interests	**286**	**9,616**
Equity	**1,043,403**	**909,917**

Capital management policy

Within the framework of capital management, the Group aims to preserve the continuity of operations, to provide a return to shareholders, to procure the advantages from other partners and to maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Group can:

- adjust the amount of dividends paid to shareholders;
- return capital to shareholders;
- issue new shares; or
- sell assets to reduce the total debts.

The Group uses various indicators, one of which is financial leverage (net debt/equity), which provides investors with a vision of debt for the Group comparative to the total equity. In particular, this equity includes the reserve for variations in the value of cash position flows.

Treasury shares

Virbac holds treasury shares with no voting rights which are intended to supply the allocation of performance-related stock grants. The amount of these treasury shares is posted as a reduction in equity.

Shares with double voting rights

Double voting rights are granted to all shareholders whose shares have been registered in their name for at least two years. Of the 8,390,660 shares making up the share capital, 4,316,655 have double voting rights.

Share buyback program

The June 21, 2024 ordinary shareholders' meeting authorized the Virbac parent company to buy back its treasury shares in accordance with article L225-209 *et seq*. of the French commercial code.
As of December 31, 2024, Virbac owned a total of 16,066 treasury shares acquired on the market for a total amount of €4,070,768 excluding costs, that is, an average cost of €253.38 per share.

The 2021 performance plan expired during the year and was allocated to the employees concerned based on the previously established performance criteria. A new performance plan was created over the financial year (see note A35).

Our liquidity contract was suspended from February 1, 2023 until June 30, 2024 and then closed on this date. No shares were purchased or disposed of by the company in connection with this during the financial year.

Furthermore, on September 13, 2024, the board of directors decided to decrease the company's capital by cancelling 67,340 shares with a nominal value of €1.25. These shares had been acquired with a view to being cancelled for a total amount of €17,541 thousand.

Treasury shares as of December 31, 2024 represent 0.19% of Virbac's capital. They are exclusively intended for the allocation of performance shares.

A resolution will be submitted for the approval of the next shareholders' meeting authorizing the company to buy back up to 10% of the capital. Shares may be acquired with a view to:

- ensuring liquidity or supporting the market price via an independent investment services provider pursuant to a liquidity contract in accordance with *AMF* (French financial market authority) regulations;
- allocating performance-related stock grants;
- reducing the company's share capital by cancelling all or part of the shares purchased, subject to the adoption by the ordinary shareholder's meeting of the resolution for authorizing a reduction in the share capital by cancelling repurchased shares.

The maximum unit purchase price may not exceed €1,000 per share. When calculating the maximum number of shares, shares already purchased under the aforementioned prior authorizations will be included, together with those that could be purchased under the liquidity agreement.

A15. Employee benefits

The commitments related to employee benefit schemes are calculated using the projected unit credit method. Future commitments are subject to a provision for expenses.
Where a commitment is pre-financed by payments into a fund, the provision corresponds to the difference between the total commitment at the closing date and the amount of the hedging asset. The hedging asset is made up of the amount of the fund plus the investment income and any contributions paid during the year.

Change in provisions by country

in € thousand	2023	Allowances	Reversals	Change in scope	Equity	Transfer	Conversion gains and losses	2024
France	**11,406**	966	-869	—	62	—	—	**11,563**
Italy	**655**	72	-29	—	-15	—	—	**682**
Germany	**138**	81	—	—	—	—	—	**219**
Greece	**149**	27	—	—	—	—	—	**176**
Mexico	**385**	77	-17	—	42	—	-59	**428**
Korea	**-117**	121	-125	—	-70	—	10	**-180**
Taiwan	**1,295**	129	-83	—	-65	—	-1	**1,275**
Thailand	**756**	76	-66	—	21	—	51	**837**
Philippines	**31**	9	—	—	-28	—	—	**12**
Retirement and severance pay allowances	**14,697**	**1,558**	**-1,189**	**—**	**-53**	—	**1**	**15,013**
Japan[1]	**1,685**	588	-815	532	-868	805	-70	**1,856**
Defined benefit retirement plans	**1,685**	**588**	**-815**	**532**	**-868**	**805**	**-70**	**1,856**
South Africa	**937**	106	-75	—	-54		35	**948**
Medical coverage	**937**	**106**	**-75**	**—**	**-54**		**35**	**948**
India	**716**	411	-688	—	468		28	**935**
Allowances for absence	**716**	**411**	**-688**	**—**	**468**		**28**	**935**
Australia	**1,410**	166	-96	—	—		-44	**1,435**
Austria	**81**	2	-1	—	—		—	**82**
Spain	**80**	8	—	—	—		—	**88**
Other long term benefits	**1,571**	**176**	**-98**	**—**	**—**		**-44**	**1,606**
Provisions for employee benefits	**19,606**	**2,840**	**-2,866**	**532**	**-507**	**805**	**-52**	**20,357**

[1]the Virbac group acquired Fujita and Kyoto Biken Laboratories in Japan in April 2024 (acquisition of Sasaeah). The debt accumulated by Kyoto Biken Laboratories amounts to €6,921 thousand. This actuarial debt is covered by a hedging asset amounting to €14,483 thousand. The surplus of €7,561 thousand is reported in note A6 "Other financial assets"

The main equity impacts mainly concern France due to the updating of the data resulting in a loss of experience of €676 thousand, the increase in the discount rate resulting in a gain of €111 thousand, and the updating of the retirement age resulting in a gain of €503 thousand.

The amount of €805 thousand of transfers to Japan corresponds to the debt related to the acquisition of Kyoto Biken Laboratories in April 2024.

Main commitments

The main existing employee benefit plans are the ones of France, Japan, Australia, Taiwan, and South Africa. As of December 31, 2024, they contributed respectively for 57%, 9%, 7% , 6% and 5% of the total provisions for employee benefit plans.

Retirement and severance pay allowances

- **France**

In accordance with the collective agreement, the Group's French companies pay their employees an allowance on their retirement based on their salary and seniority.
The rights vested (for executives as well as or non-executives) are as follows: 12% of the monthly salary per year of seniority.

- **Taiwan**

Severance pay is due when the employee reaches the age of 65 or in the event of inability to perform his/her duties. In the event of voluntary departure, vesting is subject to the following conditions:

- a minimum of 15 years of service and being at least 55 years of age;
- a minimum of 10 years of service and being at least 60 years of age;
- a minimum of 25 years of service.

The amount paid depends on seniority.
The plan also covers severance pay in the event of dismissal or resignation, the amount of which varies depending on the employment start date (before or after June 30, 2005) and the employee's seniority.

Defined-benefit retirement plans

■ **Japan**

- Virbac Japan: the scheme results in payments in the form of capital. To qualify, employees must have at least two years of seniority in the company on the closing date. The amount of capital is calculated from the base salary multiplied by a coefficient based on years of service;
- Kyoto Biken Laboratories plan: employees must have at least three years of service to be eligible for retirement benefits (three years or more for lump sum capital, and ten years or more for pension). Benefits are based on the annual accumulation of monthly salary multiplied by a coefficient depending on the years of service completed on April 1.

Medical coverage

■ **South Africa**

The program implemented by Virbac South Africa stipulates that the company is responsible for handling the contributions paid by retired employees who wish to enroll in voluntary medical insurance.
The eligibility condition is that the employee must have joined the company before April 30, 1995.

The insurance contribution paid by Virbac South Africa is between 50% and 100%, depending on the level of coverage chosen by the beneficiary. In the event that the beneficiary should die, his or her legal successors continue to benefit from the Virbac South Africa holding under certain conditions.

Because the scheme is not restricted only to Virbac South Africa employees, it has been valued based on contributions paid by Virbac South Africa, restated to reflect the inflation rate for medical costs.

Long-service leave

■ **Australia**

In accordance with regulations in Australia, Virbac grants employees long-service leave in line with their compensation and years of service. Each employee is entitled to two months' leave after ten years' service, which is acquired as follows:

- if the employee is dismissed after five to ten years' service, he/she is entitled to his/her proportionate share of the acquired rights;
- if the employee leaves the company for any other reason after five to ten years of service, they have no entitlements;
- if the employee leaves the company, for whatever reason, after ten years of service, he/she is entitled to his/her proportionate share of the acquired rights.

The provision is calculated as the sum of the individual rights, calculated pro rata for the ratio of the employee's years of service at the closing date to the years of service for full rights.

Calculation parameters of the main personnel benefits schemes in the Group

Assumptions as at December 31, 2024

	Discount rate	Future salary growth
France	3.25%	2.50%
Japan	1.70%	2.00%
Australia	5.00%	3.00%
South Africa	10.60%	6.33%
Taiwan	1.50%	4.50%

Assumptions as at December 31, 2023

	Discount rate	Future salary growth
France	3.15%	2.50%
Japan	1.40%	2.00%
Australia	5.00%	3.00%
Thailand	11.15%	7.40%
Taiwan	1.38%	4.50%

Discount rates are based on high-quality corporate bond yields with a maturity similar to that of the bond in question. In accordance with IAS 19 revised, the expected return on assets is considered to be equal to the discount rate.
A 0.5-point increase or decrease in the discount rate would entail, respectively, a reduction in the provision for employee benefits of around €1,206 thousand or an increase of approximately €1,199 thousand, recognized with the counterparty entry to other comprehensive income.

Moreover, a 0.5-point increase or decrease in the future growth rate of salaries would entail, respectively, an increase in the provision for employee benefits of around €913 thousand or a reduction of approximately €907 thousand, which would be recognized with the counterparty entry to other in other comprehensive income.

Allowance for the year

in € thousand	2024 allowance
Cost of services rendered	2,338
Financial cost	851
Interest income	-350
Change of scheme	—
Immediate recognition of actuarial (gains)/losses in the year	—
Administrative costs recognized in expenses	—
Net cost or gain (-) recognized in income	**2,840**

Employer contributions (including benefits paid directly by the employer) in 2024 totaled €2,732 thousand and are estimated to reach €2,166 thousand in 2025.

