Virbac

ANNUAL REPORT 2024

Shaping the future of animal health

INTRODUCTION

SUSTAINABILITY STATEMENT

FINANCIAL REPORT

This document is the translation of the official version of the financial annual report which has been published at the ESEF format and is available on the corporate website of Virbac.

Building a sustainable and responsible future

Habib Ramdani
Interim chief executive officer and chief financial officer

YOUR PERSPECTIVE ON THE INTERNATIONAL CONTEXT IN 2024?

The geopolitical context in 2024 remained particularly unstable, notably with the continuation of regional conflicts. Alongside this, pressing global challenges require sustained attention. Climate change continues to disrupt ecosystems, and economic disruptions, exacerbated by trade tensions, are weakening economies. In this already complex landscape, technology, and particularly artificial intelligence, is playing an increasingly prominent role in businesses and international relations. The challenges related to cybersecurity and digital sovereignty are becoming crucial, sparking debates on the regulation and ethics of these new technologies.

WHAT ARE THE CONSEQUENCES FOR VIRBAC'S ACTIVITY?

Economic disruptions and trade tensions are keeping inflation at high levels, implying continued pressure on our margins. We must find the right balance between price increases and optimizing our operating costs to preserve our model and continue to improve our margins. We are also fortunate to operate in a sector that is particularly sheltered from economic crises. In 2024, we once again benefited from a very dynamic animal health market, even if it remains very competitive, with strong competition on one side and increasingly consolidated customers (clinic chains, purchasing groups) on the other. Ultimately, 2024 will be remembered as an excellent year with a 13.6% increase in revenue compared to 2023.

TO WHAT DO YOU ATTRIBUTE THIS PERFORMANCE?

This significant growth is the result of an organic performance of +7.5% (above our targets at the beginning of the year) and a +6.1% contribution linked to the acquisitions of Globion (India, November 2023) and Sasaeah (Japan, closed in April 2024). International development is a priority that is part of our DNA. These latest acquisitions allow us to strengthen our health solutions, particularly for ruminants and in the strategic field of vaccines. This above-market performance is in line with our Virbac 2030 strategy, which is based on both organic growth and acquisitions.

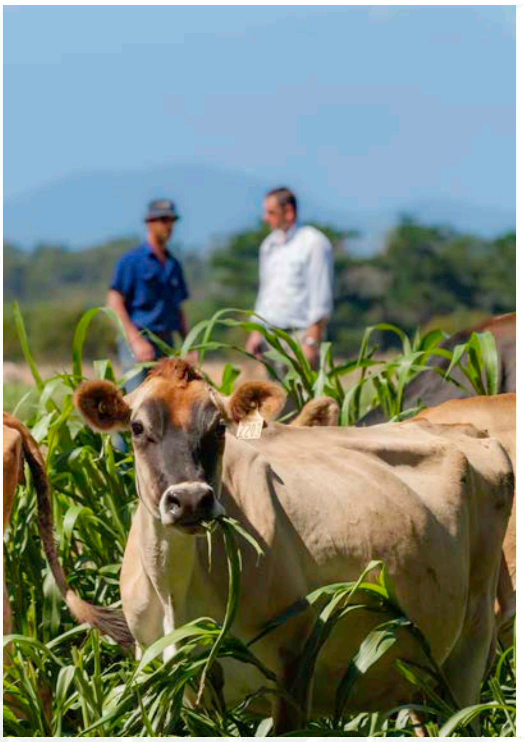
100% dedicated to
animal health for nearly 60 years

More than **20** unprecedented **innovations** in veterinary medicine

75% of employees
think Virbac is a great place to work
(Trust Index - 2024 Great Place To Work survey)

100% of the Virbac pharmaceutical **manufacturing sites** are certified GMP

-0.01% greenhouse **gas emissions** vs 2023
despite organic growth of 7.5% over the same period



WHICH TERRITORIES STAND OUT?

In 2024, we observed solid organic growth across all our regions with the exception of the Pacific, reflecting the diversity and resilience of our portfolio. Europe was a significant growth driver, with a notable rebound in the companion animal vaccine sector and strong demand for our petfood and pet care products. North America maintained positive double-digit *momentum*, particularly in specialty products and pet dental care. Latin America posted sustained growth, driven by Chile's performance in aquaculture and the strength of the Mexican market, both for companion and farm animals. The India, Middle East & Africa region continued its *momentum*, with a solid performance in the ruminant and poultry sectors, strengthened by the integration of Globion. East Asia saw notable progress, mainly due to growth in China, as well as sustained performance in Thailand and Japan. The acquisition of Sasaeah also strengthened our presence in this region. Finally, the Pacific area experienced a decline, mainly due to a turnaround in the ruminant market impacted by less favorable weather conditions. This balanced regional performance demonstrates our ability to adapt to local market conditions and seize growth opportunities in a constantly evolving global environment.

AND AT THE SPECIES LEVEL?

The companion animal business posted remarkable growth of +10.7% at constant exchange rates and scope, driven by the strong *momentum* of our key products. In particular, we observed double-digit growth in our dog and cat vaccines (thanks to the increase in our production capacities), our specialty products, petfood and our dermatology range, which represent priority areas for our development.
The farm animal segment posted growth of +2.4% at constant exchange rates and scope. The positive *momentum* in the ruminant segment in Latin America and the India, Middle East & Africa area, as well as the strong growth in aquaculture in Chile driven by sales of parasiticides, offset the reversal of the trend in the Pacific area.

ON THE FINANCIAL LEVEL?

This year will also be remembered as a record year in terms of profitability, which reached 16.6%, an increase of more than 1 point compared to 2023. This improvement positions us favorably to achieve the 20% Ebita target we have set for 2030.

ANY NEW PRODUCTS ALSO IN 2024?

Absolutely. Innovation is the key in our industry, and we must provide health solutions that ever better meet the needs of veterinarians, farmers and pet owners. In 2024, we notably launched products for cat's joint health, vaccine prevention in swine farming, and the treatment of endocrine disorders in dogs and horses. These are just a few examples among many others of our commitment to offering ever more effective and efficient solutions for the health of animals.

AND IN TERMS OF ORGANIZATION?

We are embarking on a significant industrial transformation phase at our historic Carros site with an investment of nearly 250 million euros by 2030 to modernize and strengthen our production capacities. This ambitious project notably includes the transfer of production of our Suprelorin implant, currently based in Australia, to Carros, the construction of a new plant dedicated to companion animal vaccines, and the creation of a new logistics center to optimize our operations. This approach confirms our desire to consolidate our presence in the animal health sector and to even better meet the needs of our customers.

Furthermore, 2024 marks an important milestone for Virbac with the departure of Sébastien Huron, who led the company for seven years. I would like to commend his commitment and contribution. We will continue to implement the 2030 strategic plan, developed under his leadership and in collaboration with the management committee, to ensure Virbac's continuity and growth.

ANY OTHER HIGHLIGHTS IN 2024?

Yes, it is also a turning point in terms of Corporate social responsibility (CSR). The application of the CSRD on January 1, 2024, which is the new standard for the statement of non-financial performance, has led us to accelerate our initiatives in this area, such as: a now complete carbon footprint, our awareness plan for ecological transition, our volunteer program... In short, we are increasingly integrating CSR opportunities into our structuring projects.

We are also particularly proud of our efforts to make Virbac a great place to work. And these efforts have borne fruit, as illustrated by the progress of the Great Place To Work index, which has improved by 2 points both on the overall perception and on the Trust Index.

WHAT ARE THE PROSPECTS FOR THE YEARS TO COME?

We reaffirm our objective of achieving an adjusted Ebit ratio of 20% by 2030 with a level of R&D investment that we plan to gradually bring back to the Group's historical level in the coming years. To achieve this, we are rolling out our strategic plan to 2030, which remains our compass and is based on several pillars such as R&D investment, acquisitions as a growth driver, with a particular focus on industrial competitiveness. We have also defined clear country, species and product priorities that allow us to optimize resource allocation. To do this, we rely on our particularly solid financial health, our diversified business model that allows us to dilute risks, as well as on the women and men of Virbac who work with great commitment every day to advance the health of animals. All these elements make us particularly confident in facing the future in a world marked by much instability, as well as a less buoyant international economic context lately.

6,400
EMPLOYEES
+16.4% versus 2023

SALES SUBSIDIARIES
IN 35 COUNTRIES

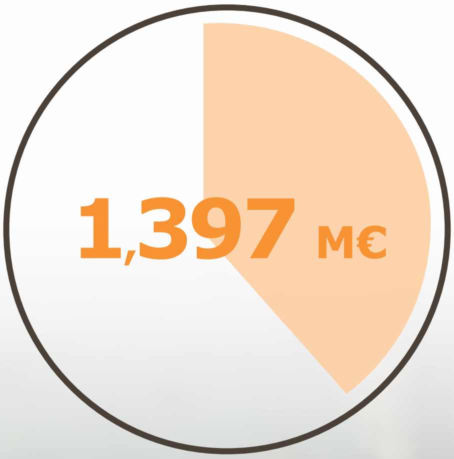
PRODUCTION SITES
IN 12 COUNTRIES

R&D CENTERS ON
5 CONTINENTS

SALES 2024

6th WORLDWIDE
Ranking of veterinary drug manufacturers

62 %
COMPANION ANIMALS



38 %
FARM ANIMALS

+7.5% at constant exchange rates and scope compared to 2023

A committed governance to support the Virbac group's development

Our governance is based on principles that contribute to maintaining the balance required for the Virbac group's performance and successful development.

Separation of powers and collegiality
Our organization integrating a general management and a board of directors meets the desire to establish a balance of power between the executive and supervisory functions. It involves a regular and effective dialogue between the general management and the board of directors, as well as mutual trust.

Collegiality is a key organizational principle in our governance. The operation of these two entities, the board of directors and the general management, is based on the search for a position shared by their respective members and on collective decisions, the result of genuine teamwork. This organization guarantees efficiency and responsiveness while being in line with the governance codes in force and in particular the *Afep-Medef* Code, which we use as a reference to regularly improve our practices in this area.

Committed and experienced management
Our governance is based on focused governing bodies, composed of members with a strong and long-term level of commitment. Their professional experience covers many of the aspects involved in the day-to-day management of a major international group. Except the director representing the employees and one director, all directors are senior executives with extensive operational management experience of international companies.

The members of the governing bodies, whether the board of directors or the general management, are committed to providing sustained support for the Group's long-term strategy. Moreover, the involvement of the board of directors members and the non-voting advisors is not limited to their participation in formal board debates. It also takes the form of regular informal discussions and periodic *ad hoc* meetings if circumstances so require.

GENERAL MANAGEMENT

The general management of the company is entrusted to Habib Ramdani, interim chief executive officer. His mission is to assume the strategic and operational management of the Group. He is assisted by a deputy chief executive officer and is supported by a Group executive committee. Operating within the strategic framework defined by the board of directors, the general management reports to the board on its activities and the resulting outcomes.

Group executive committee
On December 31, 2024 the Group executive committee is made up of seven members: the interim chief executive officer, the deputy chief executive officer and five other members appointed by the general management. It is composed of three women and four men.
These members work closely together and take decisions on a collegial basis. This encourages joint reflection and teamwork. Whether for the long-term vision or operational needs, exchanges between members of the Group executive committee are frequent, enabling a high level of responsiveness in decision-making.

Habib Ramdani
Interim chief executive officer and chief financial officer

Marc Bistuer
Head of Compliance and Corporate Quality Assurance and deputy chief executive officer - qualified person

Nathalie Pollet
Head of Global Marketing & Market Development

Sophie Favini
Head of Global Business Operations

André Mathieu
Director of Global Industrial Operations, Supply Chain and Sourcing

Bertrand Havrileck
Head of Corporate R&D

Francesca Cortella
Head of Corporate Human Resources

BOARD OF DIRECTORS

The board of directors determines the strategic orientations of the company's activity and supervises their implementation. It ensures the permanent control of the company management led by the general management, as well as the regular review of the accounts and of all major projects and investments. The board of directors comprises seven directors including two independent directors.

The board of directors is supported in its work by two subcommittees, the audit committee and the appointments and compensation committee. The board of directors is assisted by one non-voting advisor, Rodolphe Durand, who has a consultative voice.

Marie-Hélène Dick-Madelpuech
Chairwoman

Pierre Madelpuech
Vice-chairman

Philippe Capron
Director

Olivier Charmeil
Independent director

Solène Madelpuech
Director

Cyrille Petit
Permanent representative of the company Cyrille Petit Conseil, independent director

Luc Thielland
Director representing the employees

Non-voting advisor

Rodolphe Durand
Non-voting advisor

Audit committee

The audit committee is responsible for:
• ensuring the monitoring of the reporting and controlling of the accounting, financial and sustainability information and processes, as well as the review of the annual financial statements;
• controlling the existence and effectiveness of the internal control and risk management systems;
• monitoring and reviewing the internal audit program implemented by the company;
• issuing a recommendation on the statutory auditors proposed for appointment by the shareholders' meeting;
• monitoring the achievement by the statutory auditors of their duties;
• ensuring that the statutory auditors comply with the conditions of independence;
• approving the provision by the statutory auditors of non-prohibited services other than certifying accounts;
• reporting to the board of directors on the performance of its duties.

It is comprised of Philippe Capron, chairman, Cyrille Petit, permanent representative of the company Cyrille Petit Conseil, independent director and Pierre Madelpuech.

Appointments and compensation committee

The appointments and compensation committee is responsible for:
• formulating proposals and examining applicants for the positions of directors or members of the general management;
• organizing a procedure for the selection of future independent directors;
• ensuring the implementation of a succession plan for the members of the general management;
• drawing up recommendations and proposals regarding the compensation of the members of the general management;
• remaining informed about the Virbac group's general human resources policy and more specifically, the compensation policy for the Virbac group's main executives;
• reviewing proposals and conditions relating to stock grants;
• drawing up proposals concerning the compensation of the members of the board of directors.

It is composed of Marie-Hélène Dick, chairwoman, Cyrille Petit, permanent representative of the company Cyrille Petit Conseil, independent director and Olivier Charmeil, independent director.

SUSTAINABILITY **STATEMENT**

INTRODUCTION

MESSAGE FROM HABIB RAMDANI,
INTERIM CHIEF EXECUTIVE OFFICER, VIRBAC GROUP

Our commitment to sustainable and responsible development

Choosing sustainability comes naturally to us. Founded nearly 60 years ago by a veterinarian, our family-owned company was built on strong human values and a long-term vision. A corporate culture that continues to guide our actions today. Our commitment to sustainable development is fully in line with this vision and we know that economic performance and respect for the environment go hand in hand, a conviction that is increasingly shared by all our stakeholders.

Our mission: health of animals at the heart of the One Health concept

Creating, manufacturing and selling health solutions for animals puts us at the heart of the One Health ecosystem. Scientifically recognized, this approach confirms that the health of all living beings on Earth is closely linked. Our customers - veterinarians, farmers and animal owners - are becoming increasingly sensitive to their impact on the environment and human health. We therefore actively focus our efforts in this direction.

Anchored locally, with a global presence

Deeply rooted on the French Riviera (France), we are proud to contribute to the dynamism of our home territory. As our workforce and investments grow, so does our social and environmental responsibility. At the same time, we have become a global company, generating over 88% of our revenue outside of France, with subsidiaries on all continents. Wherever we operate, we ensure that we respect our core economic, social and environmental principles.

Our social commitments: a legacy more relevant than ever

Respect for mankind was a key value for our founder. Social dialogue, fair compensation policy, favorable social coverage, trust and attention to each employee: these are all historical values that we preserve and build on every day.

Our environmental commitments: an ongoing drive for continuous improvement

Our activity already demands high quality standards, in particular compliance with Good manufacturing and laboratory practices. But we are going even further. For several years, we have implemented an ongoing drive for continuous improvement to reduce our waste and optimize our consumption of resources. The search for energy savings and respect for the environment are systematically integrated into our key decisions, whether they concern investments, transportation or product design.

Our economic commitments: sustainable and responsible growth

Our goal is to continue the Group's steady and profitable growth. This development is based mainly on solid organic growth, driven by innovation and the quality of our customer relationships. We add to this growth with targeted acquisitions, while maintaining a reasonable level of debt. To this end, we collaborate with efficient, reliable and ethical partners who share our values.

Transparent governance

We pursue this strategy within the framework of simple and clear governance, guaranteeing a high level of transparency for our stakeholders. Our approach is authentic and aims for sustainable development, with respect for our customers, our employees, our shareholders, our partners and our environment, without resorting to publicity stunts.

GENERAL INFORMATION

Entity overview, governance and strategy

ESRS 2

ENTITY ACTIVITIES AND BUSINESS MODEL

SBM-1 Strategy

The Group's business model is presented below.

▶ For more detailed information on the company's activities and geographical areas, refer to the section Revenue performance page 124 and note A31. Operating segments.

UPSTREAM

RAW MATERIALS

Pharma and bio (active ingredients, diluents, excipients...) and **packagings** (glass, cardboard, plastic...)

Nearly 1,000 suppliers
183 M€ of purchases

SUBCONTRACTED & PURCHASES OF FINISHED GOODS

Nearly 220 suppliers
232 M€ of purchases

PURCHASES OF OTHER SERVICES

(marketing, research partners: universities, laboratories, biotechs)

More than 8,000 suppliers
250 M€ of purchases

INVESTMENTS
(EXCLUDING ACQUISITIONS)

Tangible assets (buildings, equipment... including rights of use) **90 M€**

Intangible assets (patents, trademarks, licensing...) **10 M€**

OUR OPERATIONS

OUR STAFF

6,365 employees in **38 countries** (75% of employees proud to say they work at Virbac)

- India, Middle-East and Africa: 1,299
- Far East Asia: 1,122
- Europe: 2,028
- Latin America: 1,030
- North America: 547
- Pacific: 339

R&D CENTERS AT 10 SITES

• Australia • Chile • United States of America • France • India • Japan • Mexico • Taiwan • Uruguay • Vietnam

RDL INVESTMENT

approx. 8.6% of sales revenue (before deducting the research tax credit)

PRODUCTION AT 12 SITES

100% GMP-certified sites

• Australia • Chile • France • India
• Japan • Mexico • New-Zealand
• South Africa • Taiwan
• United States of America
• Uruguay • Vietnam

35 SALES SUBSIDIARIES

KEY ANIMAL HEALTH

Animal welfare

Feeding the planet

Digitalization and Big data

Consolidation

BUSINESS MODEL

Our purpose: advancing the health of animals with those who care for them every day, so we can all live better together

DOWNSTREAM

PORTFOLIO

Nearly 1,000 products (over 10,000 references)
Vaccines, antibiotics, parasiticides, anti-inflammatory drugs, dermatology, dental, specialties, diagnosis, nutrition

ANIMALS

62% companion animals

38% farm animals

CUSTOMERS

Users
- Veterinarians • Farmers
- Integrators • Owners

Intermediaries
- Purchasing groups • Distributors
- Wholesalers

DISTRIBUTION CENTERS IN MORE THAN 100 COUNTRIES

Internal
In countries with industrial facilities

External
Around the world

END-OF-LIFE PRODUCTS

Eco-design, country recycling channels

VALUE SHARING

1,397 M€

REVENUE 2024

Organic growth
+7.5% at constant rates

EMPLOYEES

Remuneration **285 M€**

STOCKHOLDERS

50.09% founder's family
49.91% others

Share price performance: **+24.1%**
(calculated on the basis of average prices observed in 2024 vs. 2023)

ABILITY TO FUND FUTURE GROWTH

Operating cash flow **280.3 M€**

BANKS/DEBT

Net financial interests (cost) **4.7 M€**
Change in net debt **+220.9 M€**

SUPPLIERS

665 M€ in purchases Group-wide

SECTOR ISSUES

Regulations | Quality | One Health | Diversification

MANAGEMENT AND CONTROL BODIES

GOV-1 The role of the administrative, management and supervisory bodies

Our governance is based on principles that help maintain the balance necessary for the performance and proper development of the Virbac group: separation of powers and collegiality, as well as committed and experienced managers. Our organization integrates a general management composed of a Group executive committee and a board of directors whose work is supported by two specialized committees: the audit committee and the appointments and compensation committee.

▶ refer to Gouvernance section page 8-9 and the report on corporate governance page 140.

The board of directors places great importance on the supervision of sustainability issues, in line with the company's material Impacts, risks and opportunities. To achieve this, it ensures that the necessary skills and expertise are present within the board, in particular expertise in Corporate social responsibility (CSR) and general management.

Sustainability expertise

The board ensures that at least one of its members, or a non-voting advisor, has extensive CSR expertise. This expertise results in a detailed understanding of Environmental, social and governance (ESG) issues, as well as the effective integration of ESG criteria into the company's strategy. In addition, the board encourages the continuous acquisition of knowledge in the area of sustainability, in particular through specialized training and consultation with external experts.

General management skills

The board is composed of members with solid experience in general management. This expertise ensures effective strategic management of sustainability issues, fully integrating them with the operational and economic objectives of the company.

This dual competence, in terms of both sustainability and general management, ensures that the board has a comprehensive understanding of CSR issues and is able to make informed decisions, taking into account long-term risks and opportunities.

The board of directors is thus positioned as a committed and responsible player, capable of guiding the company towards a sustainable and efficient growth model.

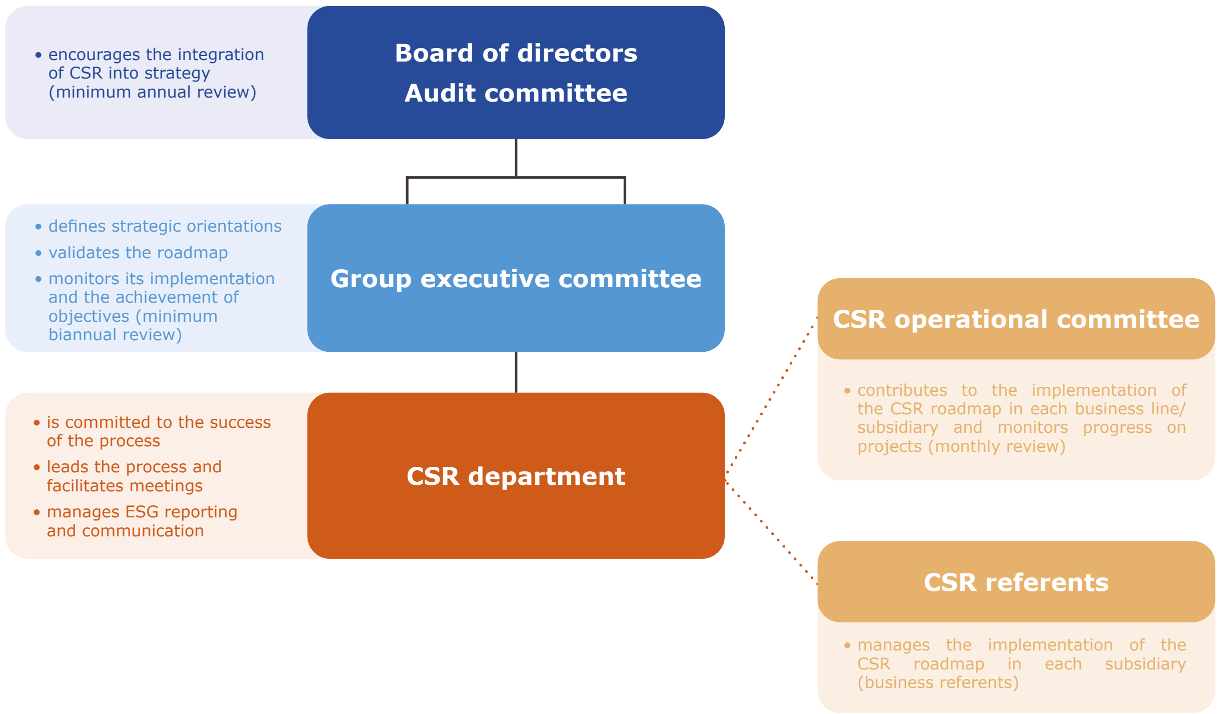
In 2023, the Group decided to create a Corporate social responsibility (CSR) department, reporting to the deputy chief executive officer. This department's mission is to deploy strategies meeting the challenges related to the three pillars of CSR (environment, social and governance), accelerate the company's transformation in connection with these pillars, lead and direct key initiatives at all levels of the organization, meet regulatory obligations on CSR topics and coordinate all reports and communication required in this area.

At Virbac, we believe that CSR must be managed collegially and cross-functionally. Our dedicated management team is supported by a steering committee that brings together the departments responsible for environmental, social and governance issues, namely: Innovation, Marketing, Environment, health and safety (EHS), Purchasing, Insurance and Risk Management, Legal Compliance, Human Resources and Communications. This committee meets once a month to review progress on the implementation of the CSR roadmap. Internationally, we rely on a network of local correspondents specifically focused on the major themes of sustainable development. Data collection is carried out based on an optimized production process, including the formalization of indicators and their scope within a dedicated reference system deployed in the subsidiaries of the Group.

The CSR department reports to the Group executive committee on a half-yearly basis or at a more appropriate frequency if necessary.

The general management reports to the board of directors on the progress of the work on an annual basis at least or at a more appropriate frequency when the subjects require it.

CSR governance



GOV-2 Information provided

In 2024, the main work focused on defining the strategy, the CSR 2030 roadmap and the implementation of the European Corporate sustainability reporting directive (CSRD). The application of the new CSRD directive is being piloted by the CSR department and an operational committee bringing together the Finance, HR, EHS, Legal Compliance, Purchasing, Insurance and Risk Management departments. In addition, this Group committee relies on a network of business referents in the subsidiaries to enable the deployment of new non-financial standards.

The work of this group has been presented to the Group executive committee on a half-yearly basis.

The audit committee ensures the monitoring and control of the implementation of the CSRD and reports on its review work to the board of directors on an annual basis, or at any time when necessary.

GOV-3 Integration of sustainability-related performance in incentive schemes

The sustainable development goals represent respectively 10% of the variable compensation for the interim chief executive officer and for the deputy chief executive officer and are as follows:

- climate (50%): define the Group's decarbonization trajectory, resulting in the setting of direct and indirect emission reduction targets (scopes 1, 2 and 3) as a priority for the France, United States, Australia, and Mexico sites and the associated action plan by December 31, 2025;

- health and safety of employees (50%): ratio of accidents with lost days to the number of hours worked less than or equal to 5.

The variable compensation allocated for the 2025 year will be determined a posteriori by a decision of the board of directors after consultation with the appointments and compensation committee, taking into account the rules below. The rules for allocation in relation to the percentage of the objective actually achieved are as follows: no bonus below 100% for each objective.

The board of directors may use its discretionary power to adapt and/or modify the criteria and/or their calculation grid, either upwards or downwards, on the recommendation of the appointments and compensation committee, should special circumstances arise. In any event, payment of the variable compensation will take place, if applicable, after and subject to approval by the general shareholders' meeting to be held in 2026.

▶ refer to corporate governance report page 140.

GOV-4 Statement on due diligence

Virbac, as a leader in the animal health sector, specializing in the development, production and distribution of veterinary medicines, is committed to promoting animal health and welfare through innovative and ethical solutions. As a key player in the veterinary pharmaceutical industry, we recognize the crucial importance of due diligence in environmental, social and governance (ESG) matters.

Due diligence commitment

We are committed to incorporating robust due diligence practices to identify, assess and mitigate human rights, environmental and governance risks across our operations and supply chain. This commitment is rooted in our core values and responsibility to our stakeholders.

Due diligence procedures

Identification and risk assessment

Risk mapping: we relied on the Group's risk mapping, which covers topics related to the environment, social and business ethics. This mapping will be updated in 2025.

Impact assessment: we conduct environmental and social impact assessments for all our major investment projects. These assessments allow us to understand the potential implications of our activities and to take appropriate preventive measures.

Preventive and corrective actions

We have developed a code of conduct and a business partner charter that require compliance with strict standards relating to environmental, social and business ethics (available on our website corporate.virbac.com: code of conduct, business partner charter). The third parties concerned are required to comply with our expectations regarding human rights, work practices, environmental management and business ethics.

▶ refer to Information related to governance page 103.

We also conduct regular audits and inspections of our suppliers to ensure they comply with ESG requirements. In the event of non-compliance, we work closely with our suppliers to implement corrective action plans.

Training and awareness raising

We offer continuous training programs to our employees including environmental best practices, health and safety, business ethics and ESG standards. These programs aim to strengthen the understanding and commitment of all those involved.

Reporting

We publish an annual sustainability report detailing our due diligence efforts, progress and challenges. This report is accessible to all stakeholders and illustrates our commitment to transparency and continuous improvement.

We are committed to conducting our business in an ethical and responsible manner, respecting the due diligence principles established by ESRS GOV-4. By integrating these practices into our business model, we aim to strengthen our positive contribution to society and the environment, while ensuring the well-being of the animals benefiting from our health solutions. We will continue to develop and adapt to meet growing expectations for sustainability and corporate responsibility.

GOV-5 Risk management

At Virbac, we strive to maintain a high level of risk control and place particular importance on raising awareness among our teams about the risks associated with our activities. The management teams at headquarters regularly issue strong guidelines and instructions in this area. Regarding internal control, segregation of duties, as well as a central, regional and local management control mechanism and the appointment of regional controllers, help strengthen the level of control and reduce the probability of such practices occurring. We are committed to training and deploying good practices aimed, among other things, at preventing environmental and social risks, fraud, corruption and conflicts of interest.

The double materiality analysis carried out in 2024 identified the main Impacts, risks and opportunities in terms of sustainable development.

▶ refer to b. Impact, risk and opportunity management (IRO).

DIALOGUE WITH OUR STAKEHOLDERS

SBM-2 Interests and views of stakeholders

Integration of corporate responsibility issues into stakeholder relationships

Innovating, producing and marketing responsibly cannot be done consistently without our entire ecosystem being involved through regular dialogue: customers, employees, suppliers, scientists, local residents, representatives of public authorities and non-governmental organizations. The stakeholders with whom we are actively involved are identified by factors such as:

- their contribution to a better definition of needs within the Group's areas of activity;
- their alignment with the company's strategy and their added value;
- their business expertise;
- the employee involvement in the company's operations;
- their perception of the Group's activities and products.

In respect of our major projects (definition of our purpose, CSR roadmap, double materiality analysis), we conduct in-depth discussions with our key stakeholders, in order to enrich our thinking by taking into account their points of view. In addition, our administrative, management and oversight bodies are regularly informed of the views and interests of the stakeholders concerned with regard to the impacts related to sustainable development (presentations of the conclusions of the work carried out during internal and external consultations, summary of ratings of non-financial agencies, sharing employee satisfaction survey results, etc.).

Regarding the consultation of the Economic and social committee provided for in the sixth paragraph of article L2312-17 of the French labor code, we hereby inform you that it took place on February 25, 2025.

▶ refer to IRO-1 Materiality and due diligence.

STAKEHOLDERS	APPROACH	FREQUENCY DIALOGUE
Veterinarians **Farmers** **Pet owners** **Distributors**	Product information via advertising Information on specific animal diseases Support programs for veterinarians and farmers Technical call centers in France, United States, etc. Conferences, specialized trade shows, scientific conferences Websites Market research Social media platforms	Permanent Permanent Permanent Permanent Monthly Permanent Punctual Permanent
Financial community **Investors** **Analysts** **SRI funds**	Meetings between analysts and investors Shareholders' meeting Website including all regulatory information Multi-platform financial press releases	Quarterly Annual Permanent Quarterly
Suppliers **Partners**	Regular monitoring of the Group's main suppliers (annual meetings) Audit plan for the Group's main suppliers Formal exchanges with each call for tenders and for main suppliers on financial, environmental, ethical and quality criteria	Permanent Permanent Punctual
Public authorities **Regulatory authorities** **Associations of animal health professionals**	Regular communication with regulators and decision-makers on critical issues affecting the pharmaceutical industry, the scientific community and Virbac's customers Participation in industry-specific working groups	Permanent Punctual
Civil society **Non-governmental organizations** **Journalists**	Multiple contact options via the Group's website Transparency of and accessibility to the Group's official reports Local contributions to NGO initiatives	Permanent Permanent Punctual
Scientific community **Research partners** **Opinion leaders** **Universities/veterinary schools**	Establishment of research partnerships Contribution to scientific education programs Organization of technical symposia	Permanent Permanent Punctual
Employees **Applicants**	Intranet, presentations and internal display networks Loyalty programs for employees and newcomers Plenary meetings or web conferences for managers and employees Internal opinion survey and global feedback Recruitment websites, career forums and corporate culture on the internet Partnership with schools and universities Social media platforms	Permanent Punctual Permanent Every three years Permanent Permanent Permanent

Impact, risk and opportunity management (IRO)

ESRS 2

IRO IDENTIFICATION AND DOUBLE MATERIALITY METHODOLOGY

IRO-1 Description of the process to identify and assess material Impacts, risks and opportunities

In 2024, we conducted a double materiality analysis based on the new European Union regulations (Corporate sustainability reporting directive: CSRD), considering the potential impact of our activities on society, as well as financial risks and opportunities. This work covers environmental, social and governance topics as defined by the European sustainability reporting standards (ESRS - ESRS1 AR16 list of sustainability issues).

Double materiality is assessed through two distinct processes. One concerns risks and opportunities, the other impacts.

The process was conducted from start to finish with the CSR and Insurance and Risk Management functions:

- the financial ratings are produced by the Risks Management function and established with the support of Virbac experts;
- the impact ratings are carried out by the CSR function and submitted for opinion to a working group of experts.

The CSR team is responsible for setting up, updating and distributing the matrix. It carries out its work in close coordination with the Insurance and Risk Management department and the Financial Affairs department, in order to guarantee alignment with the Group's risk mapping and their financial impacts. It is validated annually by Virbac's CSR department.

Scope

The analysis was carried out taking into account the entire value chain (upstream, own operations and downstream) and all the company's stakeholders who may be directly or indirectly affected by Virbac's activities.
The analysis therefore focused on the risks and opportunities as well as the positive and negative impacts of all segments of Virbac's value chain, inclusive of all activities.
In order to ensure the full compliance of this work, we were supported by an external expert on the subject. The results of the double materiality analysis and the explanation of the methodology used were validated by the general management and presented to the board of directors.

<u>Construction of the list of issues and IROs</u>

The first step is to identify environmental, social and business ethics issues that are potentially important to Virbac. To do this, our external expert board relied on preliminary work carried out in 2022 (simple material assessment), which had mobilized Virbac's main stakeholders (internal and external) to draw up the list of issues. When analyzing this simple materiality, qualitative meetings and online quantitative surveys were conducted. With regard to the qualitative interviews, five group interviews were conducted with fifteen internal stakeholders and sixteen with external stakeholders (customers, distributors, suppliers, financial analysts and investors, journalists, associations, public authorities). For the quantitative interviews, 1,184 employees were surveyed, representing an overall participation rate of 23%.
In total, 1,215 people were interviewed.
This list was established on the basis of the 37 questions defined in the CSRD ESRS standards.

<u>Rating calculation scales and methodologies implemented in 2024</u>

The CSRD directive requires an analysis of each question, Impact, risk and opportunity according to two axes:

- financial materiality, assessed according to its severity and frequency;
- impact materiality, assessed by its severity (magnitude, scope, irremediability) and frequency.

Several rating scales have been defined to carry out this assessment, they are all between 1 and 4, with increments of 1.

<u>Financial materiality</u>

In accordance with the CSRD methodology, the material risks identified are gross exposure. The assessment grid used to rate financial materiality is defined by Virbac's Financial Affairs department:

- severity is assessed based on the level of financial risk on Ebitda and/or the extent of reputational risk;
- frequency represents the rate at which risk or opportunity occurs and includes the possibility that risk or opportunity exists permanently (maximum frequency);
- relative importance is taken into account by weighting severity using the following formula: *√ Financial materiality = (severity x frequency).*

Impact materiality

The assessment grid used to assess the materiality of the impacts was defined by the external expert with the CSR department:

- severity is assessed according to three axes:
    - the scale of impact on stakeholders;
    - the scope of the impact;
    - the irremediability of the impact.
- frequency represents the rate at which the impact occurs and includes the possibility that the impact exists permanently (maximum frequency).

Severity is assessed by averaging the magnitude of the impact, its scope and its irremediability.

Severity calculation = average of the scale, the scope and the irremediability.

Ratings and sources used

- **Financial materiality**

The financial materiality was determined during rating workshops with Virbac's CSR teams and internal experts.
When a study was available (*e.g.* climate risk analysis), it was used as a basis for discussion with the experts. A consistency review was then carried out by the project team (CSR, Insurance and Risk Management and Financial Affairs departments).
The severity of the controversies has been used to characterize the frequency of these risks on reputational aspects.

- **Impact materiality**

The impact materiality was prepared both by the consulting firm, using databases and external scientific reports, and by Virbac's contributors.

Consolidation of ratings and prioritization of issues

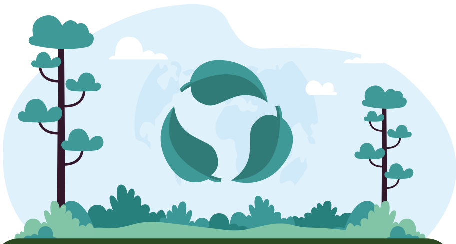
IROs are considered significant for the CSRD directive in one of these three cases:

- material in terms of financial significance, when the financial significance is greater than or equal to 2/4;
- material in terms of the significance of impacts, when the significance of impacts is greater than 2/4;
- material in terms of financial materiality and impacts, when both materialities are greater than 2/4.

SBM-3 Material Impacts, risks and opportunities

The illustration below summarizes the results of the double materiality analysis. It provides an overview of the material IROs associated with each material sustainability topic.

DOUBLE MATERIALITY ASSESSMENT



MATERIAL

ENVIRONMENT

E1 - CLIMATE CHANGE
- Climate change adaptation
- Climate change mitigation
- Energy

E2 - POLLUTION
- Pollution of water
- Pollution of living organisms and food resources
- Substances of concern and very high concern

E3 - WATER
- Water consumption and water withdrawals

E4 - BIODIVERSITY
- Direct impact drivers of biodiversity loss

E5 - CIRCULAR ECONOMY
- Resources inflows, including resource use
- Waste

SOCIAL

S1 – OWN WORKFORCE
- Working conditions
- Health and safety
- Training and skills development
- Diversity and inclusion
- Violence and harassment
- Collective bargaining and social dialogue
- Human rights

S2 – WORKERS IN THE VALUE CHAIN
- Working conditions
- Health and safety
- Human rights

S3 – AFFECTED COMMUNITIES
- Communities' Economic, Social and Cultural Rights–living conditions

S4 – CONSUMERS AND END-USERS
- Personal safety of consumers and end-users
- Data privacy

GOVERNANCE

G1 – BUSINESS CONDUCT
- Corporate culture
- Animal welfare
- Management of relationships with suppliers
- Corruption and bribery

NON MATERIAL

E2 - POLLUTION
- Pollution of air
- Pollution of soil
- Microplastics

E3 - WATER
- Water discharges
- Marine resources

E4 - BIODIVERSITY
- Impacts on the state of species
- Impacts on the extent & condition of ecosystems

E5 - CIRCULAR ECONOMY
- Resources outflows related to products and services

S2 – WORKERS IN THE VALUE CHAIN
- Diversity and inclusion
- Violence and harassment
- Social dialogue and collective bargaining
- Training and skills development

S3 – AFFECTED COMMUNITIES
- Rights of indigenous people
- Communities' Economic, Social and Cultural Rights
- Biodiversity and environment
- Communities' civil and political rights

S4 – CONSUMERS AND END-USERS
- Information-related impacts for consumers and end-users
- Social inclusion

G1 – BUSINESS CONDUCT
- Protection of whistleblowers
- Political engagement and lobbying activities

Impact materiality   Financial materiality   Double materiality

The tables below list the Impacts, risks and opportunities (IRO) that Virbac identified and deemed material during the double materiality analysis carried out in 2024, in accordance with the CSRD directive.

For each of the sub-themes, the Group mentions:

- whether it is an impact (positive or negative), a risk or an opportunity;
- where it is located in its value chain, namely Upstream value chain (UVC), Own operations (OO), or Downstream value chain (DVC).

All IROs were rated independently of the mitigation measures implemented by Virbac; in other words, the materiality analysis was carried out on the basis of the gross Impacts, risks and opportunities.

▶ refer to IRO identification and double materiality methodology IRO-1: due diligence.

E1 – Climate change/IRO

Climate change mitigation	
Negative impact (UVC, OO, DVC)	**Contribution to the acceleration of climate change related to greenhouse gas (GHG) emissions:** Virbac's direct and indirect GHG emissions contribute to the increase of GHGs in the atmosphere and to climate change.
Risk (UVC, OO, DVC)	**Increase in costs related to the increase in the prices of purchased goods and services:** this could lead to a loss of competitiveness of Virbac's products and plants impacting the operating margin (volatility of energy and raw materials prices due to the evolution of the energy mix with a view to the exit of fossil fuels, carbon taxes, etc.).
Climate change adaptation	
Opportunity (UVC, OO, DVC)	**The emergence of potential new markets with diseases originating from Southern countries developing in Northern countries:** the increase in temperatures could generate an increase in sales of parasiticides in particular.
Risk (UVC, OO)	**Disruptions in production and supply chains due to climate risks, resulting in a loss of activity:** disruptions can materialize in our operations (raw material shortages, business continuity), due to adverse weather impacts, including for example the limitations imposed by the regulator on activities due to droughts.
Risk (UVC, OO, DVC)	**Increase in insurance costs or inability to insure the most vulnerable assets, increased investment in protecting Virbac's sites from physical risks:** insurance costs will increase due to climate risk, namely the increase in the frequency of extreme events and the risk of non-insurability. The costs of adapting sites could be high in anticipation of climate-related events.
Energy	
Risk (OO)	**Increase in energy costs:** accessibility to energy could be a problem for Virbac, which may not be considered a priority in the event of tensions over energy supply. Costs related to the purchase of renewable energy could impact the Group's margins.
Risk (OO)	**Ability to cater for the needs of plants while limiting energy costs (sterile, confined environment for injectables, vaccines, etc.):** the risk of lower quality products would impact the Group's reputation and revenues. Pharmaceutical industrial processes are energy-intensive and require high-level innovation to meet these constraints while improving energy efficiency.

E2 – Pollution/IRO

Pollution of water	
Negative impact (UVC, OO, DVC)	**Pollution of water resources related to discharges (accidental or not) from Virbac sites and its value chain, which can impact humans and biodiversity:** chemical products used in production can contribute to environmental pollution if not handled safely. Waste and wastewater from production may contain heavy metals or active pharmaceutical substances, which can lead to the pollution of surface water, groundwater and drinking water.
Risk (UVC, OO, DVC)	**Operational risk of non-compliance with water pollution regulations that may result in criminal sanctions:** some of the Group's production sites are located near bodies of water. Water pollution incidents could lead to disruption of operations, including temporary site closures.
Risk (UVC, OO, DVC)	**Increase in costs related to legal fees, fines or clean-up costs in the event of non-compliance with applicable regulations, or proven pollution related to Virbac's activities:** the main production sites are located near bodies of water. In the event of pollution, legal and remediation costs could be high.
Pollution of living organisms and food resources	
Negative impact (UVC, OO)	**Indirect impact on ecosystems of substances contained in medicines marketed by the Group:** pharmaceutical substances present in water throughout the Virbac's value chain could impact wildlife and ecosystems.
Risk (UVC, OO)	**Loss of revenue due to new laws and regulations such as regulations on the use of chemicals:** regulations limiting the use of certain substances could result in a loss of revenue for Virbac.
Substances of concern and very high concern	
Risk (UVC, OO)	**Non-compliance with regulations concerning substances of concern and very high concern impacting our activities:** severe pollution could lead to operational restrictions and disruptions to the Group's activities. Since the use of these substances is subject to authorization, these could be withdrawn, which would result in costs to find alternative substances, or loss of revenue.
Risk (UVC, OO, DVC)	**Health impact related to the use of substances of concern and very high concern in direct operations, and upstream and downstream of the value chain:** workers' health injury can have direct operational implications, and could result in expensive legal fees and remediation costs.
Risk (UVC, OO, DVC)	**Reputational risk:** non-compliance with the use of substances of concern and substances of very high concern in direct operations and in the upstream value chain could damage the Group's reputation.
Risk (UVC, OO, DVC)	**Criminal liability related to non-compliance with the use of substances of concern and substances of very high concern in direct operations and the upstream value chain:** companies can be held liable in the event of serious pollution, especially as the new regulations reinforce control over substances of concern.

E3 – Water and marine resources/IRO

Water consumption and water withdrawals	
Negative impact (UVC, OO, DVC)	**Ecosystem disruptions and impact on populations due to water withdrawals generated by Virbac's activities and in its value chain:** the pharmaceutical sector consumes water for its production. This can put pressure on ecosystems when water consumption occurs in water stress zones. Virbac has operations in water stress zones.
Risk (UVC, OO)	**Resource availability related to water consumption by the upstream value chain and Virbac's operations:** during droughts, water availability can negatively impact production (indirect impacts via suppliers and direct impacts).
Risk (UVC, OO)	**Controversies related to potential conflicts over water use, particularly for direct operations during droughts:** controversies over access to water could arise in water stress zones, leading to competition over water between different stakeholders.

E4 – Biodiversity and ecosystems/IRO

Direct impact drivers of biodiversity loss	
Negative impact (UVC, OO, DVC)	**Antibiotic resistance:** the intensive use of antibiotics and their release into the environment throughout the value chain leads to an increase in antibiotic resistance.

E5 – Circular economy/IRO

Resources inflows, including resource use	
Negative impact (UVC, OO, DVC)	**Increase in costs and investments related to the development of eco-designed packaging, and compliance with the various regulations on product composition:** Virbac is in the pharmaceutical sector, which is subject to strict regulations regarding the components used for its products. This highly restrictive framework means that any innovation aimed at improving and reducing the quantity of resources used could prove to be a long and costly process.
Waste	
Negative impact (UVC, OO, DVC)	**Degradation of natural spaces and habitats:** mismanagement of waste treatment, resulting from Virbac's activities and its value chain, could lead to pollution of natural spaces.

S1 – Own workforce/IRO

Working conditions	
Positive impact (OO)	**Empowerment of teams:** the positive impact of good working conditions on the well-being and the sense of fulfillment of employees is considered to be high at Virbac.
Negative impact (OO)	**Harm to the physical or mental integrity of workers related to psychosocial risks at work (arduous work, stress, harassment, lack of work-life balance, lack of social dialogue, etc.):** the negative impact of poor working conditions on the well-being and sense of fulfillment of employees is considered high at Virbac.
Risk (OO)	**Operational risk related to labor:** slowdown/shutdown of production due to poor working conditions (high absenteeism rate, strikes, recruitment difficulties, high turnover rate, low employee engagement rate), or the absence of employees.
Risk (OO)	**Talent attraction and retention:** given Virbac's location and the job market, the risk is considered high. Many job vacancies within the company are not always easy to fill.
Opportunity (OO)	**Increase in revenue linked to commitment and high productivity:** a direct link is identified between good working conditions and productivity (high commitment rate, motivation and efficiency).
Opportunity (UVC, OO, DVC)	**Employer brand:** developing a trusted partner and employer image, as well as strong sustainability performance, can lead to new talent, new customers, and a better reputation.
Collective bargaining and social dialogue	
Positive impact (OO)	**Creation of a sense of belonging among employees involved in collective bargaining and social dialogue:** creating a sense of belonging among Virbac employees strongly contributes to their well-being at work.
Risk (OO)	**Operational risk linked to a social conflict:** a social conflict would significantly disrupt Virbac's production and could lead to a loss of revenue and significant financial costs.
Health and safety	
Negative impact (OO)	**Risk of accidents:** poor working conditions and damage to the health and safety of workers (lack of training, lack of suitable protective equipment, etc.) can have serious consequences for workers, including the risk of death.
Negative impact (OO)	**Risks to the health of employees:** exposure to harmful substances and poor workplace ergonomics could have negative impacts for Virbac employees.
Risk (OO)	**Operational risk of shutdown due to compliance violations, shortcomings in safety management:** in the pharmaceutical sector, safety measures are essential to maintaining operations.
Training and skills development	
Positive impact (OO)	**Employee training to improve their employability in the labor market:** employee training is essential to improve their employability and increase their job satisfaction.
Risk/ Opportunity (OO)	**Employee skills:** Virbac had to create its own program to recruit and mobilize qualified resources. The inability to recruit or train on the necessary skills could affect our activities. **Improved retention and professional development** through better qualification of employees to fulfill their missions.

Diversity and inclusion	
Positive impact (OO)	**Fostering employee inclusion:** fostering inclusion can have a significant positive impact on Virbac employees.
Risk (OO)	**Reputational risk:** the absence or non-compliance with diversity and inclusion measures could lead to damaging Virbac's image.
Opportunity (OO)	**Attractiveness and retention of new talent:** diversity and inclusion are strong values upheld by Virbac that can help attract and retain talent.
Opportunity (OO)	**Employee commitment:** diversity and inclusion are strong values upheld by Virbac that can contribute positively to its productivity and profitability.
Measures against violence and harassment in the workplace	
Negative impact (OO)	**Harassment and violence against individuals:** such acts could lead to physical or mental harm.
Risk (OO)	**Reputational risk:** the absence and non-compliance with anti-harassment measures could result in a financial cost to rebuild Virbac's image.
Human rights	
Negative impact (OO)	**Serious physical or psychological harm:** child labor, forced labor and other violations of workers' fundamental rights could result in consequences or even death.
Risk (OO)	**Reputational risk:** in the event of a violation of fundamental rights, Virbac's image could be significantly affected. The financial cost of rebuilding this image would be high.
Risk (OO)	**Increase in costs related to legal fees or fines in the event of a proven violation of applicable regulations:** in the event of a violation of fundamental rights, Virbac may be held legally liable. The financial costs of legal proceedings and reparations could be high.

S2 – Workers in the value chain/IRO

Working conditions	
Negative impact (UVC, DVC)	**Harm to the physical or mental integrity of value chain workers related to physical and psychosocial risks at work:** the negative impact of poor working conditions on the well-being and safety of value chain employees could impact Virbac's activities.
Risk (UVC, DVC)	**Operational risk related to the labor force of the value chain:** slowdown/shutdown of external production due to poor working conditions (high absenteeism rate, strikes, recruitment difficulties, high turnover rate, etc.).
Health and safety	
Negative impact (UVC, DVC)	**Risk of accidents in the value chain:** the increase in the number of workplace accidents, the development of occupational diseases, or deaths related to poor safety conditions at Virbac's suppliers could lead to breaches and an impact on Virbac's image.
Human rights	
Negative impact (UVC, DVC)	**Serious physical or psychological harm of value chain workers:** child labor, forced labor and other violations of workers' fundamental rights could result in consequences or even death.
Risk (UVC, DVC)	**Reputational risk:** in the event of a violation of the fundamental rights of value chain workers, Virbac's image could be indirectly affected.

S3 – Affected communities/IRO

Communities' economic, social and cultural rights– living conditions	
Positive impact (UVC, OO)	**Treatment of zoonoses (infectious disease of vertebrate animals transmissible to humans):** Virbac as a veterinary laboratory produces medicines to treat animals. This helps limit zoonoses for the benefit of the health and safety of the population.
Negative impact (UVC, OO, DVC)	**Antibiotic resistance:** the widespread use of antibiotics in the treatment of animal diseases could create an increased risk of antibiotic-resistant bacteria and long-term illnesses for populations.
Opportunity (UVC, OO)	**Commercial opportunity:** Virbac's product range could be expanded to include new products for the treatment of zoonoses.

S4 – Consumers and end-users/IRO

Data privacy	
Negative impact (DVC)	**The breach of data confidentiality:** Virbac was the victim of a cyberattack in June 2023. This event could happen again in the future. Private information belonging to professionals (veterinarians, farmers), employees, etc. could be misused and have a negative impact on their business.
Risk (DVC)	**A data breach can damage Virbac's image and reputation:** a breach of data confidentiality can represent a significant reputational risk for Virbac.
Risk (DVC)	**Penalties for non-compliance with personal data:** Virbac faces heavy penalties for non-compliance with personal data. The penalty in case of a data breach is 4% of revenue.
Risk (DVC)	**Criminal penalties for company directors:** a data breach may result in criminal penalties for Virbac's directors.
Opportunity (DVC)	**Ensuring data protection by investing in measures to prevent this risk:** creating trust in data protection is fundamental for Virbac in order to maintain a high-quality relationship with its customers.
Personal safety of consumers and/or end-users	
Negative impact (DVC)	**Consumer health and safety (veterinarians, farmers, pet owners):** failure to comply with the health or safety standards of pharmaceutical products can have serious consequences for users, up to and including death.
Risk (UVC, OO)	**Increase in costs related to legal fees or fines in the event of proven breaches that have led to endangerment or harm to the health and safety of consumers:** as a pharmaceutical company, the safety and quality of products is fundamental for Virbac.
Risk (DVC)	**Reputational risk:** media controversies could damage Virbac's image and lead to a loss of consumer and employee confidence.
Opportunity (DVC)	**Promotion of good practices in drug administration:** the promotion of good practices in the administration and use of medicines is at the heart of the system implemented by Virbac with its customers.
Opportunity (OO)	**Commercial opportunity for the development of prevention products:** Virbac aims to develop its prevention range and in particular through the development of its vaccine ranges.

G1 – Business ethics/IRO

Corporate culture	
Positive impact (UVC, OO, DVC)	**Corporate culture and well-being at work:** at Virbac, there is a strong sense of belonging, an increased level of commitment and a strong cohesion between employees, nourished by a sense of purpose and shared values.
Corruption and bribery	
Risk (UVC, OO, DVC)	**Financial risk:** in the event of proven corruption, Virbac would face significant fines.
Risk (OO)	**Reputational risk:** in the event of proven corruption, Virbac would face a significant risk to its reputation.
Risk (UVC, OO, DVC)	**Criminal sanctions:** in the event of proven corruption, Virbac would be exposed to criminal liability.
Management of relationships with suppliers including payment practices	
Risk (UVC, OO, DVC)	**Supply risk:** Virbac's relationship with its suppliers is essential. Failure to comply with its commitments to pay its invoices could lead to significant disruptions to the business.
Animal Welfare	
Negative impact (UVC, OO)	**Violation of animal welfare:** failure to respect the fundamental freedoms of animals linked to breeding conditions that do not guarantee their well-being.
Risk (UVC, OO)	**Reputational risk due to unethical animal welfare behavior:** animal rights advocates could negatively impact Virbac's reputation in the unlikely event of unethical animal behavior in clinical trials.
Risk (UVC, OO)	**Risk of loss of market share due to changes in consumer behavior:** a change in consumer attitudes towards the consumption of animal products, in some countries, could have a negative effect on the Group's revenues.

MOMENTUM FOR PROGRESS – ESG PERFORMANCE

As part of our CSR 2030 review, we have redefined our objectives in line with our previous vision. With regard to certain indicators, the integration into the reporting scope of eighteen new subsidiaries meant that we did not have the resources to set standardized objectives in 2024. We have arranged to set these targets in 2025 and to release them in 2026.

▶ refer to BP-1 General basis.

All of these objectives have been chosen to meet the Group's CSR challenges, are in accordance with the double materiality analysis, and are intended to meet the expectations of internal and external stakeholders.

	TARGETS BY 2030	2024 (base year)	Progress
SDG's[1]	ENVIRONNEMENT		
	Climate change		
	Published in 2026	-	-
	Discharges into the environment		
	Published in 2026	-	-
	Sustainable use of resources of energy and water		
	Published in 2026	-	-
	SOCIAL		
	Strengthening employee engagement		
	Attracting and retaining talent		
	Achieve a Great Place to Work (Trust Index) satisfaction rate > 75%	75%	100%
	Fulfilling work environment		
	Achieve gender equality (between 40% and 60%) for the executive and management category (grading F+)	23%	58%
	Skills development		
	Published in 2026	-	-
	Health and safety at work		
	Achieve a workplace accident frequency rate < 4	5.52	-28%
	Development of innovative products and services		
	Maintain a ratio of biology RDL[2] expenses/total RDL > 30%	31.6%	100%
	Maintain a ratio of RDL expenditures/total Group revenue > 6%	8.6%	100%
	Revenue of petfood range > 200 € million in 2035	131.1	66%
	Consumer and end-user safety		
	Provision of right first time products		
	Limit the number of batch recalls to a ratio < 0.5 per 1,000 batches marketed	0.44‰	100%
	Limit customer technical complaints to a ratio of less than 10 per million units marketed	16.4	-39%
	Controls during the product life cycle		
	Limit the non-compliance with regulations and voluntary codes to a ratio < 1 for 1,000 batches marketed	0.73‰	100%
	Limit the labeling non-conformities < 1 for 1,000 product references	0.87‰	100%
	GOVERNANCE		
	Business ethics		
	Achieve a GPTW score on ethics in business conduct > 80%	85%	100%
	Animal welfare		
	Published in 2026	-	-
	Responsible purchasing		
	Published in 2026	-	-

[1] sustainability development goals
[2] vaccines, immunological and bio-pharmaceutical products

Basis for preparation

BP-1 General basis

2024 marks a decisive turning point for companies. The CSRD directive (Corporate sustainability reporting directive) introduced new sustainability reporting obligations, making these reports more comprehensive, comparable and verifiable.

Delineation of the scope of consolidation: the scope of consolidation of non-financial indicators includes all entities in the financial scope as described in note A40 Scope of consolidation of the appendix to the consolidated accounts.

The only exceptions are recently acquired or created companies, which will be gradually integrated into non-financial reporting from 2025, and companies accounted for by the equity method for which Virbac does not exercise exclusive control.

Acquisitions/start-ups

Globion India Private Ltd	(India)
Sasaeah Holdings Co.,Ltd.	(Japan)
Sasaeah Pharmaceutical Co.,Ltd.	(Japan)
Fujita Pharmaceutical Co., Ltd.	(Japan)
Kyoto Biken Laboratories, Inc.	(Japan)
Kyoto Biken Hanoi Laboratories, Co Ltd	(Vietnam)
Mopsan	(Türkiye)
Virbac Suzhou Pet Food Co Ltd	(China)

Accounted for by the equity method

AVF Animal Health Co Ltd Hong-Kong
AVF Chemical Industrial Co Ltd China Jinan
Shandong Weisheng Biotech Co., Ltd

For this first year of CSRD implementation, the published data mainly concern our own operations. When they include those of the upstream and/or downstream value chain, this is mentioned in the relevant section of this sustainability statement.

Identification of material issues/value chain assessment: the double materiality analysis, detailed in section IRO-1 Materiality and due diligence of the sustainability statement, summarizes the issues that are most important to the Group, its stakeholders and its activities.

Definition of performance indicators: our Group relies mainly on key performance indicators (KPIs) defined by the ESRS for its material issues, to measure progress made in terms of sustainability.

BP-2 Specific circumstances

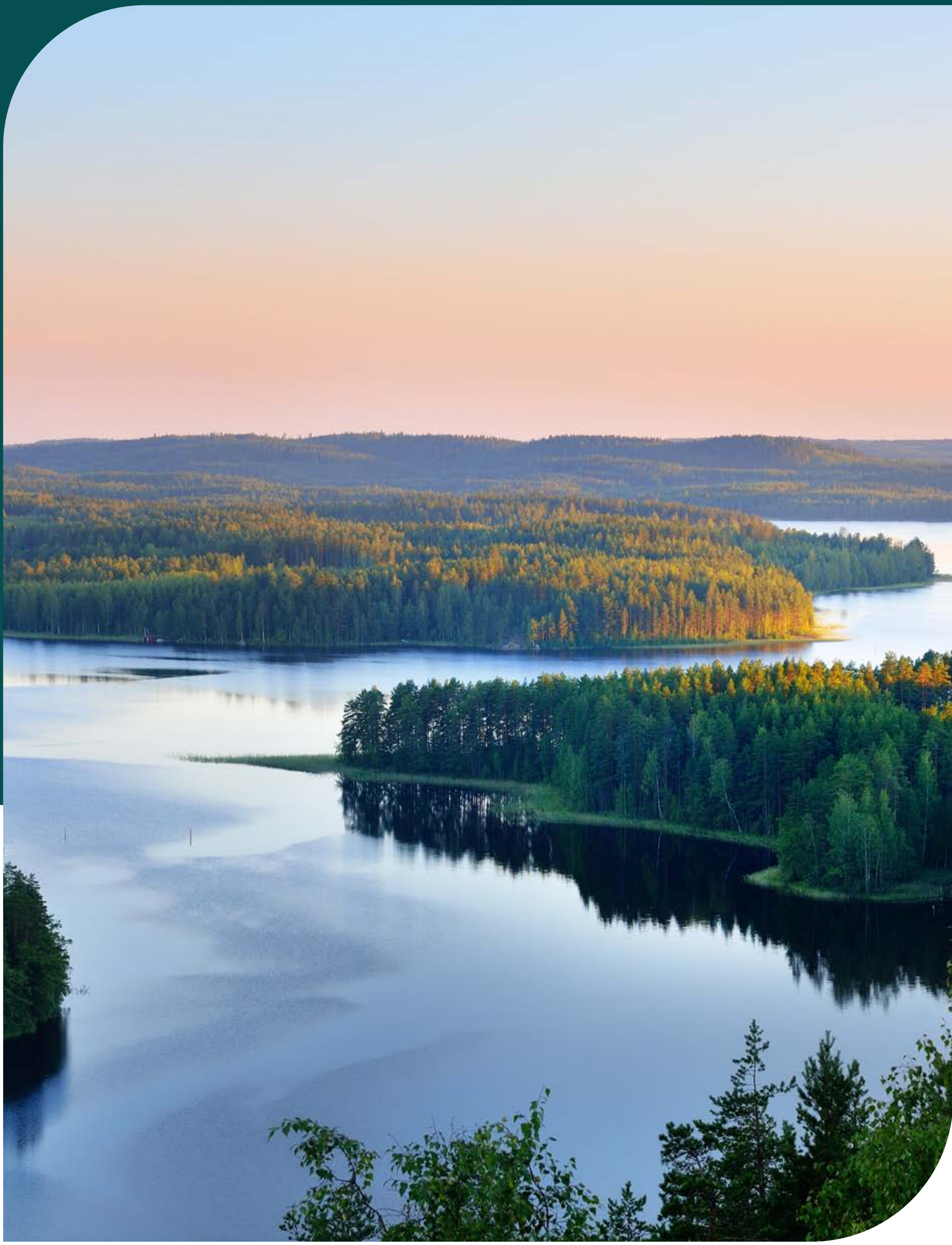
The implementation of CSRD represents a major challenge for our Group. Among the main issues are the following.

- **Data collection and analysis:** the collection of reliable and comparable data across the scope of consolidation is complex and time-consuming given the number of entities concerned, and the heterogeneity of the repositories between Europe and the other geographic areas in which we operate.
- **Methodology:** the Group has implemented a rigorous methodology to deploy the new corpus of standards in its subsidiaries through a CSR guide grouping together the definitions of quantitative indicators, a reporting schedule and internal documentation of the main processes related to material issues for Virbac. The CSR department has organized digital onboarding sessions for local representatives. This work was carried out with the support of an external consultant, an expert in these subjects.
- **Time horizons:**
  - short term: one year - the period adopted as a reference period in our financial statements;
  - medium term: more than one year, up to seven years. The sustainability objectives are aligned with the Virbac 2030 strategic plan. These time horizons are designed to reflect our strategic priorities as well as the nature of our industry;
  - long-term: more than seven years.
- **Sources of estimation and uncertainty of results:** the use of estimates for performance measures, including upstream and downstream value chain data, are described in each section. Overall, the measures related to our own operations are based on a greater volume of primary data, while the parameters of the value chain are often estimated and therefore have a higher level of measurement uncertainty. All assumptions and potential uncertainties are documented in the relevant sections. Information which relates to the future, such as objectives, is by nature uncertain.
- **Comparative figures:** comparative figures are provided for measures that were disclosed in one or more of the previous periods, and whose definition and scope were aligned with the requirements of the ESRS. In accordance with the transitional provision of the ESRS, no comparative figures have been disclosed for the new indicators introduced in 2024.
- **Incorporation of information by means of cross-references:** list of publication requirements of the ESRS, or specific data elements stipulated by a publication requirement, which have been incorporated by means of cross-references.

ESRS Disclosure requirements	Incorporation by reference
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	refer to pages 150-154 of the annual report
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	refer to pages 168, 171 and 173 of the corporate governance report
ESRS E1 linked to ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	refer to pages 168, 171 and 173 of the corporate governance report

- **Reference:** this report has been prepared in accordance with the CSRD directive and the GRI (Global reporting initiative) standards for the period from January 1 to December 31, 2024. Our Group has adopted the GRI standards since 2011.

ENVIRONMENT



CLIMATE GOVERNANCE

GOV– 3 Incentive schemes

Incentive measures that take climate issues into account have been implemented in recent years as part of the variable compensation of the chief executive officer and deputy chief executive officers, such as:

- actions to limit the carbon footprint of company vehicles (FY23 target);
- climate change awareness activities with the roll-out of the Climate Fresk (FY24 target);
- the definition of a quantified action plan for the Group's decarbonization resulting in the setting of direct and indirect emission reduction targets (scopes 1, 2 and 3) as a priority for the France, United States, Australia and Mexico sites and the associated action plan by December 31, 2025 (FY25 target).

For 2025, ESG criteria represent 10% of the gross annual variable compensation of corporate officers (including 5% on climate issues). At the moment, we are in the process of raising awareness and integrating these topics and working on the decarbonization trajectory. Once this has been defined, it will be integrated into the incentive measures.

CLIMATE STRATEGY AND RELATED IRO'S MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

IRO-1 Description of the processes to identify and assess material climate-related Impacts, risks and opportunities

▶ refer to the IRO linked to climate change detailed in section Impact, risk and opportunity management.

The Group has conducted a preliminary analysis of the exposure and vulnerability of its activities to physical climate risks, as defined in section II of Annex A to the European regulation. This analysis was carried out by the Insurance and Risk Management department based on our insurers' reports on the prevention of natural and climate risks at our high-value asset sites, and on the internal knowledge of our main sites. In 2024, the Group reinforced this approach through simulations of global warming scenarios, based on the IPCC's assumptions, which enabled the mapping of identified risks and their degree of importance for our main sites worldwide. On this basis, we are now working on completing our action plans to limit the potential impact of these risks.

The Group has identified climate-related risks and opportunities. Based on the CSRD, the Group divides its climate-related risks and opportunities into two categories:

- physical: risks and opportunities related to the physical impacts of climate change;
- transition: risks and opportunities related to the transition to a low-carbon economy, which can lead to significant political, legal, technological and market changes.

For this analysis, the climatic risks were quantified using different emission profiles: SPC 8.5, SPC 4.5, SPC 2.6. Three different time horizons were considered: 2030, 2050, and 2100.

<u>Physical risks</u>

The analysis covered our own operations.

The following risks were analyzed:

- storms/tornadoes;
- floods;
- increase in sea level;
- increase in maximum temperature;
- increased rainfall;
- droughts;
- thermal stress.

The table below shows the risks likely to materialize at the main Virbac sites. Note that a country may have several sites.

Acute/ chronic	Hazard	Impact	Exposure to date	Future exposure
Acute	Storms/tor-nadoes	Destruction or damage of the asset	11/26 sites Australia Mexico Vietnam New Zealand Taiwan United States Japan	11/26 sites *Idem* current exposure
Acute	River floods	Destruction or damage of the asset	9/26 sites France United States Australia Uruguay Japan Vietnam	11/26 sites +2 exposed sites (in France and New Zealand)
Acute	Thermal stress	Loss of equipment productivity Potential damage to workers' health	3/26 sites Vietnam Taiwan	9/26 sites United States Australia France Mexico Vietnam Taiwan

The climate risk analysis will be gradually extended to other locations that were not part of the first analysis.

Transition risks

Category	Risk	Description	Impact
Market	Increase in the cost of carbon	Carbon pricing policies are already in place, especially in the European Union (EU). These policies could lead to increased operational expenditure and the cost of purchasing carbon-intensive materials, with implications for Virbac's operations and supply chain.	Increased costs
Market	Shortage of raw materials	Risk of shortage of raw materials due to disruptions in the value chain (physical risks, cost increases).	Increased costs
Reputation	Reluctance of investors to invest	Pressure from stakeholders (customers, employees, investors, shareholders) could reduce the attractiveness of the company for financial and operational partners if Virbac's non-financial performance in relation to climate objectives and measures is deemed insufficient.	Loss of funding
Market opportunity	Market share gains	Potential new markets with diseases originating in the countries of the South but developing in the countries of the North due to climate change.	Increase in market share and revenue

SBM-3 Material Impacts, risks and opportunities and their interaction with strategy and business model

Our Group conducted a preliminary analysis of the exposure and vulnerability of its activities to physical climate risks.

▶ refer to IRO-1 Processes to identify and assess material climate-related Impacts, risks and opportunities.

Assets are insured in case of natural disasters, to some extent. Our Group is resilient to physical risks because its model is geographically diversified with assets spread over several continents. However, the major risk lies in high-value physical assets, mostly located in France, which generate significant revenues.

In addition, our Group carries out a systematic eco-design assessment of all its projects to build new sites. To that end, the vision of sustainability is integrated from the preliminary design phase thanks to the support of engineering consulting firms specialized in ecological transition.

E1-1 Transition plan

The risks related to the effects of climate change have encouraged us to help reduce greenhouse gas emissions of scopes 1 and 2. In our company, direct greenhouse gas emissions (scopes 1 and 2, as defined in the GHG protocol) represent emissions linked to the consumption of various forms of energy including gas and electricity, as well as greenhouse gas emissions linked to refrigerants.

The main actions taken to reduce our greenhouse gas (GHG) emissions scopes 1 & 2 are as follows:

- optimization of energy consumption: thermal insulation of installations, energy recovery system on the wastewater treatment plant for biological production units, project to renovate our infrastructure, master utilities plan in France (Carros), solar water heater for industrial hot water (Mexico), broadening of plans to replace lighting with LEDs on almost all industrial sites;
- emissions related to refrigerant gases: reinforcement of maintenance plans at industrial sites in Australia and Mexico, as well as a program to replace the most polluting fluids with fluids with low CO_2 emissions;
- use of renewable electricity at certain sites;
- greening of the company vehicle fleet;
- eco-design of our future sites, through the consideration of environmental impacts (use of renewable energy sources, use of more efficient equipment) and the use of lower-emission materials (CO_2, pollutants, etc.).

Since 2023, we have been conducting an in-depth assessment of our GHG emissions, which has enabled us to complete our carbon assessment for scopes 1, 2 and 3, and to launch complementary actions to reduce indirect emissions such as:

- the optimization of the transport of finished products and upstream freight:
  - shipment of finished products: grouping destinations and optimizing loading rates for transport;
  - limitation of air freight and increase of sea freight;
  - employee transport: inter-site shuttles, incentive policies to limit the carbon impact of company vehicles through greening of the fleet, carpooling, etc.
- a responsible purchasing approach:
  - consideration of a responsible purchasing charter at Group level, integrating sustainable development criteria for choosing suppliers;
  - use of recycled materials in packaging (plastic, glass, aluminum, PET) and single-material packaging.

Work has begun to define a transition plan compatible with the Paris agreement; actions have already been targeted and launched (see above). An initial estimate was made, but the work will continue until 2025 with the final estimate (reduction of GHGs, time horizon), the evaluation of resources, and the support of contributors.

E1-2 Policies related to climate change mitigation and adaptation

Our energy consumption policy is part of an approach to optimize the resources we use. We seek to control the consumption of energy, water and materials used in our manufacturing processes.

We are committed to reducing our energy consumption through the energy efficiency of our equipment and facilities, the implementation of indicators as close as possible to end users for better management of energy consumption, and implement in our industrial sites the Best available techniques (BAT) applicable to our activity, in the choice of our equipment and monitoring. A second part of our policy is dedicated to energy supply, with the inclusion in our investment strategy of the development of renewable energies on all new investment projects, as well as on some historic sites (Australia, Chile, South Africa), and finally the security of energy supply through regular monitoring and contractual negotiations.

The formalization of this policy has taken into account Virbac employees' interests. Many ideas applied to energy risk management come from working groups composed of Virbac employees that have been created at all our sites in France. Suggestion boxes have also been set up in our facilities to enable our employees to contribute to the development of our actions on energy management.

Energy policy is deployed in all our activities and in all our facilities. Its development and implementation are mainly handled by the Industrial Operations and EHS department. This policy is communicated to our employees on our intranet where all documentation is available. More specific information is provided to the referents of each country, who oversee the deployment of policies at national level, with guidelines and seminars.

It is important to note that Virbac is dependent on the requirements in force in the pharmaceutical sector that limit the ability to deploy certain levers for reducing energy consumption. Pharmaceutical manufacturing processes must meet product quality requirements.

[1]categories 8 Leased assets (included in category 2 Capital goods), 10 Processing of sold products (not concerned) and 11 Used of sold products (not mandatory) has been excluded

Our energy policy allows us to manage the risks identified in our own operations by reducing the energy consumption of our activities and managing our energy supply. This reduces the share of energy in our expenditure, the effect of the high volatility of energy prices and our dependence on the energy market.

Climate change adaptation

Our climate change adaptation policy focuses mainly on adapting our new buildings. This policy aims to adapt new plants to their environment and improve the working conditions of our employees. In all the countries where we operate, we also comply with local regulations and adapt all our sites.

The transition plan, which we are currently working on, will also contribute to our climate change adaptation policy with levers contributing to both mitigation and adaptation. Our climate change adaptation policy will then be strengthened in the coming years.

We currently have no document for the implementation of the climate change adaptation policy. The construction of new sites is directly monitored by the Industrial Operations, EHS, Insurance and Risk Management and CSR departments, which ensures that actions to promote adaptation to climate change are implemented. General management oversees the deployment of this policy.

This policy allows us to manage the climate risks that threaten our facilities by reducing their vulnerability, thereby reducing the risk of production being disrupted and the cost of asset insurance being increased.

▶ refer to SBM-3 – Material Impacts, risks and opportunities E1 - Climate change.

However, our current policy, based on our own activities, is not yet adapted to managing the risk of production being disrupted within the supply chain. Nor do we have a policy to take advantage of the new market opportunities identified with climate change adaptation. These risks and opportunities were identified recently during our double materiality analysis and we plan to gradually adapt our policy.

Climate change mitigation

The risks related to the effects of climate change encourage us to help reduce greenhouse gas emissions (GHG). Based on our greenhouse gas emissions assessment, Virbac's main sources of emissions are:

- scopes 1 & 2, energy consumption and the use of refrigerant gases;
- scope 3 upstream, the purchase of goods and services and transport;
- scope 3 downstream, shipping of finished products and end-of-life processing of products sold.

Our policy for mitigating the effects of climate change is developed around the optimization of energy consumption, already communicated in the energy policy section, the reduction of refrigerant gas leaks, the change in current practices for the shipment of finished products and the lower emission alternatives for the transport of our employees in particular. In addition, starting next year our policy will evolve, when our work on the decarbonization trajectory is completed.

Currently, our climate policy does not address the risk existing on our upstream and downstream value chain of cost increases due to the impact of climate change on the market because this risk was recently identified during the double materiality analysis. We plan to adapt our climate policy to include managing this risk. However, our energy policy allows us to reduce this risk on our own operations by reducing our dependence on energy consumption.

E1-3 Actions and resources

To adapt our plants and improve working conditions in areas where climate risk analyses have revealed significant risks of heat waves and rising temperatures, we are ensuring that we implement actions to limit the effects of high temperatures on our employees and infrastructure (areas equipped with shade or green spaces installed to offer an area away from the sun, actions on the organization of working hours to limit employee exposure, use of thermally efficient materials, etc.). We are not defining a time horizon for this action plan as implementation takes place with each new construction or development of existing infrastructures.

Examples of achievements in 2024

France

In addition to the work carried out since 2021, on all air conditioning and heating systems in the administrative offices of the French Industrial Operations department and roof insulation work, in 2024 we invested in a new boiler room (hot water and industrial steam production) and carried out studies on the replacement of our ice water production (VB13 utility master plan project). These new investments are less energy intensive and reduce our GHG emissions.

United States

In 2024, at our industrial site in Bridgeton (St. Louis), the original gas boilers were replaced by more efficient boilers.

We currently do not have an action plan to reduce the risk of disruption to production in our supply chains, nor to take advantage of opportunities in new markets, as these risks and opportunities have been identified recently through the double materiality analysis. Following the adaptation of our climate change adaptation policy, action plans will be formulated.

E1-4 Targets related to climate change mitigation and adaptation

The medium and long-term climate objectives are being defined and will be the subject of further communication.

PERFORMANCE RELATED TO CLIMATE CHANGE

With the implementation of our energy policy, based on consumption optimization, we aim to reduce energy consumption to manage the risk of dependence on the energy market.

With the implementation of the CSRD, we have extended reporting on these indicators to all our sites. As a result, the 2024 results will serve as a basis for setting new goals.

Goals related to climate change

We are currently working on defining our decarbonization trajectory with the support of a consulting firm. This work, which we will complete in 2025, will enable us to identify all the levers that we can put in place as well as their rate of implementation. As this work is already advanced, initial levers have been identified and are presented in our transition plan. The rest of our work consists of prioritizing levers and estimating the potential impact of their implementation on our greenhouse gas emissions.

▶ refer to E1-1 Policies related to climate change mitigation and adaptation.

As a result of this work, we will then be able to achieve new, more ambitious reduction targets on scopes 1 and 2 as well as the implementation of a reduction target on scope 3. We should therefore be able to update our 2030 reduction targets, in line with CSRD requirements, by next year, with the comprehensiveness of our decarbonization levers and their contributions.

E1-5 Energy consumption and mix

For energy consumption, the scope covers all of our sites apart from the exceptions listed in section BP-1 General basis, and is identical to the scope of the carbon assessment.

Energy consumption is collected from subsidiaries on the basis of invoices. They are then consolidated at Group level. Therefore, this is real data. For our leased sites where we have no control over our energy consumption, an estimate has been made based on the surface area occupied.

With regard to the energy mix, this was determined on the basis of the information available in the Our World in Data database by country on the basis of the reference year 2023.

Energy consumption and mix (MWh)	2024
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	18,052
Fuel consumption from natural gas	28,619
Fuel consumption from other fossil sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	21,490
Total fossil energy consumption	**68,161**
Share of fossil sources in total energy consumption (%)	*65.4%*
Consumption from nuclear sources	**16,554**
Share of consumption from nuclear sources in total energy consumption (%)	*15.9%*
Fuel consumption for renewable sources, including biomass	138
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	18,916
The consumption of self-generated non-fuel renewable energy	526
Total renewable energy consumption	**19,580**
Share of renewable sources in total energy consumption (%)	*18.8%*
Total energy consumption	**104,294**

All Virbac activities are considered to be in sectors with a high climate impact according to annex I to regulation (EC) n° 1893/2006 of the European parliament and of the council:

- C10.92 Manufacture of petfood;
- C21.1 Manufacture of basic pharmaceutical products;
- C21.2 Manufacture of pharmaceutical preparations;
- G46.46 Wholesale of pharmaceutical products.

To calculate energy intensity in high climate impact sectors, we used the total energy consumption already calculated for the previous table as well as the total net income from our ordinary activities that is available in our financial statements.

▶ refer to consolidated accounts appendix A21 Revenue from ordinary activities.

It should be noted that this intensity of total energy consumption is calculated using our total energy consumption, the numerator, which is determined only on our own operations as well as our net revenue, and the denominator, which includes a share of subcontracted production and sales of trading products. The energy consumption of this subcontracted production and trading products are therefore not taken into account in the numerator, because they are outside our scope of reporting indicators.

In order to neutralize the impact of these scope deviations (acquisitions, subcontracting and trading products), we also calculated the intensity by adjusting the denominator of these elements.

Energy intensity per net revenue	2024
Total energy consumption per net revenue from activities in high climate impact sectors (MWh/€ million)	75

Energy intensity per adjusted net revenue[1]	2024
Total energy consumption per net revenue from activities in high climate impact sectors (MWh/€ million)	144

[1]adjusted revenue from acquisitions (Sasaeah, Globion, Mopsan), subcontracting and trading products

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

The assessment of our greenhouse gas emissions was carried out in accordance with the principles of the GHG protocol. For Virbac, 2024 is the first year it is communicating a complete carbon assessment integrating the indirect emissions of scope 3.