Movements of amounts recognized in the statement of financial position

Below table reconciles the movements in the amounts recognized in the statement of financial position (actuarial debt, hedging assets, provision for employee benefits).

in € thousand	Actuarial liability
Present value as at January 1, 2024	**23,316**
Benefits paid by employer	-1,203
Benefits paid by funds	-1,262
Cost of services rendered and financial cost	3,168
Termination/end of contract	—
Actuarial (gains)/losses due to demographic assumptions	-305
Actuarial (gains)/losses due to financial assumptions	-486
Actuarial experience (gains)/losses	968
Change of scheme	—
Other variations	7,200
Transfers	—
Conversion gains and losses	14
Present value as at December 31, 2024	**31,410**

Actuarial liabilities are pre-financed in Japan, in India and South Korea through hedging assets (insurance policies) covering annual financial interest.

in € thousand	Hedging assets
Fair value as at January 1, 2024	**3,825**
Contributions paid	1,109
Benefits paid by funds	-846
Interest income	350
Actuarial gains/(losses)	680
Tax on premiums paid	—
Other variations	13,376
Conversion gains and losses	120
Fair value as at December 31, 2024	**18,614**

in € thousand	Employee benefits
Fair value of hedging assets	-18,614
Present value of the actuarial debt	31,410
	12,796
Provision recognized into the financial assets related to KBL entity	7,561
Assets (-) or liabilities recognized in provisions as at December 31, 2024	**20,357**

in € thousand	Employee benefits
Provision to liabilities as at January 1, 2024	**19,607**
Charge/gain recognized in income - allowance	2,840
Amount recognized in equity	-507
Employer contributions/benefits paid - reversal	-2,866
Other events	530
Transfers	805
Conversion gains and losses	-52
Provision to liabilities as at December 31, 2024	**20,358**

A16. Other provisions

in € thousand	2023	Allowances	Reversals	Changes in scope	Transfers	Conversion gains and losses	2024
Trade disputes and labor litigation	**2,689**	1,371	-1,078	20	—	-26	**2,978**
Fiscal disputes	**3,704**	878	-1,036	—	34	-601	**2,979**
Various risks and charges	**906**	2,062	-239	239	—	-24	**2,943**
Other non-current provisions	**7,298**	**4,311**	**-2,354**	**259**	**34**	**-650**	**8,899**
Trade disputes and labor litigation	**627**	—	-257	—	—	16	**386**
Fiscal disputes	**—**	—	—	—	—	—	**—**
Various risks and charges	**1,681**	5	-1,301	—	—	4	**391**
Other current provisions	**2,309**	**5**	**-1,558**	**—**	**—**	**20**	**776**
Other provisions	**9,608**	**4,316**	**-3,911**	**259**	**34**	**-630**	**9,676**

Each situation is analyzed in light of IAS 37 or Ifric 23 when there is uncertainty over the tax treatment. Tax-related provisions are intended to deal with the financial consequences of the Group’s tax audits.

Provisions that have become irrelevant over the period, either because they have been used in accordance with the initial purpose, or due to risk's extinction, have been reversed over the period.
No provisions are established if the company deems that the liabilities are contingent, and information is given in the appendix (see note A39).

A17. Lease liability

Change in lease liability

in € thousand	2023	New contracts and renewals	Repayments and cancellations	Change in consolidation scope	Transfers	Conversion gains and losses	2024
Lease liability - Non-current	**25,001**	11,470	-114	521	-10,209	-117	**26,552**
Lease liability - Current	**10,144**	3,733	-12,793	324	10,209	-67	**11,550**
Lease liability	**35,145**	**15,203**	**-12,907**	**845**	**—**	**-184**	**38,102**

The IFRS 16 standard introduces a single lessee accounting model for the lease contracts meeting the criteria of application, with the new lease obligation encompassing the liabilities arising from contracts previously capitalized pursuant to IAS 17.

Lease liabilities classified according to their maturity

in € thousand	Payments			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Lease liability - Non-current	—	20,458	6,093	**26,552**
Lease liability - Current	11,550	—	—	**11,550**
Lease liability	**11,550**	**20,458**	**6,093**	**38,102**

Information related to financing activities

in € thousand	2023	Cash flows	Non-cash flows					2024
		Repayments	Increase	Decrease	Change in consolidation scope	Transfers	Conversion gains and losses	
Lease liability	**35,145**	-12,479	15,203	-428	845	—	-184	**38,102**
Lease liability	**35,145**	**-12,479**	**15,203**	**-428**	**845**	**—**	**-184**	**38,102**

Decreases correspond to early terminations with no cash impact.

The increase in debt liabilities stems essentially from the new contracts or extensions of contracts relating to the fleet of vehicles, as well as lease obligations related to real estate contracts mentioned in note A5.

A18. Other financial liabilities

Change in other financial liabilities

in € thousand	2023	Increase	Decrease	Changes in scope	Transfer	Conversion gains and losses	2024
Loans	**40,618**	189,876	-2,353	-8	-8,632	-1,777	**217,725**
Employee profit sharing	**21**	5	-9	—	—	—	**17**
Currency and interest rate derivatives	**—**	—	—		—	—	**—**
Other	**50**	174	-37	4,147		12	**4,346**
Other non-current financial liabilities	**40,689**	**190,054**	**-2,399**	**4,139**	**-8,632**	**-1,765**	**222,088**
Loans[1]	**41,830**	82,775	-85,999	138,501	-129,036	-451	**47,620**
Bank overdrafts	**2,517**	1,049	—	—	—	—	**3,567**
Accrued interests not yet matured	**31**	—	-3	—	—	—	**27**
Employee profit sharing	**1,135**	803	-893	—	—	-116	**929**
Currency and interest rate derivatives	**2,196**	3,639	—	—	—	—	**5,835**
Other	**—**	—	—	—	—	—	**—**
Other current financial liabilities	**47,709**	**88,267**	**-86,896**	**138,501**	**-129,036**	**-567**	**57,977**
Other financial liabilities	**88,398**	**278,321**	**-89,294**	**142,640**	**-137,668**	**-2,332**	**280,065**

[1]the flows changes in scope and transfer on the "Loans" line represent the acquired debt of Sasaeah, which was repaid simultaneously to the acquisition, and replaced by a debt within the Group (also refer to note A6 for more details)

In 2024, in order to finance the acquisition of Sasaeah, we set up a bridging loan of €300 million, for a twelve-month period with two options to extend by six months, available in euros and Japanese yen. This credit facility was

only drawn up to the equivalent of €200 million to repay Sasaeah existing loan and to pay a portion of the purchase price , the remainder of it having been financed by part of the available funds in the Group and our syndicated loan.
At the same time, in March 2024, following our request to activate the accordion feature clause of our syndicated loan agreement, the banks in our pool agreed to increase their commitment by €150 million, taking our new available funding commitment to €350 million.
Finally, at the same time, our request for an amendment to include a new €100 million accordion facility in this syndicated contract was unanimously accepted by our banks, increasing the potential amount of our credit to €450 million. It should be noted that this new financing line includes commitments related to our CSR policy, reflecting our commitment to preserving the environment and respecting animal ethics that has been in place for several years. Negotiating these clauses ensures that we have access to controlled financial conditions and support for our needs of organic and/or external growth. The applicable credit margin is adjustable based on the annual financial ratio and, to a lesser extent, on the annual results of three CSR performance indicators already monitored within our CSR policy.
In July 2024, we proceeded with the prepayment of this bridging loan in yen in return for a drawdown on the syndicated loan and the implementation of currency hedging.
Thus, in order to ensure our liquidity, in terms of bank and disintermediated funding, our status is as follows:

- a syndicated loan of €350 million, at variable rate, repayable in fine in October 2028 after being extended by two years, with a so-called "accordion" clause to increase funding by €100 million and which includes commitments in connection with our CSR policy;
- a market-based contract (*Schuldschein*) for a total of €6 million, with maturity April 2025, at a fixed rate;
- financing contracts with Bpifrance, for €10.2 million, depreciable and maturing in July 2027 and June 2032;
- non-recourse factoring contracts in the United States and in Europe for US $15 million and €30 million respectively;
- factoring contracts with recourse and export loans for US $25.1 million (*i.e*. approximately €24.2 million) in Chile;
- loans for CLP 24.3 billion (*i.e*. approximately €23.6 million) in Chile too;
- uncommitted credit lines in the United States for US $37 million (*i.e*. approximately €35.6 million).

As of December 31, 2024, the funding position is as follows:

- the syndicated loan was drawn for €187 million;
- market-based contract amounted to €6 million;
- the Bpifrance financing amounted to €10.2 million;
- non-recourse factoring lines are mobilized in Europe for an amount of €6.1 million;
- factoring lines with recourse are mobilized in Chile for an amount of almost US $15 million;
- the loan in Chile amounts to CLP 24.3 billion;
- the drawn credit of our subsidiary in the United States amounted to US $24 million.

The financing agreements of the parent company include a financial covenant compliance clause that requires us to comply with an annual financial ratio based on the annual consolidated accounts, corresponding to the consolidated net debt[1] for the period over the consolidated Ebitda[2].

As at December 31, 2024, we comply with the financial ratio clauses, which is 0.59 and therefore below the contractual financial covenant limit of 3.75.

[1]for the purpose of calculating the covenant, consolidated net debt refers to the sum of other current and non-current financial liabilities, namely the following items: loans, bank loans, accrued interest liabilities, liabilities related to leases, profit sharing, interest rate and foreign exchange derivatives, and others; minus the amount of the following items: cash and cash equivalents, term deposits, and foreign exchange and interest rate assets derivatives as shown in the consolidated accounts
[2]under the contractual definition, consolidated Ebitda refers to operating profit for the period under review, plus the allowances for depreciation and provisions, net of reversals, and dividends received from non-consolidated subsidiaries

The company's financing capacity is sufficient to fund its cash requirements.

The increase in the liability recognised on foreign exchange derivatives at the end of the 2024 financial year is explained by the difference between the average exchange rate on the hedges of our US dollar debt and the exchange rate at the end of the financial year.

Other financial liabilities classified according to their maturity

As at December 31, 2024

in € thousand	Payments			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Loans	47,620	216,412	1,313	**265,344**
Bank overdrafts	3,567	—	—	**3,567**
Accrued interests not yet matured	27	—	—	**27**
Employee profit sharing	929	17	—	**946**
Currency and interest rate derivatives	5,835	—	—	**5,835**
Other	—	15	4,332	**4,346**
Other financial liabilities	**57,977**	**216,443**	**5,644**	**280,065**

The generation of operating cash flow, as well as negotiated overdrafts and factoring make it possible to cover short-term financial liabilities.