Its scope covers all our entities except the subsidiaries listed below for which 2024 data was not available. They will be gradually integrated for future assessments.

- Globion India Private Limited;
- Sasaeah Holdings Co. Ltd;
- Sasaeah Pharmaceutical Co, Ltd;
- Fujita Pharmaceutical Co, Ltd;
- Kyoto Biken Laboratories, Inc.;
- Kyoto Biken Hanoi Laboratories Co, Ltd;
- Virbac Suzhou Pet Food Co Ltd;
- Mopsan Veteriner Ürünleri A.Ş;
- Virbac Asia Pacific.

Methodology, key assumptions and emission factors used to calculate or measure GHG emissions

Scope 1 emissions: we collected data from the sites' energy consumption and refrigerant leakages.

Assumptions: for our leased sites for which we do not have control over our energy consumption, an estimate was made according to the surface area occupied (use of intensity indicators (kWh/m²) from the CRREM Carbon risk real estate monitor by building type and country).

The sites involved in this assumption are Virbac (Switzerland) AG, Virbac Belgium SA, Virbac de Portugal Laboratorios Ltda, Virbac sp z o.o. (Poland), Virbac SRL (Italy), Virbac Trading (Shanghai) Co. Ltd, Virbac do Brazil Industria e Comercio Ltda, Virbac Philippines Inc, Virbac Thailand Co. Ltd, Virbac Czech Republic, Virbac Korea Co. Ltd, Virbac Österreich GmBH (Austria), Virbac Türkiye, Virbac Ltd (UK), Virbac Hellas.

Emission factors: Fixed and mobile combustion: footprint base of the French environment and energy management agency (Ademe).
Refrigerants: sixth assessment report of the IPCC.

Scope 2 emissions: we have collected data from the sites for their electrical energy consumption, as the sites are not supplied by a heating or cooling network.

Assumptions: same methodology as that used for scope 1 for rental sites. The sites involved in these estimates are Virbac Belgium SA, Virbac sp z o.o. (Poland), Virbac Trading (Shanghai) Co. Ltd, Virbac Korea Co. Ltd, Virbac Türkiye.

Emission factors: The emission factors used in 2024 are those of the International energy agency (IEA) except for the countries listed below:

- Vietnam: department of Climate Change Viet Nam 2024;
- Italy: ISPRA 2024;
- New Zealand: MfE Measuring Emissions Guidance 2024;
- Mexico: SEMERNAT 2024;
- Japan: ministry of the Environment, government of Japan 2024;
- Brazil: SNI 2024;
- Netherlands: Green Deal NL 2024;
- Austria: Austrian Umweltbundesamt Grid mix 2024;
- Germany: German Umweltbundesamt Germany electricity mix 2024;
- Colombia: UPME 2024;
- Australia: Australia DCCEEW 2024;
- Chile: CNE 2024;
- United States: eGrid 2021;
- United Kingdom: BEIS 2024.

Scope 3 emissions:

Purchased Goods and Services

Methodology: collection of primary purchasing data from sites for raw materials and packaging used and for trading products in purchasing volume in order to assess the physical flows generated, and in purchasing value in local currency in order to assess a financial flow, if necessary. For the other categories of consumable purchases and services, extrapolation was made on the basis of the 2023 data.

Assumptions: for some subsidiaries when the weight data was missing, we made estimates (PPM Corp, Virbac Australia Pty Ltd, Virbac Corporation, Virbac do Brazil Industria e Comercio Ltda, Virbac RSA Ltd, Virbac Uruguay SA).

Emission factors: for data on physical activity, use of Ademe and Ecoinvent emission factors, and for financial data, use of Ademe database. For petfood products, we have calculated emission factors for each product based on their composition using the Agribalyse database. The category of purchases of consumables and services was estimated on the basis of data collected in 2023 extrapolated on the basis of 2024 revenue.

Capitals goods

Methodology: investments were assessed based on site inventory data. We collected data on three product categories: buildings, vehicles and machines and equipment.

Assumptions: no hypothesis has been used to estimate this category.

Emission factors: emission factors come from the Ademe footprint base. Depending on the data provided by the sites, we were able to use physical data instead of monetary data.

Fuel and energy-related activities (not included in scope 1 or scope 2)

The data collected and assumptions used in this category are the same as those used in scopes 1 and 2.

Emission factors: the emission factors correspond to the upstream energy share of each energy emission factor. For physical combustion flows, we take into account the entire upstream energy value chain.

Upstream transportation and distribution

Methodology: data collection from sites, either distances traveled by means of transport, or places of departure and arrival (use of an API on Google maps to calculate distances traveled by means of transport). In this approach, the loading rate of the means of transport used was also taken into account. It should be noted that in accordance with the GHG protocol, emissions related to the freight paid by Virbac were recorded in the Transport and upstream distribution category, and those related to the freight paid by the customer are recorded in the Transport downstream of products category.

Assumptions: the assumptions made on the bulk of products transported are identical to those made for the purchase of products. When the vehicle loading rate was known, we used this data. Otherwise, we used the most conservative assumption of 20% loading.

For Virbac Colombia, we estimated downstream freight using monetary data due to the lack of physical data.

Emission factors: emission factors for the transport of goods come from Ademe. They include the loading rate in the parameter: 20%, 50% or 100%.

Waste in operations

This category was estimated based on data collected in 2023 and extrapolated on the basis of 2024 revenue.

Business travels

This category was estimated on the basis of data collected in 2023 and extrapolated to 2024, based on headcount.

End of life of sold products

This category was estimated on the basis of data collected in 2023 and extrapolated to 2024, based on the proportion of packaging purchased compared to the total cost of products.

Categories 8, 10, 11, 13, 14 and 15 (Upstream leased assets, Processing of sold products, Use of sold products, Downstream leased assets, Franchises and Investments) of the GHG protocol are not reported in scope 3 because they are deemed irrelevant or not material for our Group.

Total GHG emissions	Base year	2024
Scope 1 GHG emissions		
Gross scope 1 GHG emissions (tCO_2eq)	**10,966**	**10,966**
Percentage of scope 1 GHG emissions from regulated emissions trading schemes (%)	n.a	n.a
Scope 2 GHG emissions		
Gross location-based scope 2 GHG emissions (tCO_2eq)	**18,936**	**18,936**
Gross market-based scope 2 GHG emissions (tCO_2eq)	**19,311**	**19,311**
Significant scope 3 GHG emissions		
Total Gross indirect (scope 3) GHG emissions (tCO_2eq)	**471,597**	**471,597**
1. Purchased goods and services	231,765	231,765
2. Capital goods	6,757	6,757
3. Fuel and energy-related activities (not included in scope 1 or scope 2) (location-based)	6,489	6,489
3. Fuel and energy-related activities (not included in scope 1 or scope 2) (market-based)	6,965	6,965
4. Upstream transportation and distribution	187,757	187,757
5. Waste generated in operations	3,915	3,915
6. Business travelling	6,084	6,084
7. Employee commuting	5,593	5,593
8. Upstream leased assets	0	0
9. Downstream transportation	1,191	1,191
10. Processing of sold products	0	0
11. Use of sold products	0	0
12. End-of-life treatment of sold products	22,046	22,046
13. Downstream leased assets	0	0
14. Franchises	0	0
15. Investments	0	0
Total GHG emissions		
Total GHG emissions (location-based) (tCO_2eq)	**501,499**	**501,499**
Total GHG emissions (market-based) (tCO_2eq)	**502,351**	**502,351**

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2eq/€ million)	359
Total GHG emissions (market-based) per net revenue (tCO_2eq/€ million)	359

GHG intensity per adjusted revenue[1]	2024
Total GHG emissions (location-based) per adjusted revenue (tCO_2eq/€ million)	379
Total GHG emissions (market-based) per adjusted revenue (tCO_2eq/€ million)	380

[1]net adjusted revenue for acquisitions (Sasaeah, Globion, Mopsan) and Virbac Asia Pacific

The intensity of greenhouse gas emissions is calculated based on the total greenhouse gas emissions already determined in the previous table as well as the total net revenue from our activities that is available in our financial statements.

▶ refer to consolidated accounts appendix A21 Revenue from ordinary activities.

Biogenic emissions

Within our operations, we have no fuel consumption from biomass.

Contractual instruments for the purchase of energy

Within our operations, we do not use contractual instruments as defined in the guidance on scope 2 of the GHG protocol.

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

We do not currently use carbon credits to manage the Impacts, risks and opportunities associated with our GHG emissions and we do not plan to use them in our operations at this time.

E1-8 Internal carbon pricing

The internal price of carbon is not a decarbonization tool currently in place within our operations. However, it is a lever that could ultimately help us achieve our greenhouse gas emission reduction targets, and raise awareness among our employees about the impact of our activities on climate change.

POLLUTION STRATEGY AND RELATED IROS' MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

IRO-1 Description of the processes to identify and assess material pollution-related Impacts, risks and opportunities

▶ refer to section Impact, risk and opportunity management (IRO).

E2-1 Policies

As part of our veterinary medicine manufacturing business, we use substances that present health, fire and/or explosion, emission and discharge risks during the various phases of development and marketing, from R&D and manufacturing to storage and shipping.

To limit these risks, which could cause harm to people, property and the environment, we comply with the safety measures prescribed by the laws and regulations in force, implement current Good manufacturing practices and Good laboratory practices and provide training for our employees. Our manufacturing sites and research and development facilities are also regularly inspected by regulatory authorities.

Therefore, we are focusing on the real impacts of our activity, atmospheric emissions, effluents or hazardous waste resulting from our activities or products by increasingly investing in environmental compliance: taking into account EHS impacts in the management of industrial projects, improvements in the environmental performance of existing facilities, etc.

Furthermore, the Group's environmental principles are adapted to countries according to different local regulations. Here again, the objective is to identify good practices at the subsidiary level to be consolidated within the Group context.

E2-2 Actions and resources

Effluents

For effluents as well as other environmental releases, our goal is to facilitate across the Group the consolidation of the various local initiatives carried out locally and subject to specific regulatory frameworks, in particular on the optimization of the frequency at which our facilities are cleaned. In this sense, our vigilance translates into conservative guidelines. For example, many sites must recover and treat a large portion of manufacturing water discharges in accordance with related standards for hazardous waste.

Hazardous waste

In addition to the constant search to control the volumes generated and improve collection for maximum treatment and recycling, we ensure traceability of all our hazardous waste up to the point of disposal: soiled packaging; laboratory, production, medicinal or infectious wastes; and chemical effluents (mostly incinerated and therefore thermally treated or recycled for solvent recovery). Controlling waste volumes also begins at the research and development stage by considering treatment application methods so as to limit wastage and residues that could harm the environment (targeting or optimizing sprays, for example). It should be noted that at the Carros site in France, we have signed a new hazardous waste management contract with a target of 80% recovery.

Substances of very high concern

Substances of very high concern are substances or groups of chemicals that can cause adverse effects on human populations and/or the environment. In accordance with the REACH Regulation, we monitor these substances and work continuously (to the extent technically possible and economically viable) to replace them with other substances whose properties are not of concern.

E2-3 Targets

Once the first CSRD report on pollution-related indicators has been completed, the targets will be reviewed.

PERFORMANCE RELATED TO POLLUTION

E2-4 Pollution of water

In connection with the European directive (regulation (ec) n°166/2006 of the European parliament and of the council of January 18, 2006 concerning the establishment of a European pollutant release and transfer register and amending council directives 91/689/EEC and 96/61/EC), we did not detect any instances of the monitored substances exceeding the threshold in 2024.

E2-5 Substances of concern and very high concern

Our laboratory and manufacturing activities sometimes require the use of certain substances on the list of substances of very high concern for authorization under the EU REACH regulation. In all countries where we operate, the Group complies with applicable regulations regarding the use of these substances.

In line with our eco-design approach, we strive to reduce, minimize or replace the use of substances of very high concern with less hazardous substances, where possible.

The table shows the quantities of substances used in our products and production processes. We do not have an assessment process for substances leaving facilities in the form of emissions, products, parts of products or services.

Substances of concern and very high concern (tons)	2024
Substances of high concern	194
Substances of very high concern	52
Total	**246**

WATER AND MARINE RESOURCES STRATEGY AND RELATED IROS' MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

IRO-1 Description of the processes to identify and assess material water and marine resources-related Impacts, risks and opportunities

▶ refer to section Impact, risk and opportunity management (IRO).

E3-1 Policies

Preserving the environment is one of our main commitments for sustainable development. Drinking water is essential to health but its availability is becoming a major issue for humanity.

We are committed to responsible water management, in order to have an ecologically sustainable and socially equitable use of this essential resource. Responsible management of water resources focuses on key aspects of our business, such as the continuity of our industrial activities to ensure the availability of our products.

E3-2 Actions and resources

Actions have been launched such as:

- implementing measurements of the main water consumption stations per site for optimized monitoring;
- participating in the think tank on the water sobriety plan for the sector;
- training the Group's employees to limit the environmental risks associated with our activity, particularly in terms of water consumption and pollutant discharges, and in this respect, to carry out a major training program in France in 2024;
- encouraging employees to behave in an environmentally friendly manner, by adopting eco-responsible attitudes, including managing water throughout the company.

E3-3 Targets

Once the first CSRD report on water resource indicators has been completed, the targets will be reviewed.

PERFORMANCE RELATED TO WATER AND MARINE RESOURCES

E3-4 Water consumption

According to the WRI Aqueduct Water Risk Atlas, classification, most Virbac sites are located in areas exposed to a global water risk related to low to medium/high water level.

Global water risk refers to all threats to water resources, taking into account the volume and quality of water resources, as well as the regulations in the region.

According to the global water risk qualification, nine of our sites (two in Chile, two in Vietnam, one in Türkiye, Philippines, Greece, China and India) are located in areas with a high global water risk, and one site (South Africa) is located in an area with an extremely high risk.

The water stress baseline measures the ratio between total water demand and available renewable surface water and groundwater reserves.

In addition, according to the reference water stress qualification, our Group has a total of fifteen sites exposed to high water stress:

- seven sites exposed to high water stress (two in France, three in Australia, one in Mexico and Thailand);
- eight sites exposed to extremely high water stress (South Africa, China, Portugal, Greece, Türkiye, Belgium and two sites in Chile).

Water Consumption (cubic meters m^3)	2024
Water consumption[1]	148,614
Of which total water consumption in areas at water risk, including areas of high-water stress[2]	75,580
Total water recycled	0
Total water stored	44
Changes in storage water	0

[1]total water consumption = total withdrawals - total discharges
[2]nineteen sites (two in Chile, two in Vietnam, Türkiye, Philippines, Greece, China, India, South Africa, Belgium, Portugal, two in France, three in Australia, Mexico, Thailand)

Water intensity ratio per net revenue	2024
Total water consumption per net revenue (m^3/€ million)	106

Water intensity ratio per adjusted revenue[1]	2024
Total water consumption per adjusted revenue (m^3/€ million)	205

[1]adjusted revenue from acquisitions (Sasaeah, Globion, Mopsan), subcontracting and trading products

BIODIVERSITY AND ECOSYSTEMS STRATEGY AND RELATED IROS' MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

E4-1 Transition plan

To date, our company has not yet developed a transition plan for biodiversity and ecosystems that meets the requirements of ESRS E4-1.

IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related Impacts, risks and opportunities

▶ refer to section Impact, risk and opportunity management.

SBM-3 Material Impacts, risks and opportunities and their interaction with strategy and business model

Our company is committed to integrating biodiversity conservation into its sustainability strategy. Through the use of the Integrated biodiversity assessment tool (IBAT), we have mapped all our sites that are located near protected areas (Natura 2000, national parks, etc.), or near a sensitive area identified as Key biodiversity areas (KBAs) which are sites that significantly contribute to the global persistence of biodiversity, in terrestrial, freshwater and marine ecosystems. Natural sites are considered global KBAs if they meet one or more defined criteria[2].

The mapping carried out with the IBAT tool identified three Virbac sites located in a protected or sensitive area: an industrial site in Australia (KBA Richmond Woodlands), a distribution site in Costa Rica (Unesco-MAB[3] biosphere reserve established in 1988), and a distribution site in Thailand (KBA Lower central basin).

For our two distribution sites in Costa Rica and Thailand, no significant direct impact on biodiversity has been identified due to the lack of natural habitats and the predominance of the urban environment. Our industrial site in Australia is located in an area specifically dedicated to industrial activities.

E4-2 Policies

Virbac has not yet developed a biodiversity policy.

E4-3 Actions and resources

In connection with the IROs of the biodiversity and ecosystem issue, our Group continues to work specifically on alternatives to antibiotics to reduce the risk of antimicrobial resistance in the context of a One Health approach preserving biodiversity and ecosystems.

E4-4 Targets

Once the first CSRD report on biodiversity and ecosystem indicators has been completed, the targets will be reviewed.

PERFORMANCE RELATED TO BIODIVERSITY AND ECOSYSTEMS

E4-5 Impact metrics related to biodiversity and ecosystems change

Virbac has not yet developed biodiversity indicators.

[2] eleven criteria are grouped into five categories (threatened biodiversity, rare biodiversity, high ecological integrity, important biological processes, irreplaceable according to quantitative criteria)
[3] Unesco man and the biosphere program (United nations educational, scientific and cultural organization)

RESOURCE USE AND CIRCULAR ECONOMY STRATEGY AND RELATED IROS' MANAGEMENT

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related Impacts, risks and opportunities

▶ refer to section Impact, risk and opportunity management.

E5-1 Policies related to resource use and circular economy

Virbac sees the circular economy as an opportunity to direct its activities towards a more sober and efficient consumption model of resources, and a limitation of waste production. The circular economy embodies the objective of going beyond impact reduction, in favor of a model of positive social, economic and environmental value creation.

In the context of optimization of the resources we employ, we are specifically seeking to control our consumption of energy, water and materials used in our manufacturing processes.

Again with a view to the sustainable use of resources, we are committed to fine-tuning our consumption of active ingredients, excipients and packaging items as much as possible in order to avoid product wastage or packaging proliferation. With the help of our strategic suppliers, we have also given a new impetus to innovation that can reduce wrapping and packaging. This requires optimized supply management to limit warehousing and internal transfers. We are also progressing on optimizing flows and the speed of shipments.

Primary packaging that comes in contact with medicines is subject to strict pharmaceutical industry quality standards that limit the use of recycled materials. However, a cross-functional think tank was put in place at the end of 2021 with the first concrete action being to take into account these concepts, in particular that of recyclability, as a criterion of choice in all current and future projects.

For companion animal products that do not require a Marketing authorization (MA), we integrate eco-design principles as early in the creation process as possible. These same principles are implemented for secondary or tertiary packaging, starting with the research and development stage, in partnership with our suppliers.

E5-2 Actions and resources related to resource use and circular economy

Using new environmentally friendly technologies to develop and update our products

For the development of new products, all Virbac R&D sites worldwide now use more efficient chromatography and extraction technologies. This approach helps reduce:

- the number of tests necessary for the development of the methods (-50%);
- the amount of organic solvents or materials (between -50 and -90%);
- as well as the energy consumption of the analysis devices (-50%).

The same approach is used with the same benefits throughout the product life cycle, including during regulatory updates of existing products. Beyond the methodologies, whenever a toxic solvent can be substituted with an alternative solvent, it is proactively replaced by an equivalent that is more environmentally friendly.

For illustrative purposes, this mobilization allowed us to:

- revive our range of shampoos and a hygiene product, in particular with recycled packaging;
- launch a new food supplement in more than 28 countries (Europe and Asia), which incorporates ingredients from a sustainable culture (krill meal with MSC label) and is presented in recyclable packaging, incorporating 25% recycled material.

Other actions have focused on preparatory work aimed at:

- strengthening the presence of natural ingredients in our products for companion animals;
- raising awareness of the biodegradability of our hygiene and treatment shampoos;
- increasing the proportion of recycled or recyclable materials in the packaging of our products for companion animals.

Recycling initiatives and extension of the duration of use of equipment

With a view to making our approach circular, sites are mobilized to promote the recycling and/or reuse of materials and equipment, where legally possible.

Initiatives have been launched in France to encourage the donation of packaging, purified water bottles and furniture during relocations.

At the same time, our Group is implementing a policy to extend the lifespans of computer equipment (PC, cell phones, etc.), and company vehicles.

Local initiatives

Chile
In order to comply with local regulations (law 20.920), we now collect the containers and packaging of our products that are placed on the national market. As a result, in 2024, 154 tons of plastic, metal, glass, paper and cardboard waste were collected and incorporated into a more efficient recycling circuit.

United States
In 2024, our industrial site in Boston led a project to implement a separate waste stream for hazardous versus non-hazardous liquids (RCRA) with the implementation of two external 800-liter and 2,500-liter tanks. The hazardous waste is then treated by a specialized external company, while the non-hazardous waste is discharged into the municipal network via a regularly monitored neutralization system, with regulated pollution monitoring.

New Zealand
Our subsidiary in New Zealand partnered with a local company, Future Post, which collected Dryzen's used plastic syringes from veterinary clinics, before recycling them into environmentally friendly fence posts. These used syringes would otherwise have been intended for landfill. In total, more than 1.2 tons of syringes were recycled, equivalent to 26,500 bottles of milk or 178,000 plastic bags.

Taiwan
Formaldehyde consumption has been reduced by 80% by changing the management of opened containers. Whereas previously unused portions were often thrown away, our new procedure consists of immediately dividing the opened formaldehyde into aliquots in suitably sized containers (after having validated the shelf life of these aliquots), and storing them in optimal conditions. This approach allows a considerable reduction in waste and its disposal costs.

E5-3 Targets

Once the first CSRD report on indicators related to resource use and the circular economy has been completed, the targets will be reviewed.

PERFORMANCE RELATED TO RESOURCES USE AND CIRCULAR ECONOMY

E5-4 Resources inflow including packaging

▶ refer to section Entity activities and business model.

The significant flows of input resources used in the twelve countries carrying out production operations for Virbac are mainly raw materials. They represent about 68.4% of the total weight of purchases during the 2024 financial year. Packaging, whether primary (in contact with the products), secondary or tertiary, accounts for approximately 31.6% of the total weight of purchases.

Within the scope of Virbac's own operations, we note:

- 17,381 tons of total weight of the products and technical and biological materials received;
- in the absence of monitoring of sustainable source certifications, we do report 0% of biological materials used to produce the company's products and services. We plan to refine the monitoring of these certificates for the 2025 financial year;
- given the constraints associated with our pharmaceutical activities, there are no components, products or materials that are reused or recycled and used as is to manufacture the company's products and services.

Methodology: use of data provided by production subsidiaries as part of the collection for the carbon footprint assessment. The weight of the items (expressed in kilograms) is based on the volume of materials in net weight. Extrapolation in case of partial data estimated at 6.5% of the total weight reported.

E5-5 Waste

We are continuing our efforts to reduce the quantities of waste generated by introducing recycling or more efficient production equipment, and by recovering our waste where systems exist in the countries where we operate.

Our main waste products are packaging items, primary and secondary packaging items (cartons, paper, plastic, wood, bottles, cans, etc.) and effluents (washing water, etc.).

Waste (tons)	2024
Hazardous waste diverted from disposal	**528**
For reuse	14
Due to recycling	31
Due to other recovery operations	483
Non-hazardous waste diverted from disposal	**2,058**
For reuse	110
Due to recycling	1,634
Due to other recovery operations	314
Hazardous waste directed to disposal	**2,311**
Incineration	562
Landfilling	863
Other disposal operations	867
Non-hazardous waste directed to disposal	**1,659**
Incineration	960
Landfilling	396
Other disposal operations	303
Total hazardous waste	2,839
Total non-hazardous waste	3,717
Total waste	**6,556**
of which non-recycled waste	4,891
Percentage of non recycled waste	75%

Alignment with the European green taxonomy

PRINCIPLES OF SUSTAINABILITY STATEMENT AND IMPLEMENTATION

Principles of sustainability statement

As a result of the sustainable finance action plan launched in 2018 by the European commission, European regulation 2020/852 of June 18, 2020, establishes a framework to promote sustainable investments in the European Union, called the European green taxonomy. This framework establishes a classification system for economic activities that can be considered sustainable with regard to six environmental targets:

- climate change mitigation;
- climate change adaptation;
- transition to a circular economy;
- pollution prevention and reduction;
- sustainable use and protection of aquatic and marine resources;
- biodiversity and ecosystem protection and restoration.

To be considered sustainable, an activity must contribute substantially to one of the six environmental targets above, not hinder the other five, in accordance with the Do no significant harm (DNSH) principle and comply with minimum safeguards, in respect of human rights, for example.

The taxonomy regulation is defined by the following delegated acts:

- for corporate reporting obligations: publication in July 2022 of delegated regulation article 8, (UE) 2021/2178;
- for the two climate objectives on mitigation and adaptation: publication in March 2022 and updated in June 2023 of the climate delegated act, (EU) 2021/2139;
- for the other four environmental targets, adoption in June 2023 of an environmental delegated act, (EU) 2023/2486.

Implementation

In accordance with this regulation, starting with the financial year ended December 31, 2021, we are required to release the share of our taxonomy-eligible activity - revenue, capital expenditure (CapEx) and operational expenditure (OpEx) – on the first two environmental targets related to climate change.

For financial statements for the year ending December 31, 2022, the requirement has been extended and now calls for an analysis of the alignment for the climate objectives.

For the accounts closed on December 31, 2023, the analysis of the eligibility of the four complementary objectives was required (transition to a circular economy, prevention and reduction of pollution, sustainable use and protection of aquatic and marine resources, and protection and restoration of biodiversity and ecosystems).

For the accounts closed on December 31, 2024, sustainability reporting now includes the alignment analysis of the four complementary objectives, thus marking the last step in the implementation of the regulation and finalizing the application of taxonomy.

METHODOLOGICAL FRAMEWORK

The eligibility analysis of the six objectives was conducted in accordance with the taxonomy regulation. It follows from this analysis that the Group is mainly concerned with the objective of preventing and reducing pollution, and as such must declare its share of revenue generated, CapEx and OpEx incurred in its medicine production. The eligibility and alignment assessment was conducted on the basis of a detailed analysis of the Group's activities, based on the processes, existing reporting systems and assumptions made with management and business experts in France and in our main subsidiaries. The following departments contributed to the review:

- Group Consolidation and Management Control department for financial data;
- Financial Affairs department of the subsidiaries in scope;
- Facilities Management, Industrial Operations department for buildings and maintenance;
- fleet managers;
- Group Public and Regulatory Affairs department;
- Insurance and Risk Management and EHS department for the assessment of the DNSH climate, Legal Compliance, HR, and Tax department for the analysis of minimum safeguards;
- CSR department.

The whole analysis is based on a methodology whose significant elements (assumptions, interpretations, clarifications and methodological limitations) are described below. The Group will revise this method and the figures resulting in light of regulatory developments annually, in particular with the implementation of the CSRD directive and the last FAQ. It should be noted that this work was carried out with the support of an external advisor, which assisted the Group in appropriating the concepts to be implemented, facilitating training/information sessions, and lastly, analyzing the criteria required to justify the alignment of activities.

Activities meeting the climate change adaptation target

The Group carried out a preliminary analysis of the exposure and vulnerability of its activities to physical climate risks, as defined in Section II of Appendix A of the European regulation. This analysis was conducted by management on the basis of the reports of our insurers on the prevention of natural and climatic risks at our main sites, and on the basis of internal knowledge of these sites. In 2024, the Group enhanced this approach with simulations of global warming scenarios, based on the IPCC's assumptions, which made it possible to map the risks identified and their degree of importance for 26 of our sites worldwide. On this basis, we are now working to complete our action plans to limit the potential impact of these risks. Therefore, Virbac is taking a cautious approach by not considering investment flows contributing to the climate change adaptation target as eligible.

Minimum safeguards

In accordance with the guiding principles for minimum safeguards described in article 4 of the Taxonomy regulation, economic activities that substantially contribute to one of the climate objectives and meet the relevant generic and specific DNSH must also demonstrate compliance with the minimum safeguards. Compliance with the minimum safeguards was assessed at the Virbac group level only. In all our activities, we take into account the Organisation for economic co-operation and development (OECD) guidelines for multinational enterprises and the United nations guiding principles on business and human rights, including the principles and rights set out in the International Labour Organization declaration on fundamental principles and rights at work and the International bill of human rights. The Group relied on the report on the minimum safeguards of the Platform for sustainable finance to ensure its compliance with the principles presented, and in particular the corpus of mechanisms put in place by the Group:

- the Virbac code of conduct and business partner charter;
- respect for human rights;
- anticorruption and influence peddling;
- fair competition;
- responsible taxation.

Human rights

Virbac's human rights policy will be made available by 2025. This policy, applicable to the Virbac group, includes the prevention, detection and remediation measures in place at Virbac and will highlight the expected coverage of minimum human rights safeguards in the context of taxonomy reporting and will contribute to the preparation for compliance with the CSDDD (Corporate sustainability due diligence directive). The Group therefore concluded that the minimum safeguards have so far been non-compliant with regard to taxonomy.

Bribery and competition law

▶ refer to section G1 business conduct and corporate culture.

Tax

We apply the laws and regulations in force in the countries where we operate. We file the required tax returns on time with the various tax authorities, and the amount due is paid.

Since 2022, an international tax director ensures that all entities comply with their tax obligations and that the tax due in each of the subsidiaries is properly accounted for. This position relies on local financial directors, regional financial controllers and, in some countries, on tax consulting firms, and prepares a report for the audit committee.

In the area of transfer pricing, we apply OECD principles and the regulations in force in the countries of residence to our intra-group operations and aim for appropriate compensation for all Group entities. Virbac's transfer pricing policy is documented and made available to the various tax authorities.

We undertake to maintain transparent and constructive relations with tax or governmental authorities by submitting our country-by-country reporting to the French authorities on an annual basis. Our tax strategy, based on our actual operations, is aligned with our values, which prohibit tax evasion and the implementation of any tax scheme that could compromise the Group's good reputation and its values. When we invest in a specific country, this decision is primarily driven by business objectives. Income taxes are treated in accordance with international accounting rules in the consolidated financial statements and are commented on in the notes to the consolidated accounts.

TURNOVER OF TAXONOMY

As defined by the regulation, the revenue denominator corresponds to the proceeds from ordinary activities derived from customer contracts (IFRS 15).

Eligibility analysis

An activity is qualified as eligible for taxonomy if it is on the list of sectors covered by the six environmental targets. Virbac, like the pharmaceutical sector, is directly concerned with the target of pollution prevention and reduction. The NACE code concerned is as follows: C21.2 Manufacture of medicinal products.

Based on the same methodology as in 2023, we report the share of our revenue achieved on our drug manufacturing (activity PPC 1.2). To do this, management reviewed its entire net consolidated revenue and used as a basis the European definition of the medicine as published on the European medicines agency website.

In this case, the eligible revenue includes all manufacturing of drugs. The consolidated net revenue of the animal nutrition, diagnostics, and hygiene ranges, and non-medicine care ranges is deemed ineligible. With regard to the scope, it should be noted that only the manufacturing carried out at our own industrial sites, or through subcontracting, was selected to assess the eligible share. Trade products (purchase/resale) were considered ineligible regardless of the nature of the product.

in € million	2024	2023
Denominator of revenue as defined by the regulations	1,397.4	1,246.9
Consolidated net revenue eligible for the pollution prevention and reduction objective	811.6	701.0
Share of consolidated net revenue eligible for the pollution prevention and reduction objective	58.1%	56.2%

The increase in the eligible share is explained in particular by the integration of drug products from the recently acquired companies Globion and the Sasaeah group.

Alignment analysis

To carry out the alignment analysis, discussion groups were conducted internally, particularly with CSR teams and industrial teams, to examine whether Virbac product characteristics align with the required criteria. Initial lessons on technical criteria for substantial biodegradability contribution were provided. However, it is difficult to prove biodegradability on certain types of products; this analysis will have to be continued in 2025.

Consequently, Virbac cannot conclude that its revenue is aligned. This conclusion also applies to Category A CapEx contributing to the objective of pollution prevention and reduction.

in € million	2024	2023
Denominator of revenue as defined by the regulations	1,397.4	n.a
Consolidated net revenue aligned in respect of the pollution prevention and reduction objective	0	n.a
Share of consolidated net revenue aligned in respect of the pollution prevention and reduction objective	0%	n.a

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Do no significant harm')									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxo-nomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
of which transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of medicinal products	PPC 1.2	811.6	58.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								56.2%		
Turnover of taxo-nomy-eligible but not environmen-tally sustainable activities (not taxonomy-aligned activities) (A.2)		**811.6**	**58.1%**	**0%**	**0%**	**0%**	**0%**	**58%**	**0%**								**56.2%**		
A. Turnover of taxonomy-eli-gible activities (A.1+A.2)		**811.6**	**58.1%**	**0%**	**0%**	**0%**	**0%**	**58%**	**0%**								**56.2%**		
B. Taxonomy-non-eligible activities																			
Turnover of taxo-nomy-non-eligible activities		585.8	41.9%																
TOTAL		1,397.4	**100%**																

Proportion of turnover/total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	58.1%
BIO	0%	0%

CAPEX TAXONOMY

As defined by article 8 (2) (b) of regulation (EU) 2020/852, the denominator of the CapEx taxonomy corresponds to the acquisitions of tangible assets (IAS 16) and intangible assets (IAS 38), and the acquisition of rights of use (in accordance with IFRS 16). In addition, assets acquired through business combinations (IFRS 3), excluding goodwill, are included in the lines of the table below. It should be noted that the Virbac group has no investment treated according to the Investment property (IAS 40) and Agriculture (IAS 41) standards.

In 2024, the CapEx taxonomy denominator totaled €386.2 million.

Investments	in € million
Tangible assets (IAS 16)	277.3
Intangible assets (IAS 38)	81.0
Rights of use (IFRS 16)	18.0
Reprocessing changes in scope and internal mergers, tangible and intangible assets	10.0
Total CapEx	**386.2**

▶ refer to consolidated financial statements notes A2, A4 et A5, lines acquisitions and other increases and changes in scope.

Eligibility analysis

A comprehensive analysis of economic activities as defined by the taxonomy regulations was carried out in the form of workshops at Group level, in order to list economic activities likely to correspond to Virbac's investment flows. Our Group ensured that no other activities related to climate and environmental targets were omitted within the scope of the analysis. Based on the guidelines provided by the Group in accordance with the taxonomy regulation, the CapEx flows, derived from the consolidated accounting data, were then analyzed across the board by the Finance teams of each subsidiary and by local experts.

The flows related to individual investments (category C) identified by the Group are the following activities (the reference within parentheses corresponds to the classification by activity as defined by taxonomy):

- transport by motorcycles, private cars and light utility vehicles (CCM/CCA 6.5);
- renovation of existing buildings (CCM/CCA 7.2, CE 3.2);
- installation, maintenance and repair of energy efficiency equipment (CCM/CCA 7.3);
- installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings (CCM/CCA 7.4);
- installation, maintenance and repair of instruments and devices for the measurement, regulation and control of the energy performance of buildings (CCM/CCA 7.5);
- installation, maintenance and repair of renewable energy technologies (CCM/CCA 7.6);
- acquisition and ownership of buildings (CCM/CCA 7.7);
- manufacturing, installation and associated services for leak-control technologies to reduce and prevent leaks in water supply systems (WTR 1.1);
- data-based solutions for reducing GHG emissions (CCM/CCA 8.2).

The investment flows related to an eligible activity (category A) identified by the Group are the following activities (the reference within parentheses corresponds to the classification by activity as defined by taxonomy):

- investments related to the manufacture of pharmaceutical active ingredients (API) or active substances (PPC 1.1);
- investments related to manufacturing of medicines (PPC 1.2).

In 2024, it should be noted that:

- no investment amount has been identified at Group level for the data-based solutions activity for GHG emission reductions (CCM/CCA 8.2);
- no investment amount has been identified by the Finance teams and local experts of each subsidiary for the WTR 1.1 activity;
- investments in the renovation of existing buildings related to PPC 1.2 economic activity were grouped into the drug manufacturing investments line (PPC 1.2).

in € million	2024	2023
CapEx denominator as defined by the regulations	386.2	73.7
CapEx eligible for the six environmental objectives	85.2	19.5
Share of CapEx eligible for the six environmental objectives	22.1%	26.4%

In the 2024 financial year, the total eligible CapEx is down compared to 2023.

The variation in eligible activities compared to last year is explained by:

- a share of eligibility for new acquisitions in 2024 less than the share of eligibility for other Group activities;
- a decrease in investments related to manufacturing of medicines (PPC 1.2);
- and finally a larger eligible share in 2024 of investments related to CCM activities 7.3, 7.4, 7.5, 7.6 and 7.7.

Alignment analysis

An alignment analysis was conducted for the climate change mitigation (CCM) and circular economy (CE) transition targets. CapEx flows were analyzed with regard to the technical criteria for substantial contribution and DNSH by each subsidiary. The application of the criteria is intended to comply with the text of the taxonomy.

For transport by motorcycles, private cars and light utility vehicles activity (CCM 6.5):

- a share of the CapEx has been identified as meeting the substantial contribution criterion, provided that the vehicles are electric or hybrid and respecting a CO^2 emission limit on the exhaust;
- specific DNSH - Pollution: the regulatory evolution affecting the DNSH pollution of activity 6.5 requires at Virbac a specific information collection process, particularly with regard to tire labels. Although efforts have been made within the subsidiaries, we do not yet have enough details to establish alignment at this stage. As a result, it was agreed that no vehicle met the requirements of this DNSH;
- generic DNSH - Climate adaptation: an analysis of the exposure and vulnerability of our activities to climate risks was carried out in collaboration with the Group's risk management. Based on this analysis, an action plan is being developed to mitigate the potential impact of these risks, with the aim of meeting taxonomy and CSRD reporting requirements. We estimate that this roadmap will be finalized by 2025 and therefore the generic DNSH – Climate adaptation does not comply with the taxonomy regulations. This conclusion applies to all activities eligible for the climate change mitigation objective.

For the renovation of existing buildings activity (CCM 7.2, CE 3.2):

- CCM 7.2: a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the renovation is considered major;
- CE 3.2: no share of CapEx has been identified as meeting the substantial contribution criterion given the complexity of the information collection process for certain criteria;
- specific DNSH – Pollution was deemed to be non-compliant with taxonomy regulations because this requires a specific information collection process at Virbac, particularly with regard to the composition of the materials used. Although efforts have been made within the subsidiaries, we do not yet have enough details to establish alignment at this stage.

For the installation, maintenance and repair of energy efficiency equipment activity (CCM 7.3):

- a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the installation, maintenance and repair attests to an improvement in energy performance;
- specific DNSH – Pollution was deemed to be non-compliant with taxonomy regulations because this requires a specific information collection process at Virbac, particularly with regard to the composition of the materials used. Although efforts have been made within the subsidiaries, we do not yet have enough details to establish alignment at this stage.

For the installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings (CCM 7.4): a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the installation, maintenance and repair of charging stations are justified.

For the installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings (CCM 7.5): a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the installation, maintenance and repair attests to a device relating to energy performance.

For the installation, maintenance and repair of renewable energy technologies (CCM 7.6): a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the installation, maintenance and repair attests to renewable energy technology.

For the acquisition and ownership of buildings (CCM 7.7): Virbac management was required to interpret the texts and refers to the DEEPKI index for the top 15% of energy performance of buildings on a national scale. A share of CapEx has been identified as meeting the substantial contribution criterion if the building's energy consumption meets the DEEPKI index thresholds.

in € million	2024	2023
CapEx denominator as defined by the regulations	386.2	73.7
CapEx aligned with the six environmental objectives	0.0	0.002
Share of CapEx aligned with the six environmental objectives	0.0%	0.003%

The alignment at 0% of CapEx in 2024 is explained by the non-compliance:

- with the generic DNSH – Climate adaptation, as the adaptation roadmap and the resulting action plans are being built by the Group;
- minimum safeguards, insofar as Virbac's human rights policy will be made available in 2025.

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Do no significant harm')									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Circular economy (8)	Pollution (9)	Biodiversity(10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**	0	0%	**N**	**N**	**N**	**N**	**N**	**N**	N	N	N	N	N	N	N	0.003%	E	
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.003%**		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0.003%	E	
Of which transitional		0	0%							N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	8.1	2.1%	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								3.0%		
Renovation of existing buildings	**CCM 7.2,** CE 3.2	2.9	0.8%	**EL**	**N/EL**	**N/EL**	**EL**	**N/EL**	**N/EL**								7.3%		
Acquisition and ownership of buildings	CCM 7.7	55.8	14.4%	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								0.4%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3.9	1.0%	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**										
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.0%	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**										
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0%	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**										
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.1	0.0%	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**										
Manufacture of Active pharmaceutical ingredients (API) or active substances	PPC 1.1	2.0	0.5%	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**EL**	**N/EL**								3.4%		
Manufacture of medicinal products	PPC 1.2	12.3	3.2%	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**EL**	**N/EL**								12.2%		
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	**0.0**	**0.0%**	**N/EL**	**N/EL**	**EL**	**N/EL**	**N/EL**	**N/EL**								0.1%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**85.2**	**22.1%**	**18.3%**	**0%**	**0%**	**0%**	**3.7%**	**0%**								**26.4%**		
A. CapEx of taxonomy-eligible activities (A.1+A.2)		**85.2**	**22.1%**	**18.3%**	**0%**	**0%**	**0%**	**3.7%**	**0%**								**26.4%**		
B. Taxonomy-non-eligible activities																			
CapEx of taxonomy-non-eligible activities		301.0	**77.9%**																
Total (A+B)		386.2	**100%**																

Proportion of CapEx/total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	18.3%
CCA	0%	0.0%
WTR	0%	0.0%
CE	0%	0.8%
PPC	0%	3.7%
BIO	0%	0.0%

OPEX TAXONOMY

In 2024, the amount of the OpEx denominator as defined by the taxonomy regulation amounts to €102.5 million, that is, 8.8% of the Group's current operating expenses (less than 10% of total Group operating expenses). As a result, we consider the OpEx to be insignificant to our business model and opt for the materiality exemption from this indicator. Therefore, in view of this insignificant amount, which relates to expenditures that do not constitute the core of our activity, the work carried out concludes that this indicator is not material for Virbac. In accordance with the regulation, the analysis of OpEx eligibility has therefore not been carried out.

It should be noted that in 2024, the OpEx denominator calculation was modified, now including internal personnel costs directly related to R&D, in accordance with the FAQ published in October 2023.

in € million	2024	2023
OpEx denominator as defined by the regulations	102.5	59.1
OpEx eligible with the six environmental objectives	n.a	n.a
Share of OpEx eligible for the six environmental objectives	n.a	n.a

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Do no significant harm')									
Economic activities (1)	**Code (2)**	**OpEx (3)**	**Proportion of OpEx, year N (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Activity 1	NA	NA	0%	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	0%		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**NA**	**0%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**								**0%**		
of which enabling		NA	0%	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**								0%	E	
of which transitional		NA	0%														0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Activity 1	NA	NA	0%	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**								0%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**NA**	**0%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**								**0%**		
OpEx of taxonomy eligible activities (A.1+A.2)		**NA**	**0%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**								**0%**		
B. Taxonomy-non-eligible activities																			
OpEx of taxonomy-non-eligible activities		NA	100%																
Total (A+B)		102.5	**100%**																

Proportion of OpEx/total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

NUCLEAR ENERGY AND FOSSIL GAS ACTIVITIES

	Activities related to nuclear energy	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

SOCIAL

STRATEGY AND RELATED IROS' MANAGEMENT

SBM-2 Interests and views of stakeholders

We pay attention to our employees' opinions, and use them as a source of inspiration in defining our policies and the areas of improvement to target, in order to federate employees around strong values, thus increasing the commitment and motivation. All employees regularly participate in a satisfaction survey that allowing them to confidentially express their expectations on a wide range of topics.

SBM-3 Material Impacts, risks and opportunities and their interaction with strategy and business model

▶ refer to section Impact, risk and opportunity management.

WORKING CONDITIONS

Policies

S1-1 Policies related to own workforce

Safety is a major focus for the Group. Over the years, it has become ingrained in the corporate culture. Our priority actions in this field, led by EHS management, are to ensure that industrial equipment and risks associated with the use of chemicals comply with local regulations.

OUR KEY OBJECTIVES

- Increasing the safety of employees in the workplace by implementing action plans such as better protection against potentially hazardous materials, improved ergonomics and psychosocial hazard management, which aim to reduce the number of workplace accidents.

GOUVERNANCE

Our EHS management, reporting to the deputy chief executive officer, has implemented a rigorous policy to identify and assess safety risks and to develop means of prevention and methods of monitoring their effectiveness. We have defined severity and frequency criteria to better target the actions to be implemented to reduce the number of accidents and integrate human and organizational factors in the in-depth analysis of these events. The objective is to avoid any recurrence of accidents and to develop a safety culture for all our company staff, external company staff and temporary workers. The implementation and monitoring of these rules are the responsibility of local EHS organizations.

Action plans

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Safety culture

In all countries, we ensure the implementation of numerous preventive measures concerning the health and safety of our employees. Multi-year action plans on the compliance of production machines are thus in place in all major industrial sites in Australia, the United States, Chile, Mexico and France.

Chemical risk management is also taken into account, starting with product design, first on the choice of components but also on the number and type of analyses that must be performed at the different steps in the process.

In 2024, we continued to focus our efforts on our industrial sites in France by pursuing the program to develop a strong safety culture with the French Industrial Operations department (eighteen leaders engaged with bi-monthly monitoring) aiming to:

- give meaning to safety (act on human element and behavior);
- capitalize on what has already been implemented;
- deploy innovative tools;
- build a resilient EHS system;
- reduce accidents.

In particular, this approach has made it possible to:
- set up an EHS welcome video and booklet with a quiz for any newcomer;
- deploy a HIPO approach (events with a high potential for severity): preventive approach to collecting situations with high potential for severity;
- train 120 managers over two days (HIPO approach, analysis tools, safety quarter-hour sessions).

At the same time, safety improvements were made at our main site in France such as the addition of roof safety guardrails, building air conditioning, fire cabinets storage for flammable liquids.

Health at work

Regarding psychosocial hazards, the various departments in our company, supported by HR teams and designated partners (management and the workforce, the workplace physician, the workplace social worker, etc.), are continuing their global approach to the quality of life at work.

The main actions this year have been geared towards the management and prevention of absenteeism, in particular through:
- HR liaison meetings (which allow, with the employee's agreement, to discuss during the work stoppage, with or without the manager and possibly with the occupational physician, to better anticipate the conditions for return to work);
- return-to-work meetings conducted by managers, specially trained in good practices to take the employee into consideration when they return (information, training, ability, etc.);
- the presentation of the role of social workers during team meetings and the individual or collective follow-ups they can provide;
- the facilitation of training for local managers.

Discussions between the social partners and management have also made it possible to deal with and prevent individual or collective risky situations.

Internationally, the subsidiaries also pay particular attention to the management of psychosocial risks and the well-being of employees. Mexico and Chile regularly launch assessments in this area to measure potential risky situations and work first and foremost on prevention. To anticipate possible psychosocial hazards, Germany has appointed specialized firms to conduct investigations on this subject. Even if the analysis of the results does not reveal any critical situations, the leaders are asked to discuss with the teams to identify areas for improvement in terms of psychologically sound working conditions. On another level, the well-being of salespeople who spend a lot of time in their company vehicle is taken into account by improving safety equipment such as assistance systems or the comfort of their driver's seat.

Brazil has entered into a partnership with a provider to set up a "health point" with three nurses. This arrangement allows for the monitoring of employees' health status with measurements both biologically and psychologically. Our Brazilian subsidiary has also set up a call service provided by an external partner allowing employees to discuss health-related topics, both from a psychological and a financial standpoint, as well as social and legal assistance needs.

Uruguay combines prevention, promotion and direct actions: occupational medicine is involved in the recruitment phase to identify risks and then through annual follow-up appointments. Conferences and workshops are organized to address different topics: cardiovascular disease, blood pressure, eating habits, etc. Lastly, the occupational physician can also intervene to help find solutions for problems related to convalescence.

Our Vietnamese subsidiary also takes steps to improve the management of these risks: for example, it has implemented teleworking to improve work-life balance. It also organizes workshops on psychological health as well as sports days for its employees.

In addition to the information and prevention programs shared monthly with employees, South Africa organizes Vitality Days, during which employees can undergo a set of medical tests to assess their health and obtain medical assistance if a risk situation is detected.

Virbac Taiwan has partnered with a hospital to have a regular professional health service on its manufacturing site, allowing employees to benefit from individual medical consultations, annual medical visits and recommendations to improve their working environment.

Finally, Australia has expanded its psychological support service by adding financial support to help employees who may need it. Our Australian subsidiary has also developed a training module for managers and leaders to raise awareness on topics related to psychological health. It has also trained and certified employees in all functions and on all sites. The latter, called Mental Health First Aiders, are called upon to intervene as the first-line treatment and help employees facing psychological health issues. Australia hosted an RU OK Day training day for all employees to focus on the importance of mental health and the support available when needed.

EQUAL OPPORTUNITIES FOR ALL

Policies

S1-1 Policies related to own workforce

Our ambition is to support the development of organizations and professions, as well as the specific needs of the teams, by building a strong partnership with managers and all employees.

GROUP GOVERNANCE AND HR POLICY

Our policy in this area is based on three complementary pillars:
- training, skills development, performance-based compensation;
- well-being in the workplace and recognition;
- mobility and diversity aspects providing a valuable resource for the Group.

The opinion of our employees is essential. It guides our decisions and actions to create a motivating, unifying work environment in line with our values. Through regular and confidential satisfaction surveys, everyone can express their expectations on many topics, including CSR and well-being at work.

The employment market has continued to evolve in recent years and is increasingly under tension. The qualified profiles we seek, whose skills are essential in the veterinary pharmaceutical industry, are becoming increasingly rare, and are not always available on the market. Faced with this shortage, we have adjusted our recruitment strategy by exploring new sources of research complementary to traditional methods such as job advertisement platforms, the organization of group recruitment activities or the use of specialized agencies. The measures we have implemented aim to increase the visibility of our job opportunities and promote the many professional benefits that our company offers. The rise of digital communication channels and the increase in the number of devices available (phones, tablets, computers, etc.) have broadened our optional courses of action. Social media in particular has proven to be an excellent means for disseminating our job postings around the world, with concrete results. In short, our innovative approach and continual adaptability are at the heart of our strategy to address the challenges of recruiting in a constantly changing job market.

OUR KEY OBJECTIVES

- Promoting employee commitment and loyalty.
- Continuing training initiatives aimed at improving skills and employability.
- Encouraging equal treatment and diversity of employees.

OUR POLICIES

Our diversity policy aims to guarantee equal treatment of employees, encourage diversity among people and human relations, as well as maintain employee employability. It is structured around three key areas of focus: gender equality, disability and age diversity.

For Virbac, gender equity is fundamental and requires that no form of discrimination exists or is tolerated, whether in the conditions of access to employment and promotion, or in wage policy and other determinants of working conditions.

Action plans

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Recruitment

To support our growth, we recruit in all countries and across all jobs. In order to ensure the consistency and relevance of such recruitment, for several years, we have been developing digital tools to allow for better visibility of available professional opportunities. The Workday platform recruitment module was deployed in all our subsidiaries with the objective of harmonizing our Group processes in this area. All of our subsidiaries can publish their job offers via Workday on our internal and external career site at the same time in order to increase their visibility and develop our employer image. This tool also allows us to manage the multicasting of our postings on different job boards (LinkedIn and other more local job sites) with a single entry point. Workday provides transparency on the recruitment process for managers (number of applications received, follow-up of candidates for meetings, etc.) and allows recruiters to manage applications directly in this system. All applications received are centralized and shared with our managers, and responses to candidates are also sent directly from this platform. The Recruitment module also allows us to meet GDPR regulation requirements with regard to data retention.

At Group level, more than 650 positions were posted in 2024, 250 of which were exclusively internally. Of these, 510 were filled. Approximately 600 individuals were co-opted (5.25% of whom were recruited), and there were 650 internal transfers. Overall, more than fifteen subsidiaries posted jobs on Workday.

In France, which hosts 28% of our reference workforce, 264 positions were advertised externally, including 200 internally for 173 that were filled. In addition, 136 internal transfers took place during the same period. In order to promote and simplify internal mobility, a new Boost your mobility feature is now offered at the Group level as part of our human resources management system. This portal offers each employee the opportunity to view and apply for internal offers, access the status of their applications, create job alerts, and even recommend candidates, all centralized in one place. Boost your mobility also simplifies the updating of professional profiles by allowing employees to add their resume, diplomas and studies directly on this hub.

This information is automatically included in an application when an employee applies for an internal offer. Recruitment remains a very local activity linked to lines of business and cultural specificities. For this reason, the search for target profiles is managed mainly by the subsidiaries' teams in order to adapt to the context of each country and to attract talent more effectively. One of the approaches shared within our company throughout the world is the involvement of employees in the recruitment of new colleagues. To strengthen this practice, we have developed co-option programs that aim to reward employees for their contribution in identifying profiles that may meet our needs.

For example, India and China have set up a co-optation program to promote the recruitment of sales managers. Vietnam has also launched its co-optation program, leading employees to invite their network of contacts to apply for job offers, and Australia is encouraging this by offering to reward co-optation for both permanent and temporary positions.

Another approach is to diversify recruitment sources: our Chilean subsidiary has developed its network by working with public employment services to recruit blue-collar positions and with universities to gain access to young graduates in scientific fields. It has also launched several recruitment campaigns to attract the best talent in the pharmaceutical industry at the national and international level, and uses internships to discover new talents ready to seize job opportunities within the Company.

University campuses are an important pipeline for recruitment: in this way, along with co-option, India has managed to hire more than 160 employees from all parts of the country while maintaining costs related to the recruitment process. A specific program for more than 1,700 students from around 60 veterinary schools has been deployed across the country: it aims to establish a close connection with these future veterinarians, facilitate the recruitment of technical positions and establish its employer brand with these potential future employees.

Uruguay also relies on a strong development of its relations with the academic community to fuel its strategy for attracting new talents. It participates in employment forums and publishes communications on this topic both internally and on LinkedIn. In a highly competitive market, platforms like LinkedIn are also a good way to utilize social media.

In the United States, leaders relay job opportunities on their own LinkedIn profile and professional network, and in Australia, managers are encouraged to share job openings by these same means. In Western Europe, employees also disseminate job advertisements via their LinkedIn account. They also share the events in which the company participates (trade shows, conventions, conferences, etc.) to make our employer brand more visible, especially outside the veterinary circuit. This part of Europe has also relied on publicizing the company directly in places such as stores by communicating employment opportunities via a QR code (that people can scan to obtain all the necessary information and apply if they wish).

To meet recruitment needs, the company can also turn to internal transfers and the promotion of employees who already hold a position within the Group. Mexico, for example, continues to invest in the development of internal employees to provide sourcing within the Mexican subsidiary and other South American entities, and thus pave the way for the job succession in the future. India has implemented an internal recruitment policy by developing a five-step selection program to recruit regional sales managers, some of whom are already employed within the Indian subsidiary and promoted to these positions.

Successful recruitment also involves the formalization of policies in this area that clearly explain the processes and practices for selecting and assigning positions to be filled, all in keeping with the regulations in force in the country concerned. In this regard, China has introduced new guidelines to guide colleagues in charge of recruitment within its subsidiary, and our subsidiary in Taiwan asks each recruitment manager to take training before conducting candidate selection meetings. South Africa also believes that the drafting of a clear recruitment policy makes it possible to attract qualified and suitable candidates who will contribute to the success of the company while sharing its values.

The Taiwanese subsidiary highlights our employer brand to attract talents. It integrates all the attractive ingredients into its recruitment process from the perspective of the candidates: it stresses the scope of the responsibilities, the benefits apart from compensation, the opportunities for training and career development, the conviviality of the relations between colleagues and the positive impact that the future employee could bring.

As for Chile, the subsidiary puts all its energy into attracting talents that not only meet technical requirements but are also aligned with the company's cultural values. Attracting highly qualified and highly engaged professionals remains a challenge on a daily basis. Indeed, while a candidate's expertise and experience are important, adherence to shared values within the Group is a major contributing factor in successful recruitment.

Skills development

At Group level, we rolled out the catalog of benchmark jobs and competency framework, two key pieces that allow each employee to play a role in their own development. Six key competencies (important abilities and behaviors) to carry out our long-term strategy were identified. These competencies are an integral part of the employment benchmark, which lists the main responsibilities and functions for each position. They specify how the individual can effectively accomplish them. Each competency is broken down into four levels, and each benchmark job has its own expected competency levels. Thus, each employee can now use Workday to access the level associated with each of the six competencies of his/her benchmark job. A development guide has been made available to support everyone, regardless of their profession, with advice on how to develop these key competencies. This guide can also be used by managers as a reference tool to help them support their team members in drafting development plans or preparing for career advancement. Training modules on each of the six competencies are also available so that our employees can play a role in their development.

In the same spirit, a new platform, goFLUENT, has been made freely accessible to offer everyone the opportunity to develop their language skills and thus become comfortable and communicate impactfully when interacting in English, Spanish or French. Via Workday, it allows unlimited access to e-learning resources, level tests and conversation classes in a dozen languages. In addition, many internal experts, present in the main departments, contribute to the development of team competencies by implementing training aimed at a wide audience regarding corporate issues (safety, quality, digitalization, ecological transition, etc.).

Regarding to the France scope specifically, the training catalog has been expanded in order to provide a face-to-face offer in connection with the six key Virbac competencies. Emphasis was also placed on training managers, continuing the Leaders in Action program and adapting it to the specificities of the different managers' targets. Total training expenses in 2024 represent 3.03% of payroll.

At international level, most subsidiaries dedicate a significant portion of their budget each year to developing their employees' skills, using both internal resources and courses provided by external trainers. An employee's training often begins as soon as he/she joins the company and continues throughout his/her career.

This year, we successfully launched a first pilot mentoring program in France. This program has made it possible to create valuable links between our employees, thus promoting experience sharing and knowledge transfer. Positive feedback from participants, mentors and mentees alike, demonstrates the positive impact of this initiative on their personal and professional development. Building on this success, the program will be renewed next year, with the ambition of extending it and making it a permanent feature of Virbac. Germany also implemented a mentoring approach: each new hire is paired with a mentor, whose role is to facilitate their onboarding and to support them in learning about the company. This approach has been strengthened this year by the introduction of dual mentoring: for example, a new product manager accompanied by a peer for acculturation within the German subsidiary receives technical support from an expert from the Swiss subsidiary, thus enabling him to develop his knowledge of the product range for which he is responsible. This region also gives marketing teams the opportunity to participate in sales seminars with sales representatives so that they can better understand the latter's needs with regard to promotional materials. New hires are also involved in business meetings, even if this activity is not part of their area of responsibility.

Our China subsidiary conducts training sessions to accelerate product and policy knowledge over a one-month period when onboarding a new employee.

India relies on in-house development in particular for sales and marketing teams that represent the vast majority of the country's employees. It has developed an internal program for the sales force, one of its growth engines, to improve its skills in sales techniques, a program it regularly updates to remind salespeople of the skills essential to sales. The same approach has been implemented to strengthen the knowledge and practices of the marketing teams, including the implementation of a monthly session dedicated to exchanges between employees working in this field. This quality time allows everyone to discuss their experience in the field and share success stories. Our subsidiary continues to roll out its managerial development program called Sanskar for success (the keys to success), aimed at all managers and executive technicians in the marketing and sales teams with the implementation of phase 2.

China also favors internal training. It organizes training sessions for the sales force to improve their knowledge of new products, especially when they are launched. It practices role-playing to put sellers in situations and allow them to sharpen their communication skills in front of their customers. It is also considering developing trainers within the subsidiary, which will enable salespeople to benefit from regular training in sales techniques.

In Taiwan, an initiative called Little Academy was launched. It consists of short training courses of about one hour to improve knowledge on subjects related to industrial operations such as professional terminologies, concepts and regulations. These courses, which are open to voluntary participation, are given by managers or employees who are well versed in their fields. In addition to the pedagogical aspect, it highlights the importance of each function and promotes interactions between services thus creating a positive environment that is conducive to learning.

South Africa promotes the continuous professional development of employees to enable everyone to have the knowledge and skills necessary to carry out their function effectively. It combines internal training carried out via the online tools available to them and uses external structures to train its employees on compliance, sales or health by providing funding for these courses. It also allows employees to receive academic training by providing them with financial support when necessary, which is beneficial both for the employee and for the company in terms of productivity and skills development.

Brazil implemented a program called Campus Virbac, which aims to train its employees throughout the year on behavioral skills, such as how to give and receive feedback, or even on emotional intelligence. Regarding English courses for people who are required to use the language in their daily activities, this subsidiary uses the goFLUENT platform, also available on mobile, to offer everyone the opportunity to develop their language skills. For strategic positions, this learning is verified via a TOEIC test. It also dedicates time to the development of all its leaders, whether they are directors, managers, coordinators or experts or even those who aspire to become managers by insisting in particular on the importance of communication.

Uruguay also supports employees who need to improve their English language proficiency via this new platform.

Mexico maintains its investment in training to continue developing talents, stabilizing business, and improving processes. The subsidiary has created guides to help develop behavioral skills and has focused on developing leadership to foster a warm and caring environment.

Developing leadership skills is also a priority for Uruguay: This subsidiary has implemented specific training dedicated to the roles and responsibilities of managers and an internal training on payroll aimed at improving their knowledge in this field while debunking mistaken notions on the subject. Uruguay also dedicates a significant part of its training activities to the qualification of employees involved in the operational processes of quality control and Good manufacturing practices.

The Australian subsidiary has also developed and implemented a program for all its leaders. Based on the principles of emotional intelligence, it aims to improve the culture, commitment and well-being of team members. It also launched a program for its emerging leaders who participated in a training day outside the site. In addition, these aspiring leaders had the opportunity to take a mini MBA by taking courses taught by the Sydney school of management, online and face-to-face. All Australian employees were able to benefit from training to identify and eliminate psychological obstacles and barriers to success.

The United States also spends a portion of its training budget on leadership programs aimed at retaining today's talents and developing tomorrow's leaders.

Performance evaluation and recognition

At Virbac, our managerial processes are developed to provide each employee with support throughout the year. These processes include several components, such as individual goal setting and performance evaluation. Manager and employee spend quality time together to set expectations and then evaluate performance.

Everyone has a key role in these processes:
- the employee is involved in these exchanges (proposal and drafting of his/her objectives, self-assessment of his/her performance and skills, formalization of feedback to his/her manager, etc.);
- the manager shares factual elements to support the evaluation, support development and provide visibility over the coming year, in conjunction with the company's objectives.

Within the annual performance committee, our executive board also shares the assessments, compensation and professional development scenarios of key individuals in the Group.

In France, for example, during the 2024 financial year, 100% of employees were compensated at a level above that of the legal minimum wage. The policy for base wages is set at +5% above the minimum for the professional branch for all categories of staff. Our policy follows a rationale of competitiveness *vis-à-vis* the life sciences market and is generally at the median of this market. In addition to the financial elements related to individual performance compensation, we continue to pay close attention to collective performance compensation plans. For this reason, several mechanisms are already in place, such as a triennial incentive agreement renegotiated in 2023 and a profit-sharing agreement signed in 2008. The amounts from these agreements or voluntary payments may be invested in mutual funds, in the employee savings plan or in the *Perco [Plan d'épargne pour la retraite collectif* (Group retirement savings plan)*]*. Since 2016, unused vacation daysmay also be paid into the *Perco*, up to a limit of ten days per year.

The Brazilian subsidiary also signed a corporate agreement with the employee representatives, which, in addition to the profit-sharing program, provides for the payment of an amount calculated according to the position level and subject to the achievement of defined objectives. This agreement also states that, if the objectives set at the corporate level are exceeded, a 20% increase will be applied to profit sharing.

Virbac India, which consists mainly of sales and marketing teams, implemented a recognition and reward policy based on performance metrics defined at the end of the year for the coming year, and calculated through a monthly evaluation process based on quantitative and qualitative criteria. This policy has been successful in sustainably maintaining business growth year after year.

In China, our subsidiary has launched recognition programs to reward the efforts of employees achieving very good performance: one called Quarterly Sales Acceleration, which offers a special bonus to the best salespeople in the field, and the other, which rewards the best sales of products from the HPM nutrition range.

The Taiwanese subsidiary, meanwhile, congratulates employees for their remarkable attitudes and results by awarding them a Value Award and granting honor leave to encourage the best performers.

In addition to the recognition program developed and facilitated internally that allows an employee to honor another employee, Mexico has launched three communication campaigns to encourage recognition: Virbac Pride, where employees present their experience in a video, Leadership Stories, where leaders explain how they have overcome difficulties encountered in managing their teams (which gives some the opportunity to find their mentor), and Who We Are, where employees share their hobbies and interests in a document.

Brazil has launched this same type of recognition program based on the six values defined for the Group. After being designated by all employees, an employee is recognized as representing one of these six values through the actions he or she has carried out and which illustrate this value.

The Australian subsidiary continues to promote its quarterly recognition program Caught you being excellent, also in line with the Group's values.

The United States has launched a recognition and rewards program that aims to improve employee engagement, peer support, and the culture of team spirit. The organization of events to celebrate performance is also a sign of gratitude that employees appreciate.

Equal opportunities

This year, Mexico organized a week dedicated to women, during which activities and presentations on topics of interest to them were offered, making this event a great success. The Mexican subsidiary also extended the duration of maternity leave compared to the regulations in effect in order to fully support the maternity leave period and thus promote a gradual return to work.

The Brazil subsidiary participates in an annual human resources forum that conducts awareness-raising activities with an emphasis on the importance of recruiting women, particularly in management positions. When recruiting, China and Taiwan also emphasize the importance of ensuring that candidate selection criteria are based solely on the expected competencies related to the positions to be filled, without discrimination regarding the candidate's gender.

Within the Chilean subsidiary, gender parity was achieved in 2024 and its executive committee now has three women and two men, which is a positive signal of the importance given to the representation of women in senior management functions. As a rule, the subsidiary puts great emphasis on an inclusive culture that ensures gender equity by offering men and women equal job opportunities and compensation based on the position held, not on gender.

China also reached parity at the end of the year as it now has equal numbers of female and male staff, although the proportion of women on the executive committee remains in the minority.

Vietnam also ensures equal treatment between women and men in all HR processes (recruitment, wage reviews, promotions, etc.). The subsidiary has been led by a woman for several years, who serves as managing director, and the women/men ratio of its direct reports is six to four.

This is also the case in South Africa, where a woman is the head of the subsidiary. Responding to local legislation that promotes equal opportunities between women and men is a challenge in a work environment where it is difficult to find rare or advanced language skills to meet business needs in certain geographic areas of the country.

The United States continues to make progress on its side by tipping gender parity in favor of women in 2024.

Australia participates in a federal government-initiated program to promote women's return to work after a career break, and keep them employed. This innovative approach is designed to increase the proportion of women in the workforce as well as to encourage them to take on leadership positions. Through this contribution, the subsidiary intends to support women's return to work and promote their inclusion in the workplace by exchanging information with other companies participating in the same program on the Australian continent.

The Australian subsidiary has implemented a series of actions to increase the representation of women in operational and executive management teams, while being careful to adjust any differences in pay compared to men. In order to continue on this path in the coming years, it has developed a program for talented women to develop their leadership and give them the opportunity to become mentors.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Policies

S1-1 Policies related to own workforce

We place social dialogue at the heart of our sustainable development strategy and we are part of a global approach that favors listening, consultation and co-construction with all our employees.

Convinced that the company's performance relies on the fulfillment and well-being of our teams, we promote constructive social dialogue at all levels.

Our commitment to social dialogue demonstrates our desire to build a stimulating, fair and respectful work environment for everyone, while adapting to the necessary changes of the Group. We are convinced that this collaborative approach is essential to achieve our sustainable development goals and guarantee the long-term future of our company.

Action Plans

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

This permanent dialogue results in:
- **regular collective bargaining** with social partners on key topics such as wages, working time, value-added sharing, health, working conditions, etc.;

- **dynamic employee representation bodies** that actively contribute to improving working conditions and quality of life at work, and are consulted in advance on key company decisions;
- **a transparent internal communication policy** that aims to inform and involve employees in company decisions.

OTHER WORK-RELATED RIGHTS

Policies

S1-1 Policies related to own workforce

Respect for human rights

We are sensitive to the risks associated with the non-respect of human rights and in particular with regard to modern slavery, child labor and other related topics. We are vigilant about the application of the provisions of international conventions on this subject and comply with local regulations on these subjects in all countries where special prevention, detection and remediation measures apply to our business.

Our human rights policy applicable to all entities in the Group, and the regulatory framework in which Virbac operates at the global level (Good laboratory practices, Good clinical or manufacturing practices), and which, under the control of agencies, precisely sets the guidelines for the skills and training of the staff involved in our activities, the anticorruption program and the associated policies and procedures applicable to Virbac as well as to our value chain, seem to us to be conducive to very broadly preventing and detecting the use of illegal work, such as child labor or modern slavery.

Action plans

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Respect for human rights is emphasized in our code of conduct, which applies to all our employees and is accessible to all our stakeholders, as well as in our Virbac business partner charter, thus highlighting the importance Virbac places on complying, and ensuring compliance by all our stakeholders, with applicable labor standards, as well as the principles defined by the International labor organization (ILO). With this in mind, we integrate our business partner charter into partner selection processes, and also into the contractual process to formalize adherence to these principles. In the event of non-compliance with these international human rights standards or applicable laws on these subjects, our Virbac Signal whistleblowing system allows any stakeholder to submit a report to our Group whistleblowing contacts.

ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVE

S1-2 Processes for engaging with own workers and workers' representatives about impacts

Our employees are at the heart of our concerns. Their feedback helps us build a stimulating and responsible work environment, where everyone feels engaged and motivated. To achieve this, we regularly conduct confidential satisfaction surveys addressing a wide range of topics, including the social and environmental impact of our activities.

At the end of this survey, volunteer employees participate in workshops in order to propose actions which are then submitted to the steering committee.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

▶ refer to section G1-1 Corporate culture and business conduct policies and corporate culture.

TARGETS RELATED TO OWN WORKFORCE

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

TARGETS BY 2030	2024 (base year)	Progress
SOCIAL		
Strengthening employee engagement		
Attracting and retaining talent		
Achieve a Great Place to Work (Trust Index) satisfaction rate > 75%	**75%**	**100%**
Fulfilling work environment		
Achieve gender equality (between 40% and 60%) for the executive and management category (grading F+)	**23%**	**58%**
Skills development		
Published in 2026	-	-
Health and safety at work		
Achieve a workplace accident frequency rate < 4	**5.52**	**-28%**

PERFORMANCE RELATED TO OWN WORKFORCE

S1-6 Characteristics of the undertaking's employees

Breakdowns by gender and by country for countries in which the undertaking has 50 or more employees

The total workforce as of 12/31/2024 represents 6,365 employees.

Excluding recently acquired subsidiaries, the total reference workforce is 5,620 employees. For 2024, all performance indicators are calculated on this basis unless otherwise stated directly in the section concerned.

▶ refer to section BP-1 General basis.

Number of employees by gender

Gender	Females	Males	Not declared	Total
Corporate	2,454	3,164	2	5,620
% total	43.7%	56.3%	0.04%	100%

The workforce of countries employing at least 50 people represents 93.7% of the reference workforce.

France is the country with the highest number of employees (1,565, or 28% of the total), followed by India with 1,014 employees (18% of the total). These two countries alone account for 46% of the total workforce.

The analysis of employee distribution by gender highlights a promising diversity dynamic, with 43.7% women and 56.3% men. This ratio demonstrates significant gender diversity.

Several aspects are worth highlighting:

- a strong female presence in some countries: France (59%), Uruguay (50%) and Mexico (45%) are differentiated by better gender equality, illustrating an inclusive and attractive work environment;
- with only 1.9% of women, India is the country most underrepresented by women, due to a problem related to the profession, such as the fact that sales positions are exclusively occupied by men;
- an HR policy that promotes inclusion: the general trend shows a commitment to greater diversity, in line with the objectives of the Group's CSR roadmap in terms of fairness and equal opportunities.

Breakdowns by gender and by country for countries in which the undertaking has 50 or more employees

Country (location)	Females	Males	Not declared	Total
Australia	138	126		264
Brazil	68	80		148
Chile	159	154		313
China	63	56		119
Colombia	50	47		97
France	928	637		1,565
Germany	32	45		77
India	19	995		1,014
Japan	22	28		50
Mexico	143	175		318
New Zealand	39	36		75
South Africa	56	79		135
Spain	24	29		53
Taiwan	48	47		95
United Kingdom	38	16		54
United States	247	271	2	520
Uruguay	68	68		136
Vietnam	108	127		235

Breakdowns of employees by contract type

There is strong job stability, with 93.7% of employees on permanent contracts, reflecting an HR strategy oriented towards workforce retention and sustainability. This high level of stable contracts is a major asset for social management, promoting the commitment and retention of talents.

Some key points emerge:

- limited use of temporary contracts (0.2% of staff), which reduces insecurity and strengthens organizational stability;
- a balance between fixed-term and permanent contracts, with a ratio of 14.6 fixed-term contracts for 1 permanent contract, guaranteeing controlled management of temporary staff;
- significant geographical variations:
  - China and Vietnam have a high proportion of fixed-term contracts (90.8% and 60.9% respectively), related to local regulations or market dynamics;
  - France, on the other hand, has only 4.5% of fixed-term contracts, illustrating a more secure employment policy.

This distribution demonstrates an ability to adapt to local contexts while maintaining a global HR policy focused on employee stability and retention. A lever for improvement could be to explore opportunities for transforming fixed-term contracts into permanent contracts in areas where this is possible, thus further enhancing job security.

Number of employees by contract type

Employment type	Fixed term	Regular	Temporary	Total
Corporate	343	5,267	10	5,620
% total	6.1%	93.7%	0.2%	100%

Breakdowns by country and by employment type for countries in which the undertaking has 50 or more employees

Country	Fixed term	Regular	Temporary	Total
Australia	7	257		264
Brazil		148		148
Chile		313		313
China	108	11		119
Colombia		97		97
France	71	1,494		1,565
Germany		76	1	77
India		1,014		1,014
Japan	2	48		50
Mexico		318		318
New Zealand	1	74		75
South Africa		135		135
Spain		53		53
Taiwan	2	93		95
United Kingdom		54		54
United States	1	519		520
Uruguay	1	133	2	136
Vietnam	143	85	7	235

Number of employees by employment type and by gender

	Full time	Part time	Total
Females	2,317	137	2,454
Males	3,151	13	3,164
Not declared	2		2
Overall total	**5,470**	**150**	**5,620**

For countries with more than 50 employees, the breakdown between full-time and part-time is as follows.

- Overall breakdown:
  - the total workforce in countries with more than 50 employees is 5,268, including 5,158 full-time and 110 part-time;
  - full-time employees represent the vast majority (97.9%), while there is only a very small minority of part-time employees (2.0%).
- Low proportion of part-time work: France has the highest number of part-time employees (79), followed by Germany (10). It should be noted that several countries, such as China, Colombia, Spain, Taiwan, Uruguay and Vietnam, have no part-time employees.

Breakdowns by country and by employment type for countries in which the undertaking has 50 or more employees

Country	Full time	Part time	Total
Australia	250	14	264
Brazil	147	1	148
Chile	313		313
China	119		119
Colombia	97		97
France	1,486	79	1,565
Germany	67	10	77
India	1,014		1,014
Japan	50		50
Mexico	318		318
New Zealand	72	3	75
South Africa	134	1	135
Spain	53		53
Taiwan	95		95
United Kingdom	53	1	54
United States	519	1	520
Uruguay	136		136
Vietnam	235		235

Turnover

As of December 31, 2023, the workforce concerned was 5,151 employees, and 703 departures were recorded in 2024, *i.e.* an overall turnover rate of 13.6%. This figure is within a healthy and manageable range, reflecting a good dynamic between talent retention and workforce renewal.

HC 2023	Terminations 2024	Turnover rate 2024
5,151	**-703**	**13.6%**

Headcount turnover for countries in which the undertaking has 50 or more employees

Pays	HC 2023	Terminations 2024	Turnover rate 2024
Australia	252	-39	15.5%
Brazil	134	-16	11.9%
Chile	332	-98	29.5%
China	13	-3	23.1%
Colombia	89	-18	20.2%
France	1,458	-103	7.1%
Germany	74	-14	18.9%
India	969	-144	14.9%
Japan	48	-5	10.4%
Mexico	315	-47	14.9%
New Zealand	67	-8	11.9%
South Africa	133	-10	7.5%
Spain	49	-4	8.2%
Taiwan	85	-26	30.6%
United Kingdom	49	-6	12.2%
United States	507	-67	13.2%
Uruguay	145	-43	29.7%
Vietnam	91	-6	6.6%

The turnover analysis that focuses solely on permanent employees highlights effective loyalty and mobility management.

Stable turnover in mature markets

- France: 7.1% - a good indicator of loyalty and commitment;
- Vietnam: 6.6% - highlights the stability of the workforce;
- United States: 13.2% - a rate in line with market standards.

Higher dynamics in some high-growth countries

- Taiwan: 30.6% - a dynamic market where turnover can be a lever for skills growth and rapid career development;
- Chile: 29.5% - a highly attractive market favoring career opportunities;
- China: 23.1% - a constantly moving market, highlighting the need for a proactive HR policy to retain talent.

The largest number of departures is observed in India (144 departures per 969 employees, *i.e.* 14.9%), a figure that nevertheless remains consistent with market trends in the region.

Conclusions :
- a controlled overall turnover rate (13.7%), reflecting a good balance between renewal and retention;
- excellent stability in key markets such as France and Vietnam, ensuring a strong continuity of operations;
- and high attractiveness in some countries (Taiwan, Chile, China), demonstrating dynamic professional mobility and a competitive working environment.

S1-8 Collective bargaining coverage and social dialogue

Percentage of employees covered by collective bargaining agreements

Overall, the rate of coverage by collective agreements is 57.0%, meaning that more than half of employees benefit from collective protections and a structured framework for negotiation.

Concerning the EEA (European economic area), for countries with more than 50 employees, full coverage is shown in France and Spain. These figures demonstrate a strong implementation of social agreements in these countries, where social dialogue is historically well developed.

Percentage of employees covered by collective bargaining agreements

France	**100.0%**
Germany	**0.0%**
Spain	**100.0%**

Percentage of employees covered by workers' representatives

The overall rate of coverage by employee representatives is 44.1%, which means that almost one in two employees has the benefit of support and an institutional point of contact within the company.

Regarding the EEA zone, for countries with more than 50 employees, the figures for France and Germany attest to an excellent employee representativeness structure, promoting effective dialogue and an active consideration of employee concerns.

Percentage of employees covered by workers' representatives

France	**100.0%**
Germany	**95.0%**
Spain	**0.0%**

S1-9 Diversity metrics

Employees at top management level by gender

In accordance with the CSRD requirements, we analyzed the gender distribution within our top management globally, based on the D, E and F levels of responsibility of our internal grading system.

The results show that 32% of management positions are held by women, compared to 68% by men. This distribution varies greatly by region, with parity reached in some countries (Denmark, New Zealand, Uruguay, Taiwan), but a total absence of female representation in others (especially in Latin America, Asia and Eastern Europe).

We recognize the importance of inclusive and diverse governance to ensure better performance and more balanced decision-making. Our ambition is to move towards a fairer representation of genders in top management within the next few years.

Employees at top management level by gender

Compensation grade	Females	Males	Total
Grade D	57	117	174
Grade E	7	11	18
Grade F	6	20	26
Total	**70**	**148**	**218**
% total (D, E, F)	32.1%	67.9%	100%
% total (F)	23.1%	76.9%	100%

Number of employees by age and gender

We have always considered the contribution of the various generations and cultures of the countries in which we are established to be a true asset. Compliance by our employees with the values defined in our code of conduct is a prerequisite for any policy that values human capital. In the context of the extended company, the proper understanding by our partners of the rules related to employment practices is taken into consideration by the departments involved.