As at December 31, 2023

in € thousand	Payments			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Loans	41,830	38,680	1,938	**82,448**
Bank overdrafts	2,517	—	—	**2,517**
Accrued interests not yet matured	31	—	—	**31**
Employee profit sharing	1,135	22	—	**1,156**
Currency and interest rate derivatives	2,196	—	—	**2,196**
Other	—	50	—	**50**
Other financial liabilities	**47,709**	**38,752**	**1,938**	**88,399**

Information related to financing activities

in € thousand	2023	Cash flows		Non-cash flows				2024
		Issuance	Repayments	Fair value	Changes in scope	Transfers	Conversion gains and losses	
Non-current financial liabilities	**40,618**	189,876	-2,352	—	-8	-8,632	-1,777	**217,725**
Current financial liabilities	**41,830**	82,775	-85,999	—	138,501	-129,036	-451	**47,620**
Employee profit sharing	**1,156**	808	-902	—	—	—	-116	**945**
Currency and interest rate derivatives	**2,196**	—	—	3,639	—	—	—	**5,835**
Others	**50**	174	-37	—	4,147	—	12	**4,346**
Other financial liabilities	**85,851**	**273,632**	**-89,291**	**3,639**	**142,640**	**-137,668**	**-2,332**	**276,471**

A19. Other payables

in € thousand	2023	Variations	Changes in scope	Transfers	Conversion gains and losses	2024
Income tax payables	—	—	—	—	—	—
Social payables	—	—	—	—	—	—
Other fiscal payables	—	—	—	—	—	—
Advances and prepayments on orders	—	—	—	—	—	—
Prepaid income	**1,450**	-221	—	—	—	**1,229**
Various other payables	**21,162**	-3,953	-12,168	-233	-608	**4,201**
Other non-current payables	**22,612**	**-4,174**	**-12,168**	**-233**	**-608**	**5,430**
Income tax payables	**10,270**	14,790	1,262	-508	-451	**25,363**
Social payables	**66,220**	4,023	3,561	—	-109	**73,695**
Other fiscal payables	**9,964**	7,868	396	—	-154	**18,074**
Advances and prepayments on orders	**456**	-1,253	1,624	—	26	**853**
Prepaid income	**1,124**	251	—	—	-6	**1,369**
Various other payables	**101,223**	-2,433	867	197	475	**100,328**
Other current payables	**189,256**	**23,247**	**7,710**	**-311**	**-219**	**219,683**
Other payables	**211,869**	**19,074**	**-4,459**	**-543**	**-827**	**225,112**

Other payables increased by €14.1 million, excluding foreign exchange effects. The main changes are shown below.

The decrease in "Other non-current payables" of €17.2 million is mainly due to the reversals of securities liabilities, respectively:

- of the purchase commitment of installment 2 of Globion in India;
- partially offset by the recognition of earn-outs relating to the acquisition of Mopsan in Türkiye over the period (see note A1).

The "Other current payables" item increased by €30.4 million mainly in connection with:

- an increase in "Income tax payables" of +€15.1 million as a result of the increase in the tax burden provisioned in 2024 compared to the previous financial year, with a variation of +€10.8 million for the parent company, and +€2.9 million in Mexico. In addition, the acquisition of the Sasaeah group in Japan led to an increase of +€4.4 million in this item at the closing date;
- an increase in "Other fiscal payables" of +€8.1 million, with an increase of +€2.3 million in Mexico mainly related to an increase in VAT to be paid in connection with the increase in sales volume, and an increase of €1.3 million for the parent company. The Sasaeah group is also contributing +€3.7 million to the increase in this item at the closing date;
- an increase in social payables of €7.5 million, including +€3.6 million of changes in scope, in connection with the acquisition of Sasaeah. The rest of the variation across the Group is consistent with the increase in staff costs, related to the activity and to a lesser extent, to salary increases and inflation;
- the various other payables amount to €100.3 million as of December 31, 2024. They mainly consist of customers - credit notes to be issued; they remain relatively stable at Group level (-€0.9 million) but vary according to the subsidiaries (see supplement below).

Below table details the type of contract-related liabilities:

in € thousand	2023	Variations	Changes in scope	Transfers	Conversion gains and losses	2024
Advances and prepayments on orders	**456**	-1,253	1,624	—	26	**853**
Customers - credits to be issued	**93,727**	-1,968	388		388	**92,535**
Customer liabilities	**94,182**	**-3,220**	**2,012**	**—**	**414**	**93,387**

Credit notes to be issued arise primarily from changes in transaction pricing, as the majority of the Group's subsidiaries grant customers year-end discounts, the amount of which is contingent on the achievement of sales objectives. The main increases were in France (+€4.6 million), in the United States (+€1.9 million), partially offset by a decrease in the United Kingdom (-€6.3 million) and in Australia (-€2.2 million).

A20. Trade payables

in € thousand	2023	Variations	Changes in scope	Transfers	Conversion gains and losses	2024
Current trade payables	**133,201**	4,019	14,143	-524	-1,467	**149,371**
Trade payables - suppliers of intangible assets	**3,061**	-845	239	—	-2	**2,454**
Trade payables - suppliers of tangible assets	**13,367**	5,592	3,722	—	68	**22,749**
Trade payables	**149,629**	**8,767**	**18,104**	**-524**	**-1,401**	**174,574**

This item amounted to €174.6 million as of December 31, 2024, compared to €149.6 million at the end of 2023, or a net increase of €26.4 million, excluding foreign exchange effects, which includes a €18.1 million change in scope impact.
Major changes are observed within the parent company and mainly due to:

- the increase in operational expenditure related to the increase in activity;
- investments made to increase our production capacity.

To a lesser extent, the United States is also participating in this increase, which is partially offset by a decrease in trade payables in Australia and South Africa.

A21. Revenue from ordinary activities

in € thousand	2024	2023	*Change*
Sales of finished goods and merchandise	1,614,957	1,437,698	12.3%
Services	1,599	468	*241.6%*
Additional income from activity	3,391	2,894	*17.2%*
Royalties paid	263	464	*-43.4%*
Gross sales	**1,620,211**	**1,441,524**	***12.4%***
Discounts, rebates and refunds on sales	-179,456	-148,852	*20.6%*
Expenses deducted from sales	-26,374	-34,347	*-23.2%*
Financial discounts	-17,215	-10,854	*58.6%*
Provisions for returns	215	-570	*-137.6%*
Expenses deducted from sales	**-222,831**	**-194,623**	***14.5%***
Revenue from ordinary activities	**1,397,380**	**1,246,901**	***12.1%***

The expenses presented within the revenue are mainly made up of the following elements:

- amounts paid under commercial cooperation contracts (commercial communication actions, provision of statistics, *etc.*);
- cost of business operations (including loyalty programs), the amount of which is directly related to the revenue generated.

Provisions for customer returns are calculated using a statistical method, based on historical returns.

Evolution

In 2024, our annual revenue amounted to €1,397.4 million compared to €1,246.9 million at the end of December 2023, which represents an overall change of +12.1% over the year (+13.6% at constant exchange rates). This significant growth is the result of an organic performance of +7.5% and a contribution of +6.1% made by the acquisitions of Globion (acquisition in India in November 2023) and Sasaeah (acquisition in Japan closed in April 2024).
The change in revenue from ordinary activities by segment and geographic area is detailed in the activity report.

A22. Purchases consumed

in € thousand	2024	2023	*Change*
Inventoried purchases	-420,550	-397,923	*5.7%*
Non-inventoried purchases	-43,805	-37,509	*16.8%*
Supplementary charges on purchases	-10,088	-7,035	*43.4%*
Discounts, rebates and refunds obtained	416	374	*11.2%*
Purchases	**-474,027**	**-442,093**	***7.2%***
Change in gross inventories	14,354	15,705	*-8.6%*
Allowances for depreciation of inventories	-17,776	-24,110	*-26.3%*
Reversals of depreciation of inventories	21,332	16,625	*28.3%*
Net variation in inventories	**17,910**	**8,220**	***117.9%***
Consumed purchases	**-456,117**	**-433,873**	***5.1%***

The 5.1% increase in purchases consumed is mainly analyzed by the effect of recent acquisitions (Globion, Sasaeah and Mopsan), partially offset by the positive impact of inventory depreciation over the period compared to 2023 (see note A9 on the net change in inventories).

Excluding recent acquisitions, purchases consumed increased by 0.4% compared to the previous period.

A23. External costs

External costs amounted to €262.2 million in 2024 compared to €230.2 million in 2023, *i.e.* an increase of €32.0 million (+13.9%) in real scope; excluding the effect of scope of consolidation (Sasaeah and Globion), the increase in external expenses amounted to +€24.1 million. The variation is explained by the increase in activity across the Group; we mainly note an increase in marketing costs, transport on sales, fees, as well as an increase in travel costs, due to the resumption of normal activity after a year 2023 impacted by the cyber-attack and a very strong slowdown in travel.

A24. Depreciation, impairment and provisions

in € thousand	2024	2023	*Change*
Allowances for depreciation of intangible assets[1]	-7,686	-6,374	*20.6%*
Allowances for impairment of intangible assets	-395	—	—
Allowances for depreciation of tangible assets	-32,443	-26,356	*23.1%*
Allowances for impairment of tangible assets	—	-499	*-100.0%*
Allowances for depreciation of right of use	-12,783	-11,524	*10.9%*
Reversals for depreciation of intangible assets	—	—	—
Reversals for impairment of intangible assets	500	1,025	*-51.2%*
Reversals for depreciation of tangible assets	—	—	—
Reversals for impairment of tangible assets	755	310	*143.3%*
Depreciation and impairment	**-52,052**	**-43,418**	***19.9%***
Allowances of provisions for risks and charges	-2,474	-2,561	*-3.4%*
Reversals of provisions for risks and charges	3,335	1,326	*151.4%*
Provisions	**860**	**-1,235**	***-169.7%***
Depreciations and provisions	**-51,192**	**-44,652**	***14.6%***

[1]excluding allowance for depreciations of intangible assets arising from acquisitions

Allowances for depreciation of intangible assets arising from acquisitions

in € thousand	2024	2023
SBC	-134	-48
Uruguay: Santa Elena	—	-100
Australia: Axon	-121	-122
New Zealand	-326	-332
Centrovet	-1,354	-1,511
Multimin	-442	-437
Colombia: Synthesis	-87	-83
Schering-Plough Europe	—	-476
India: Globion	-1,366	-157
Sasaeah	-493	
Depreciations of intangible assets arising from acquisitions	**-4,324**	**-3,265**

The increase in this position is mainly related to the new acquisitions made at the end of 2023 for Globion and April 2024 for Sasaeah partially offset by Schering-Plough products fully amortized as of June 30, 2023.

A25. Other operating incomes and expenses

in € thousand	2024	2023	*Change*
Royalties paid	-3,659	-3,430	6.7%
Grants received (including research tax credit)	11,478	14,111	*-18.7%*
Allowances for depreciation of receivables	-904	-941	*-3.9%*
Reversals of depreciation of receivables	934	646	*44.6%*
Bad debts	-215	-257	*-16.3%*
Net book value of disposed assets	-2,555	-2,176	*17.4%*
Income from disposal of assets	168	125	*34.4%*
Other operating income and expenses	-655	-22	*2877.3%*
Other operating income and expenses	**4,592**	**8,055**	***-43.0%***

The item “Other current income and expenses” shows a change of -43%, which is mainly explained by:
- the decrease in the amount of tax credits recorded in grants, which amounts to €11.3 million in 2024, compared to €14.1 million in 2023;
- asset write-offs at the parent company of €0.5 million.

The other changes are individually immaterial.

A26. Other non-current income and expenses

As of December 31, 2024, a net charge of €10.4 million was recorded, consisting of the following elements:

in € thousand	2023
Restructuring costs in Australia	-2,061
Revaluation of inventories acquired from Sasaeah (purchase accounting method)	-2,924
Sasaeah acquisition expenses	-8,122
Unused release provision for restructuring in Chile	200
Sale of production equipment following Sentinel© divestiture in the United States (purchase option taken by the buyer as set for by the contract)	2,485
Other non-current income and expenses	**-10,422**

As of December 31, 2023, this item breaks down as follows:

in € thousand	2023
Revaluation impact of the debt on iVet shares acquired in the United States in 2021 (earn-out clause)	925
Revaluation of inventories acquired in Czech Republic (purchase accounting method)	-807
Restructuring costs in Chile	-997
Other non-current income and expenses	**-878**

A27. Financial income and expenses

in € thousand	2024	2023	*Change*
Gross cost of financial debt	-11,119	-8,882	*25.2%*
Income from cash and cash equivalents	6,392	8,724	*-26.7%*
Net cost of financial debt	**-4,727**	**-158**	***2874.5%***
Foreign exchange gains and losses	-2,707	-15,788	*-82.9%*
Changes in foreign currency derivatives and interest rate	-2,267	5,687	*-139.9%*
Other expenses	-43	-273	*-84.4%*
Other income	462	687	*-35.2%*
Other financial income or expenses	**-4,554**	**-9,687**	***-52.9%***
Financial income and expenses	**-9,282**	**-9,845**	*-5.5%*

The cost of financial debt includes the interest charges on borrowings for €9,134 million, as well as the interests on lease liabilities, which amount to €1,985 thousand as of December 31, 2024.
The increase in the gross cost of financial debt by +€2.2 million is linked to the increase in debt in France to finance the acquisition of Sasaeah in Japan.
The decrease in income from cash and cash equivalents was due to the decrease in investments in one of our subsidiaries during the year following the distribution of dividends to the parent company.

Foreign exchange loss decreased significantly between 2023 and 2024, from €10.1 million to €5.0 million. This change of more than €5 million is explained by two main factors:

- centralized foreign exchange management, for which foreign exchange loss decreased by more than €3 million in 2024;
- the foreign exchange gain of €1.8 million induced by the hedging of the new JPY exposure relating to the intra-group loan granted to Virbac Japan.

The Group's foreign exchange loss in 2024 is mainly due to its exposure to the Chilean peso, as in 2023.

A28. Income tax

	2024		2023	
in € thousand	Base	Tax	Base	Tax
Profit before tax	**207,793**		**174,153**	
Adjustment for tax credits	-11,346		-13,976	
Adjustment of non-recurring items	22,952		28,202	
Profit before tax, after adjustments	**219,399**		**188,380**	
Tax currently payable for French companies		-19,064		-7,144
Tax currently payable for foreign companies		-47,998		-44,691
Tax currently payable		**-67,062**		**-51,834**
Deferred tax for French companies		-198		-5,425
Deferred tax for foreign companies		4,782		3,740
Deferred tax		**4,584**		**-1,686**
Tax accounted for		**-62,478**		**-53,520**
Restatement of adjustments on tax currently payable		6,581		3,330
Restatement of adjustments on deferred tax		-5		-973
Depreciation of deferred tax assets		—		—
Tax after restatements		**-55,903**		**-51,163**
Effective tax rate		*25.48%*		*27.16%*
Theoretical tax rate		*25.83%*		*25.83%*
Theoretical tax		**-56,671**		**-48,658**
Difference between theoretical tax and recorded tax		**5,808**		**4,862**

The theoretical tax rate considered by the Group is the corporate tax rate in effect in France (including the additional contribution of 3.3%).

The effective tax rate in 2024 is 25.48% compared to 27.16% in 2023.

This decrease is explained by a reduction in the contribution of entities located in countries where the statutory tax rate is higher than that of the parent entity, in particular Australia, Brazil and New Zealand.

Restated profit before tax

The pre-tax profit and the tax charges have been the subject of the restatements described below in order to determine the effective tax rate for the 2024 financial year.

Adjustment for tax credits

These are the main tax credits recognized into the operating profit from ordinary activities in accordance with IAS 20. The amount corresponds to the research tax credit for French entities, as well as the research tax credit equivalent in Chile, Brazil, Australia and New Zealand.

Adjustment for tax bases related to non-taxable items

This amount mainly includes:
- accounting income or expenses with no tax impact, including in particular permanent differences in entities in France and abroad (-€11.7 million);
- as well as losses incurred by subsidiaries for which no deferred tax assets in connection with their tax loss carryforwards are recognized as of December 31, 2024 (mainly Virbac Shanghai Trading and Virbac Japan), for a total amount of -€11.2 million.

Tax after restatements

Adjustments to the tax charges are described below.

Neutralizing the adjustments for the tax currently payable

This amount mainly corresponds:
- to neutralizations of tax expenses without any accounting basis (-€0.1 million);
- to withholding tax and Ifric 23 provisions (-€6.5 million).

Neutralizing the adjustments for the deferred tax expense

This amount represents tax expenses or income without any accounting basis, namely the change in the bases or rates of deferred tax assets and liabilities at the beginning of the financial year (change in estimates).

Impact of the new Pillar 2 regulations

As a reminder, the Finance Bill in France for 2024 transposed the European directive concerning global anti-base erosion rules ("GLOBE" rules) and adopted the OECD Pillar 2 model rules.

The Group, falling within the scope of the new legislation, performed an assessment of its potential exposure to the new legislation for fiscal year 2024. This assessment is based on the most recent tax filings, country-by-country reporting and financial statements of the Group's constituent entities. Based on the assessment, as the Group applies the "safe harbour rules" (*i.e. de minimis* test, the simplified effective tax rates above 15% and the substance test), the Group does not have any exposure to the new legislation for fiscal year 2024.

The Group will reassess the potential exposure on a yearly basis in order to comply with the new requirement. The Group is engaged with tax specialists to assist it with applying the new legislation.

A29. Bridge from net result to net result from ordinary activities

in € thousand	Net IFRS result	Acquisition costs	Restructuring costs	Disposal of assets	Revaluation of acquired inventories	Non-current tax expense	Net result from ordinary activity
Revenue from ordinary activities	**1,397,380**	—	—	—	—	—	**1,397,380**
Current operating profit before depreciation of assets arising from acquisitions	**231,821**	**—**	**—**	**—**	**—**		**231,821**
Depreciation of intangible assets arising from acquisitions	-4,324	—	—	—	—	—	-4,324
Operating profit from ordinary activities	**227,497**	**—**	**—**	**—**	**—**		**227,497**
Other non-current income and expenses	-10,422	8,122	1,861	-2,485	2,924	—	—
Operating result	**217,075**	**8,122**	**1,861**	**-2,485**	**2,924**	**—**	**227,497**
Financial income and expenses	-9,282	—	—	—	—	—	-9,282
Profit before tax	**207,793**	**8,122**	**1,861**	**-2,485**	**2,924**	**—**	**218,215**
Income tax	-62,478	-2,225	-564	522	-895	-1,782	-67,422
Share from companies' result accounted for by the equity method	467	—	—	—	—	—	467
Result for the period	**145,782**	**5,897**	**1,297**	**-1,964**	**2,029**	**-1,782**	**151,260**

Net profit from ordinary activities equates to net profit restated for the following items:

- the "Other non-current income and charges" item, the details of which are presented in the A26 note;
- non-current tax, which includes the tax impact of "Other non-current income and expenses", as well as all non-recurring tax income and expenses.

For the record, the operating net profit for the 2023 financial year was as follows:

in € thousand	Net IFRS result restated[1]	Cancellation of price complement	Restructuring costs	Revaluation of acquired inventories	Non-current tax expense	Net result from ordinary activity
Revenue from ordinary activities	**1,246,901**	—	—	—	—	**1,246,901**
Current operating profit before depreciation of assets arising from acquisitions	**188,142**	**—**	**—**	**—**	**—**	**188,142**
Depreciation of intangible assets arising from acquisitions	-3,265	—	—	—	—	-3,265
Operating profit from ordinary activities	**184,876**	**—**	**—**	**—**	**—**	**184,876**
Other non-current income and expenses	-878	-925	997	807	—	—
Operating result	**183,998**	**-925**	**997**	**807**	**—**	**184,876**
Financial income and expenses	-9,845	—	—	—	—	-9,845
Profit before tax	**174,153**	**-925**	**997**	**807**	**—**	**175,031**
Income tax	-53,520	194	-269	-153	-816	-54,564
Share from companies' result accounted for by the equity method	455	—	—	—	—	455
Result for the period	**121,088**	**-731**	**728**	**654**	**-816**	**120,922**

A30. Earnings per share

	2024	2023
Profit attributable to the owners of the parent company	**€145,289,535**	**€121,967,044**
Total number of shares	8,390,660	8,458,000
Impact of dilutive instruments, before dilution	8,372,978	8,421,787
Impact of dilutive instruments	6,329	15,426
Weighted average number of shares, after dilution	8,379,307	8,437,213
Profit attributable to the owners of the parent company, per share	**€17.35**	**€14.40**
Profit attributable to the owners of the parent company, diluted per share	**€17.34**	**€14.38**

A31. Operating segments

In accordance with IFRS 8, we provide information by segment as used internally by the Group executive committee, which is now the Chief operating decision maker (CODM) following the change of governance in December 2020.

Our level of segment information is the geographic sector. The breakdown by geographic area covers seven sectors, according to the place of establishment of our assets:

- Europe;
- Latin America;
- North America;
- Far East Asia;
- Pacific;
- India, Africa & Middle-East.

It should be noted that following a managerial reorganization of our regions, India is now included in the India, Africa and Middle East area (and no longer in Asia). France is now in the Europe area. The comparative information as of December 31, 2023 has been restated below.

The Group’s operating activities are organized and managed separately, according to the nature of the markets.