The company benefits from a harmonious distribution of ages within its workforce:

- 59% of employees are between 30 and 50 years old, which shows a strong dynamism and a wealth of experiences;
- the presence of young talents (16% of the workforce is under 30 years old) strengthens our capacity for innovation and our attractiveness as an employer;
- the 50+ age group represents 24% of the workforce, highlighting the importance of knowledge transmission and the promotion of long-term career paths.

We make sure to support each employee throughout professional development by offering courses adapted to each phase of their career.

Number of employees by age and gender

Age group	Females	Males	Not declared	Total
Under 30 years old	357	556	2	915
30-50 years old	1,464	1,878		3,342
Over 50 years old	633	730		1,363
Overall total	**2,454**	**3,164**	**2**	**5,620**
Under 30 years old	*14%*	*18%*	*100%*	*16%*
30-50 years old	*60%*	*59%*		*60%*
Over 50 years old	*26%*	*23%*		*24%*

The diversity and variety of nationalities and cultural backgrounds within the subsidiaries is a real strength for our Group.

Brazil is working on a project to set up a Diversity committee that will consist of representatives of minorities and volunteers to work on this subject in order to raise awareness about the problems encountered, especially in the professional environment. The Mexican subsidiary has launched a study to assess the level of inclusion of all types of diversity within its subsidiary.

In terms of age diversity, Chile values and promotes the inclusion of different generations, believing that they all contribute to development and innovation within organizations. While some countries such as Taiwan do not hesitate to recruit seniors by providing them with the necessary training to acquire new skills, others have a harder time convincing managers to agree to hire older employees who nevertheless have good professional experience.

India has decided to implement an equal opportunity policy emphasizing the importance of each person in a country that is very diverse in terms of cultures and languages. Meanwhile, the Australian subsidiary has developed a Diversity, equity, inclusion and belonging (DEIB) strategy by creating a group of volunteer employees from different functions. Its objective is to study areas for improvement to develop the DEIB footprint within departments. Australia also dedicates an event to highlighting this cultural diversity: Harmony Week. The Australian subsidiary has also included in its job postings a statement recognizing Aboriginal cultural heritage and has become a member of Diversity council Australia. The latter provides resources, training and support on all aspects of diversity in the world of work.

S1-10 Adequate wages

As part of our commitment to a fair compensation policy that meets local standards, we analyzed the proportion of employees whose fixed compensation is below the appropriate salary threshold in each country where we operate.

The reference we use to define the appropriate salary is mainly from the website WageIndicator.org, which provides detailed and up-to-date data on compensation levels internationally. However, for some countries (Italy, Switzerland, Norway, Sweden and Denmark), we have used other reliable local sources, as these countries are not covered by WageIndicator.org.

Within the Virbac group, **no employee receives compensation less than the living wage** defined for the country in which he/she works, reflecting our commitment to fairness and respect for the most demanding social standards.

We closely monitor these indicators to ensure permanent alignment with local standards and ensure respectable working conditions for all.

S1-12 Persons with disabilities

For several years, we have been reaffirming our commitment and desire to promote the employment of disabled workers and to ensure their integration and working conditions by applying a set of measures that revolve around five axes:

- **adjusting workstations:** certain disabilities require the use of workstation or organizational adjustments for which we take full responsibility in order to facilitate working conditions. When recruiting or changing the job of an employee with a disability, regardless of the cause, the new workstation is subject to the necessary adjustments prior to taking up the position;
- **supporting employees in their administrative procedures:** in order to help and encourage employees with disabilities in their procedures with the competent authorities to obtain recognition as beneficiaries of the employment obligation or its renewal, exceptional leave of absence is granted and remunerated. These employees also receive support from the occupational health team, which is available to help them with administrative formalities;
- **helping employees who have a child with a disability:** to reaffirm our support to the employees concerned, in France we grant one day per year of additional paid leave;
- **enabling disabled workers to better balance professional and personal life:** the adjustment and adaptation of living conditions within the company is an essential factor in inserting and integrating disabled workers under good conditions;
- **participating in the well-being of disabled workers beyond the framework of the company,** by granting them one additional day of leave per year, and through the payment of a bonus in order to share in any arrangement of their living conditions at home that is necessary due to their disability.

Our subsidiaries pay the same attention to the employment of workers with disabilities and to the adaptation of their work environment to promote their inclusion in the teams.

One of the members of the Human Resources team in Chile has been certified as an inclusion manager: their role is to promote equal opportunities for people with disabilities to develop within the company. To promote the employment of people with disabilities, the subsidiary has signed a partnership with the Active Inclusion Foundation that provides advice and training on inclusion. It also set up training to educate all employees on the positive impact of this inclusion within the teams and conducted a study to assess the compliance of the infrastructures in order to be able to accommodate these employees in good conditions.

Australia has done the same by signing a partnership with an organization created by the Australian government that helps people with disabilities or permanent medical conditions find jobs. Through the implementation of this pilot program, a disabled employee was hired at the Milperra storage warehouse.

As for Taiwan and Vietnam, these subsidiaries also make every effort to adapt the workstations and working conditions of employees with disabilities and thus support their employability.

S1-14 Health and safety metrics

In 2024, we observed a deterioration in the frequency rate of the Group's workplace accidents while the severity rate improved. This improvement in the severity rate is the result of prevention actions related to the development of the safety culture, making it possible to reduce the consequences of the most serious accidents with stoppages.

▶ refer to Own workforce working conditions S1-4 Actions.

Performance indicators (number of employees)	Unit	2023[1]	2024
Workforce covered by health and safety management system	%	n.a.	**95.7**
Recordable work-related accidents	number	33	**55**
Frequency rate of recordable work-related accidents	per million hours worked	3.67	**5.42**
Severity rate of work-related accidents	per thousand hours worked	0.22	**0.15**
Fatalities as a result of work-related injuries	number	0	**0**

[1]partial 2023 perimeter (23 subsidiaries versus 41 subsidiaries in 2024), impact of the non-material perimeter extension

The frequency rate used is defined as the number of work accidents that resulted in at least one lost workday, divided by the number of hours worked, multiplied by one million. Accidents related to the journey from home to work and back home are excluded.

The severity rate used is defined as the number of lost days following accidents at work that resulted in at least one lost workday, divided by the number of hours worked, multiplied by one thousand.

S1-16 Compensation metrics (pay gap and total compensation)

Gender pay gap

In the context of the CSRD requirements, we analyzed the gender pay gap using two approaches:
- CSRD methodology: by strictly applying the formula defined by the CSRD directive based on hourly compensation and taking into account all countries, the overall gap is -21.2%, which means that the gap is unfavorable to men;
- internal methodology: by weighting by the workforce and considering the average annual compensation per level of responsibility (grading), the pay gap between women and men stands at +2.1% in favor of men. In this methodology, we also chose to exclude India because of the under-representation of women in this country, around 2% out of a total workforce of more than 1,000 employees (which represents 18% of our total workforce).

However, there are significant disparities depending on the grade; this is why the company chooses to follow an internal methodology, in addition to the CSRD directive, in order to better reflect the reality of gender gaps by level of responsibility and to be able to monitor the avenues for improvement for the coming years.

Annual total remuneration ratio

In accordance with CSRD requirements, the company publishes data on the highest annual compensation as well as the median compensation of employees, thus making it possible to establish an indicator of salary dispersion.

In respect of the 2024 financial year:
- the highest annual compensation within the organization is €653,670 (excluding salary savings, stock options and benefits in kind);
- the median annual compensation of employees is €36,923.

This ratio means that the highest annual compensation is 17.7 times higher than the median compensation. This indicator is essential to assess the dispersion of compensation within the organization and reflects the pay gaps between the different categories of employees.
The analysis of this ratio is part of a transparency and pay equity approach, allowing internal and external stakeholders (collaborators, shareholders, investors, regulatory authorities, social partners) to better understand the company's compensation policy.

Key findings

The countries in which we operate show a wide variety of pay ratios. For example, very significant pay gaps (comparison between the highest salary and the median salary of the subsidiary) have been observed in emerging countries such as India (45.8) and Vietnam (24.1), where pay differences between senior managers and local employees are particularly significant. Conversely, in Nordic and European countries such as Norway (1.4) and Belgium (2.0), the distribution of wages is more homogeneous, reflecting an economic and social model that promotes greater pay equity.

Remuneration metrics	Unit	2024
Gender pay gap[1] CSRD methodology	%	**-21.2**
Gender pay gap[2] Intern methodology	%	**2.1**
Annual total remuneration ratio	ratio	**17.7**

[1]gap in favor of women
[2]gap unfavorable to women

S1-17 Incidents, complaints and severe human rights impacts

All incidents and complaints of discrimination are handled by our organization through official channels. They can be reported either directly via our whistleblowing platform virbac.besignal.com, which can be accessed internally or externally, or directly to our local management teams. Each report or complaint is treated with the highest level of confidentiality, and given the sensitive nature of these issues, no details may be disclosed. To this end, our reporting mechanisms guarantee our employees and external stakeholders that they can report any incident confidentially and securely.

In 2024, no fines or penalties related to discrimination were recorded. In addition, in terms of respect for human rights towards our employees, no serious incidents in this area occurred and, therefore, no fines, penalties or compensation were recorded in 2024. At Virbac, we remain committed to complying with all relevant laws and regulations and maintaining the integrity of our business practices.

Incidents, complaints and severe human rights impacts	Unit	2024
Incidents of discrimination	number	**7**
Complaints filed through channels of national contact points for OECD multinational enterprises	number	**2**
Amount of fines, penalties and compensation for damages resulting from incidents of discrimination, including harassment and complaints filed	€	**0**
Severe human rights incidents connected to the workforce	number	**0**
Severe human rights incidents connected to the workforce which constitute a case of non-respect of the United nations guiding principles on business and human rights, and OECD guidelines for multinational enterprises	number	**0**
Amount of fines, penalties and compensation for severe human rights violations and incidents involving its own workforce	€	**0**

Workers in the value chain

VALUE CHAIN WORKERS STRATEGY AND MANAGEMENT OF RELATED IROS (POLICIES, TARGETS, ACTION PLANS)

SBM-2 Interests and views of stakeholders

Integration of corporate responsibility issues into stakeholder relationships

Innovating, producing and marketing responsibly cannot be done consistently without our entire ecosystem being involved through regular dialogue: customers, employees, suppliers, scientists, local residents, representatives of public authorities and non-governmental organizations.

SBM-3 Material Impacts, risks and opportunities and their interaction with strategy and business model

▶ refer to section Impact, risk and opportunity management.

S2-1 Policies related to value chain workers

Virbac group subsidiaries, partners and suppliers are required to comply with local laws as well as a set of common fundamental rules, which include respect for human rights and fundamental freedoms, health, human safety and the environment. These rules are referred to as the applicable rules. In the event that local laws, or internal regulations of subsidiaries and suppliers are stricter than these applicable rules, these stricter regulations take precedence. Conversely, if the applicable rules are more stringent, they must be respected, unless this leads to illegal activity. Finally, in the event of a conflict between local laws and internationally recognized human rights, Virbac strives to comply with international standards.

Our policies and tools make it possible to ensure responsible purchasing practices consistent with the Group's guiding principles: business partner charter, assessment questionnaires integrating CSR criteria, targeted audits, follow-up on indicators related to CSR themes, etc.

S2-2 Processes for engaging with value chain workers about impacts

The relationship with our suppliers is a long-term one, with regular exchanges, with a particular emphasis on proximity to local suppliers.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Our virbac.besignal.com alert mechanism is accessible to all our stakeholders, including workers in our value chain. It can be used to report any potential violations of legislation or our code of conduct, including serious human rights violations. Reports are processed securely and efficiently by the Group alerts contacts identified on the platform, thus guaranteeing confidentiality.

The alerts management procedure is available in sixteen languages, and is accessible directly on the platform. A FAQ has been set up to explain how to use the external whistleblowing system. All factual allegations made in good faith are investigated in detail, may be subject to an internal investigation and appropriate corrective measures are taken, if necessary.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers and effectiveness of those actions

For every call for tenders and for the main suppliers, we administer a questionnaire evaluating their compliance with the environmental and social standards in force. Since 2015, new framework contracts have included a provision requiring compliance with these standards.

In 2024, our assessment process carried out with new suppliers did not identify any risks in the area. If we were to identify a non-compliant supplier, we would require it to comply or risk ending the commercial relationship.

In addition, the results of the consolidated mapping of the risks of corruption enabled us to identify the third parties considered to be the most at risk on this major topic. We use this information to improve third-party assessment measures and to meet anti-corruption requirements and responsible purchasing aspects (for subcontractors).

In addition to this risk prevention measure, third parties wishing to enter into a partnership with Virbac must adhere to our business partner charter and our code of conduct as part of the selection process. These reference documents are integrated into our contract models, and emphasize the importance of the demanding ethical rules adopted by the Virbac group, particularly in terms of integrity, respect for human rights, the environment, and what we expect from our business partners. These two framework documents are accessible to all our stakeholders on our corporate website.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group is considering setting objectives that will assess its performance in responsible purchasing, including managing the risks and opportunities associated with value chain workers.

Affected communities

ESRS S3

AFFECTED COMMUNITIES STRATEGY AND MANAGEMENT OF RELATED IROS (POLICIES, TARGETS, ACTION PLANS)

SBM-2 Interests and views of stakeholders

We constantly strive to listen to and take into account the views and rights of communities that may be affected by our activities. As far as we are aware, we have no material impact on communities in the countries where we operate.

SBM-3 Material Impacts, risks and opportunities and their interaction with strategy and business model

▶ refer to section Impact, risk and opportunity management.

S3-1 Policies related to affected communities

In particular, respect for human rights and the environment is recalled in our code of conduct (see section We understand our responsibility toward others), applicable to all our employees and accessible by all our stakeholders.

S3-2 Processes for engaging with affected communities about impacts

▶ refer to General information dialogue with our stakeholders.

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

▶ refer to G1-1 Corporate culture and business conduct policies.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

OUR POLICIES AND ACTION PLANS

Develop new drugs that are consistent with a sensible use of antibiotics

The development of prevention, particularly by vaccination, is one of the ways to reduce the use of antibiotics in animal production. Our recent investments in our centers for the research, development and production of vaccines intended for farm animals in France, Australia, Chile, Uruguay and Taiwan reflect this willingness to strengthen the Group's development in this area.

We have also initiated several partnership programs with public research institutes and private companies to advance together in the development of innovative products (immunostimulants,

micronutrition, biocides), some of which may be able to replace antibiotics or at least help reduce their use. New drugs, which will help the veterinary profession in its desire to constantly improve its practices, are also being developed. Since 2023, we have been marketing one of these drugs in Europe, thus offering new prospects to veterinary practitioners: it can be used as a first-line treatment instead of the current medicines, all of which contain antibiotics. It will be rolled out globally in the coming months and years. Other medicines are being developed to extend this concept to other pathologies and species.

Develop modern alternatives to traditional treatment

Our goal is to develop alternatives to certain traditional, at times polluting, therapies. For example, and when it makes sense from a medical and epidemiological point of view, we look for routes of administration that have less of an impact on the environment and reduce dosages while maintaining at least the same levels of efficacy. In another area, that of animal well-being and bodily integrity, we have taken a new step forward thanks to the discovery of a new treatment that represents a real alternative to surgical castration in dogs, through hormonal regulation that neutralizes the reproductive capacity of the animal for six months or a year.

TARGETS

S3-5 Targets related to managing material impacts on affected communities

	TARGETS BY 2030	2024 (base year)	Progress
	Development of innovative products and services		
2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 15 LIFE ON LAND	Maintain a ratio of biology RDL[1] expenses/ total RDL > 30%	31.6%	100%
	Maintain a ratio of RDL expenses/total Group revenue > 6%	8.6%	100%
	Revenue of petfood range > 200 € million in 2035	131.1	66%

[1]biology research development and licensing: vaccines, immunological and bio-pharmaceutical products

CONSUMERS AND END-USERS STRATEGY AND IRO RELATED MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

SBM-2 Interests and views of stakeholders

Since our foundation, we have built unique close relationships with our customers. Through dialogue and co-construction, we work together to meet their needs and provide them with sustainable solutions, which improve veterinary practice at the same time as the quality of life of animals. Our local roots consolidate this proximity: as close as possible to the field, hand in hand with the actors, we are able to identify and deeply understand the diversity of expectations. A proximity that goes as far as supporting all our customers so that they make the best possible use of our solutions.

SBM-3 Material Impacts, risks and opportunities and their interaction with strategy and business model

▶ refer to section Impact, risk and opportunity management.

S4-1 Policies related to consumers and end-users

Protection of personal data

Privacy protection, particularly the protection of the personal data of our employees, customers, suppliers and any other stakeholders in our operations, is an important issue for the Group. Our code of conduct outlines the fundamentals in this matter, particularly our commitments to confidentiality, minimization and security, which must accompany any processing of personal data.

Our personal data policy (also referred to as the privacy policy) and our cookies policy are available on our websites, and all our employees have access to the policy regarding personal data that concerns them on our intranet portal. Through our HR system, new hires receive a copy of the policy for their information, and they must acknowledge receipt of it.

The Group Legal Compliance department, in charge of the personal data protection compliance program, particularly the enforcement of the European general data protection regulation n°2016/679 (GDPR), advises and supports the business lines in their operations for Group deployment, and defines an action plan, while prioritizing the topics regarding the compliance of existing processing activities based on current risk mapping. All of our subsidiaries are subject to fundamental rules on the protection of personal data set out in the code of conduct.

In order to enable an effective deployment of the program, the Group Legal Compliance leads a network of data champions, designated employees at the level of each subsidiary of the Group, and provides them with advice with the support of lawyers in the regions. Our data champions are responsible in the subsidiary for deploying the roadmap of actions validated by the Group Privacy steering committee.

This steering committee, created in 2018, comprises the following members: the Group chief financial officer, the Group Information Systems department and its team in charge of security, the Group Human Resources director, the Group general counsel, the Group Digital Business director and the Group Legal Compliance director. While important, technological progress and our international reach do not eliminate all potential risk, despite the preventive measures implemented. This is why we work to maintain and improve an effective compliance program with the aim of exploiting only the data necessary for the identified processing (with full transparency), and preventing the risk of personal data breaches and leaks.

Quality of our products and services

In the pursuit of continuous improvement, we place great importance on the quality of our products and services to offer high standards to our stakeholders: veterinarians, farmers and animal owners. The demand for food is increasing worldwide, due to the growing population, which is increasingly mindful of its diet.

In the face of this trend, our ambition is to work towards the constant improvement of the health of farm animals animals to contribute to a global supply of better quality meat and milk at a lower cost. Regarding companion animals, we are mobilizing to offer veterinarians and pet owners medicines, vaccines, health products and a range of petfood that are tailored to a carnivorous diet (in keeping with the animals’ needs) and make it possible to prolong the lifespan of animals and improve their quality of life.

This in turn contributes to the improved well-being of the owners and is of particular benefit to people who live alone.

Our organization in charge of innovation is structured in research centers spread across all continents and which work in a network of key skills to generate greater synergies and creativity. This close proximity with our customers and their needs in the different global markets allows us to have a range of relevant and adapted products and services.

An organization dedicated to quality

In order to ensure proper application of best practices at various stages of the product life cycle, we have deployed a dedicated Group-wide organization that covers the topics of quality control and quality assurance. This organization, comprising more than 100 employees and spread out over various Group sites, implements the Group's quality policy based on three areas of focus: product control, pharmaceutical compliance and sustainable economic output. The goal is to elevate the quality standards to comply with and anticipate the regulatory requirements that apply to the various research and production sites, as well as the commercial subsidiaries, and to ensure the Group's sustainability. At the same time, this quality system allows us to efficiently detect, trace and address all quality incidents inherent in the pharmaceutical business.

Regulatory monitoring

We have had an efficient regulatory monitoring system in place for several years, enabling us to stay abreast of regulatory developments applicable to all of our ranges. This monitoring system is carried out through inter-professional organizations:
- at the national level with, for example, *SIMV* in France (*Syndicat de l'industrie du médicament vétérinaire*), NOAH in the United Kingdom (National Office of Animal Health), *BfT* in Germany (*Bundesverband für Tiergesundheit e.V.*), etc.;
- regionally with, for example, AnimalhealthEurope, or AHI (Animal health institute) in the United States;
- at the global level with HealthforAnimals (Global animal medicines association).

In addition to the inspections regularly carried out by the regulatory authorities, our Production and Quality Control teams present at each of our industrial sites carry out a set of checks throughout the production chain. These checks are necessary before and after marketing of the products.

S4-2 Processes for engaging with consumers and end-users about impacts

▶ refer to General information dialogue with our stakeholders.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

▶ refer to G1-1 Corporate culture and business conduct policies.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Ensure transparent and secure use of personal data

Virbac understands the importance of privacy and the concerns of its customers, particularly with regard to the use of the personal data collected. We respect the privacy of all those who use our services and products, and our transparency policy is enforced by all our entities. In addition, the approach adopted within the context of the personal data protection program helps to strengthen the confidence of stakeholders *vis-à-vis* our Group, and with this in mind, we continue our efforts to:
- improve and strengthen the security of our information system and the protection of our data, including personal data, by conducting security audits and breach tests of our information system on a regular basis, whether by our internal teams or by external auditors, to assess our level of security and strengthen our preventive measures if necessary;
- train our operational teams and our data champions on our expectations when processing personal data and their responsibility in this regard;
- update and communicate procedures and practical guides for operational staff with the objective of helping them acquire the proper habits as they implement the transparency principle;
- integrate into our processes (ideation phase and invitations to tender) the privacy by design approach for any new project. To do this, we developed tools, including a questionnaire shared between the Group Information Systems department, Legal Compliance and the project manager that must be completed during the project design phase by each of the parties and validated before the implementation phase;
- deploy the Proteus Cyber personal data management tool in all entities in Europe, particularly by incorporating for each entity:

- the register of processing activities for their data;
- the main procedures and workflows for the implementation of new processing activities;
- one of the tools enabling the tracking of individuals' requests to exercise their rights concerning their personal data and thus enabling us to respond to them in due time;

- carry out the necessary preliminary impact assessments for processing likely to result in high risk to the rights and freedoms of natural persons.

The Group executive committee is regularly informed of the progress of these various compliance programs. A complete review of the objectives and progress of these compliance programs is carried out in particular before the audit committee annually in the first quarter.

Ensuring the quality of products and services

In compliance with the regulations of each country, we meet the highest quality-safety-effectiveness standards applicable. These standards involve every stage of the product life cycle, meaning before they are marketed and after they are placed on the market. Through our quality policy, we are committed to maintaining a high level of product and service quality with a right first time approach, enabling us to reduce waste and damage throughout the manufacturing process until placement on the market. Right first time is deployed throughout the organization and is measured at the end customer.

In 2024, our rate of complaints per million units marketed is down, despite the inclusion of new, recently launched products that, in generating a significant number of questions, still require special support for customers.

Pre-marketing controls

Pre-development and development phase

We implement Good laboratory practice (GLP) relating in particular to data traceability, then select contract research organization CROs working in accordance with these GLPs.

- 100% of products subject to pharmaceutical registration are subject to verification for Animal/ Human/Environmental safety, quality, stability and efficacy.

Purchasing and subcontracting

Our teams systematically qualify the materials purchased from suppliers (active ingredients, excipients, packaging) in terms of quality and reliability. When possible, they identify several sources to limit the risk of disruptions and prioritize purchases from leaders in pharmaceutical equipment. Finally, we use outsourcing from subcontractors specialized by pharmaceutical form.

- 100% of active ingredient suppliers are qualified and analyzed during certification.

Production phase

During the production phase, we implement current Good manufacturing practices (cGMP) that are applied through the certification of all of our manufacturing sites. Actions are also implemented at the production tool level in order to ensure end-of-production-line product quality that is in compliance from the start, thus limiting scrap or damage of materials or finished products.

- 100% of products, whether subject to pharmaceutical registration or not, undergo component and raw material control at every manufacturing stage.
- 100% of Virbac manufacturing sites are certified.
- 100% of employees are trained in manufacturing processes.

Distribution phase

For the transporting of medicines, we apply Good distribution practices (GDPs), such as compliance with the cold chain, when required by the nature of the products. Regarding the organization of transportation in accordance with regulations governing the shipping of high-risk products, safety data sheets for raw materials and finished products are made available to staff and carriers. Hazardous products are transported in packaging that meets current standards.

Packaging and promotion

The development or selection of specific packaging is determined on the basis of a product safety assessment. We strive to develop diagrams and pictograms and appropriate communication media for an optimal understanding of information that is fundamental to consumer health and safety. For all promotional communications, Virbac complies with the scientific and technical claims demonstrated during the development stage of the product. Finally, any product claim is scientifically demonstrated

and made available to regulatory agencies in compliance with the requirements defined by national or supranational veterinary pharmaceutical agencies.

- 100% of products, whether subject to pharmaceutical registration or not, and nutritional products that do not require pharmaceutical registration are subject to advisory and support measures for the product users.

Post-marketing controls

Pharmacovigilance

In accordance with regulatory requirements, we monitor the future of pharmaceutical and nutritional products that we market in terms of safety and efficacy. This is thanks to a dedicated organization comprising a person qualified in pharmacovigilance (veterinarian) and a qualified interim person, who compile all the cases, analyze them, and decide whether or not these adverse effects are attributable to the use of the medicine or food in question, and officially report these cases to the supervisory authorities when appropriate. Taking into account the pharmacovigilance outcomes allows Virbac to improve knowledge of its products (for example: the addition of precautions for use), thus making their use safer.

- 100% of products, whether subject to pharmaceutical registration or not, and nutritional products that do not require pharmaceutical registration are subject to monitoring using the pharmacovigilance and nutrivigilance mechanism.

Ongoing research on stability

To ensure the efficacy over time of its pharmaceutical products that require registration, Virbac carries out ongoing research on their stability.

- 100% of products requiring pharmaceutical registration are subject to ongoing stability studies.

Key actions related to our quality strategy

The Quality benchmark was designed on a collaborative basis that integrates standards for all production and research sites, in all departments and toward all subsidiaries, while taking into account the regulations and the diversity of products and formulations. The Virbac quality system (VQS) was then expanded to integrate the Group's organizations, processes, tools and Group quality standards (core model).

We have more precisely identified and updated the skills required, acquired and to be developed, so as to provide suitable training plans designed to enhance team skills and embrace a pharmaceutical culture. Finally, we have deployed a multidisciplinary team (research and development, production and quality assurance), aligned to deliver products on time and with the expected level of quality to satisfy our customers’ expectations.

The Group Quality benchmark was built and shared with 100% of the R&D centers and production sites.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

TARGETS BY 2030	2024 (base year)	Progress
Consumers and end-users safety		
Provision of right first time products		
Limit the number of batch recalls to a ratio < 0.5 per 1,000 batches marketed	**0.44‰**	**100%**
Limit customer technical complaints to a ratio of less than 10 per million units marketed	**16.4**	**-39%**
Controls during the products life cycle		
Limit the non-compliance with regulations and voluntary codes to a ratio < 1 for 1,000 batches marketed	**0.73‰**	**100%**
Limit the labeling non-conformities to a ratio < 1 for 1,000 product references	**0.87‰**	**100%**

GOVERNANCE

Business conduct

ESRS G1

IRO-1 Description of the processes to identify and assess material Impacts, risks and opportunities

At Virbac, the health of animals is at the heart of our concerns. This commitment is reflected in our constant search for quality, efficiency and safety in the development, manufacture and marketing of our products. It is also based on our core values of integrity, respect and compliance with all laws, regulations and ethical standards applicable to our activities. These values inform our daily decisions and actions to conduct our business responsibly, ensuring the performance and sustainability of our business, and the trust of all our stakeholders – our employees, partners, customers and investors – with whom we interact.

Ethics and compliance

Compliance with international ethical laws, regulations and standards on business conduct is a fundamental requirement of the company, given the potential negative impacts. Non-compliance can lead to significant financial sanctions, engage the responsibility of the company, its executives, and/or damage reputation, cause strained relationships with partners and all our stakeholders. For example, breaches in areas such as corruption, human rights violations, or anti-competitive behavior can have serious repercussions and jeopardize the sustainability of the company. Fostering a corporate culture that protects our Group, its leaders, employees and also its stakeholders against the violations cited is essential to the proper functioning of our business model and the sustainability of our company.

Anticorruption campaign

Corruption has harmful social and economic repercussions that hinder development on a global scale.

Virbac has a zero tolerance policy for corruption and has established an ethical culture within its organization and in its external relations, aiming for the highest standards of accountability and commercial integrity.

Through our anticorruption policy, our code of conduct, in particular the We act with integrity section, our business partner charter and our human rights policy, Virbac provides clear guidance to employees, third-party partners and third parties wishing to enter into a business relationship with the company. This approach ensures compliance with anticorruption laws and promotes a culture of ethics and integrity, by adopting a risk approach.

In addition to the Group's risk mapping, a specific mapping of corruption risks and consolidated influence peddling has been produced. It is regularly revised to allow us to identify risks, assess them, prioritize them and then decide on an action plan, validated by the Group executive committee, aimed at avoiding them or at least, at mitigating them, as much as possible.

The risk assessment was conducted against a consolidated set of mandatory and voluntary regulations such as the French anticorruption act 2016 called Sapin II, the UK anticorruption act 2019 known as the UK Bribery act, the law on foreign corruption practices such as the US FCPA, the EU Whistleblowing directive, and the OECD guidelines for multinational enterprises.

Corporate culture

POLICIES AND ACTION PLANS

GOV-1 The role of the administrative, supervisory and management bodies

As an international company, we are aware of our responsibilities, particularly on the ethical and integrity aspects in the conduct of our business necessary for the confidence, competitiveness, and sustainable development of our activities. Working with or for Virbac means acting in line with shared values and committing to comply with the laws and regulations applicable in the countries in which we operate.

To safeguard this corporate culture within our Group and in our value chain, in 2021 we created the Group Legal Compliance department, which, since 2023, has been attached to the general management to address integrity topics such as the anticorruption program, and also other structuring programs such as the protection of personal data, compliance with international sanctions measures and future regulations such as the duty of vigilance.

In line with our purpose and as an international company committed to a responsible approach, the management has developed a global program, everyday compliance, which is reflected in clear commitments that can be consulted on our website in the Ethics & Compliance section.

With the aim of an effective deployment of the program and as part of an ongoing drive for continuous improvement, allowing us to take into account feedback from the field, the Group Legal Compliance department leads and relies on a network at regional and local level of ethical correspondents & compliance and/or data champions for the personal data component worldwide. It meets several times a year and as required. Steering committees at Group level bringing together several functions (finance, legal, purchasing, business, human resources) make it possible to guarantee that actions are monitored at all levels of the organization.

As part of the alert management process, the Group business ethics committee, whose composition is described in the whistleblowing management procedure accessible on our Virbac corporate website, meets at least twice a year to review the cases and the measures implemented following the assessment of the whistleblowing reports, and at the request of the Legal Compliance department, acting as Group whistleblowing officer, in ad hoc sessions as part of the whistleblowing management process itself.

The Legal Compliance department reports to the Group executive committee on a biannual basis or at their request if necessary.

It also reports annually to the audit committee on the progress of programs, the associated risks and actions, alerts processed, achievements for the year, and the roadmap for the following year (March), or at a more appropriate frequency when the topics require it.

G1-1 Corporate culture and business conduct policies

The Group promotes a corporate culture in which responsible business conduct is one of the essential pillars.

To achieve this, the approach to compliance and continuous improvement that we call Everyday compliance has been adopted by the Group to address matters relating to the responsible conduct of business. It is based on three key elements:
- the exemplarity of the governing body (“Tone at the top”);
- identification, evaluation and prioritization of risks to enable informed decision-making and effective management of existing risks related to the subject concerned;
- identifying emerging risks and assessing them to enable thoughtful decision-making on the potential risk.

Our applicable risk management strategy includes:
- preventive measures such as a code of conduct, policies and procedures, charters and due diligence measures *vis-à-vis* third parties, training;
- detection measures including training teams around the world and a digital platform for collecting alerts and conducting internal investigations;
- remediation measures such as corrective actions and/or disciplinary sanctions.

Our policies, including our code of conduct, are aligned with international ethical standards, as defined by the OECD and United nations guidelines, the United nations declaration of human rights and the conventions of the International labor organization (ILO), while respecting applicable regulations on the premises.

Code of conduct

Published and applicable to all Group employees, accessible on our websites and made available to our partners, our code of conduct sets out the principles linked to our values and operates as a guide for making the right decisions as we conduct our business. It describes the standards and the rules to be followed in the main areas related to the company’s operations, under five main topics: Who we are, We take care of each other, We act with integrity, We understand our responsibility toward others, and We protect our company.

These five main topics define:
- the role and responsibility of each individual to behave in an appropriate and compliant manner while conducting the company’s business, and in particular the role of managers in promoting a culture of integrity throughout the Group;
- the available channels allowing stakeholders to notify Virbac in the event of a behavior in violation of our code of conduct, in particular through our whistleblowing system Virbac Signal;
- our renewed commitment to:
  - firstly, to fight for the preservation of human rights and the importance of respecting, and ensuring that our partners respect, all the social standards applicable to work, as well as the principles defined by the ILO;
  - and secondly, our zero tolerance regarding corruption, influence peddling and fraud of any kind, as well as our compliance with the relevant laws and regulations in this area.

The 2024 actions and communications made it possible to:

- emphasize the importance of an ongoing compliance process with our comprehensive Everyday compliance program and the management's renewed commitment to zero tolerance, especially with regard to corruption and influence peddling;
- raise awareness in all our subsidiaries through the various committees in place locally at a country and regional level regarding the various programs underway, and the roadmap defined by program (mainly anticorruption and personal data) validated with our Group executive committee;
- train Virbac employees with the objective of verifying that everyone will be able to:
  - understand the company's values and commitments on how to conduct business, regardless of the territory;
  - identify risky situations, deal with them by adopting appropriate behaviors, or at the very least, know whom to contact within the company for help;
  - know the tools put in place by Virbac to alert the company in the event of a situation that is inappropriate or against our code of conduct or that presents a risk for our employees, our company and our managers.

Virbac business partners charter

For many years, as a company working for the health of animals, we have been committed to promoting an ethical culture, aiming for the highest standards of responsibility and commercial integrity. With this in mind, the choice of suppliers and service providers goes beyond simply looking for goods or services. We aspire to establish partnerships based on trust, with players who share and adhere to our values and ethical principles.

Like our code of conduct, a true compass internally and accessible externally, Virbac has a business partner charter designed to share our values and expectations with our current or future partners.

With this in mind, we integrate the business partner charter, accessible on our website in the Ethics & Compliance section, into our partner selection processes, and also into the contractual process to formalize adherence to these principles.

Procedure for preventing and managing conflicts of interest

As part of our Everyday compliance approach, we wanted to strengthen our commitment to integrity and transparency, and thus continue our efforts with all employees, to act as a responsible player in the veterinary sector and make every effort to conduct our activities in an ethical and exemplary way, in all the countries in which we operate.

One of the cornerstones of this approach is the prevention and management of conflicts of interest, which is the subject of a specific reporting procedure at Group and local level, for effective and early management of the risk in this area. The latter applies to all our entities and employees.

At the same time, for our business partners, we have integrated into our tendering processes and also into our contracts the possibility of declaring a conflict of interest, whatever it may be, during the selection, negotiation or execution phases of a contract. As such, our alert platform Virbac Signal is available to all our stakeholders in case of illegal or inappropriate conduct that could put stakeholders or their project plans at risk.

Professional alert system

With a constant desire to conduct our activities with honesty and integrity, and to create an inclusive environment in which everyone feels safe to express themselves, Virbac provides an alert system for its employees and all its stakeholders (suppliers, subcontractors, customers, in particular): virbac.besignal.com.

Any person with whom Virbac interacts in the course of its activities that has knowledge of a potential or proven violation of the Virbac code of conduct, our policies, the law, or any other serious offense such as corruption, fraud, human rights and fundamental freedoms, or environmental protection, may make a report using one of the reporting channels available to it such as the Virbac Signal digital reporting channel.

Our employees may submit a report directly to one of the Group alert contacts available to receive and analyze the alerts, to a local alert contact if the organization has expressly appointed one, or directly use our reporting platform. The platform allows anonymous reporting if the legislation allows it.

This method of collecting and reporting alerts is a secure and confidential resource that complements existing channels within the company and strengthens our compliance approach.

Regardless of the method used to make a report, any stakeholder who has issued a report in good faith, without intention to harm, and in compliance with the Group alert procedure (published and accessible in sixteen languages on the alert platform) will be protected. Direct or indirect retaliation by an employee of the entity or by the entity itself against such a person will not be tolerated and may result in disciplinary action or prosecution.

The professional alert system which aims to collect and identify unlawful behavior is, if the alert is admissible, investigated internally according to the methods described in more detail in the alert procedure. These objective investigations are conducted by our alert contacts, supported, if necessary, by external lawyers and internal experts subject to confidentiality, and trained or made aware of the management of alerts according to the directives and the legislation in force.

The deployment of the system was communicated internally (intranet) and externally (website). All employees are aware of the existence of the alert platform, whether through training or internal and external communications, which are carried out regularly. The first part of the Virbac code of conduct is dedicated to informing our stakeholders, including our employees, about our corporate culture, our expectations on the role of managers and the occupational alert system.

In 2024, the Group executive committee and some managers were also directly trained by the Legal Compliance department on alert management.

Employee training

All new employees receive training on business conduct in accordance with the code of conduct as part of their integration at Virbac. This digital training through our human resources e-learning platform (Workday), which ensures traceability, lasts about two hours and includes an educational component and a quiz at end of the main parts of our code of conduct training to ensure the understanding of the subjects and the commitment of each to conduct their activities responsibly. This training curriculum has been rolled out at all levels of the organization.

This e-learning module of our code of conduct was followed in 2024 by nearly 80% of our employees around the world and explicitly addresses, in a detailed way and with supporting examples in connection with the Group's activities, topics such as our corporate culture and values, the role of managers, our alert system, diversity and inclusion, respect in the workplace, health and safety, the fight against corruption, the protection of personal data, the management of conflicts of interest, respect for free competition, and responsible communication.

In connection with the anticorruption program, all at-risk functions (100%) in terms of corruption received training in 2024, *i.e.* through the e-learning module of the code of conduct, in addition to the training carried out directly by the Legal Compliance department in person and during specific seminars such as the Global network team (GNT), which annually brings together 90 people including members of the Group executive committee, area directors (Europe, East Asia, Pacific, India, Middle East & Africa, North America, Latin America), general managers, and directors of the parent company's various business lines with an international dimension. Other training sessions took place in person as well as during the Sourcing International management seminar. Training has also been organized directly at the facilities of our subsidiaries, with the support of our legal experts and law firms, as was the case for China in 2024.

Anti-corruption training	Target population	Unit	2024
Employees trained in anti-corruption	At-risk functions[1]	%	**100**
Employees trained to the code of conduct	All employees, including 100% of at-risk functions	%	**78**

[1]at-risk functions: the general management and employees at manager level as well as service director level, regardless of the territory. The functions identified as being at risk notably include Regulatory Affairs and industrial investments

TARGETS

The Group has set itself an ambitious target that was exceeded in 2024.

TARGETS BY 2030	2024 (base year)	Progress
GOVERNANCE		
Business ethics		
Achieve a GPTW score on ethics in business conduct > 80%	**85%**	**100%**

Corruption practices, political influence and lobbying activities

Each of us shapes our culture through our words and actions. Our common desire is to build a corporate culture that fosters trust by including more diversity, a culture in which every employee can express the best of themselves. Our company's longevity is first and foremost based on the trust between us and our customers and partners. To establish it and ensure it is sustainable, we must make responsible choices. In this context and to strengthen our global Everyday compliance approach, we have deployed the ABAC (Anti-bribery and Anti-corruption) program, which aims to combat and prevent corruption, bribes and influence peddling.

G1-3 Prevention and detection of corruption and bribery

Prevention and detection of corruption and bribery

The ABAC (Anti-bribery and Anti-corruption) program was created to comply with applicable laws, such as the French Sapin 2 act, the UK Bribery act and the US Foreign corrupt practices act, if applicable.