The two market segments are companion animals (representing 62% of the sales as at December 31, 2024, that is €860.1 million) and farm animals (representing 38% of the sales as at December 31,2024, that is €537.3 million) but the latter is not considered an industry information level for the reasons listed below:

- nature of the products: the majority of the therapeutic segments are common to companion and farm animals (antibiotics, parasiticides, *etc.*);
- manufacturing operations: the production chains are common to both segments and there is no significant difference in sources of supply;
- customer type or category: the distinction is between the ethical (veterinary) and OTC (Over the counter) sectors;
- internal organization: our management structures are organized by geographic zone. Throughout the Group, there is no management structure based on market segments;
- distribution methods: the main distribution channels depend more on the country than the market segment. In certain cases, the sales forces may be the same for both market segments;
- nature of the regulatory environment: the regulatory bodies governing Marketing authorizations are identical regardless of the segment.

In the information presented below, the sectors therefore correspond to geographic zones (areas where our assets are located). The results for Europe include the head office expenses and a substantial proportion of our research and development expenses.

As at December 31, 2024

in € thousand	Europe	Latin America	North America	Far East Asia	Pacific	India, Africa & Middle-East	Total
Revenue from ordinary activities	570,576	222,382	181,600	140,870	107,556	174,396	**1,397,380**
Current operating profit before depreciation of assets arising from acquisitions[1]	90,988	37,962	4,850	15,463	30,429	52,129	**231,821**
Result attributable to the owners of the parent company	61,158	19,779	2,055	2,752	19,505	40,040	**145,289**
Non-controlling interests	—	2	-32	55	—	467	**492**
Group consolidated result	**61,158**	**19,781**	**2,023**	**2,807**	**19,505**	**40,507**	**145,781**

[1]in order to present a better vision of our economic performance, we isolate the impact of depreciation charges on intangible assets resulting from acquisition operations. Consequently, our income statement indicates current operating income before amortization of assets resulting from acquisitions (see note A24)

in € thousand	Europe	Latin America	North America	Far East Asia	Pacific	India, Africa & Middle-East	Total
Assets by geographic area	564,831	272,040	249,069	466,511	123,774	172,298	**1,848,523**
Intangible investment	8,525	72	1,341	119	144	146	**10,347**
Tangible investment	49,094	5,360	11,116	3,280	4,968	1,021	**74,839**

No customer represents more than 10% of total revenue.

In addition to the above information, we also present the revenue of the main countries whose revenue is considered material in relation to their importance within the Group (more than 15% of Group revenue). In 2024, no single country will account for more than 15% of the Group's consolidated sales, unlike in 2023, when France accounted for almost 16% of Group sales.

As at December 31, 2023

in € thousand	Europe	Latin America	North America	Far East Asia	Pacific	India, Africa & Middle-East	Total
Revenue from ordinary activities	518,906	213,631	164,927	79,499	115,666	154,272	**1,246,901**
Current operating profit before depreciations of assets arising from acquisitions[1]	77,513	31,519	-5,573	1,120	39,164	44,399	**188,142**
Profit attributable to the owners of the parent company[2]	57,392	9,682	-10,130	-490	26,901	37,943	**121,298**
Non-controlling interests	1	17	-307	—	—	79	**-210**
Consolidated profit	**57,394**	**9,699**	**-10,437**	**-490**	**26,901**	**38,021**	**121,088**

[1]in order to present a better vision of our economic performance, we isolate the impact of depreciation charges on intangible assets resulting from acquisition operations. Consequently, our income statement indicates current operating income before amortization of assets resulting from acquisitions (see note A24)

in € thousand	Europe	Latin America	North America	Far East Asia	Pacific	India, Africa & Middle-East	Total
Assets by geographic area restated	518,805	279,811	219,842	94,995	128,593	213,684	**1,455,730**
Intangible investment	12,347	349	3,534	310	10	116	**16,666**
Tangible investment	29,903	4,239	5,458	2,652	3,588	522	**46,362**

A32. Financial assets and liabilities

Breakdown of assets and liabilities measured at fair value

In accordance with IFRS 7, “Financial instruments - Disclosures”, measurements at fair value of financial assets and liabilities must be classified according to a hierarchy which comprises the following levels:

- level 1: the fair value is based on (unadjusted) quoted prices in active markets for identical assets or liabilities;
- level 2: the fair value is based on data other than the quoted prices mentioned in level 1, which are directly or indirectly observable for the asset or liability in question;
- level 3: the fair value is based on inputs relating to the asset or liability which are not based on observable market data, but on internal data.

For financial asset and liability derivatives recognized at fair value, we use measurement techniques involving observable market data (level 2), particularly for interest rate swaps, forward purchases and sales, or foreign currency options. The model incorporates various inputs such as the spot and forward exchange rates or the interest rate curve.

Financial assets

The different asset classes are as follows:

As at December 31, 2024

in € thousand	Financial assets at amortized cost	Financial assets at fair value through income	Financial assets at fair value through other comprehensive income	Total	Fair value hierarchy
Non-current derivative financial instruments	—	—	1,384	**1,384**	2
Other non-current financial assets	3,482	8,127	—	**11,609**	2
Trade receivables	196,081	—	—	**196,081**	3
Other receivables	5,360	—	—	**5,360**	3
Current derivative financial instruments	—	2,766	1,508	**4,274**	2
Other current financial assets	37	—	—	**37**	3
Cash and cash equivalents	146,212	3,419	—	**149,631**	1
Financial assets	**351,172**	**14,312**	**2,892**	**368,376**	

As at December 31, 2023

in € thousand	Financial assets at amortized cost	Financial assets at fair value through income	Financial assets at fair value through other comprehensive income	Total	Fair value hierarchy
Non-current derivative financial instruments	—	—	43	**43**	2
Other non-current financial assets	6,200	—	—	**6,200**	3
Trade receivables	167,977	—	—	**167,977**	3
Other receivables	8,160	—	—	**8,160**	3
Current derivative financial instruments	—	1,995	501	**2,495**	2
Other current financial assets	140	—	—	**140**	3
Cash and cash equivalents	174,988	918	—	**175,906**	1
Financial assets	**357,465**	**2,913**	**544**	**360,921**	

Financial assets at amortized cost
The financial assets valued at depreciated cost are non-debt derivative instruments (loans and receivables in particular) whose contractual cash flows consist only of payments representative of the principal and interest on this principal, and whose management model consists of holding the instrument in order to collect the contractual cash flows.

This category includes other loans and receivables as well as deposits and guarantees (which appear in "Other financial assets"), trade receivables (recorded for the initial amount of the invoice after deduction of provisions for impairment) and other operational receivables excluding tax and social security receivables, as well as the cash and cash equivalents with regard to items almost as liquid as cash, such as term deposits with a maturity of three months or less at the time of purchase, and which are held by leading financial institutions.

The depreciated cost of these assets does not, at the closing date, show a significant difference in relation to their fair value.

Financial assets at fair value through income statement
Interest or exchange rate derivative instruments designated as fair value hedges and financial derivatives not designated as hedges are classified as financial assets at fair value through the income statement.
This category also includes marketable securities acquired by us for sale or redemption in the short term. They are measured at fair value at the balance sheet date, and any fair value changes are recognized in income. The fair values of marketable securities are mainly determined with reference to the market price (buying or selling price as applicable).

Financial assets at fair value through other comprehensive income
The following are classified as financial assets at fair value by other comprehensive income: interest rate or exchange rate derivative instruments qualified as hedging of future cash flows and fair value hedges (for the carry forward/backward and time value portion of options). With regards to future flows, these hedging instruments are put in place for future exchange exposures (budget) and for interest on the debt/investment at variable rates.
The transfer to profit or loss takes place when cash flows are realized and therefore upon the fall of the instruments.

Financial liabilities

The different classes of financial liabilities are as follows:

As at December 31, 2024

in € thousand	Loans and debts	Financial liabilities at fair value through income	Financial liabilities at fair value through other comprehensive income[1]	Total	Fair value hierarchy
Non-current derivative financial instruments	—	—		**—**	
Other non-current financial liabilities	222,088	—	—	**222,088**	3
Trade payables	174,574	—	—	**174,574**	3
Other payables	104,529	—	—	**104,529**	3
Current derivative financial instruments	—	5,629	206	**5,835**	2
Bank overdrafts and accrued interests not yet matured	3,567	27	—	**3,594**	2
Other current financial liabilities	48,548	—	—	**48,548**	3
Financial liabilities	**553,305**	**5,656**	**206**	**559,167**	

As at December 31, 2023

in € thousand	Loans and debts	Financial liabilities at fair value through income	Financial liabilities at fair value through other comprehensive income[1]	Total	Fair value hierarchy
Non-current derivative financial instruments	—	—	—	**—**	
Other non-current financial liabilities	40,690	—	—	**40,690**	3
Trade payables	149,629	—	—	**149,629**	3
Other payables	122,385	—	—	**122,385**	3
Current derivative financial instruments	—	1,589	608	**2,196**	2
Bank overdrafts and accrued interests not yet matured	2,517	31	—	**2,547**	2
Other current financial liabilities	42,965	—	—	**42,965**	3
Financial liabilities	**358,186**	**1,620**	**608**	**360,412**	

[1]hedge accounting is used to record changes in fair value in equity

As of December 31, 2024, the cost of gross financial indebtedness was €11,119 thousand, compared to €8,882 thousand as of December 31, 2023.

A33. Risk management associated with financial assets and liabilities

Our financial risk management policy is controlled centrally by the Group's Financial Affairs department and in particular its Treasury and Financing department.
Strategies for financing, investment, and interest and exchange rate risk hedging are thus systematically reviewed and monitored by the Financial Affairs department. The operations carried out by our local teams are also managed and monitored by the Group's Treasury and Financing department.
The holding of financial instruments is conducted with the sole purpose of reducing exposure to exchange rate and interest rate risks and has no speculation purpose.

We hold derivative financial instruments only for the purpose of reducing our exposure to rate or exchange risks on our balance sheet items and our firm or highly likely commitments.
When it comes to cash position flow hedging, based on backing and maturities, these flows can occur and affect profit in the current-year or in subsequent years.

Credit risk

- **Risk factors**

Credit risk may arise when we grant credit to customers on payment terms. The risk of insolvency, or even default by some of them, may result in non-payment and thus negatively impact our income statement and net cash position.
Trade receivables are subject to impairment, corresponding to the estimated expected losses, determined by application of an impairment matrix (application of the simplified impairment model provided for by the IFRS 9

standard). This approach consists of applying an impairment rate to the respective debtors ageing categories, based on the history of credit losses, adjusted, if applicable, to take into account elements of a prospective nature.
As of December 31, 2024, the Group's maximum exposure to credit risk was €196,081 thousand, which represents the amount of trade receivables as presented in our consolidated accounts.

The risk on sales between Group companies is not material, to the extent that we ensure that our subsidiaries have the necessary financial structure to honor their liabilities.

- **Risk management mechanisms**

We limit the negative consequences of this type of risk thanks to the very high fragmentation and dispersal of our customers throughout all of the countries in which we operate. Our Treasury department recommends maximum payment terms in accordance with the regulations in force, customary uses, the rating, the limits imposed by credit insurance, and sets the customer credit limits to be applied by each operating entity. The Treasury and Financing department manages and controls these credit aspects for the French entities for which it is directly responsible, and recommends the same practices via guidelines and best practices for the Group. In addition, there is a master credit group insurance contract that benefits or can benefit any of our subsidiaries when this type of risk has been identified.

The following statements provide a breakdown of trade receivables by their maturity:

As at December 31, 2024

in € thousand	Receivables due	Receivables overdue for				Impaired	Total
		< 3 months	3-6 months	6-12 months	> 12 months		
France	31,693	1,136	406	3	—	144	**33,382**
Europe (excluding France)	26,811	5,372	207	6	—	1,401	**33,797**
Latin America	38,664	4,588	266	—	—	689	**44,207**
North America	20,305	1,780	4	20	—	29	**22,138**
Far East Asia	40,433	506	40	4	—	339	**41,323**
Pacific	11,427	208	7	—	—	2	**11,644**
India, Africa & Middle-East	9,686	2,342	151	10	—	243	**12,432**
Trade receivables	**179,018**	**15,933**	**1,082**	**44**	**—**	**2,847**	**198,923**

As at December 31, 2023

in € thousand	Receivables due	Receivables overdue for				Impaired	Total
		< 3 months	3-6 months	6-12 months	> 12 months		
France	26,291	946	270	—	—	390	**27,897**
Europe (excluding France)	33,300	3,675	54	—	—	1,418	**38,447**
Latin America	41,262	2,132	155	—	—	581	**44,130**
North America	17,474	3,096	12	—	—	5	**20,588**
Far East Asia	12,244	94	96	20	—	236	**12,690**
Pacific	10,204	5,562	316	19	—	6	**16,106**
India, Africa & Middle-East	9,349	1,193	112	101	2	185	**10,943**
Trade receivables	**150,123**	**16,698**	**1,015**	**139**	**2**	**2,822**	**170,800**

Receivables due and not settled are periodically analyzed and classified as bad debts whenever the risk that the receivable will not be fully recovered appears. The amount of the provision recorded at closing is defined based on the expected credit loss at maturity.

Bad debts are recognized as losses when identified as such.

Counter-party risk

- **Risk factors**

We are exposed to counterparty risk within the context of the contracts and financial instruments which we subscribe to, in the event that the debtor refuses to honor all or part of its commitment or finds itself ultimately unable to do so.

- **Risk management mechanisms**

We pay particular attention to the choice of financial institutions we use, and we are even more critical when it comes to investing available cash.
Nevertheless, we consider our exposure to counterparty risk to be limited, considering the quality of our major counterparties. In fact, investments are only made with first-class banking entities.
In regards of other financial assets and particularly liquid assets, when possible the cash position surpluses of the subsidiaries are generally pooled by the parent company, which is in charge of managing them centrally, in the form of short-term interest-bearing deposits. We only work with leading banking counterparties.

Liquidity risk

- **Risk factors**

Liquidity is defined as our capacity to meet our financial payment deadlines as part of our current business and to find new funding sources as needed, so as to maintain a continual balance between our income and expenditures. As part of our operations, our program of recurring investments and active policy of external growth, we are thus exposed to the risk of not being sufficiently liquid to fund our growth and development.

- **Risk management mechanisms**

Our policy of pooling surplus cash positions and funding needs in all areas helps to refine our net position and to optimize the management of investments and funding requirements, thus ensuring our ability to meet our financial commitments and to maintain an optimal level of availability commensurate with our size and needs.

In respect to our specific review of the liquidity risk, we regularly carry out a detailed review of our outstanding amounts, thus ensuring compliance with our financial covenant (debt covenant).
As of December 31, 2024, the ratio amounted to 0.59, which is below the contractual financial covenant threshold of 3.75. This ratio is calculated by taking into account the application of the IFRS 16 standard (see notes A18).
During this same period, we primarily have a €350 million revolving credit line maturing in October 2028, which is drawn for €187 million, unconfirmed lines of credit in the United States for US $37 million used for US $24 million and a bank loan of 24.3 billion Chilean pesos.
We also have recourse factoring programs in Chile and non-recourse factoring programs in Europe allowing us to be financed to the tune of US$ 14.9 million and € 6.1 million respectively as of December 31, 2024.

With regard to our prospects, our cash position and financial resources are sufficient to fund our cash position requirements.

Fraud risks

- **Risk factors**

We are exposed to cases of internal or external fraud that could result in financial losses and affect our reputation.

- **Risk management mechanisms**

We are committed to strengthening internal control and give particular importance to making our teams aware of these issues. Our head office teams regularly provide strong guidance and guidelines on this subject. Segregation of duties, as well as a central, regional and local management control mechanism and the appointment of regional controllers help strengthen control and reduce the probability of such practices occurring. Upon acquiring new companies, we integrate them into these mechanisms for the prevention of unethical practices.
We have proceeded with training and roll-out of best practices processes that, among other things, are intended to prevent the risk of fraud.
We have implemented a tool to check the consistency of the bank details/company tax ID number pair to increase our payment chain security through automation of the control process, as well as to protect us from the risk of wire fraud.
Virbac’s code of conduct underlines the Group’s commitment to pursue our activities in accordance with the law and ethics, and also defines the nature of the relationships we wish to have with our partners.

Market risks

Exchange rate risk

- **Risk factors**

The currency risk arises from the impact of fluctuations in exchange rates on our financial flows when carrying out our activities. Due to our strong international presence, we are exposed to the foreign exchange risk on transactions, and the foreign exchange risk on the conversion of the financial statements of our foreign subsidiaries. We carry out transactions in currencies other than the euro, our reference currency. The exchange rate risk is monitored using dashboards generated by the IT system (ERP). The items are updated based on *ad hoc* reports.

The majority of our exchange rate risk is centralized on the parent company, which invoices its subsidiaries in their local currency. In the case of sales to countries with exotic currencies, the invoices are denominated in euros or American dollars.
Taking into account our purchases and sales in other currencies, we are exposed to exchange rate risks mainly for the following currencies: US dollar, pound sterling, Swiss franc and various currencies in Asia, the Pacific, and Latin America.
Given our exchange rate risk exposure, currency fluctuations have a significant impact on our income statement, both in terms of conversion and transaction risk.

- **Risk management mechanisms**

In order to protect ourselves against unfavorable variations in the various currencies in which sales, purchases or specific transactions are denominated, our policy is to hedge most of our significant and certain foreign exchange positions (receivables, liabilities, dividends, intra-group loans), as well as our future sales and purchases.
Accordingly, we use various instruments available on the market and generally employ foreign exchange forwards or options.

Derivative financial exchange instruments are presented below, at market value:

in € thousand	2024	2023
Fair value hedges	-2,934	681
Cash flow hedges	1,302	-107
Net investment hedges	—	—
Derivatives not qualifying for hedges	72	-275
Derivative financial exchange instruments	**-1,560**	**299**

The derivative instruments held at closure do not all qualify for hedging in the consolidated accounts. In such a case, value variations directly impact the profit for the period.

Interest rate risk

- **Risk factors**

Our income statement may be impacted by the interest rate risk. Indeed, unfavorable rate changes can thus have a negative impact on our financing costs and future financial flows.
Our exposure to interest rate risk results from the fact that our main lines of credit are at variable rates; therefore, the cost of debt may increase in the event of an increase in interest rates.
Our exposure to rate risk is mainly due to the revolving credit line indexed to the Euribor set up at Virbac as well as the credit lines in the United States historically indexed to the Secured overnight financing rate (SOFR) and the loan in Chile indexed to the *TAB* Nominal (*Tasa activa bancaria*). As of December 31, 2024, credit lines are mobilized for €187 million in France, US $24 million in the United States and 24.3 billion Chilean pesos in Chile.

The current amount on the credit lines is the following:

	2024		2023	
in € thousand	Average real interest rate	Book value	Average real interest rate	Book value
Chile: Centrovet	7.9%	15,617	7.8%	23,113
France	1.4%	16,179	1.4%	18,113
Fixed rate debt		**31,796**		**41,225**
Chile: Virbac Chile	7.4%	23,690	10.4%	24,934
United States	5.0%	23,101	6.0%	16,289
France	3.3%	186,713	—	—
Other		44		
Variable rate debt		**233,547**		**41,223**
Bank overdrafts	—	3,567	—	2,517
Loans and bank overdrafts		**268,910**		**84,966**

- **Risk management mechanisms**

To manage these risks and optimize the cost of our debt, we monitor developments and market rate expectations, and we limit our exposure by establishing interest rate hedges, with instruments available on the market such as caps or swaps of interest rates (fixed rate) not exceeding the length and value of our actual commitments.

Interest rate derivatives are shown below, at market value:

in € thousand	2024	2023
Fair value hedges	—	—
Cash flow hedges	1,384	43
Net investment hedges	—	—
Derivatives not qualifying for hedges	—	—
Derivative financial rate instruments	**1,384**	**43**

Specific impacts from hedging exchange rate and interest rate risks

- **Risk factors**

The purpose of hedge accounting is to offset the impact of the hedged item and of the hedging instrument in the income statement. In order to qualify for hedge accounting, all hedging relationships must satisfy a series of stringent conditions in terms of documentation, likelihood of occurrence, effectiveness of the hedge and measurement reliability.

- **Risk management mechanisms**

We only engage in hedging transactions designed to hedge actual or certain exposure; therefore, we do not create any speculative risk.
Financial derivatives are designated as hedges when the hedging relationship can be demonstrated or documented.
The exchange rate derivatives used for cash flow hedging generally mature within one year at most.

in € thousand	Nominal		Positive fair value		Negative fair value	
	2024	2023	2024	2023	2024	2023
Forward exchange contract	252,073	159,835	3,815	2,255	5,618	1,648
OTC option exchange	71,062	61,534	460	240	217	549
Exchange instruments	**323,135**	**221,369**	**4,275**	**2,495**	**5,835**	**2,197**
Swap rate	—	—	—	—	—	—
Interest rate options	—	—	—	—	—	—
Cross currency swap	165,329	7,833	1,384	43	—	—
Interest rate instruments	**165,329**	**7,833**	**1,384**	**43**	**—**	**—**
Derivative financial instruments	**488,464**	**229,202**	**5,659**	**2,538**	**5,835**	**2,197**

Supply risks

The raw materials used to manufacture our products are supplied by third parties. In certain cases, we also use contract manufacturing organizations or industrial partners who have expertise in or master particular technologies.
As far as possible, we diversify our sources of supply by choosing several suppliers, while ensuring that these various sources embody the characteristics of sufficient quality and reliability.
Nevertheless, there are, for certain supplies or certain technologies, situations where diversification is practically impossible, which can result in a disruption to the supply or pressure on prices.