Our policies and procedures

In 2016, we formalized our approach to tackle the challenges of fighting corruption, in particular by deploying a dedicated Group policy written in ten languages, enacting the practical advice received in this regard.

When our code of conduct was redesigned in 2022, we decided to summarize the policies in place in the We Act with Integrity section, which describes in detail and with examples in support of Virbac guidelines on the offer and receipt of gifts and hospitality, to ensure that they do not serve to unduly influence decisions. Members of the Group executive committee, members of the France management committee, the directors of the subsidiaries and their executive board signed a document formalizing their commitment to comply with this anticorruption policy. The anticorruption policy is also integrated within the internal regulations as provided for in legislation. Our new employees based in subsidiaries must undertake to comply strictly with this anticorruption policy through their employment contract, which expressly refers to it.

In parallel with our Group anticorruption policy, our code of conduct also references the importance and challenge of preventing conflicts of interest that can lead to at-risk situations for the employee, the company, and stakeholders. In 2024, we developed a detailed procedure for the prevention and management of conflicts of interest and rolled out the procedure across the Group, together with a video explaining the concepts in all the languages of the countries in which we operate.

▶ refer to G1-1 Corporate culture and business conduct policies.

Like our Virbac code of conduct, which is a true internal compass, Virbac has published the business partner charter specifically intended for our value chain, which aims to share its values and expectations with its partners or future partners. With this in mind, Virbac integrates the business partner charter into its partner selection processes and also into the contractual process to formalize adherence to these principles. It is also published and accessible on our Group website.

To ensure that the ABAC program is effective, in addition to the training delivered in 2024, the Group Legal Compliance department, as well as the contacts in subsidiaries or regions, such as our legal team, take every opportunity to raise awareness of this major issue among our employees.

For example, when carrying out or reviewing the mapping of the risks of corruption and influence peddling, the session always starts with a reminder of the concepts, policies, procedures and alert system in place before starting on the mapping exercise. These key moments with the business teams interacting with third parties were conducted via videoconference (Latin American countries) or in person (notably France, India and South Africa).

Detection of corruption and influence peddling

We have put in place rigorous accounting and financial controls to prevent and detect any anomalies that may be related to acts of corruption or influence peddling. In addition to organizational measures and procedures to maintain constant oversight of company expenses, our approval system in place ensures first and second level controls within the company.

The Group Internal Audit department also performs specific controls of the anticorruption component in its review by performing sample checks on gifts and invitations, and by verifying the existence of policies and procedures applicable at Group level in the audited subsidiary.

The objective of these measures is to prevent risks on the one hand, and also to detect risks or non-compliance where applicable and to take appropriate measures with a view to achieve continuous improvement of the ABAC program. This not only ensures that each transaction complies with our principles, but also helps to create an environment of accountability and transparency necessary for a listed group of Virbac's size.

In addition, our alert system allows our stakeholders to report any violation or potential violation of our anticorruption policy and in the event of a conflict of interest. All allegations, incidents, or actions on this major topic for the company are quickly handled by the Legal Compliance department, a specific alert contact on this type of incident, to ensure it is processed in accordance with the alert processing procedure as published on our Group digital platform.

▶ refer to G1-1 Corporate culture and business conduct policies.

G1-4 Confirmed incidents of corruption or bribery

Virbac is not the subject of any legal proceedings concerning corruption brought against us or any of our employees. To date, we have not identified any real impact or incident of corruption and influence peddling to which we are directly linked by a business relationship in our value chain.

After investigation of alerts and in particular those related to allegations of conflicts of interest, none of these alerts concerned corruption or influence peddling.

Incidents of corruption or bribery	Unit	2024
Convictions for violation of anti-corruption and anti-bribery laws	number	**0**
Amount of fines for violation of anti-corruption and anti-bribery laws	€	**0**

Management of relationships with suppliers and prevention of late payments

POLICIES

G1-2 Management of relationships with suppliers

The relationship with our suppliers are long-standing, and characterized by regular exchanges, favoring proximity with suppliers on their premises. Our policies and tools ensure responsible purchasing practices, consistent with the Group's guiding principles: business partner charter, assessment questionnaires incorporating CSR criteria, targeted audits, etc. At each call for tenders and for the main suppliers, we administer a questionnaire assessing their compliance with the environmental and social standards in force. Since 2015, new framework contracts have included a provision requiring compliance with these standards. In 2024, our assessment process carried out with new suppliers did not identify any risks in the area. If we were to identify a non-compliant supplier, we would require it to comply or risk terminating its contract.

PERFORMANCE RELATED TO SUPPLIER RELATIONSHIP AND LATE PAYMENT PREVENTION

G1-6 Payment practices

The average payment period of the Group's suppliers is 28 days, two days longer than the average standard period of 26 days. However, there are significant disparities between subsidiaries taking into account local payment practices.

For example, in India payments are cash, while in South Korea the terms are negotiated at 75 days. The discrepancies observed between the contractual payment period and the actual payment period are due to the correct application of the Group rule regarding the payment of supplier invoices. Payment is conditional on confirmation of the successful receipt of the goods and services ordered.

Finally, it is important to note that this analysis is based on a year of implementation. As this is a first for all subsidiaries apart from exclusions (see section BP-1 General basis), the reliability and granularity of the data can still be improved, and adjustments may be necessary to refine future assessments.

Payment practices	Unit	2024
Average standard number of days to pay invoice	days	26
Average number of days to pay invoice	**days**	**28**
Percentage of payments aligned with standard payment terms	**%**	**63**
Outstanding legal proceedings for late payments	number	0

Average number of days to pay an invoice: average number of days required for Virbac to pay an invoice from the invoice date (when the contractual or legal payment period begins to be calculated) until the invoice has been paid.

Percentage of payments aligned with standard payment terms: includes all transactions with a billing cycle time equal to or less than the specified payment terms, divided by the total number of transactions.

Animal welfare

POLICIES AND ACTION PLANS

Virbac stakeholders (customers, veterinarians, farmers, employees, etc.) are mindful of the impact of our products on the entire value chain. This is why we conduct our innovation approach and our operations within a strong ethical framework, promoting as much as possible in vitro testing and associating our various partners and stakeholders: suppliers, supervisory authorities, professional associations, etc.

Studies on animals

For the evaluation of our products in development or before marketing, our first approach is always to use methods that do not involve animal studies: bibliographical research, in vitro studies, computer modeling, etc. In some cases, when no recognized or adapted alternative method is possible, then animal studies of a necessary nature are conducted in accordance with applicable pharmaceutical rules and regulations. These animal studies deal with:

- animal protection: verification of the product's safety (non-toxicity, no impact on reproduction, non-carcinogenic, etc.) and its efficacy in treating or protecting the target animal;
- human protection: verification of the safety for the product user and the absence of residues in species consumed (meat, milk, eggs);
- environmental protection: verification of the absence of toxicity for organisms other than the target species that may come in contact with the product.

Preclinical and clinical studies

Pre-clinical studies (studies carried out in animal units under standardized and controlled conditions) are governed by regulations that affect every dimension of animal studies: approval of the institutions where the studies are carried out, staff training and qualification, the origin of the animals and their traceability, prior ethical evaluation of studies and their follow-up, controls by the authorities, ethics committees, and audits carried out by Virbac teams. These studies make it possible to verify the efficacy and safety of the products under strict conditions. Clinical studies (conducted on owner animals or farm animals) are intended to confirm the efficacy and safety of the products under field conditions and are subject to a regulatory submission or prior trial authorization (depending on the country) and are conducted under the responsibility of veterinarians.

Governance

General management defines the strategic areas of focus regarding resources for conducting animal studies and the development of alternative methods. These areas are defined by the Corporate Animal Ethics department in the form of policies, action plans and control processes; this department is also responsible for promoting and ensuring compliance with ethics and animal welfare within the Group and among its partners.

Our policies and action plans

A code of ethics and policies to regulate animal studies

The Group has developed a code of ethics relating to animal studies, which includes ten points and applies to all employees of the Group and its subcontractors. Furthermore, the Group has two policies governing animal studies: Animal ethics committee and Animal welfare.

- The Animal ethics committee policy defines the scope, roles and responsibilities, organization, composition, ethical rules and operation of Virbac's ethics committees.
- The Animal welfare policy defines staff roles and responsibilities with regard to animal welfare. Based on the "three Rs" principle (Replace, Reduce, Refine animal studies) and the Virbac code, it describes the standards to be applied to animals, studies and animal units within the Group. These standards are also required of the Group's partners for any animal studies.

Control process

- Ethics committees are set up in all areas where animal studies can be conducted, even if not required by the local regulations. They are all governed by the same ethical principles (independence, impartiality, absence of conflict of interest) and operational principles (imposed membership categories, ethical evaluation of studies, deliberation, vote, etc.). They review 100% of studies, which can only be conducted after obtaining their approval.
- Ethics audits are carried out, both in the Group's animal units and at its external partners in order to qualify them. With regard to outsourced studies, the Group imposes the same level of requirement on its partners: CRO (Contract research organizations), universities, etc. These requirements include the establishment of ethics committees within them, the deployment of strict procedures for the monitoring their studies and respect for animal welfare and regulations.

Key actions implemented

- The 3Rs rule, now recognized as the international standard for animal studies, is our guiding principle for the design and execution of studies in our laboratories as well as those of our partners, as well as for the development of alternative methods and their promotion with regulatory agencies around the world. Such alternative methods include, for example, carrying out in vitro tests instead of in vivo tests, when possible, or capitalizing on reproducible tests, bibliographic research or computer modeling.
- The various initiatives (negotiations with regulatory agencies to eliminate routine tests, production of dedicated batches for countries that do not require animal tests, replacement with in vitro methods, etc.) continue to pay off; they have enabled us to commit to the objective of reducing the use of animals in quality control.
- A task force implemented within Virbac is dedicated to the development of alternative methods, which is a CSR priority objective by 2030 and will ensure a reduction in the number of animals. In 2024, nearly 400 hours were dedicated to this group, one of whose deliverables was to suggest seven projects for alternative methods to our management.

PERFORMANCE RELATED TO ANIMAL WELFARE

In France, the post-study animal adoption program, implemented in 2013, in collaboration with the main French association dedicated to the adoption of laboratory animals, has also been expanded with an employee adoption procedure, and helps maintain our goal of guaranteeing a foster family for 100% of adoptable dogs and cats. In 2024, 27 dogs and seven cats were put up for adoption.

Adoptions	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Overall total
Dogs	135	183	56	68	50	83	66	54	44	16	50	27	832
Cats	62	45	1	19	7	6	12	65	18	4	11	7	257
Total	197	228	57	87	57	89	78	119	62	20	61	34	**1,089**

Performance indicators	2021	2022	2023	2024
Number of animals used for R&D studies[1]	5,772	6,093	4,764	**6,403**
Number of animals used for quality controls[1]	20,107	20,458	24,333	**20,425**

[1]data from the Group's animal units

Some projects have entered a development phase requiring more animals but also due to the development of alternative methods to *in vivo* studies, the number used in R&D studies increased by 34% in 2024 compared to 2023.

The number of animals in quality control of all species combined and at constant scope excluding unaccounted for aquaculture activity in Chile, is down compared to 2023 (-16%) highlighting Virbac's commitment to reducing the number of animals in quality control.

APPENDICES

Table 1: Disclosure requirements in ESRS covered by the Sustainability statement

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ESRS S3 - Affected communities

Disclosure requirement		**page**
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S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	97-100
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REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF THE DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852 YEAR ENDED 12/31/2024

This document is a translation from French into English of the statutory auditor[s'] report on the certification of sustainability information and verification of the disclosure requirements under article 8 of regulation (EU) 2020/852 of the company issued and it is provided solely for the convenience of English speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in article 8 of regulation (EU) 2020/852".

To the general assembly,

this report is issued in our capacity as statutory auditor of Virbac. It covers the sustainability information and the information required by article 8 of regulation (EU) 2020/852, relating to the year ended 12/31/2024 and included in the Group management report.

Pursuant to article L233-28-4 of the French commercial code, Virbac is required to include the above mentioned information in a separate section of the Group management report. This information has been prepared in the context of the first-time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of Virbac on sustainability matters, as well as the way in which these matters influence the development of the Group business, its performance and position. Sustainability matters include environmental, social and corporate governance aspects.

Pursuant to article L821-54 paragraph II of the aforementioned code our responsibility was to carry out the necessary procedures to issue a conclusion, with a limited assurance expression, on:

- compliance with the sustainability reporting standards adopted pursuant to article 29 b of directive (EU) 2013/34 of the European parliament and of the council of December 14, 2022 (hereinafter ESRS for European sustainability reporting standards) of the process implemented by Virbac to determine the information reported, and compliance with the requirement to consult the Social and economic committee provided for in the sixth paragraph of article L2312-17 of the French labor code;
- compliance of the sustainability information included in the Group management report with the requirements of L233-28-4 of the French commercial code, including ESRS; and
- compliance with the reporting requirements set out in article 8 of regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French commercial code.

It is also governed by the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in article 8 of regulation (EU) 2020/852".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Virbac in the Group management report, we have included an emphasis on some aspects in the paragraph hereafter.

<u>Limits of our engagement</u>

As the purpose of our engagement is to express a limited assurance, the nature (choice of techniques), the audit extent (scope) and timing of the procedures are less than those required to obtain a reasonable assurance.
Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of Virbac, in particular it does not provide an assessment, of the relevance of the choices made by Virbac in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.
It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to article 8 of regulation (EU) 2020/852, as to the absence of identification or, on

the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the Group management report are not covered by our engagement.

Compliance with the ESRS of the process implemented by Virbac to determine the information reported, and compliance with the requirement to consult the Social and economic committee provided for in the sixth paragraph of article L2312-17 of the French labor code.

Nature of procedures carried out

Our procedures consisted in verifying that:
- the process defined and implemented by Virbac has enabled, in accordance with the ESRS, to identify and assess its Impacts, risks and opportunities (IRO) related to sustainability matters, and to identify the material Impacts, risks and opportunities, that lead to the publication of information disclosed in Group management report; and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the Social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Virbac with the ESRS.

Concerning the consultation of the Social and economic committee provided for in the sixth paragraph of article L2312-17 of the French labor code we inform you that this requirement has been complied with. The consultation took place on February 25th, 2025.

Elements that received particular attention

Within this section, we present the elements that received particular attention from the auditor in relation to the compliance of the processes deployed by Virbac to determine the published elements with the ESRS.

Concerning the identification of stakeholderss

Information on the identification of stakeholders is presented in section "II. GENERAL INFORMATION SBM-2 Interests and views of stakeholders" of the sustainability report.

We conducted interviews with the CSR director and other persons we considered relevant to the subject and reviewed the available documentation.

Our work consisted in:
- assessing the consistency of the main stakeholders identified by Virbac with the nature of the company's activities and its geographical presence around the world;
- exercising our critical faculties to assess the representativeness of the stakeholders identified by Virbac;
- assess the relevance of Virbac's engagement channels with its stakeholders;
- assess how stakeholders were involved in the identification and evaluation of material IROs, as described in section "II. GENERAL INFORMATION b. IRO management" in the sustainability report;
- assess the extent to which the main users of sustainability reports have been taken into account.

Concerning the identification of Impacts, risks and opportunities (IRO)

Information relating to the identification of Impacts, risks and opportunities is given in Virbac's sustainability report in section "II.GENERAL INFORMATION, b. Impact, risk and opportunity management".

This section includes information on the identification of IROs and the double materiality assessment methodology.

The description is in line with the process implemented by Virbac concerning the identification of Impacts (negative or positive), risks and opportunities, actual or potential, in relation to the sustainability issues mentioned in paragraph AR 16 of the "Application Requirements" of ESRS 1.

This analytical approach complements the company's dialogue with its stakeholders.

Our knowledge of the Virbac Group's activities has enabled us to analyze the process of identifying IROs with regard to the consolidated scope and value chain.

We reviewed and had access to Virbac's matrix of identified IROs, including in particular a description of their distribution within the Group's own activities and value chain, as well as their time horizon (short, medium or long term), and assessed the consistency of this matrix with our knowledge of the Group.

We assessed the consistency of the actual and potential Impacts, risks and opportunities identified by Virbac with the available sector analysis.

Concerning the assessment of impact materiality and financial materiality

Information on the assessment of impact materiality and financial materiality is given in Virbac's sustainability report, section "II. GENERAL INFORMATION, i Identification of IROs and double materiality methodology".

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

In particular, we assessed the way in which the Group has established and applied the criteria for materiality of information defined by ESRS 1, including those relating to the setting of thresholds, to determine the material information published under the indicators relating to material IROs identified in accordance with the relevant topical ESRS standards.

We have assessed whether Virbac has assessed the IROs independently of any mitigation measures. We are aware that the rating methodology used by Virbac to determine the materiality of impacts takes into account the criteria of probability, magnitude, extent and, in the case of negative impacts, irremediability.

We have taken note of the fact that the methodology used by Virbac to rate risks and opportunities to determine their materiality takes into account the probability of occurrence and the potential extent of their short-, medium- and long-term financial impact.

Compliance of the sustainability information included in the Group management report with the requirements of article L233-28-4 of the French commercial code, including the ESRS.

Nature of procedures carried out

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

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in Group management report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by Virbac for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, *i.e.* that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in Group management report, with the requirements of article L233-28-4 of the French commercial code, including the ESRS.

Elements that received particular attention

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

Our analysis has focused on a rigorous examination of several ESRS standards, paying particular attention to certain quantitative data points associated with each.

In the case of ESRS E1, on climate change, which is dealt with in section "III. ENVIRONMENTAL INFORMATION a. Climate change", we have examined, analyzed and exchanged views with the expert consultancy firm assisting Virbac in this area, notably in the preparation of a full carbon balance sheet including indirect Scope 3 emissions. We paid particular attention to verifying the elements linked to the tables: multiple dimensions (base year and targets; types of GHG, scope 3 categories, decarbonation levers, entity-specific denominators for the intensity value) and subjects linked to energy consumption and mix.

With regard to the ESRS E2 standard on pollution, reported in section "III. ENVIRONMENTAL INFORMATION b. Pollution (ESRS E2)", we carried out an in-depth analysis of data relating to pollutants listed in Annex II of Regulation (EC) No. 166/2006 of the European parliament and of the council (European pollutant release and transfer register - 'European PRTR'), emitted into water. We also examined the total quantities of substances of high and very high concern.

With regard to the ESRS E3 standard for water and marine resources, presented in section "III. ENVIRONMENTAL INFORMATION c. Water and marine resources (ESRS E3)", our analysis focused more specifically on the quantitative data point relating to 'Total water consumption, expressed in cubic meters (m^3)'.

Finally, as part of the ESRS E5 standard on resource use and the circular economy, detailed in section "III. ENVIRONMENTAL INFORMATION e. Resource use and circular economy (ESRS E5)", we have focused our review on the 'total amount of waste generated'.

For all ESRS E1, E2, E3 and E5 standards, our work mainly involved:
- conducting in-depth interviews with the Quality, Health, Safety and Environment (QHSE) managers at the industrial sites of Virbac France, Virbac Corporation and Virbac Australia, to examine in detail the policies in place;
- conducting interviews with those responsible for consolidating data at Virbac's corporate level, and with the expert consultancy firm supporting Virbac on E1 issues;
- examining the consistency and accuracy of the information published in the sustainability report, ensuring that it complies with current regulations;
- analyzing the calculation methodologies used to compile data on substances of concern and of very high concern, and on emissions of pollutants into water, while verifying the relevance and reliability of the consolidated results published in the sustainability report;
- to guarantee the authenticity and veracity of the information presented, by carrying out a rigorous examination of certain randomly selected supporting documents in order to attest to their accuracy.

Information provided in application of social standards (ESRS S1 to S4)

Information published in respect of the company's employees (ESRS S1) is mentioned in section "IV. INFORMATION RELATING TO SOCIAL AFFAIRS a. Company workforce") of the Virbac sustainability report.

With regard to the verification of certain social indicators (average wage gap between men and women, lost-time injury frequency rate, percentage of women in management, percentage of turnover, percentage of employees covered by a collective bargaining agreement, gender distribution in top management, living wage), our work consisted in particular in:
- obtaining an understanding of the internal control and risk management procedures put in place by the Group to ensure the conformity of published informations;
- performing analytical procedures;
- verifying the arithmetical accuracy of the calculations used to establish these informations;
- inspect documentation and evidence-based verification through sampling tests.

To this end, we interviewed through visio conferences, the CSR director, members of the Human Resources department, the HR management controller, and the HR managers of some subsidiaries, in Mexico, Australia and the United States.

Information published concerning the company's personel (ESRS S2, S3 and S4) is mentioned in section "IV. INFORMATION RELATING TO SOCIAL AFFAIRS b. Workers in the value chain, c. Affected communities d. Consumers and end-users" of Virbac's sustainability report.

With regards to the verification of the qualitative elements selected by the auditors, our due diligence consisted in:
- interviewing the Group Human Resources director, the CSR director, the Legal Compliance director and the Group Industrial Quality Assurance director;
- obtaining an understanding of the internal control and risk management procedures implemented by the Group to ensure the compliance of published information;
- reviewing the requested documentation and evidences.

Information provided in application of the standard on business conduct (ESRS G1)

Information published under the governance theme (ESRS G1) is mentioned in section "V. INFORMATION RELATING TO GOVERNANCE" section of Virbac's sustainability report. We have endeavored to verify elements related to section "a. Business conduct and corporate culture", and in particular the indicator relating to 'the rate of anti-corruption training for functions at risk'; part "b. Corruption practices", part 'c. Supplier relationship management' and part "e. Animal welfare".

With regards to the verification of the qualitative elements selected by the auditors, our work consisted in:

- interviewing the CSR director, the Legal Compliance director, the Group Animal Welfare manager and the chairman of the ethics committee;
- reviewing of the procedures implemented by the Group to ensure the compliance of published information;
- reviewing of the documentation and evidence requested.

Compliance with the reporting requirements set out in article 8 of regulation (EU) 2020/852

<u>Nature of procedures carried out</u>

Our procedures consisted in verifying the process implemented by Virbac to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to article 8 of regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, *i.e.* information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to the compliance with the requirements of article 8 of regulation (EU) 2020/852.

Elements that received particular attention

<u>Concerning the eligibility of activities</u>

Information on the eligibility of activities can be found in the Group's sustainability report in the following section "f. Alignment with the European Green Taxonomy", for each key performance indicator there is a section entitled 'eligibility analysis'.
As part of our audit, we have in particular:

- appreciated that the economic activities that the entity has determined to be eligible are included in the list of eligible economic activities and meet the descriptions in the taxonomy reference framework;
- appreciated that the information provided in respect of these eligible activities meets the requirements of the taxonomy framework, including the format in which these activities are presented.

Concerning the alignment of eligible activities

Information on the eligibility of activities can be found in the Group's sustainability report, more precisely in the section f. Alignment with the European Green Taxonomy contains a section entitled "Alignment analysis" for each key performance indicator.

As part of our audit, we have in particular:

- appreciated the analytical work carried out by the entity concerning the substantial contribution;
- appreciated the analytical work performed by the entity concerning the absence of significant harm;
- appreciated the entity's analysis of minimum guarantees, and in particular the fact that it covers all issues.

Key performance indicators (KPIs) and accompanying information

Key performance indicators and accompanying information can be found in the Group's sustainability report, more precisely in the following section "f. Alignment with the European Green Taxonomy".

As part of our audit, we have in particular:

- appreciated the reconciliations performed by the entity with the accounting data used as a basis for preparing the financial statements and/or with the management data themselves reconciled with the accounting data; and
- verified the arithmetical correctness of the indicator calculations.

Niort, March 10, 2025

The statutory auditor - GROUPE Y Audit
Lionel ESCAFFRE
Associate, Sustainable Development department

FINANCIAL REPORT

Management report

2024 KEY EVENTS

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. Firmly established 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 Sébastien Huron's departure, was appointed interim executive chief officer by the board of directors, giving the appointments and compensation 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 canceling 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, 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.

EVENTS SUBSEQUENT TO DECEMBER 31, 2024

There is no significant event after the closing date.

RESEARCH & DEVELOPMENT ACTIVITY

At Virbac, we base product innovation on:

- an analysis of future market needs and trends based on ongoing customer feedback. New product development times require us to anticipate future markets as well as societal and regulatory changes in order to provide customers and markets with products that will be needed in the future;
- technological advances: the world of science is progressing ever faster, offering new treatment and prevention possibilities in the health field that we are seeking to use to satisfy these needs. Today, we have access to technological solutions that we did not consider only five to ten years ago. These can significantly change the efficiency and safety of existing preventive or curative treatments, and sometimes offer solutions to incurable diseases for which no treatment exists. We have permanent access to these technological solutions through numerous partnerships with local universities and biotechnology companies.

In addition to the projects resulting from the synergy between needs and technologies developed by R&D teams around the world, we also have an active business development and commercial licensing policy to enhance our product offering.

Our R&D centers are located on all five continents so that we can be as close as possible to production centers. These centers have specialized teams and work collaboratively with other Virbac R&D centers to broaden their skills in specific areas. Their activity is supported by dedicated laboratory facilities (analytical, formulation, manufacturing processes, etc.) operating in the biological field, in the pharmaceutical field, in nutraceuticals, hygiene and care products, biocides and petfood. We also regularly use external R&D centers (CROs: Contract research organizations) that we entrust these studies to. So we work holistically across a number of complementary segments to deliver a comprehensive product offering for people who care for their animals.

These main R&D centers are supported by regulatory affairs departments located in key subsidiaries, which ensure the filing of Marketing authorization files, when required by the regulations. In the majority of these subsidiaries, R&D has satellite teams backed by regulatory affairs departments. These satellite teams have neither a laboratory nor a production unit, but can design and subcontract developments to CROs if specific local studies need to be added to the main project file.

Since 2015, using regional R&D centers located around the world, we have adopted both a corporate biological R&D organization and a pharmaceutical R&D organization, as the Petfood & Pet care organizations are already structured this way. This worldwide organization makes it possible to allocate all the resources and skills of the R&D centers to major projects, to improve collaboration and to ensure a global vision in terms of regulations and R&D quality. The products developed mirror the Group's strategic sectors: companion animals, ruminants, swine and aquaculture. The innovative products developed for these sectors can then be marketed in the countries for which they are intended, and meet customers' expectations.

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

Revenue performance

In 2024, our consolidated revenue reached €1,397.4 million, up +12.1% from the year before at real exchange rates and +13.6% at constant rates. It should be noted that the impact on revenue growth resulting from the integration of our distributor Mopsan in Türkiye at the beginning of December 2024 is considered non-material and does not give rise to a restatement of scope.

Performance by segment

in € million	2024 revenue at actual rates	Growth by segment at constant exchange rates and perimeter					
		> -5%	- 5% to 0%	0% to + 5%	+5% to +10%	+10% to +15%	> 15%
Parasiticides	119.7			2.8%			
Immunology	101.7						29.0%
Antibiotics/dermatology	127.2					13.1%	
Specialties	154.9					11.3%	
Equine	33.1		-0.7%				
Specialized petfood	131.1					12.0%	
Others	125.0				5.6%		
Sasaeah	**31.0**						
Companion animals	**823.8**					**10.8%**	
Bovine parasiticides	76.2			1.6%			
Bovine antibiotics	97.0			2.2%			
Other ruminants products	205.5			0.2%			
Pig/poultry antibiotics	32.4				8.0%		
Other pig/poultry products	56.5			1.5%			
Aquaculture	42.7					12.7%	
Sasaeah	**27.1**						
Farm animals	**537.3**			**2.4%**			
Other businesses	**36.3**					**12.2%**	
Revenue	**1,397.4**				**7.5%**		

Companion animals

In 2024, this business line represented 59.0% of revenue, up +10.8% at constant exchange rates and scope compared with 2023.
This rise was essentially driven by the double-digit growth of the immunology range, as well as the growth of the petfood, the specialties and antibiotics/dermatology ranges.

Farm animals

In 2024, this business line represented 38.5% of revenue, up +7.5% at constant exchange rates and scope compared with 2023, mainly driven by aquaculture growing by 12.7% at constant exchange rates and scope.

Other business lines

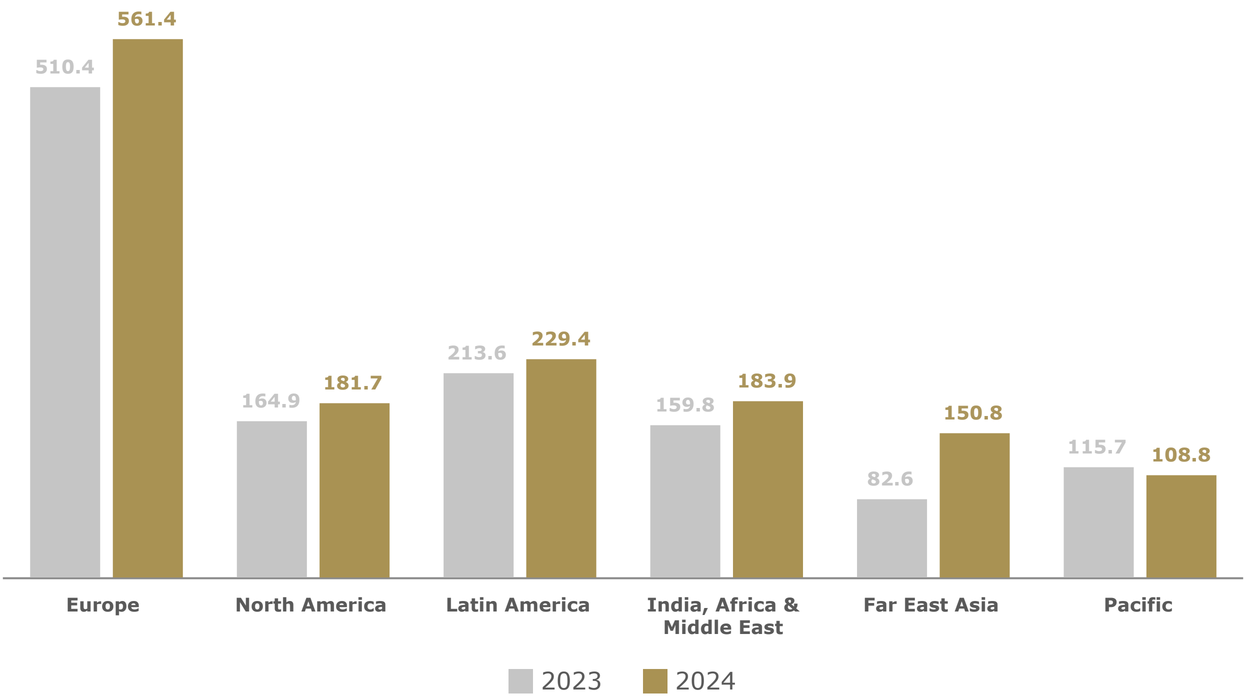
These business lines, which represent 2.5% of consolidated revenue in 2024, correspond to markets of lesser strategic importance for the Group, and which mainly include the industrial processing for third parties in Australia or in the United States, including the sales of Sentinel® Spectrum® to MSD Animal Health.

Performance by geographic regions

Supported by a globally positive market dynamic, growth (in volume and value) is observed in all regions except Pacific, as well as across all our categories.
The Europe area (+10.0% at constant exchange rates and scope) contributes to more than half of the Group's organic growth, benefiting from a strong rebound in the dog and cat vaccine range, but also from increased demand for our petfood/pet care ranges.
The performance of the North America area (+10.2% at constant exchange rates and scope) benefits from a sustained sales dynamic, particularly for our specialties and dental care products for companion animals.

The Latin America area (+7.4% at constant exchange rates and scope) shows strong growth supported by the performances of Chile, which is experiencing a favorable rebound in the aquaculture segment this year, and a strong performance from Mexico (companion and farm animals). Despite a temporary slowdown in sales of vaccines for ruminants, Brazil recorded positive growth (+3.7% at constant exchange rates and scope), driven in particular by the successful launch of Cortotic for companion animals.
The IMEA area maintains a solid performance (+6.7% at constant exchange rates and scope), particularly in its key segments of ruminants and poultry. The successful integration of Globion (avian vaccines) in November 2023 accelerates this dynamic, with a total increase of +15.1% at actual scope and constant exchange rates.
The Far East Asia area grew by +7.0% at constant exchange rates and scope, mainly driven by China with a growth of 11.7% at constant exchange rates and scope (specialties products and petfood) and sustained growth in Thailand and Japan. The integration of Sasaeah significantly strengthens our size in this area, which is recording a revenue change of +82.6% at actual scope and constant exchange rates.
The Pacific area is down (-5.9% at constant exchange rates and scope), affected by a trend reversal in the livestock market after a year of strong growth in 2023.

in € million



It should be noted that following a managerial reorganization of our regions, India is now included in the India, Africa & Middle East area (IMEA) and no longer in Asia.

The major contributions by geographical area are as follows:

Europe
In 2024, all subsidiaries grew, with the exception of Holland, which declined slightly (-2%).
Sales in France increased by +6.3% at constant and real exchange rates compared to 2023, driven by growth in the immunology range and in petfood for the companion animal segment.
Northern Europe, which includes the United Kingdom, Ireland and Scandinavia, recorded a +16.2% growth at constant rates driven by the very good performance of the companion animal segment thanks to vaccines and external parasiticides, as well as solid growth in the ruminant segment.
In Western Europe (+8.3% at constant rates), Germany posted growth of +10.6%, Switzerland of +14% and Austria of +12.4%, driven by both the companion animal and ruminant segments.
Southern Europe also grew by +6.2% at constant exchange rates. Italy is the main driver of this growth (+11.3%) mainly thanks to vaccines and petfood, as well as Greece (+8.8%) which experienced strong growth on parasiticides.
Türkiye continues to be driven by the growth of petfood (+91.7%) and the acquisition of our distributor in the Czech Republic in 2023 allows us to post growth of 59% at constant rates in 2024.

North America
The North America area posted a +10.2% growth at constant rates (+10.1% at actual rates). This increase is based on the performance of the dental range, specialties products and oral antibiotics for companion animals and the continued launch of products for farm animals.

Latin America
In 2024, the Latin America area recorded a growth of +7.4% at constant exchange rates (+4.1% at actual rates), mainly driven by Mexico, Colombia and Chile. Mexico and Central America's performance of +11.3% at constant

exchange rates were driven by both segments, primarily by companion animals thanks to petfood and vaccines, but also by the farm animal segment thanks to the ruminants and swine activity. Colombia and the Andes recorded growth of +11.2% at constant rates, generated by vaccines and petfood for companion animals and all ruminants ranges.
Chile saw its sales grow in 2024 (+6.1% at constant rates) after a difficult year in 2023, especially thanks to the very good performance of parasiticides for salmon.
Brazil grew more moderately (+3.7% at constant rates) thanks to food supplements for cattle, and dermatology for the companion animal segment.

Far East Asia
Revenue increased by +82.6% at constant rates in this region (+74% at actual rates), which is mainly explained by the acquisition in April 2024 of Sasaeah in Japan. The company's historical entity Virbac Japan grew by 7.6% at constant rates, driven in particular by the launch of Alizin and the good performance of the vaccine range.
China experienced a return to strong growth in 2024 after several difficult years following the Covid-19 pandemic (+11.7% at constant rates). The very strong increase in sales of Zoletil, the growth of the dermatology range and the entry into the petfood market are the main factors that explain this increase.
In the rest of the region, Thailand performed very well (+10.9% at constant rates), due to excellent sales of Zoletil and a ruminant segment driven by the growth of the antibiotic range.

India, Africa & Middle East (IMEA)
Growth at constant rates of +15.1% (+13.8% at real rates) in this region is generated by India driven by the ruminant activity, particularly in food supplements and the contribution of our acquisition of Globion at the end of 2023 to the avian segment. The Middle East area also contributes to growth (+35.3% at constant rates), thanks to petfood on companion animals and to the antibiotic range for ruminants.

Pacific
The Pacific area ended the year with a decline of -5.9% at constant rates (-7% at real rates), driven by Australia recording a decrease in sales of -8.7% at constant rates, mainly due to a struggling market on ruminants and despite good growth on companion animals and the success of Afilaria. New Zealand, for its part, recorded growth of +4.2% at constant rates driven by an excellent performance of the vaccine range for farm animals and the successful launch of the Lepto 4-way.

2024 major launches
The major product launches and ranges in 2024 are:

United States:
- Bovigen Platinum: respiratory and reproductive cattle vaccines range;
- Cortotic: antimicrobial-free solution recommended as a first line treatment of acute erythemato-ceruminous otitis externa in dogs.

Europe:
- Trilotab:trilostane based chewable tablet indicated for the treatment of Cushing's disease and syndrome in dogs;
- Movoflex Cat: soft chews used for joint and mobility support in cats;
- Suigen APP2, 9,11: vaccine for the prevention of respiratory diseases in pigs.

China:
- Veterinary HPM: specialized petfood for dogs and cats.

Japan:
- Alizine: aglepristone based synthetic anti-progesterone for female dogs.

Mexico:
- Suigen PCV2: swine circovirus type 2 vaccine;
- Suigen Donoban: multivalent vaccine for the prevention of respiratory diseases in swine.

New Zealand:
- Lepto 4-way: multivalent vaccine against cattle leptospirosis.

Analysis of the results

Changes in results

in € million	2024	%	2023	%	*Variation*
Revenue from ordinary activities	**1,397.4**	**100.0**	**1,246.9**	**100.0**	**12.1%**
Margin on purchasing costs	**941.3**	**67.4**	**813.0**	**65.2**	**15.8%**
Current operating expenses	-658.2	47.1	-580.2	46.5	13.4 %
Depreciations and provisions	-51.2	3.7	-44.7	3.6	14.6 %
Current operating profit before depreciation of intangible assets arising from acquisitions	**231.8**	**16.6**	**188.1**	**15.1**	**23.2%**
Depreciations of intangible assets arising from acquisitions	-4.3	0.3	-3.2	0.3	32.4 %
Operating profit from ordinary activities	**227.5**	**16.3**	**184.9**	**14.8**	**23.1%**
Other non-current income and expenses	-10.4		-0.9		— %
Operating profit	**217.1**	**15.5**	**184.0**	**14.8**	18.0 %
Financial income and expenses	-9.3	0.7	-9.8	0.8	-5.5 %
Profit before tax	**207.8**	**14.9**	**174.2**	**14.0**	**19.3%**
Income tax	-62.5		-53.5		16.7 %
Share from companies' result accounted for by the equity method	0.5		0.4		2.6 %
Result for the period	**145.8**	**10.4**	**121.1**	**9.7**	**20.4%**
Net result attributable to the non-controlling interests	0.5		-0.2		-334.9 %
Net result attributable to the owners of the parent company	**145.3**	**10.4**	**121.3**	**9.7**	**19.8%**

Margin on purchasing costs
The margin on purchasing costs is up by €128.3 million, €74.9 million excluding the effects of the change in scope related to Sasaeah and Globion. The improvement in margin is partly related to the increase in revenue for 2024 driven by a positive price effect (increased prices partially offset by an increase in costs), and partly by a favorable product mix.

Current operating expenses
Current operating expenses, net of income, amounted to €658.2 million in 2024, *i.e.* an increase at real rates of + €78.0 million (+13.4%) compared to 2023, at real scope; excluding the effects of the change in scope (Sasaeah and Globion), the increase in operating expenses amounted to +€47.5 million, €24.1 million of which was explained by the increase in external expenses, and €23.4 million by the increase in employee expenses.
External expenses are rising, linked to the increase in activity across the Group; we mainly note an increase in marketing costs, transport on sales, professional fees, as well as an increase in travel costs, due to the resumption of normal activity after a year 2023 impacted by the cyberattack and a very strong slowdown in travel.
Employee costs increased in line with activity, along with salary increases and inflation.

Current operating profit before depreciation of intangible assets arising from acquisitions
Operating profit from ordinary activities before the depreciation of intangible assets arising from acquisitions increased by +23.2% compared to the previous financial year, rising from €188.1 million at the end of 2023 to €231.8 million as of December 31, 2024. Operating profit from ordinary activities before the depreciation of intangible assets arising from acquisitions expressed as a percentage of revenue was +16.6% in 2024 at actual exchange rates, and +16.2% at constant exchange rates and scope, which represents a 1.1 point increase compared to December 31, 2023.