To limit these risks, we take a broad approach to identifying as many diversified suppliers as possible, and may in certain cases secure our supply chain by acquiring the technologies and capacities we lack and that create an excessive dependency. We also mitigate these risks by implementing the appropriate safety inventory policy.

In 2024, we pursued our security policy by adjusting safety stock levels, which enabled us to cope with certain tensions. In an international context marked by numerous regional geopolitical tensions (conflict between Russia and Ukraine, conflict in the Middle East, attacks on ships in the Red Sea, *etc.*), we are committed to implementing measures to limit their impact (in particular the adverse impact on the costs) and monitoring the potential consequences on our value chain.

A34. Composition of Virbac share capital

	2023	Increase	Decrease	2024
Number of authorized shares	**8,458,000**	—	-67,340	**8,390,660**
Number of shares issued and fully paid	**8,458,000**	—	-67,340	**8,390,660**
Number of shares issued and not fully paid	**—**	—	—	**—**
Outstanding shares	**8,369,719**	4,875		**8,374,594**
Treasury shares	**88,281**	—	-72,215	**16,066**
Nominal value of shares	**€1.25**	—	—	**€1.25**
Virbac share capital	**€10,572,500**	**—**	**—**	**€10,488,325**

A35. Performance-related stock grant plans

The board of directors, in accordance with the authorization from the shareholders’ general meeting, granted allocations of performance-related stocks to certain employees and directors at Virbac and its subsidiaries.

Fair value of performance-related stock grant plans

In accordance with IFRS 2, these plans were valued in our consolidated accounts based on the allocated shares’ fair value on their allocation date.

In 2024, the 2021 performance-related stock grants plan, allocated on March 16, 2021, and valued at €1,453,538, (*i.e* 6,225 shares at €233.50 each) was acquired by the beneficiaries in accordance with the plan structure. Following the departure of certain beneficiaries, 1,350 shares also forfeited, resulting in a revenue of €315 thousand.

On March 18, 2022, the board of directors decided to implement a new performance-related stock grants plan for a total of 4,000 shares, granted in two installments:

- 900 shares whose distribution was decided on March 18, 2022, subject to approval by the annual shareholders' meeting held on June 21, 2022 (for shares distributed to corporate officers) which effectively occurred, for a total value of €302,850 (*i.e* 900 shares valued at €336.50) spread over a vesting period of 30 months;
- as well as 3,100 shares whose distribution was decided by the board of directors on September 13, 2022, for a total valuation of €1,057,100 (*i.e* 3,100 shares valued at €341) spread over a vesting period of 28 months.

Following the change in September 2024 within the Group’s general management, the number of shares allocated to corporate officers under this plan was reduced to 400. The net expense recorded in the income statement as of December 31, 2024 for these two installments after adjustment of the number of securities is €436 thousand, including contribution.

In addition, on March 18, 2022, the board of directors had also decided, subject to the approval of the shareholders' meeting of June 21, 2022, which effectively occurred, to allocate a second 2022 performance-related stock grants plan in three installments, with the shares allocated on July 1, 2022, for all three installments:

- an initial installment, representing 1,000 shares, valued at €336.50 (*i.e* a total of €336,500) over a vesting period of 57 months;
- a second installment, representing 1,000 shares, valued at €336.50 (*i.e* a total of €336,500) over a vesting period of 93 months;
- a third installment, representing 3,000 shares, valued at €336.50 (*i.e* a total of €1,009,500) over a vesting period of 129 months.

Following the change in September 2024 within the Group’s general management, the entire provision previously made under this plan was reversed.

On June 19, 2023, the board of directors decided to implement a new performance-related stock grants plan for a total of 4,800 shares, granted in two installments:

- 1,390 shares whose distribution was decided on June 19, 2023, subject to approval by the annual shareholders' meeting held on June 20, 2023 (for shares distributed to corporate officers), which effectively occurred, for a total value of €391,980 (*i.e.*, 1,390 shares valued at €282) spread over a vesting period of 33 months;
- as well as a second installment covering 3,410 shares valued at €285.50 (or €973,555 in total) spread over a vesting period of 30 months.

Following the change in September 2024 within the Group’s general management, the number of shares allocated to corporate officers under this plan was reduced to 590. The impact recorded on the income statement as of December 31, 2024 after adjustment of the number of shares, for these two installments is €443 thousand, including contribution.

On March 15, 2024, the board of directors decided to implement a new performance-related stock grants plan comprising 5,000 shares, granted in two installments:

- 1,590 shares, the allocation of which was decided on March 15, 2024, subject to approval by the annual shareholders' meeting held on June 21, 2024 (for shares distributed to corporate officers), which effectively occurred, for an initial total value of €559,680 (*i.e.*, 900 shares valued at €352) spread over a vesting period of 33 months;

- as well as a second installment of 3,410 shares, the allocation of which was decided by the board of directors on June 20, 2024, for a total valuation of €1,188,385 (*i.e.*, 3,410 shares valued at €348.50) with a vesting period of 30 months.

Following the change in September 2024 within the Group's general management, the number of shares allocated to corporate officers under this plan was reduced to 640. The net expense recorded in the 2024 financial year after adjustment of the number of securities for these two installments is €339 thousand, including contribution.

A36. Dividends

In 2024, a €11,165 thousand dividend was distributed to the owners of the parent company, representing a €1.32 dividend per share.
For the financial year 2024, a proposal will be made to the shareholders' meeting to allocate a net dividend of €1.45 per share, with a nominal value of €1.25, that is a global amount of €12,166 thousand.

A37. Workforce

Evolution of workforce by geographic area (at constant consolidation scope)

	2024	2023	*Variation*
Europe	1,983	1,923	*3.1%*
Latin America	1,030	1,041	*-1.1%*
North America	547	533	*2.6%*
Far East Asia	572	524	*9.2%*
Pacific	339	326	*4.0%*
India, Africa & Middle-East	1,149	1,112	*3.3%*
Workforce	**5,620**	**5,459**	***2.9%***

It should be noted that following a managerial reorganization of our regions, India is now included in the India, Africa and Middle East area (and no longer in Asia). France is now in the Europe area. The comparative information as of December 31, 2023 has been restated accordingly.

Distribution of workforce by position (at constant consolidation scope)

	2024		2023	
Manufacturing	1,933	34.4%	1,852	33.9%
Administration	757	13.5%	745	13.6%
Business	2,285	40.7%	2,225	40.8%
Research & Development	645	11.5%	637	11.7%
Workforce	**5,620**	**100.0%**	**5,459**	**100.0%**

The workforce of new acquisitions is currently estimated at 45 employees for Mopsan, 550 employees for Sasaeah and 150 employees for Globion.

A38. Information on related parties

Compensation of the members of the board of directors

	2024		2023	
	Compensation	Directors' fees	Compensation	Directors' fees
Marie-Hélène Dick	€125,000	€31,000	€110,000	€27,000
Pierre Madelpuech	—	€31,000	—	€27,000
Solène Madelpuech	—	€31,000	—	€27,000
Philippe Capron	—	€34,000	—	€30,000
Company OJB Conseil represented by Olivier Bohuon	—	€31,000	—	€27,000
Company Cyrille Petit represented by Cyrille Petit	—	€31,000	—	€27,000
Sylvie Gueguen	—	—	—	—
Non-voting advisor Company XYC Unipessoal Lda represented by Xavier Yon	—	€13,000	—	€24,000
Non-voting advisor, Rodolphe Durand	—	€28,000	—	€24,000
Total	**€125,000**	**€230,000**	**€110,000**	**€213,000**

Compensation of the members of the general management

As at December 31, 2024 - Gross amounts due

	Fixed compensation (including benefit in kind)	Compensation linked to terms of office for administrator on Group companies	Variable compensation	Total compensation
Sebastien Huron[1]	€389,921	€33,750	€0	**€423,671**
Habib Ramdani	€295,983	—	€102,856	**€398,839**
Marc Bistuer	€262,710	—	€78,241	**€340,951**
Total	**€948,614**	**€33,750**	**€181,097**	**€1,163,461**

[1]the fixed compensation includes €84,800 due and paid for the non-competition indemnity for the 2024 financial year. The entire non-competition indemnity was provisioned in the Group's accounts as of December 31, 2024, for an amount of €500,000

As at December 31, 2023 - Gross amounts due

	Fixed compensation (including benefits in kind)	Compensation linked to terms of office for administrator on Group companies	Variable compensation	Total compensation
Sebastien Huron	€395,221	€45,000	€233,200	**€673,421**
Habib Ramdani	€246,263	—	€97,958	**€344,221**
Marc Bistuer	€252,115	—	€76,424	**€328,539**
Total	**€893,599**	**€45,000**	**€407,582**	**€1,346,181**

Compensation paid for the 2024 financial year represents fixed compensation paid in 2024, compensation paid in 2024 in relation to terms of office for directors in the Group companies, variable compensation paid in 2025 in relation to 2024 and benefits in kind granted in 2024 (company car).

Calculation criteria for the variable portion
Each member of the general management has a variable compensation target, which is a percentage of his/her fixed compensation.
The variable compensation for members of the general management is essentially based on the following objectives:

- growth of revenue from ordinary activities;
- growth in operating profit from ordinary activities;
- the Group's cash position and debt management;
- CSR-related targets.

Other benefits
In addition to the various compensation items, general management members enjoy the benefits described below.

- **Company vehicle**

The chief executive officer as well as the deputy chief executive officers receive a company vehicle, in accordance with the policy defined by the compensation committee.

- **Health insurance plan, maternity benefits, pension and retirement**

The chief executive officer and the deputy chief executive officers have the same health insurance, maternity benefits and pension and retirement plans as those provided to all the company's executives, under the same contribution and benefit conditions as those defined for the other company executives.

- **Unemployment insurance plan**

The chief executive officer is covered by the private *GSC* (unemployment insurance for company's chief executive officers) plan, which is based on the 70-for-one-year formula. The amount of the annual contributions over time shall not exceed €15,000.
The deputy chief executive officers have the same unemployment insurance plan as that provided to the company's employees.

- **Forced retirement severance pay**

The board of directors may decide to grant an indemnity in the event of the termination of the duties of a corporate officer.
The compensation that Sébastien Huron, chief executive officer, could receive is determined on the basis of the following objectives:

- insofar as the Group's operating profit from ordinary activities to net revenue ratio is lower than 4% on average over the last four financial half-years ended (for example: for a departure in May in year N: the period taken into account to calculate the ratio is from January, 1 of year N-2 to December, 31 of year N-1), no compensation will be due;
- insofar as the ratio of operating profit from ordinary activities to the Group's net revenue is greater than or equal to 4% on average over the last four closed accounting half-years (for example: for a departure in May in year N: the period taken into account to calculate the ratio is from January, 1 of year N-2 to December, 31 of year N-1), the compensation due will be €550,000; however, to the extent that the ratio of operating profit from ordinary activities to the Group's net revenue is greater than or equal to 7% on average over the last two closed accounting half-years (for example: for a departure in August in year N: the period taken into account to calculate the ratio is July, 1 of year N-1 to June, 30 of year N), the compensation will be increased to €700,000.

Severance pay shall only be paid out in the event of a forced departure at the company's initiative. Sébastien Huron did not receive this compensation since he resigned from his duties.

Deputy chief executive officers do not receive any extra-legal severance pay, but may be entitled to severance pay under their employment contract.

- **Non-competition payments**

A non-competition commitment was provided for in the event of leaving office, in consideration of which a non-competition payment is provided for.
In consideration of the non-competition obligation, Sébastien Huron will receive each month, during the entire competition ban period, a payment in an amount equal to 80% of his fixed gross monthly compensation received for the company's last financial year-end (including directors' fees and any other compensation related to his functions within the Virbac group). This payment will be limited, for this eighteen-month period, to a maximum gross amount of €500,000. Following his departure, Sébastien Huron received €84,800 in respect of the non-competition indemnity, and the entire €500,000 was provisioned as of December 31, 2024.

Deputy chief executive officers are not subject to any non-competition commitments in connection with their office or their employment contract and are therefore not entitled to receive any non-competition indemnity.

- **Performance-related stock grant plans**

In accordance with the authorization of the shareholders' meeting, certain employees and managers of Virbac and its subsidiaries have received long-term compensation in the form of performance-related stock grants since 2006. The performance conditions to be met for the acquisition of performance-related stock grants are measured against the internal objectives of consolidated operating profit and the Group's consolidated net debt at the close of the second full financial year following the plan's start date. These elements therefore take into account the Group's performance over more than two financial years.

The performance-related stock grant plans granted to members of the general management for the past five financial years are as follows:

	Number of shares 2021 plan	Number of shares 2022 plan	Number of shares 2023 plan	Number of shares 2024 plan
Sebastien Huron[1]	950	—	—	—
Habib Ramdani	475	250	350	400
Marc Bistuer	300	150	240	240
Total	**1,725**	**400**	**590**	**640**

[1]Sébastien Huron was eligible for 5,500 free shares in respect of the 2022 plan, 800 in respect of the 2023 plan, and 950 in respect of the 2024 plan. The amounts provisioned as of June 30, 2024 for these performance-related stock grants for the former Group CEO were written off in full as of December 31, 2024

A39. Off-balance sheet commitments

- **Bonds or guarantees granted by Virbac or some of its subsidiaries**

The status of the major bonds and guarantees granted is presented below:

in € thousand	Nature	Validity limit date	2024	2023
Virbac Patagonia	Escrow payment related to the acquisition debt of the non-controlling interests (HSA Group)	—	—	3,383
Virbac Uruguay[1]	Mortgage security on the industrial site	Annual renewal	3,850	3,620
Guarantees given			**3,850**	**7,003**

[1]guarantee granted as part of a long-term bank loan not drawn on the closing date

- **Contingent liabilities**

Virbac and its subsidiaries are at times involved in litigation, or other legal proceedings, generally linked to disputes related to intellectual property rights, disputes involving competition law and tax matters.
Each situation is analyzed under IAS 37 or Ifric 23 when it concerns relative uncertainty surrounding tax treatment (see notes A16 and A19).
No provision is made when the company considers a liability to be potential, and information is provided in the notes to the financial statements.

As of December 31, 2024, we have not identified any contingent liabilities.

A40. Scope of consolidation

Company name	Locality	Country	2024		2023	
			Control	Consolidation	Control	Consolidation
France						
Virbac (parent company)	Carros	France	100.00%	Full	100.00%	Full
Interlab	Carros	France	100.00%	Full	100.00%	Full
Virbac France	Carros	France	100.00%	Full	100.00%	Full
Virbac Nutrition	Vauvert	France	100.00%	Full	100.00%	Full
Virbac Diagnostics	La Seyne-sur-Mer	France	100.00%	Full	100.00%	Full
Alfamed	Carros	France	100.00%	Full	100.00%	Full
Europe (excluding France)						
Virbac Belgium SA	Wavre	Belgium	100.00%	Full	100.00%	Full
Virbac Nederland BV[1]	Barneveld	Netherlands	100.00%	Full	100.00%	Full
Virbac (Switzerland) AG	Glattbrugg	Switzerland	100.00%	Full	100.00%	Full
Virbac Ltd	Bury St. Edmunds	United Kingdom	100.00%	Full	100.00%	Full
Virbac SRL	Milan	Italy	100.00%	Full	100.00%	Full
Virbac Danmark A/S	Kolding	Denmark	100.00%	Full	100.00%	Full
Virbac Pharma Handelsgesellshaft mbH	Bad Oldesloe	Germany	—%	—	100.00%	Full
Virbac Tierarzneimittel GmbH	Bad Oldesloe	Germany	100.00%	Full	100.00%	Full
Virbac SP zoo	Warsaw	Poland	100.00%	Full	100.00%	Full
Virbac Hungary Kft	Budapest	Hungary	100.00%	Full	100.00%	Full
Virbac Hellas SA	Agios Stefanos	Greece	100.00%	Full	100.00%	Full
Virbac Espana SA	Barcelona	Spain	100.00%	Full	100.00%	Full
Virbac Österreich GmbH	Vienna	Austria	100.00%	Full	100.00%	Full
Virbac de Portugal Laboratorios Lda	Almerim	Portugal	100.00%	Full	100.00%	Full
Virbac Hayvan Sagligi Limited Şirketi	Istanbul	Türkiye	100.00%	Full	100.00%	Full
Virbac Ireland Ltd	Dublin	Ireland	100.00%	Full	100.00%	Full
Virbac Czech Republic s.r.o (former GS Partners)	Praha	Czech Republic	100.00%	Full	100.00%	Full
Mopsan Veteriner Ürünleri A.S	Istanbul	Türkiye	100.00%	Full	—%	—
North America						
Virbac Corporation[1]	Westlake	United States	100.00%	Full	100.00%	Full
PP Manufacturing Corporation	Framingham	United States	100.00%	Full	100.00%	Full
Pharma 8 Llc	Wilmington	United States	70.00%	Full	70.00%	Full

[1] pre-consolidated levels

Company name	Locality	Country	2024		2023	
			Control	Consolidation	Control	Consolidation
Latin America						
Virbac do Brasil Industria e Comercio Ltda	Sao Paulo	Brazil	100.00%	Full	100.00%	Full
Virbac Mexico SA de CV	Guadalajara	Mexico	100.00%	Full	100.00%	Full
Virbac Colombia Ltda	Bogota	Colombia	100.00%	Full	100.00%	Full
Laboratorios Virbac Costa Rica SA	San Jose	Costa Rica	100.00%	Full	100.00%	Full
Virbac Chile SpA	Santiago	Chile	100.00%	Full	100.00%	Full
Virbac Patagonia Ltda	Santiago	Chile	100.00%	Full	100.00%	Full
Holding Salud Animal SA	Santiago	Chile	100.00%	Full	100.00%	Full
Centro Veterinario y Agricola Limitada	Santiago	Chile	100.00%	Full	100.00%	Full
Farquimica SpA	Santiago	Chile	—%	Full	100.00%	Full
Centrovet Inc	Allegheny	United States	100.00%	Full	100.00%	Full
Centrovet Argentina	Buenos Aires	Argentina	100.00%	Full	100.00%	Full
Virbac Uruguay SA	Montevideo	Uruguay	99.18%	Full	99.17%	Full
Virbac Latam Spa	Santiago	Chile	100.00%	Full	100.00%	Full
Far East Asia						
Virbac Trading (Shanghai) Co. Ltd	Shanghai	China	100.00%	Full	100.00%	Full
Virbac H.K. Trading Limited	Hong Kong	Hong Kong	100.00%	Full	100.00%	Full
Asia Pharma Ltd	Hong Kong	Hong Kong	100.00%	Full	100.00%	Full
Virbac Korea Co. Ltd	Seoul	South Korea	100.00%	Full	100.00%	Full
Virbac (Thailand) Co. Ltd	Bangkok	Thailand	100.00%	Full	100.00%	Full
Virbac Taiwan Co. Ltd	Taipei	Taiwan	100.00%	Full	100.00%	Full
Virbac Philippines Inc.	Taguig City	Philippines	100.00%	Full	100.00%	Full
Virbac Japan Co. Ltd	Osaka	Japan	100.00%	Full	100.00%	Full
Virbac Asia Pacific Co. Ltd	Bangkok	Thailand	100.00%	Full	100.00%	Full
Virbac Vietnam Co. Ltd	Ho Chi Minh Ville	Vietnam	100.00%	Full	100.00%	Full
AVF Animal Health Co Ltd Hong-Kong	Hong Kong	Hong Kong	50.00%	Equity	50.00%	Equity
AVF Chemical Industrial Co Ltd China	Jinan (Shandong)	China	50.00%	Equity	50.00%	Equity
Shandong Weisheng Biotech Co., Ltd	Jinan (Shandong)	China	50.00%	Equity	50.00%	Equity
Sasaeah Holdings Co Ltd	Tokyo	Japan	100.00%	Full	—%	—
Sasaeah Pharmaceutical Co Ltd	Tokyo	Japan	100.00%	Full	—%	—
Fujita Pharmaceutical Co Ltd	Tokyo	Japan	100.00%	Full	—%	—
Kyoto Biken Hanoi Laboratories Co	Hung Yen	Japan	85.00%	Full	—%	—
Kyoto Biken Laboratories Inc	Kyoto	Japan	100.00%	Full	—%	—
Virbac Suzhou Pet Food Co Ltd	Suzhou	China	100.00%	Full	—%	—
Pacific						
Virbac (Australia) Pty Ltd[1]	Milperra	Australia	100.00%	Full	100.00%	Full
Virbac New Zealand Limited	Hamilton	New Zealand	100.00%	Full	100.00%	Full
India, Africa & Middle-East						
Virbac RSA (Proprietary) Ltd[1]	Centurion	South Africa	100.00%	Full	100.00%	Full
Virbac Animal Health India Private Limited	Mumbai	India	100.00%	Full	100.00%	Full
Globion India Private Ltd	Hyderabad	India	100.00%	Full	74.00%	0

[1]pre-consolidated levels