The main contributors to our operating profit excluding change in scope impacts are France, the United Kingdom and Germany in Europe, India, Australia as well as Mexico and Brazil in the other areas.

Allowance for amortization of intangible assets resulting from acquisitions
The increase in this item is mainly due to the impact of the new acquisitions operated in the late 2023 for Globion, and in April 2024 for Sasaeah, partially offset by the end of the depreciation of the Schering-Plough products from June 30, 2023.

Other non-current income and expenses
Other non-current income and expenses represented a net expense of €10.4 million in 2024, compared to a €0.9 million net expense in 2023.
In 2024, they consist of, on the one hand, €8.1 million in acquisition costs for Sasaeah, €2.9 million in impact from the revaluation of inventories related to this same acquisition (in connection with IFRS 3), and, on the other hand, €1.9 million in restructuring costs, partially offset by income of €2.5 million from the sale of production equipment as part of the previous sale of the Sentinel® range in the United States (exercise of the purchase option provided for in the contract).
In 2023, they consisted of €1 million in restructuring costs in Chile, €0.8 million in the impact of the revaluation of the stocks of our new subsidiary in the Czech Republic (in connection with IFRS 3), offset by a recovery debt on acquisition of securities for €0.9 million.

Financial income and expenses
Net financial expenses were €9.3 million, compared to €9.8 million in the previous financial year.
The cost of net financial debt increased by €4.5 million from a charge of €0.2 million in 2023 to a charge of €4.7 million in 2024. This variation is mainly related to the increase in debt in France to finance the acquisition of Sasaeah in Japan, as well as the decline in cash and cash equivalents (reduction in investments in one of our subsidiaries during the year following the distribution of dividends to the parent company).
The foreign exchange profit increased from -€10.1 million in 2023 to -€5 million in 2024, a change 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 new exposure to JPY relating to the intra-group loan granted to Virbac Japan.

Lastly, the Group exchange loss in 2024 is mainly due to the exposure in Chilean peso, as in 2023.

Taxes for the financial year
Tax expense for the 2024 financial year amounted to €62.5 million, compared to €53.5 million in 2023.
The tax increase is linked to the increase in activity, and to a lesser extent, the effects of the change in scope.
It should be noted, however, that the effective tax rate has decreased from 27.16% in 2023 to 25.48% in 2024 due to a change in the contribution of the main countries to the tax burden. This year, the effective tax rate is lower than that of the parent company while in 2023, the main contributing countries had a higher statutory income tax rate than that of the parent company.
The evolution of this rate is explained in note A28 of the consolidated accounts.

Net result
The net profit - Group share amounted to €145.3 million in 2024, compared to €121.3 million in the previous year, *i.e.* an increase of +€24.0 million at actual rates.
The profit attributable to the non-controlling interests amounts to €0.5 million in 2024 compared to -€0.2 million in 2023.
Over the period, the profit attributable to the non-controlling interests mainly includes the share of the non-controlling interests of Globion India Private Ltd, which we held at 74% until the redemption of minority interests in June 2024. The other contributions of non-controlling interests are immaterial.

Bridge from net result to net result from ordinary activities

Since 2018, we use a new performance indicator: net result from ordinary activities, corresponding to the consolidated net profit, restated from other non-current income and expenses, as well as non-current taxes, which include the tax impact of “Other non-current income and expenses”, and all non-recurring tax income and expenses. The reconciliation of the net profit with the current net profit for the period is shown below.

in € million	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	**1,397.4**						**1,397.4**
Current operating profit before depreciation of intangible assets arising from acquisitions	**231.8**						**231.8**
Depreciations of intangible assets arising from acquisitions	-4.3						-4.3
Operating profit from ordinary activities	**227.5**	**—**	**—**	**—**	**—**		**227.5**
Other non-current income and expenses	-10.4	8.1	1.9	-2.5	2.9		0.0
Operating profit	**217.1**	**8.1**	**1.9**	**-2.5**	**2.9**	**—**	**227.5**
Financial income and expenses	-9.3						-9.3
Profit before tax	**207.8**	**8.1**	**1.9**	**-2.5**	**2.9**	**—**	**218.2**
Income tax	-62.5	-2.2	-0.6	0.5	-0.9	-1.8	-67.4
Share from companies' result accounted for by the equity method	0.5						0.5
Result for the period	**145.8**	**5.9**	**1.3**	**-2.0**	**2.0**	**-1.8**	**151.3**

Analysis of the financial situation

Consolidated balance sheet

in € million	2024	2023
Net assets	984.1	664.6
Operating WCR	315.1	253.8
Invested capital	**1,299.2**	**918.3**
Equity attributable to the owners of the parent company	1,043.1	900.3
Non-controlling interests and provisions	87.6	70.4
Net debt	168.5	-52.4
Financing	**1,299.2**	**918.3**

Net assets

The items including in this line and their variations are detailed hereafter.

- **Goodwill**

Goodwill amounted to €276.6 million at the end of 2024, compared to €165.4 million at the end of 2023. The variation in this item comes from the acquisitions of the Sasaeah's entities on April 1 in Japan, and Mopsan, our distributor in Türkiye, on December 2, the finalization of the calculation of Globion's goodwill, and from exchange differences for +€3.4 million.

Please note, however, that the amount of goodwill recognized as of December 31, 2024 following the acquisition of Mopsan is provisional. Indeed, the operation having taken place at the end of the year, the additional work in progress could lead to a reassessment, between now and 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.

- **Intangible assets**

This item amounted to €251.2 million at the end of 2024, compared to €185.1 million at the end of 2023. The increase in intangible assets is mainly explained for €78.6 million by the acquisition of Sasaeah and the recognition of intangible assets acquired using the acquisition accounting, in line with IFRS 3.
Excluding change in scope impacts, gross value is increasing by €10.3 million mainly due to investments in IT projects carried out by Virbac in France (parent company) and to R&D investments relating to new licensing contracts.
Other variations mainly include allowances to amortization for -€12 million.

- **Tangible assets**

This item amounted to €397.5 million at the end of 2024, compared to €268.0 million at the end of 2023, that is a €129.5 million increase in net value. The contribution of Sasaeah to this increase amounts to €86 million. The increase in tangible assets of +€74.8 million (in gross value at constant scope), corresponds for more than half to investments made on the historic site of Carros in the fitting out of our buildings, as well as in the acquisition of new industrial equipment in order to increase our production capacities. Other significant investments during the period took place in our production sites in the United States, in Australia, and in a lesser extend, in Mexico and in Uruguay.

- **Right of use**

This item, which corresponds to the capitalization of lease contracts according to the IFRS 16 standard, amounted to €37.0 million at the end of 2024, compared to €32.9 million at the end of 2023. The gross increase in "rights of use" reflects new contracts or renewal options signed to by our subsidiaries in 2024. The main increases relate to the car fleet contracts in all subsidiaries, to real estate leases in India for several warehouses, in France and in the United States, as well as on computer equipment contracts in France.
Moreover, the acquisition of Sasaeah in Japan in 2024 contributed to a net increase in this item of €2 million.

- **Other financial assets and shares in companies accounted for by the equity method**

This item amounted to €21.8 million at the end of 2024, compared to €13.1 million at the end of 2023.
The investments accounted for by the equity method amount to €4.5 million in 2024 compared to €4.2 million in 2023.
The other financial assets mainly include loans granted and other fixed receivables (€11.1 million), foreign exchange and interest rate derivatives (€5.7 million). The acquisition of Sasaeah generates a €7.9 million increase of this item, mainly due to a hedging asset on employee benefits scheme.

Elements of WCR (Working capital requirements)
The items comprising this line and their variations are described below.

- **Inventories and work in progress**

This item amounted to €404.2 million at the end of 2024, compared to €339.7 million at the end of 2023, *i.e.* a net change of +€64.5 million.
Excluding foreign exchange, net inventories increased by €65.8 million, including €47.8 million from the impact of changes in scope mainly due to the acquisition of Sasaeah.
The increase of €18.0 million is particularly noticeable in inventories of finished products and goods, and manufacturing work in progress, mainly at Virbac SA, the parent company producing for the rest of the Group, and is consistent with the joint effects of the increase in activity observed over the year and the increase in our production costs.
The United States, to a lesser extent, also contribute to this increase, which is partially offset by a reduction in inventories in Chile as well as in the Philippines.

- **Trade receivables**

The net trade receivables item amounts to €196.1 million in 2024, up by +€31.1 million excluding foreign exchange effects, whereas €26.7 million of change in scope impact arising from the acquisition of Sasaeah.
The €4.4 million increase observed excluding foreign exchange and changes in scope impacts is in line with the increase in activity. For more information, please refer to note A10.

Net of year-end discounts, and excluding foreign exchange and the effects of the change in scope (Sasaeah and Globion), trade receivables amounted to €75 million, *i.e.* 5.8% of revenue at constant scope, compared to €72.5 million, or 6% of revenue (excluding Globion) as of December 31, 2023.

The de-consolidated receivables, because sold under factoring contracts, amount to €9.0 million as of December 31, 2024 (compared to €12.0 million as of December 31, 2023). This decrease is mainly observed for our Italian subsidiary, as well as Alfamed, in France, due to the exit of a major customer from the factoring program.

- **Trade payables**

This item amounted to €174.6 million as of December 31, 2024, compared to €149.6 million at the end of 2023, which represents a net increase of €26.4 million excluding foreign exchange effects, of which €18.1 million relate to a change in scope.
The main variations excluding exchange rate and change in scope impacts happen in France and are mainly due to the combined effect of higher operating expenses, in line with the increase in business, and of investments made to increase our production capacity.
To a lesser extend, the United States are also contributing to this increase, partly offset by a decrease in Australia and in South Africa.

- **Other elements of WCR**

As of December 31, 2024, this item represented a net liability of €110.6 million, compared to €104.2 million as of December 31, 2023. Excluding year-end rebates, this item amounts to -€18 million in 2024 compared to -€10.5 million in 2023, *i.e* a net change of -€7.5 million.

The main variations in this item are linked to:
- a reduction in earn-out liabilities recognized in the financial statements under IFRS 3 of €17.0 million corresponding to the reversal of the liability related to the payment of the second tranche of Globion's minority interests in India, partially offset by the recognition of earn-outs relating to the acquisition of Mopsan in Türkiye over the period;
- a €23.3 million (net) increase in income tax liabilities at Group level (see notes A11 and A19);
- 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.

Partially offset by
- a €3.8 million (net) increase in other tax payables and receivables at Group level (see notes A11 and A19).

Other changes are immaterial and are explained in notes A11 and A19 to the consolidated financial statements.

Net debt

The calculation of the net debt is presented hereafter:

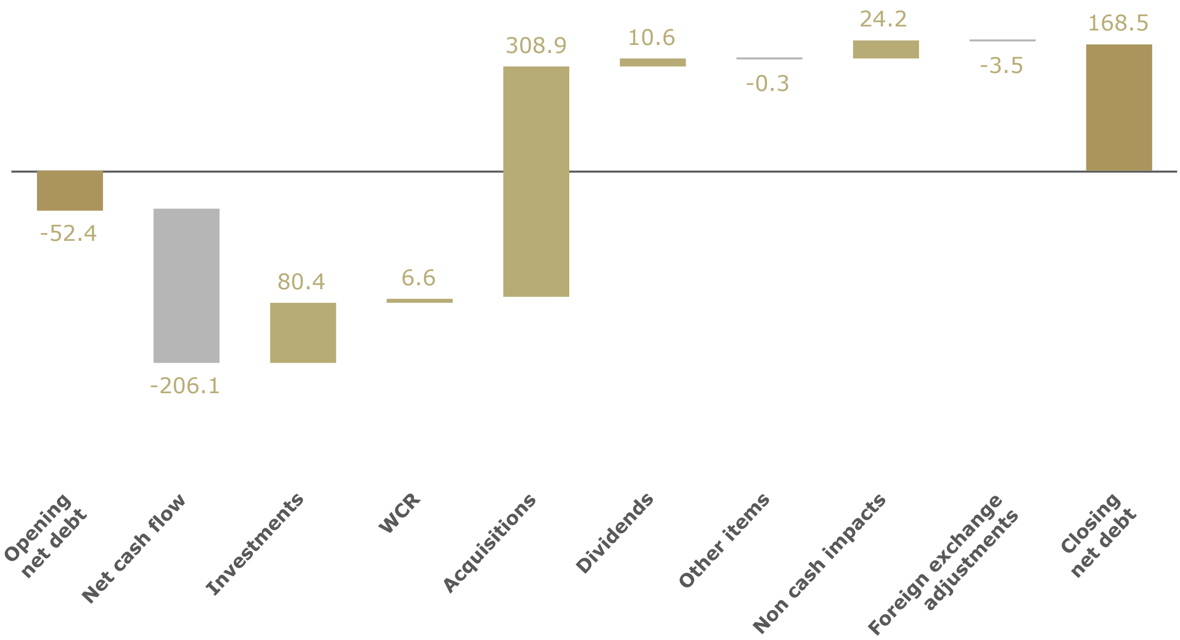
in € million	2024	2023
Loans	265.3	82.4
Bank overdrafts	3.6	2.5
Lease liabilities	38.1	35.1
Other elements of financial debt	0.9	1.2
Exchange rate and interest rate derivatives	5.8	2.2
Treasury and treasury equivalents	-149.6	-175.9
Net debt	**168.5**	**-52.4**
Equity attributable to the owners of the parent company	1,043.1	900.3
Net debt ratio	**16.2%**	**-5.8%**

Changes in net debt are presented in the graph of the “Financing” section, hereafter.

Financing

Changes in net debt

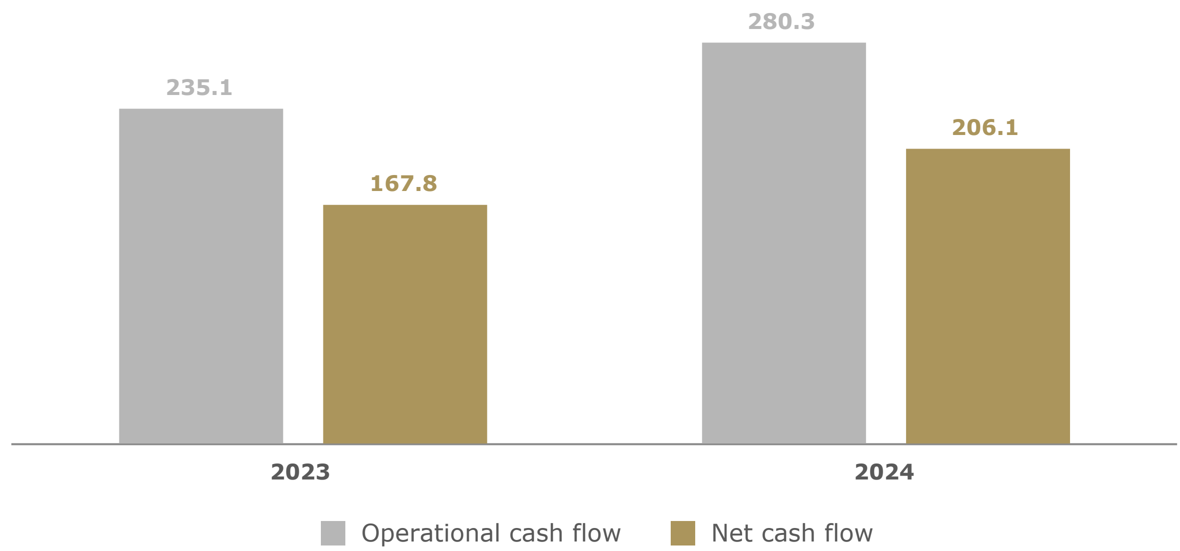
in € million



The effect of foreign exchange on closing net debt was favorable. At constant exchange rates, the amount of the net debt as of December 31, 2024 would be €172.0 million.

Changes in cash flow

in € million



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 bridge 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, that can be amortized and that mature 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;
- a loan for CLP 24.3 billion in Chile (*i.e.* approximately €23.6 million);
- 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 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.

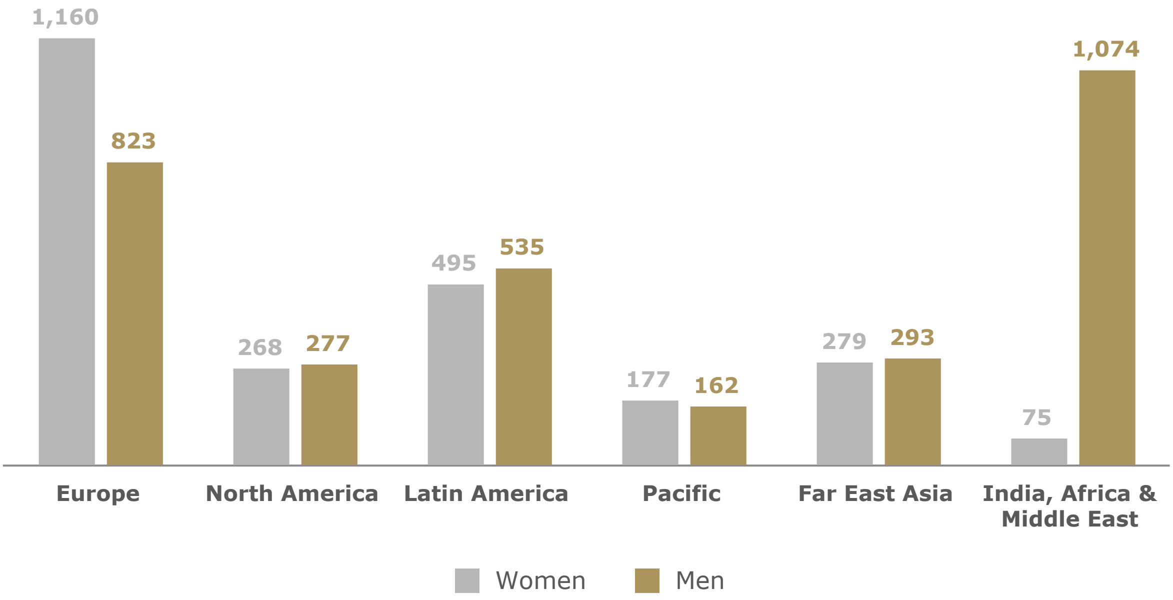
[1]for the purpose of calculating the covenant, consolidated net debt refers to the sum of other current and non-current financial liabilities, namely the following items: loans, bank loans, accrued interest liabilities, liabilities related to leases, profit sharing, interest rate and foreign exchange 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.

Group workforce

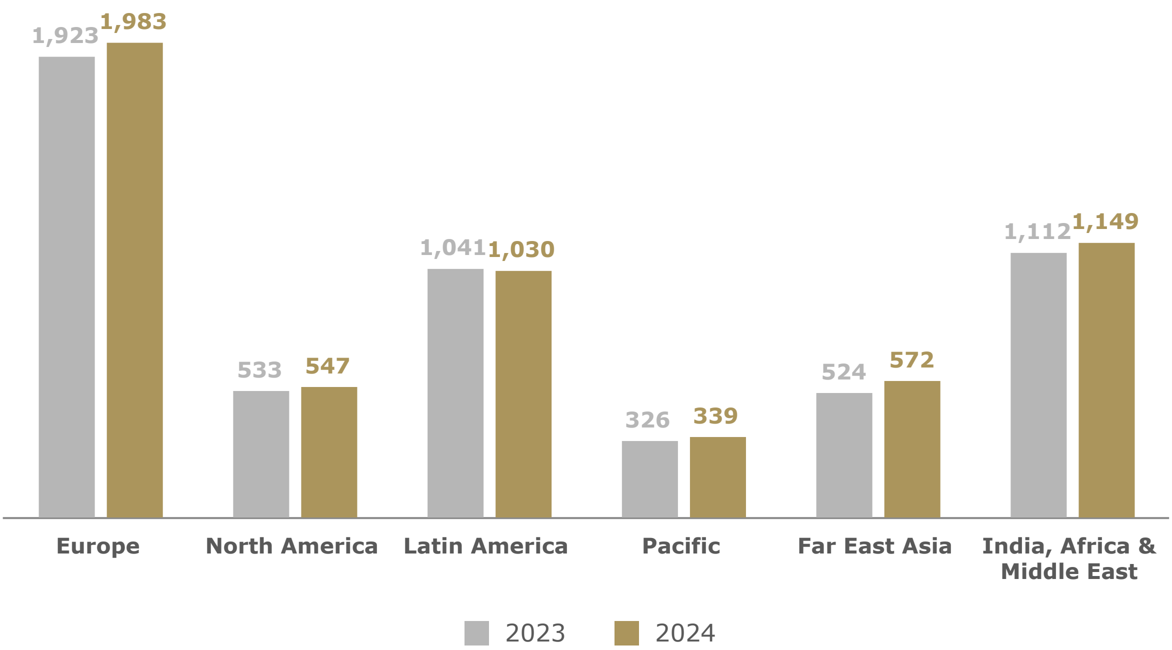
As of the end of December 2024, Virbac had 5,620 employees at constant scope, in 38 countries: 2,454 women (43.7%) and 3,164 men (56.3%).
35.3% of our workforce are in Europe, of which 1,565 (27.9%) are in France.
With the new acquisitions, the Group's total workforce total 6,365 at the end of December.
The workforce as of December 31, 2024 increased by 2.9% compared to December 31, 2023 at constant scope, and by 16.6% at actual scope (estimate).

Breakdown of Group employees by type (excluding new acquisitions)



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

Changes in Group employee numbers by region



Changes to employee numbers by function

	2024		2023	
Production	1,933	34.4%	1,852	33.9%
Administration	757	13.5%	745	13.6%
Commercial & marketing	2,285	40.7%	2,225	40.8%
Research & development	645	11.5%	637	11.7%
Total	**5,620**	**100.0%**	**5,459**	**100.0%**

ANALYSIS OF THE ACCOUNTS OF THE PARENT COMPANY

Statutory accounts

As of December 31, 2024, revenue for Virbac's parent company amounted to €412.2 million compared with €378.5 million in 2023, showing an increase of €33.7 million (8.9%).

The portion of the revenue generated by Virbac with the Group's subsidiaries accounted for 90.6% of its total sales. The remaining 9.4% involved direct sales by Virbac in countries where the company does not have any subsidiary.
In 2024, both segments are increasing. The companion animal segment is mainly impacted by the rise in sales of vaccines and dental products. The farm animal segment shows a more moderate growth thanks to the swine markets, which offsets the decrease in the ruminant markets.

The financial result at the end of December 2024 amounted to €235.1 million, which is a rise of €172.3 million compared to 2023. This change is mainly due to a release provision of €103.8 million on investments in subsidiaries compared to €0.7 million in 2023. The 2024 fiscal year also saw a total increase of +€76 million in revenues related to Virbac's subsidiaries. Foreign exchange transactions generate a net loss impact amounting to €1.3 million compared to 2023.

Non-recurring income for 2024 amounts to -€5.0 million, *i.e* a €1.1 million decrease compared to 2023. This change is mainly explained by a €0.6 million increase of asset scrapping and a €0.5 million increase in exceptional depreciation following the commissioning of a new project.

Table of net result over the previous five fiscal years (Virbac parent company)

in €	2020	2021	2022	2023	2024
Financial position at year end					
Share capital	10,572,500	10,572,500	10,572,500	10,572,500	10,488,325
Number of existing shares	8,458,000	8,458,000	8,458,000	8,458,000	8,390,660
Overall results from operations					
Revenue excluding taxes	293,640,198	381,107,380	410,827,124	378,528,235	412,200,210
Earnings before tax, employee profit sharing, depreciations and provisions	170,788,570	91,943,145	109,824,774	85,713,826	165,242,610
Income tax payable	-5,708,101	1,588,411	2,647,524	-12,902,953	-1,603,430
Employee profit sharing	—	—	—	—	—
Allowances for depreciations and provisions	25,373,801	22,004,574	109,479,720	37,325,018	-66,968,008
Earnings after tax, employee profit sharing, depreciations and provisions	151,122,870	68,350,160	-2,302,470	61,291,761	233,814,048
Earnings distributed	6,343	10,572	11,165	11,165	12,166
Result from operations per share					
Earnings after tax, employee profit sharing, before depreciations and provisions	20.87	10.68	12.67	11.66	19.88
Earnings after tax, employee profit sharing, depreciations and provisions	17.87	8.08	-0.27	7.25	27.87
Dividend per share	€0.75	€1.25	€1.32	€1.32	€1.45
Personnel					
Average number of employees	1,106	1,153	1,196	1,311	1,346
Total payroll	59,029,640	62,636,560	67,249,477	73,129,009	79,718,803
Total benefits paid (social security, other employee benefits, etc.)	29,132,678	32,782,699	33,238,984	34,006,058	41,041,344

A dividend of €11,165 thousand (*i.e.* €1.32 per share) was paid for the 2023 financial year.

Non-deductible expenses

Non tax-deductible expenses, in the sense of article 39-4 of the French general tax code, consisting of vehicle rentals, amounted to €582,431 for the 2024 financial year.

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 of the French commercial code.

In the 2023 financial year, 67,343 treasury shares were acquired as part of the program for the redemption and reduction of share capital. Following the meeting of the board of directors on September 13, 2024, 67,340 shares with a nominal value of €1.25 were canceled. The share capital was consequently reduced by an amount of €84,175.

On December 31, 2024, Virbac held a total of 16,066 treasury shares, acquired on the market for a total of €4,070,768 excluding fees, for an average price of €253.38 per share.
Regarding the market-making contract, this was closed during the financial year, the 14,537 treasury shares that formed part of it were transferred for the performance plans.
A new performance plan was drawn up in 2024 (see note B10 of the statutory accounts).

Payment terms

According to articles L441-6-1 and D441-4 of the French commercial code, the information on payment terms of suppliers and customers of the Virbac parent company is shown below.

Supplier payment terms

- **As at December 31, 2024**

in €	Article D4411.-1: received invoices not paid at the closing date of the period, for which the maturity date has expired					
	0 day (as indication)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
[A] Portion in delay of payment						
Number of related invoices	4,877					726
Amount excluding tax of related invoices	29,236,445	1,157,574	518,008	262,715	60,382	1,998,679
Percentage of total purchases (excluding tax) for the period	7.1%	0.3%	0.1%	0.1%	—%	0.5%
[B] Excluded invoices from [A] linked to contentious or non booked receivables						
Number of excluded invoices	117					
Total amount of excluded invoices	486,092					
[C] Used reference payment terms						
Payment terms used for the calculation of payment delays	Contractual terms: terms granted to the suppliers (agreements/invoices) Legal terms: -					

- **As at December 31, 2023**

in €	Article D4411.-1: received invoices not paid at the closing date of the period, for which the maturity date has expired					
	0 day (as indication)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
[A] Portion in delay of payment						
Number of related invoices	4,407					711
Amount excluding tax of related invoices	29,710,655	1,859,956	157,456	-110,765	549,414	2,456,061
Percentage of total purchases (excluding tax) for the period	10.8%	0.7%	0.1%	0.0%	0.2%	0.9%
[B] Excluded invoices from [A] linked to contentious or non booked receivables						
Number of excluded invoices	94					
Total amount of excluded invoices	178,150					
[C] Used reference payment terms						
Payment terms used for the calculation of payment delays	Contractual terms: terms granted to the suppliers (agreements/invoices) Legal terms: -					

Customer payment terms

- **As at December 31, 2024**

in €	Article D. 4411.-2: issued invoices not paid at the closing date of the period, for which the maturity date has expired					
	0 day (as indication)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
[A] Portion in delay of payment						
Number of related invoices	993					242
Amount excluding tax of related invoices	85,379,895	1,601,973	1,345,044	1,118,553	7,182,330	11,247,900
Percentage of total sales (excluding tax) for the period	20.1%	0.4%	0.3%	0.3%	1.7%	2.7%
[B] Excluded invoices from [A] linked to contentious or non booked receivables						
Number of excluded invoices	24					
Total amount of excluded invoices	3,319,262					
[C] Used reference payment terms						
Payment terms used for the calculation of payment delays	Contractual terms: terms granted to the customers (agreements/invoices) Legal terms: -					

- **As at December 31, 2023**

in €	Article D. 4411.-2: issued invoices not paid at the closing date of the period, for which the maturity date has expired					
	0 day (as indication)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
[A] Portion in delay of payment						
Number of related invoices	956					316
Amount excluding tax of related invoices	86,835,508	5,593,035	1,309,474	419,187	10,880,672	18,202,368
Percentage of total sales (excluding tax) for the period	22.2%	1.4%	0.3%	0.1%	2.8%	4.6%
[B] Excluded invoices from [A] linked to contentious or non booked receivables						
Number of excluded invoices	26					
Total amount of excluded invoices	420,559					
[C] Used reference payment terms						
Payment terms used for the calculation of payment delays	Contractual terms: terms granted to the customers (agreements/invoices) Legal terms: -					

SUSTAINABILITY STATEMENT

Following the transposition into French law of the European directive 2022/2464/UE of December 14, 2022 on the disclosure of sustainability information (Corporate sustainability reporting directive or CSRD) by ordinance 2023-1142 of December 6, 2023 and decree 2023-1394 of December 30, 2023, Virbac publishes its sustainability statement on pages 10 to 119 of the annual report.
This statement presents the Group's governance, strategy, impact, risk and opportunity management, as well as metrics and targets related to material sustainability issues. It also incorporates the requirements of European regulation 2020/852 of June 18, 2020 (known as the Taxonomy regulation), which establishes a framework to facilitate sustainable investments within the European Union. It should be noted that Virbac is not involved in any activities aimed at promoting the link between the Nation and its armed forces (article L22-10-25.2°).

2025 OUTLOOK

In 2025, we currently anticipate revenue growth at constant scope and exchange rates between 4% and 6%.The impact of the Sasaeah acquisition is expected to represent an additional 1 point of growth in 2025. The ratio of "current operating income before amortization of assets resulting from acquisitions" (Ebit adjusted) to "revenue", is expected to consolidate at the 2024 level at constant scope around 16%. This forecast takes into account the continued voluntary increase in our R&D investments relative to revenue, which will represent approximately +0.3

percentage points in 2025 compared to 2024. In addition, the impact of the Sasaeah acquisition should be neutral overall on operating income in 2025.

PROVISIONAL TIMETABLE FOR FINANCIAL COMMUNICATION

The provisional timetable for 2025 is as follows:

- January 16, 2025 after the close of trading: communication of 2024 annual revenue;
- March 13, 2025 after the close of trading: communication of 2024 annual profit;
- April 15, 2025 after the close of trading: communication of revenue for the first quarter of 2025;
- June 19, 2025: annual shareholders' meeting;
- July 16, 2025 after the close of trading: communication of revenues for the second quarter of 2025;
- September 12, 2025 after the close of trading: communication of first half profits for 2025;
- October 16, 2025 after the close of trading: communication of revenues for the third quarter of 2025;
- January 15, 2026 after the close of trading: communication of 2025 annual revenue.

FEES OF THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS BORNE BY THE GROUP

As at December 31, 2024

	Deloitte					Novances - David & Associes Moore network				
in € thousand	Audit		Network		Total	Audit		Network		Total
Issuer	222.5	96%	—	—%	**222.5**	61.4	100%	—	—%	**61.4**
Consolidated subsidiaries	8.4	—%	737.6	100%	**746.1**	—	—%	27.2	100%	**27.2**
Audit and limited review of the individual and consolidated accounts	**231.0**	**100%**	**737.6**	**93%**	**968.6**	**61.4**	**100%**	**27.2**	**100%**	**88.5**
Issuer	—	—	—	—%	**—**	—	—%	87.5	—%	**—**
Consolidated subsidiaries	—	—%	53.4	100%	**53.4**	—	—%	—	—%	**—**
Other services[1]	**—**	**—%**	**53.4**	**7%**	**53.4**	**—**	**—%**	**87.5**	**—%**	**87.5**
Total fees	**231.0**	**100%**	**791.0**	**100%**	**1,022.0**	**61.4**	**100%**	**114.7**	**24%**	**176.0**

[1] the services other than the certification of the accounts provided by the statutory auditors to the issuer, consolidating entity, and to its affiliates correspond to the following elements:

- report on certification of sustainability information and monitoring of information publication requirements under article 8 of regulation (EU) 2020/852;
- certificates relating to the calculation of the financial ratio (banking covenants)

As at December 31, 2023

in € thousand	Deloitte					Novances - David & Associes Nexia network				
	Audit		Network		Total	Audit		Network		Total
Issuer[1]	202.5	96%	—	—%	**202.5**	61.4	100%	—	—%	**61.4**
Consolidated subsidiaries	8.4	—%	756.0	100%	**764.4**	27.0	—%	74.9	100%	**101.9**
Audit and limited review of the individual and consolidated accounts	**211.0**	**84%**	**756.0**	**98%**	**967.0**	**88.3**	**99%**	**74.9**	**100%**	**163.2**
Issuer	39.9	100%	—	—%	**39.9**	1.1	—%	—	—%	**—**
Consolidated subsidiaries	—	—%	12.9	100%	**12.9**	—	—%	—	—%	**—**
Other services[2]	**39.9**	**16%**	**12.9**	**2%**	**52.8**	**1.1**	**—%**	**—**	**—%**	**—**
Total fees	**250.9**	**100%**	**768.9**	**100%**	**1,019.8**	**89.4**	**99%**	**74.9**	**100%**	**163.2**

[1]the fees charged to the issuer this year include extra costs generated by the specific diligences linked to the cyberattack

[2]the services other than the certification of the accounts provided by the statutory auditors to the issuer, consolidating entity, and to its affiliates correspond to the following elements:

- certificate relating to the Statement of non-financial performance;
- certificates relating to the calculation of the financial ratio (banking covenants)

Report on corporate governance

Since a decision of the shareholders' meeting on December 15, 2020, our company has taken the form of a public limited company with a board of directors, instead of the form with a supervisory board and executive board.

The first board of directors meeting, held immediately after the shareholders' meeting, decided unanimously to separate the functions of the chairman of the board of directors and the chief executive officer.

The board of directors then appointed Sébastien Huron as chief executive officer and Habib Ramdani as deputy chief executive officer and Marc Bistuer as deputy chief executive officer and qualified person. These mandates were renewed by the board of directors at its meeting on December 12, 2023. Following the resignation of Sébastien Huron, the board of directors at its meeting on September 13, 2024 appointed Habib Ramdani as interim chief executive officer, giving time for the board of directors to recruit the next chief executive officer. Given the exceptional circumstances and the temporary nature of this situation, Habib Ramdani retained the benefit of his employment contract corresponding to his duties as chief financial officer the Group that he exercises under the supervision of the chairwoman of the board of directors (see summary table of exceptions made to the recommendations of the *Afep-Medef* Code, page 162).

This report was submitted to the audit committee, whose recommendations were taken into account, and was unanimously adopted by the board of directors at its meeting on March 12, 2025.

The report refers to the recommendations of the Corporate governance code for listed companies drawn up by *Afep* and *Medef* (*Afep-Mede*f Code), which was adopted by the former supervisory board as its code of reference. This choice was not called into question by the board of directors. The *Afep-Medef* Code can be consulted online at the following address: www.afep.com.

Following recommendations from the *AMF* (French financial markets authority), a summary table on page 162 lists the *Afep-Medef* Code provisions that the company has decided not to implement and gives the reasons for this.

GOVERNANCE BODIES

Our governance is based on principles that provide the balance required for the Virbac group's performance and successful development.

Separation of powers and collegiality

On December 15, 2020, the company adopted an organization that integrates general management and a board of directors, now the most common form of governance for publicly traded French companies. This organization reflects the desire for a balance of power between executive and supervisory functions. It involves regular and effective dialogue between general management and the board of directors, as well as mutual trust.

Collegiality is a key organizational principle in our governance. The board of directors and the general management operate on a shared vision among their respective members and on collective decision-making resulting from genuine teamwork. This organization guarantees efficiency and responsiveness while being in line with current governance codes, in particular the *Afep-Medef* Code, to which we refer to regularly improve our practices in this area.

Committed and experienced management

Our governance is based on tightly knit corporate bodies, composed of members with a strong and enduring commitment. Their professional experience covers many aspects of the day-to-day management of a large international group. Apart from the director representing employees, all but one of the directors are senior business executives with extensive operational experience in international companies.

The commitment of the members of the management bodies, whether on the board of directors or in general management, is built on sustained support for the Group's long-term strategy. Furthermore, the involvement of the directors and its non-voting advisor is not limited to their active participation in formal board discussions. It also includes regular informal discussions and *ad hoc* meetings when circumstances so require.

COMPANY OFFICERS

		Public limited company with a board of directors
Executive officers	Executive officers	. Interim chief executive officer: Habib Ramdani . Deputy chief executive officer, qualified person: Marc Bistuer
Non-excutive officers	Non-executive officer	. Chairwoman of the board of directors and director : Marie-Hélène Dick-Madelpuech
	Directors	. Pierre Madelpuech, vice-chairman; . Philippe Capron; . Olivier Charmeil; . Solène Madelpuech; . Cyrille Petit, permanent representative of the company Cyrille Petit Conseil; . Luc Thielland, employees representative.

THE BOARD OF DIRECTORS

Composition of the board of directors

	Personal information of the members of the board of directors				Position on the board of directors			Participation in board committees
	Age	Gender	Nationality	Number of shares as of 31.12.24	Indepen-dence	Initial date of appointment	Term of office expires	
Marie-Hélène Dick-Madelpuech Chairwoman of the board of directors	60 years	Female	French	1,635		Year of 1st appointment: 1998	2027	Appointments and compensation committee
Pierre Madelpuech Vice-chairman	64 years	Male	French	110		Year of 1st appointment: 1995	2025	Audit committee
Philippe Capron	66 years	Male	French	442		Year of 1st appointment: 2004	2026	Audit committee
Olivier Charmeil	62 years	Male	French	10	Independent director	Year of 1st appointment: 2023	2026	Appointments and compensation committee
Solène Madelpuech	31 years	Female	French	10		Year of 1st appointment: 2017	2027	
Cyrille Petit Permanent representative of Cyrille Petit Conseil	54 years	Male	French	260	Independent director	Year of 1st appointment: 2019 Permanent representative of Cyrille Petit Conseil since March 2020	2025	. Audit committee . Appointments and compensation committee
Luc Thielland Employees representative	35 years	Male	French	N/A	N/A	Year of 1st appointment: 2024	October 2027	
Non-voting advisor								
Rodolphe Durand Non-voting advisor	53 years	Male	French	N/A	N/A	Year of 1st appointment: 2021	2025	

Profile, experience and positions of the members of the board of directors - situation as of December 31, 2024

Marie-Hélène Dick-Madelpuech, chairwoman of the board of directors

• Age and nationality	60 years, French
• First appointment	1998
• Current term ends	2027
• Number of shares held as of 31.12.2024	1,635

Director, chairwoman of the board of directors and of the appointments and compensation committee since December 2020. Previously chairwoman of the supervisory board and of the compensation committee of the supervisory board.

Veterinary doctor and MBA graduate from HEC (business school), executive of the Panpharma Group, which specializes in the field of injectable medicines for healthcare establishments.

List of positions

Current positions	Expired positions
Positions in Group companies: · chairwoman of the *Fondation d'entreprise* Virbac (corporate foundation) (France). **Positions in companies outside of the Group:** · chairwoman and general manager of the company Okelen, SA (France); · permanent representative of the company Okelen, chairing Panmedica, SAS (France); · chairwoman of the board of directors of Panpharma, SA (France); · associate manager of the *société civile* Ilouet (France); · director of Panpharma Australia Pty Limited (Australia); · director of Panpharma UK Limited (United Kingdom); · co-manager of the *société civile immobilière* Samakeur MH (France); · manager of the *société civile* Investec (France); · co-manager of the *société civile* Du Regard (France); · co-manager of Okolline (France). None of the above companies are listed on a stock exchange. . director, chairwoman of the compensation, appointments and governance committee and member of the CSR committee of the company Beneteau (France), listed on the Paris stock exchange.	Non-Group positions and functions exercised over the past five years but no longer in effect: none.

Pierre Madelpuech, vice-chairman of the board of directors

• Age and nationality	64 years, French
• First appointment	1995 (personally) and 2005 (as permanent representative of the company Asergi). Renamed personally in 2017.
• Current term ends	2025
• Number of shares held as of 31.12.24	110

Director, vice-chaiman of the board of director and member of the audit committee since December 2020.

Previously permanent representative of the company Asergi, member of Virbac's supervisory board until September 5, 2017. Then vice-chairman and member of the audit committee of the supervisory board, appointed by co-optation by the supervisory board on September 5, 2017, to replace the company Asergi, which resigned.

ENSAM engineer and MBA graduate from HEC (business school), Pierre Madelpuech manages several companies owned by him.

List of positions

Current positions

Positions in Group companies:

none

Positions in companies outside of the Group:

. manager of the company Asergi, SARL (France);
. director of the company Panpharma, SA (France);
. director of the company Okelen, SA (France);
. general manager of the company Panmedica, SAS (France);
. manager of the company Arteis Développement, SARL (France);
. general manager of the company RPG, SAS (France);
. associate manager of the *société civile immobilière* Igresa (France);
. manager of the company Crearef, SARL (France);
. manager of the company Crea Négoce, SARL (France);
. manager of the company Color'I, SARL (France);
. manager of the *société civile* P2LM (France);
. chairman of the company Fra Angelico, SAS (France);
· co-manager of the *société civile* Du Regard (France);
. co-manager of the *société civile immobilière* Okolline (France);
. manager of the company SERG1 (France).
None of these companies are listed on a stock exchange.

Expired positions

Non-Group positions and functions exercised over the past five years but no longer in effect:
. manager of the company ART'PRO, SARL (France).

Philippe Capron, director

• Age and nationality	66 years, French
• First appointment	2004
• Current term ends	2026
• Number of shares held as of 31.12.24	442

Dirctor and chairman of the audit committee of the board of directors.
Previously member of the supervisory board, chairman of the audit committee and member of the compensation committee of the supervisory board.

A graduate of HEC (business school) and the Institut d'éudes politiques de Paris (Institute for political studies in Paris), Philippe Capron is an ENA (National school of administration) alumnus and served as financial inspector.

List of positions

Current positions	Expired positions
Positions in Group companies:	Non-Group positions and functions exercised over the past five years but no longer in effect:
none	. director of Econocom Group SA/NV (Belgium), a company listed on Euronext;
Positions in companies outside of the Group:	. managing director of Perella Weinberg Partners France SAS.
. director of the company Perella Weinberg Partners France SAS; . chairman of the company BREMZ, SAS. None of these companies are listed on a stock exchange. . independent director and chairman of the audit committee of Econocom Group SE, listed company on Euronext Brussels.	

Olivier Charmeil, independent director

• Age and nationality	62, French
• First appointment	2023
• End of term	2026
• Number of shares held on 31.12.24	10

Director appointed by co-optation by the board of directors on December 21, 2023, to replace the company OJB Conseil, represented by Olivier Bohuon, which resigned. Member of the appointments and compensation committee of the board of directors.

A graduate of HEC–Paris (business school) and the *Institut d'études politiques de* Paris (Institute for political studies in Paris), his experience is as follows:

. 1989: bank of the European Union, Mergers & Acquisitions department;
. since 1994: various functions within the Sanofi group (head of Business Development at Sanofi Pharma; chief financial officer for Asia, vice-chairman of International Operations Development, chairman and chief executive officer of Sanofi Synthélabo France; senior vice-chairman in charge of integration between Sanofi and Aventis; senior vice-chairman Asia/Pacific & Japan for Sanofi Aventis; executive vice-chairman, Vaccines, and chief executive officer of Sanofi Pasteur).

List of positions

Current positions	Expired positions
Positions in Group companies: none **Positions in companies outside of the Group:** . manager of the *société civile immobilière* La Jonchée (France); . manager of the *société civile immobilière* La Coronette (France); . manager of the *société civile immobilière* Kermaria (France); · member of the board of directors of the European federation of pharmaceutical industries and associations (EFPIA). None of these companies are listed on a stock exchange. · executive vice-chairman of the General Medicine division and member of the executive committee of Sanofi SA, listed on the Paris stock exchange; . director of GenOway SA (France), listed on the Paris stock exchange;	Non-Group mandates and functions exercised over the past five years but no longer in effect: none.

Solène Madelpuech, director

• Age and nationality	31 years, French
• First appointment	2017
• Current term ends	2027
• Number of shares held as of 31.12.24	10

Diretor.
Previously member of the supervisory board of Virbac, appointed by co-optation by the supervisory board of September 5, 2017 to replace Jeanine Dick, who resigned.

Graduated with a BSc in management from Warwick business school and a Master in management from London business school.

List of positions

Current positions	Expired positions
Positions in Group companies:	Non-Group positions and functions exercised over the past five years but no longer in effect:
none	· general manager UK of Sight Diagnostics (United Kingdom).
Positions in companies outside of the Group:	
· co-manager of the *société civile immobilière* Samakeur MH (France);	
· member of the supervisory board of the *société civile* Investec (France);	
· Transformation, Integration and Alliance Management director for the company Theramex HQ UK Limited (United Kingdom).	
None of these companies are listed on a stock exchange.	

Cyrille Petit, permanent representative of the company Cyrille Petit Conseil, independent director

• Age and nationality	54 years, French
• First appointment	2019 (personally) and in 2020 (as permanent representative of the company Cyrille Petit Conseil)
• Current term ends	2025
• Number of shares held by company Cyrille Petit Conseil as of 31.12.24	260

Director, member of the audit committee and of the appointments and compensation committee since March 18, 2022.
Previously member of the supervisory board (personnally and since March 19, 2020 as legal representative of the company Cyrille Petit Conseil), member of the audit committee of the supervisory board.

A graduate of HEC-Paris (business school), his professional experience is as follows:
. since 2019: development and Strategy director (Bracco Group);
· 2019 strategy and mergers & acquisitions consulting;
· 2012-2018: director of Development and chairman of Global Business Services and member of the executive committee (Smith & Nephew plc);
· 2008-2012: director of World Development and member of the board of management (General Electric Transportation);
· 2002-2008: director of Development (General Electric Healthcare).

List of positions

Current positions	Expired positions
Positions in Group companies:	Non-Group positions and functions exercised over the past five years but no longer in effect:
none	· director of the company Flowonix Inc (United States);
Positions in companies outside of the Group:	· director of the company Reapplix A/S (Denmark);
· president of the company Cyrille Petit Conseil, SAS (France);	· director of the company Blue Earth Diagnostics Ltd (United Kingdom).
· manager of the *société civile immobilière* Caducée (France);	
· manager of the *société civile immobilière* Berteaux 2000 (France);	
· manager of the *société civile immobilière* Familiale du Manoir de Kerminizy (France);	
· manager of the *société civile immobilière* Happy Family (France);	
· director of the company Blue Earth Therapeutics Ltd (United Kingdom);	
. director of Bracco Horizons Ltd (United Kingdom);	
. director of the company Euromedica A.E. (Greece).	
None of the companies are listed on a stock exchange.	
. director of Polerean Imaging PLC (United Kingdom), a company listed on the AIM market of the London stock exchange.	

Luc Thielland, director representing employees

• Age and nationality	35 years, French
• First appointment	2024
• Current term ends	October 2027
• Number of shares held as of 31.12.24	None

Luc Thielland graduated with a diploma of advanced technician (*BTS*) in biochemistry, a degree in biotechnology and of a masters in project management. Luc Thielland works at Virbac for almost fifteen years. He was in charge of change control in the Quality Assurance department and holds now the position of buyer.

List of positions

Current positions	**Expired positions**
Positions in Group companies:	Non-Group positions and functions exercised over the past five years but no longer in effect: none.
none	
Positions in companies outside of the Group:	
none	

Organization of the board of directors

The company is managed by a board of directors composed of seven directors, including one director representing employees.

The applicable rules for appointing the directors are the legal and statutory rules set out in article 10 of the articles of association. The main provisions of these rules are described below.

The directors shall be appointed by the ordinary shareholders' meeting, which may dismiss them at any time.

A director who is a physical person cannot be appointed, nor can their term of office be renewed, once they have reached the age of 70.

Each director, except from the director representing employees, must own, or become the owner within three months of their appointment, of at least ten shares in registered form.

The term of office of the directors is three years. Terms of office shall be renewed on a rotational basis in order to ensure that regular renewal of board members occurs in the most equal proportions possible. By exception, the ordinary shareholders' meeting may, to set up such a rotation, appoint a director for a term of one or two years.

Any outgoing director may be reelected.

In the event of a vacancy due to the death or resignation of one or more directors, the board of directors may, between two general meetings, make temporary appointments, subject to ratification at the next ordinary shareholders' meeting.

Every director undertakes to comply with the obligations incumbent upon them in this capacity and in particular those relating to limits on the number of corporate mandate they are authorized to hold.

Pursuant to the provisions of the article L225-27-1 of the French commercial code, the board of directors shall comprise one director representing employees if the number of directors composing the board of directors is equal or less than eight and two directors representing employees if the number of directors is greater than eight.

The director or directors representing employees shall be appointed by the Economic and social committee, in accordance with legal and regulatory provisions.

Conflicts of interest

Directors are required to disclose to the board of directors any situation involving a conflict of interest, even a potential one, in accordance with article 4.4 of the board of directors' internal bylaws, an extract of which is reproduced below.

"Each director must act in all circumstances in the interest of the company, regardless of any other interest.

Each director must ensure not to engage in any activity that would place him or her in a situation in which there is a conflict of interest with the company.

In a situation where a conflict of interest arises or may arise between the company's interest and his or her direct or indirect personal interest or the interest of the shareholder or group of shareholders he or she represents, the director concerned must:

- inform the board of directors as soon as he or she becomes aware of the situation;
- and determine the consequences with regard to his or her mandate. Thus, as the case may be, he or she must:
  - either abstain from participating in the vote of the corresponding deliberation;
  - or not attend the board of directors meeting during which the member finds himself or herself in a situation where there is a conflict of interest.

A director who feels that he or she is no longer able to fulfill his or her role on the board must resign."

These rules also apply to non-voting advisor(s).

Functioning of the board of directors

The board of directors shall meet at least once every quarter and as often as the interests of the company may require, either at headquarters or at any other place indicated in the convening notice, or by teleconference.
It shall be convened by any means, even verbally, by the chairwoman. If the chairwoman is unable, it shall be convened by the vice-chairman. If the chairwoman and vice-chairman are unable, it shall be convened by the chief executive officer.
The chief executive officer may also request that the chairwoman convenes the board of directors with a determined agenda.
When it has not met for more than two months, at least one-third of the directors may request that the chairwoman calls a meeting with a determined agenda.

The statutory auditors shall be called in to the meetings of the board of directors.

The directors may also meet during the year for informal work and discussion sessions.

The meetings of the board of directors shall be chaired by the chairwoman of the board of directors or, failing that, by the vice-chairman. In the absence of the chairwoman and vice-chairman, the board of directors shall designate, for each session, one of its members to chair the meeting.

To calculate the *quorum* and the majority, directors participating in the meeting by means of videoconference, conference call or any other means that may be recognized by the legislation in force are deemed to be present.

A director may be represented at a meeting by another director who cannot hold more than one proxy.

The board of directors generally meets in the presence of the chief executive officer and of the deputy chief executive director also in charge of the financial affairs in order to be provided with all the information required for the agenda. Exceptionally, the meetings of December 18, 2024 and March 12, 2025 were held solely in the presence of the interim chief executive officer, who also manages the Group's Financial Affairs department.
When the board of directors has to deliberate on matters concerning members of general management, the said members are asked to excuse themselves from the meeting so that the board can debate and deliberate without them being present. In March 2024 and in March 2025, portions of the board of directors meetings were held without the general management (chief executive officer and the deputy chief executive officer in charge of the financial affairs in March 2024 and of the interim chief executive officer in March 2025).

In 2024, the board of directors met six times via videoconference and face-to-face when possible.

Informing the board of directors

Pursuant to article 2.2 of the internal bylaws, documents enabling the directors to make fully informed decisions on the items on the agenda are communicated to the directors within a reasonable period of time before the board of directors meeting, except in the event of an emergency or the need to ensure complete confidentiality.
Outside of meetings, directors receive all important information relating to the company.

The directors assess for themselves whether the information communicated to them is sufficient and, if necessary, ask for any additional information that they deem useful.

The chairwoman regularly informs the board of directors of the financial position, cash position, financial commitments and significant events of the company.

The directors may meet with the company's main executives, even without the corporate officers present, but by informing them in advance.

Any new director may request training on the specifics of the company and the Group, their lines of business and their sectors of activity.

The board of directors may, during each of its meetings, in the event of an emergency, and on the proposal of the chairwoman, deliberate on matters not included in the agenda that has been communicated to it.

Assessing the operations of the board

In accordance with the recommendations of the *Afep-Medef* Code, in order to improve the effectiveness of its work, the board of directors conducts an annual assessment of its operations and at least once every three years, a formal assessment, which may be carried out with the assistance of an external consultant.

The board of directors reviews its composition, organization and operation, and conducts a similar review of its committees.

Once a year, the board of directors devotes an item on the agenda of one of its meetings to a discussion regarding its operations.
The purpose of this formal assessment is threefold:

- to take stock of how the board and its committees operate;
- to verify that important issues are properly prepared and discussed;
- and to assess the effective contribution of each director to the work of the board.

Pursuant to the recommendations established by the *Afep-Medef* Code, Cyrille Petit, permanent representative of the company Cyrille Petit Conseil, independent director and member of the appointments and compensation committee, carried out a formalized evaluation of the board of directors at the beginning of 2024. The evaluation was carried out through a questionnaire sent to all directors, the summary of which was provided at the appointments and compensation committee meeting on March 8, 2024 and presented and discussed at the board of directors meeting on March 15, 2024.
The evaluation was carried out on the basis of the eight board meetings held in 2023 (four quarterly face-to-face meetings and four extraordinary meetings by video conference organized in view of the acquisition projects and the cyberattack), with all directors and non-voting advisors present.

Regarding the composition of the board of directors, the evaluation showed that the directors appreciate the wide diversity of very high-level profiles and the diverse skills and experiences of the board members.
Regarding the operation of the board and the work of the committees, the directors find that they work well together, and information is exchanged constructively, thanks in particular to reciprocal listening. It was also pointed out that the limited number of directors facilitates discussions, engagement and decision-making. Directors are satisfied with the work of the committees and consider that these bodies work and review topics in detail, with clear and concise feedback to the board. Directors also consider that the information received for meetings is excellent and transmitted well in advance. In addition, the chief executive officer's opening statements on business activity at the beginning of the board meetings are greatly appreciated by the directors.

The directors pointed out the importance of:

(i) improving the running of board meetings held by video conference to make it easier for all directors to speak;

(ii) implementing a reference document summarizing any proposed acquisition project to prior approval by the board of directors;

(iii) continuing to provide directors with animal-health market press clippings and analytical notes;

(iv) monitoring the implementation of Corporate sustainability reporting directive (CSRD) standards by the audit committee with an annual report to the board of directors;

(v) implementing annual monitoring of high potential employees by the appointments and compensation committee;

(vi) involving external experts to prepare certain new areas or topics such as artificial intelligence or certain technological developments.

Furthermore, at the meeting of March 6, 2025, the appointments and compensation committee reviewed the results of the annual evaluation of the board of directors conducted by Cyrille Petit. Overall, the directors believe that the board operates in a transparent and efficient manner, with strong participation of its members during in-person meetings, which facilitates exchanges. The directors note that the arrival of Olivier Charmeil has contributed significantly, particularly on strategic and international aspects. The directors benefit from the implementation of a regular monitoring of the animal health market as well as the sharing of various analyses. Regarding the areas for improvement, following the directors' request, it was agreed that the general management would implement an annual monitoring, with the appointments and compensation committee, of high potentials/talents as well as succession plans for the most senior executives.

Regulated agreements

Pursuant to the article L22-10-12 of the French commercial code, the board of directors has implemented an internal control procedure for agreements related to routine transactions entered into under normal conditions in order to regularly assess whether these agreements meet and continue to meet these conditions.
The procedure for assessing whether agreements can be regarded as routine and normal is applied when an agreement has been entered into either directly or through an intermediary:

- between the company and its chief executive officer or one of its deputy chief executive officers, one of its directors, or between the company and a shareholder holding more than 10% of the voting rights or, in the case of a shareholder company, the company controlling it within the meaning of article L233-3 of the French commercial code, or between the company and another organization, if the chief executive officer, one of the deputy chief executive officers or one of the directors of the company is an owner, partner with unlimited liability, manager, director, member of the supervisory board or, in general, a manager of this other corporation;
- between the company and another company in the Group, other than a company wholly owned by the company, of which one of the executives, as defined in article L225-38 of the French commercial code, is also the chief executive officer, a deputy chief executive officer or a director of the company.

The methodology used to assess whether these agreements are routine transactions entered into under normal conditions is as follows:

- the Financial Affairs department and the Legal department meet whenever necessary to review these new agreements and the relevance of the criteria used in distinguishing between routine and regulated agreements, and with regard to current agreements, consider whether or not to reclassify them due to circumstances that may result in modification of the criteria used at the time of conclusion;
- if agreements are classified as regulated agreements, the procedure provided by law shall be applied under the supervision of the Legal department;

- the list and information regarding these current routine agreements are conveyed annually to the board of directors to allow it to assess, when deemed necessary, whether the agreements still meet these normal and routine conditions;
- pursuant to the law, individuals directly or indirectly involved in any of these agreements do not participate in its assessment.

Policy of staggered terms for the members of the board of directors

Terms of office for members of the board of directors have been staggered to comply with the recommendations of the *Afep-Mede*f Code.

Board of directors' internal bylaws

The board of directors appointed by the shareholders' meeting of December 15, 2020, adopted its internal bylaws at its first meeting on December 15, 2020. These internal regulations were amended by the board of directors on March 21, 2023 and March 12, 2025.
The internal bylaws govern the operation of the board and its committees, as well as the board's duties and powers. The internal bylaws also specify the rights and duties of the members of the board of directors and, in particular, the code of ethics that applies to board members. In accordance with the recommendations of the *Afep-Medef* Code, they also provide for cases of prior approval by the board of directors.
The internal bylaws are published on the website https://corporate.virbac.com/fr/home/discover-virbac/governance.html.

Responsibilities of the board of directors

The board of directors deliberates on all matters falling within its legal and regulatory powers.
It strives to foster the creation of long-term value by the company whilst taking into account the social and environmental challenges of its business activities. It proposes, if necessary, any changes to the articles of association that it considers appropriate.

The board of directors determines the strategic direction of the company's activities, including multi-year strategic directions for corporate social responsibility. It decides on major operations and ensures their implementation. With the exception of the powers expressly attributed to shareholders' meetings and within the limits of the company's purpose, the board may deal with any issue concerning the proper operation of the company and settles matters concerning it through its deliberations.
It shall also carry out the checks and verifications that it deems appropriate.

The board of directors performs these principal functions:

- it chooses its governance structure (separation or unification of the functions of chairman and chief executive officer);
- it appoints and dismisses the corporate officers;
- It sets the compensation of the chairman, the chief executive officer and the deputy chief executive officers;
- it authorizes the granting of sureties, endorsements and guarantees;
- it authorizes, prior to their conclusion, the regulated agreements;
- it establishes a procedure for regularly assessing whether current agreements entered into under normal conditions meet these conditions;
- it closes the annual corporate and consolidated financial statements, the interim financial statements, and the forecast management documents;
- it approves the terms of the management report and the report on corporate governance;
- it convenes and approves the agendas for shareholders' general meetings;
- it approves the annual budget;
- it verifies the quality and truthfulness of the information provided to shareholders as well as to the financial market, in particular through financial statements and the annual report;
- it expresses its opinion on all decisions relating to the company's major strategic, economic, social, environmental, financial and technological orientations and ensures their implementation by general management;
- it is kept informed of market trends, the competitive environment and the main challenges facing the company, including in the area of corporate social responsibility;
- it regularly examines, in relation to the strategy it has defined, the opportunities and risks such as financial, legal, operational, social and environmental risks, and the measures taken accordingly;
- it ensures, where appropriate, that a system for the prevention and detection of corruption and influence peddling is in place and receives all the information necessary for this purpose;
- it also ensures that the executive officers implement a policy of non-discrimination and diversity within the company;
- it deliberates on the company's policy in terms of professional and salary equality between all employees and between women and men;
- it establishes, on the recommendation of general management, targets for gender diversity within the management bodies. It also describes the gender diversity policy applied to the management bodies in the corporate governance report, as well as the objectives of this policy, the procedures for implementing it and the results obtained during the past financial year, and, where appropriate, the reasons why the objectives were not achieved, and the measures taken to remedy the situation;
- it validates the methods of implementation of the corporate social responsibility strategy and the action plan as proposed by general management, and thereafter annually the results obtained. It examines the opportunity, if any, to adapt the action plan or modify the objectives in view of, in particular, the evolution of the company's strategy, technologies, shareholder expectations and the economic ability to implement it;
- it decides on the creation of committees;

- it is consulted for prior approval of any operation deemed to be major at the Group level, involving investment, organic growth, external acquisition, disposal or internal restructuring, particularly if it falls outside the company's announced strategy.

Prior authorizations from the board of directors
Notwithstanding the legal provisions relating to the authorizations that must be granted by the board (regulated agreements, endorsements and guarantees), the following are subject to prior authorization by the board because of their nature or their significance:

- acquisitions or disposals of assets, or investments not included in the annual investment budget of a unit amount of more than 30 million euros, or for investments below this threshold, leading to a cumulative multi-year budget of 30 million euros being exceeded for a single project;
- issues and/or operations substantially affecting the Group's strategy, financial structure or scope of activity;
- financial transactions with a material impact on the Group's statutory accounts or consolidated accounts, and in particular (within the framework of the authorizations that may be granted by the shareholders' general meeting) the issuing of securities that give access to capital or market debt instruments;
- the allocation to employees of incentive instruments giving access to the company's capital, in particular shares subject to performance conditions (within the framework of authorizations that may be granted by the shareholders' meeting).

Each year, the board of directors determines the number of permanent authorizations granted to the chief executive officer and relating to sureties, endorsements, guarantees and securities granted by Virbac (intra-group or granted to guarantee the obligations of French or foreign third parties).

Procedure concerning the succession of corporate officers
The board of directors, at its meeting of March 18, 2022, approved the procedure established for the succession of corporate officers. In particular, it provides that in the event of early and sudden departure of corporate officers, a list of potential candidates is established (and revised, where applicable), if necessary pending recruitment. The succession policy as established in 2022 was reviewed in 2025 by the appointments and compensation committee and the directors. The procedures remains unchanged.

Procedure for the selection of future independent directors
The board of directors, at its March 18, 2022 meeting, approved the procedure for the selection of future independent directors, including their profiles and skills, as well as recruitment methods. In respect of this procedure, the directors and non-voting advisor(s) will meet to establish the profile of the future independent director, and the chief executive officer will also be consulted. Once the profile is established, members of the board of directors will be able to propose potential candidates and the appointments and compensation committee will expand the search with a specialized firm, where appropriate.

The board of directors' relationship with shareholders

Article 4.4 of the *Afep-Medef* Code provides that shareholder relations with the board of directors, in particular on matters of corporate governance, may be entrusted to the chairman of the board of directors or, where applicable, to the independent lead director.
The company did not wish to appoint a lead director. Relations with the shareholders, particularly on corporate governance matters, are handled, at the request of the chairwoman of the board of directors, by the Group's Financial Affairs department.

Criteria for director independence

At its meeting on March 12, 2025, the board of directors reviewed the independence criteria for its directors based on the criteria set out in the *Afep-Medef* Code.

Independence criteria set out in the *Afep-Medef C*orporate governance code:

Criterion 1: employee corporate officer within the past five years
Not to be and not to have been within the previous five years: • an employee or executive officer of the company; • an employee, executive officer or director of a company consolidated within the corporation; • an employee, executive officer or director of the company's parent company or a company consolidated within this parent company.
Criterion 2: cross-directorships
Not to be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office within the last five years) holds a directorship.
Criterion 3: significant business relationships
Not to be a customer, supplier, commercial banker, investment banker or consultant: • that is significant to the corporation or its Group; • or for which the corporation or its group represent a significant portion of its activity. The evaluation of the significant otherwise of the relationship with the company or its Group must be debated by the board, and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the annual report.
Criterion 4: family ties
Not to be related by close family ties to a company officer.
Criterion 5: auditor
Not to have been an auditor of the corporation within the previous five years.
Criterion 6: period of office exceeding twelve years
Not to have been a director of the corporation for more than twelve years. Loss of the status of independent director occurs on the date of the twelfth anniversary.
Criterion 7: status of non-executive officer
A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation or the Group.
Criterion 8: status of the major shareholder
Directors representing major shareholders of the corporation or its parent company may be considered independent, provided that these shareholders do not take part in the control of the company. Nevertheless, beyond a 10% threshold in capital or voting rights, the board, upon a report from the nominations committee, should systematically review the qualification as independent, in the light of the make up of the corporation's capital and the existence of a potential conflict of interest.

On March 12, 2025, the board of directors discussed whether significant ties existed between the directors considered to be independent and the company or one of the Group's companies.
The board of directors noted that none of these directors had a direct or indirect business relationship with the company or the Group and, in particular, that none of the aforementioned directors was a "customer, supplier, corporate banker or investment banker" of the company or Group and that none of these directors had established any particular interest or special relationship with the Group or its officers.

Accordingly, the board of directors confirmed that :
- Cyrille Petit, permanent representative of Cyrille Petit Conseil, and
- Olivier Charmeil

meet all the independence criteria of the *Afep-Medef* Code.

Summary table of criteria applied to each member of the board of directors as of March 12, 2025

Criteria	Marie-Hélène Dick-Madelpuech	Pierre Madelpuech	Solène Madelpuech	Philippe Capron	Olivier Charmeil	Cyrille Petit permanent representa-tive of Cyrille Petit Conseil
Criterion 1: employee corporate officer within the past five years	✓	✓	✓	✓	✓	✓
Criterion 2: cross-directorships	✓	✓	✓	✓	✓	✓
Criterion 3: significant business relationships	✓	✓	✓	✓	✓	✓
Criterion 4: family ties	X	X	X	✓	✓	✓
Criterion 5: auditor	✓	✓	✓	✓	✓	✓
Criterion 6: period of office exceeding twelve years	X	X	✓	X	✓	✓
Criterion 7: status of non-executive officer	✓	✓	✓	✓	✓	✓
Criterion 8: status of the major shareholder	X	✓	✓	✓	✓	✓

In this table, "✓" signifies that a criterion for independence is satisfied and "X" signifies that a criterion for independence is not satisfied. The director representing employees is not included in the reporting pursuant to the *Afep-Medef* Code.

Diversity policy applied to the board of directors

To ensure that the work of the board of directors continues under the best possible conditions and continues to gain in quality, the directors remain attentive to the fact that the board is composed of independent, competent members with international professional experience, French-speaking, preferably in the pharmaceutical industry or in a related field, able to attend in-person board meetings whenever possible.

With regard to the diversity of its composition, the board of directors' policy aims to maintain the current level of diversity, particularly with regard to the skills and independence of its members (two independent directors over six directors - the director representing employees is not included in the reporting pursuant to the *Afep-Medef* Code), representation of women and men (two female directors), the ages of its members (between 31 and 66 years), seniority on the board (from 29 years of seniority to two recent appointments), qualifications (business, engineering, veterinarian schools) and professional international experience. Details of the skills and expertise for each of the directors, validated by the board of directors, are summarized in the table below.

	Marie-Hélène Dick-Madelpuech	Pierre Madelpuech	Solène Madelpuech	Philippe Capron	Cyrille Petit représentant permanent de Cyrille Petit Conseil	Olivier Charmeil	Luc Thielland
Corporate management	✓	✓		✓	✓	✓	
International expertise	✓	✓	✓	✓	✓	✓	
Financial expertise	✓	✓	✓	✓	✓	✓	
Strategy and mergers-acquisitions	✓	✓	✓	✓	✓	✓	
Knowledge of the pharmaceutical and veterinary industry	✓	✓	✓	✓	✓	✓	✓
Veterinary expertise	✓						
Research and innovation	✓				✓	✓	
Digital/ e-commerce		✓	✓			✓	✓
CSR/HR/talent	✓	✓	✓	✓	✓	✓	

Lastly, it should be noted that no member of the board of directors combines his or her position with an employment contract within the Virbac group (except the director representing employees).

Changes that occurred in 2024 within the membership of the board of directors and committees

	Departure	Appointment	Reappointment
Board of directors	Sylvie Gueguen	. Olivier Charmeil (ratification by the shareholders' meeting of June 21, 2024 of the appointment by co-option of December 21, 2023) . Luc Thielland (appointed by the Economic and social committee)	. Marie-Hélène Dick-Madelpuech . Solène Madelpuech
Audit committee	None	None	None
Appointments and compensation committee	None	. Olivier Charmeil (ratification by the shareholders' meeting of June 21, 2024 of the appointment by co-option of December 21, 2023)	. Marie-Hélène Dick-Madelpuech

Committees of the board of directors

The board of directors is assisted in its work by two committees, an audit committee and an appointments and compensation committee, which have advisory powers and carry out their activities under the responsibility of the board of directors, which alone has the legal power to make decisions and remains accountable for the performance of its duties.

Pursuant to article 2.2 of the internal bylaws, documents enabling the directors to make fully informed decisions on the items on the agenda are communicated to the directors within a reasonable period of time before the board of directors' meeting, except in the event of an emergency or the need to ensure complete confidentiality. The same rule is followed for audit committee meetings. Finally, given the location of the company's headquarters in the region, the audit committee's meeting on the annual accounts is held the day before the board of directors' meeting, unless otherwise specified.

Pursuant to article 6 paragraph 4 of the internal bylaws, the committees may request external technical studies on subjects within their competence, at the company's expense, after informing the chairwoman of the board of directors or the board of directors itself, and provided that they report on the studies to the board.

Within its area of competence, each committee issues proposals, recommendations and opinions as appropriate, and reports on its tasks at the next meeting of the board of directors.

Pursuant to article 2.3 of the internal bylaws, the board of directors deals with matters relating to corporate social responsibility. Therefore, a committee was not established specifically for the corporate social responsibility issues (see summary table of exceptions made to the recommendations of the *Afep-Medef* Code, page 162). The audit committee assists the board of directors in this area, through the tasks assigned to it by law and the board of directors' internal bylaws.

<u>Audit committee</u>

In addition to its statutory duties, audit committee is responsible for:

- ensuring the monitoring of the reporting and controlling of the accounting, financial and sustainability information and processes, as well as the review of the annual financial statements;
- periodically reviewing the mapping of the Group's major risks;
- controlling the existence and effectiveness of the internal control and risk management systems;
- monitoring and reviewing the internal audit program implemented by the company;
- issuing a recommendation on the statutory auditors proposed for appointment by the shareholders' meeting;
- monitoring the performance by the statutory auditors of their duties;
- ensuring that the statutory auditors comply with the conditions of independence;
- approving the provision by the statutory auditors of non-prohibited services other than certifying accounts;
- and reporting to the board of directors on the performance of its duties.

On December 15, 2020, the board of directors decided to appoint as member of the audit committee:

- Philippe Capron, chairman;
- Pierre Madelpuech;
- Cyrille Petit as representative of Cyrille Petit Conseil.

The aforementioned directors have the necessary qualifications to be members of this committee. All three have financial and accounting skills, which they have developed as part of their professional experience (financial inspector, investment banker, mergers and acquisitions consultant, etc.). They also have a good knowledge of the Group's accounting and financial procedures.

The composition of the audit committee was confirmed by the board of directors at its meeting on March 15, 2024, notwithstanding the non-independence of Philippe Capron, who was kept as a member and chairman of the audit committee given his extensive expertise in financial matters and his experience in this position (see summary table of exceptions made to the recommendations of the *Afep-Medef* Code, page 162).

The audit committee, chaired by Philippe Capron met four times in 2024. All members of the audit committee attended all meetings.

Over the course of 2024, the audit committee reviewed the 2023 annual financial statements and the 2024 half-year financial statements.
It checked the financial information and approved the accounting treatment for the financial year's major transactions, submitted either by the statutory auditors or by the members of general management. The committee also worked on the impacts of the cyberattack on the Group, and found that this cyberattack did not affect accounting data integrity.

The audit committee also noted progress of the measures taken by general management to ensure the establishment and effectiveness of internal control procedures, to identify risks of any kind, and implement the measures considered necessary to manage them. This risk review concerns in particular financial, legal, operational, social and environmental risks as well as off-balance sheet commitments. The audit committee also reviewed the summaries of the various audits and follow-up audits carried out during 2023 and partially in 2024. Finally, it validated the 2025 action plan proposed by the Internal Audit department.

The chief executive officer and the members of the Financial Department attend the audit committee meetings at the request of its members for the presentation of accounts and risks and to answer their questions. Then, at the request of the committee, they leave the meeting in order to allow the members of the audit committee to interview the statutory auditors and deliberate without them attending.

The statutory auditors may participate in meetings of the audit committee when their presence has been deemed necessary by the audit committee.

The appointments and compensation committee

The main tasks of the appointments and compensation committee are:

- drawing up proposals and reviewing candidates for the positions of directors or members of general management;
- developing a procedure for the selection of future independent directors;
- ensuring that a succession plan is in place for members of general management;
- drawing up recommendations and proposals regarding the compensation of members of general management;
- remaining informed about the Virbac group's general human resources policy and, more specifically, the compensation policy for the Virbac group's main executives;
- reviewing proposals and conditions for awarding performance-related stock grants;
- drawing up proposals regarding the amounts of directors' fees for the members of the board of directors.

Following the renewal of Marie-Hélène Dick-Madelpuech's mandate as director and the ratification of Olivier Charmeil's appointment as director by the shareholders' meeting of June 21, 2024, the meeting of the board of directors of September 13, 2024 confirmed the following composition of the appointments and compensation committee:

- Marie-Hélène Dick-Madelpuech, chairwoman;
- Cyrille Petit as representative of the company Cyrille Petit Conseil;
- Olivier Charmeil.

The appointments and compensation committee is comprised primarily of independent directors and is presided over by the chairwoman of the board of directors. The board of directors continues to believe that Marie-Hélène Dick-Madelpuech acts impartially, given that she does not rule on her own compensation, but on the compensation of executive corporate officers, that she is not an executive corporate officer, and that she chairs this committee in the interest of all shareholders and the company (see summary table of exceptions made to the recommendations of the *Afep-Medef* Code, page 162).

The chief executive officer is involved in the work of the committee with regard to the mission of appointing members of the deputy general management and management bodies, as well as in the development of the succession plan for these directorates. The chief executive officer also assists the committee in the selection of new directors. The chief executive officer does not attend meetings or parts of meetings in which his compensation is the subject of deliberations.

The compensation committee met twice in 2024. All the members of the compensation committee attended these meetings.

At these meetings, the following topics were covered:

- the review of the 2023 performance of the members of the general management (executive officers) with respect to their variable compensation;
- the compensation policy for 2024 of the members of the general management;
- the review of compensation paid to the Group's main executives;
- the implementation of a new free share plan;
- the review of a succession plan for corporate officers and the Group's senior managers;
- the preparation of the conditions of departure of Sébastien Huron following his resignation as well as the organization of his succession.

Non-voting advisor

In accordance with the articles of association, the ordinary shareholders' meeting may appoint up to two non-voting advisors. Non-voting advisors attend board of directors' meetings in an advisory and non-decision-making capacity. Non-voting advisors are bound by the same confidentiality obligations as the directors. They receive all documents communicated to the directors.

Mr. Rodolphe Durand's mandate as a non-voting advisor was renewed by the shareholders' meeting of June 21, 2024, for a term of one year.

The company Xavier Yon Consulting Unipessoal Lda, represented by Xavier Yon, did not wish to stand for a new term as non-voting advisor. Its mandate therefore expired at the end of the shareholders' meeting of June 21, 2024.

Rodolphe Durand, non-voting advisor

• Age and nationality	53 years, French
• 1st appointment	2021
• Current term ends	2025

With a master's degree in philosophy (*Sorbonne*), a master's in finance and a doctorate in management (*HEC-Paris*), Rodolphe Durand joined *HEC* Paris in 2004. He currently holds the Joly family chair in purposeful leadership at *HEC-Paris* and is the academic director of the Society and Organizations institute, which he launched in 2008.
Before that, he led the Strategy and Corporate Policy department (2009-2013), was the academic director of the MSc in strategic management (2012-2015), and was in particular a guest professor at New York university (Stern business school, 2011), the university of Cambridge (Judge business school, 2011), and the London business school (2013). He was also a visiting scholar at Harvard business school (2012) and at Insead (2020).

GENERAL MANAGEMENT

The company's general management is assumed by a chief executive officer who is not a member of the board of directors. His or her mission is to ensure the strategic and operational management of the Group.
The chief executive officer may be assisted by deputy chief executive officers (up to five) appointed by the board of directors. The chief executive officer is also supported by a Group executive committee. As part of the strategic directions determined by the board of directors, the general management reports to it on its actions and results.

At its December 12, 2023 meeting, the board of directors has renewed the positions for a period of three years of Sébastien Huron (chief executive officer), Habib Ramdani (deputy chief executive officer) and Marc Bistuer (deputy chief executive officer).

The meeting of the board of directors of September 13, 2024 acknowledged the resignations of Sébastien Huron from his mandate as chief executive officer and Habib Ramdani from his mandate as deputy chief executive officer in order to appoint the latter to the duties of interim chief executive officer, giving time for the board of directors to lead the recruitment process for the future chief executive officer. Marc Bistuer's mandate remained unchanged.

Distribution of responsibilities between the chief executive officer and the deputy chief executive officers

Until the resignation of Sébastien Huron, the distribution of functions and responsibilities between the chief executive officer and the deputy chief executive officers was as follows:

- Sébastien Huron oversaw the Global Marketing & Market Development, Global Business Operations, Global Industrial Operations, Supply Chain and Sourcing, Corporate R&D, Corporate Human Resources, Corporate Communications, New Products and Regulatory Affairs, Business Development, Petfood & Pet care division, Aquaculture sales and marketing and board office;
- Habib Ramdani was responsible for Group financial policy. He oversaw the Finance department, the Legal department and the Information Systems department;
- Marc Bistuer oversaw the Quality & Compliance department, the Environment, Health and Safety (EHS) department, the Corporate Social Responsibility (CSR) department, the Group Legal compliance department, the Insurance and Risk Management department and the Business Digital Programs department.

As of December 31, 2024, and at the time of writing this report, Habib Ramdani combines, for an interim period, the aforementioned duties and missions of the chief executive officer with those of the executive officer in charge of the Group's financial affairs. Marc Bistuer's duties and responsibilities remain unchanged.

General management personal information as of 31.12.2024

	General management personal information				Position within the general management	
	Age	Gender	Nationality	Number of shares as of 31.12.24	Initial date of appointment	End of term
Habib Ramdani Interim chief executive officer	48 years	Male	French	1,675	Interim chief executive officer since September 27, 2024	At the appointment of the new chief executive office or until December 2026 at the latest
Marc Bistuer Deputy chief executive officer	63 years	Male	French	7,638	Deputy chief executive officer since December 15, 2020	December 2026

Profile, experience and positions of the members of the general management as of 31.12.2024

Habib Ramdani, interim chief executive officer

• Age et nationality	48 years, French
• First appointment	. as interim chief executive officer : September 2024 . as deputy chief executive officer : December 2020 . as member of the executive board: June 2016
• Renewal of the mandate	NA
• Current term ends	At the appointment of the new chief executive office or until December 2026 at the latest
• Number of shares held as of 31.12.24	1,675 shares held in the nominal register

A graduate of the École Centrale de Paris, he was appointed as deputy chief financial officer on February 1, 2016, and then as chief financial officer on April 1, 2016. He was then appointed as a member of the executive board in June 2016, then as deputy chief executive officer on December 15, 2020. His mandate as deputy chief executive officer was renewed for a period of three years by the board of directors on December 12, 2023. In September 2024, the board of directors appointed him to the position of interim chief executive officer, on a temporary basis, following the resignation of Sébastien Huron.

List of positions

Current positions

Positions in Group companies:

· chairman of the company Interlab, SAS (France);

. permanent representative of Virbac, director of the company Virbac Chile Spa (Chile);

. permanent representative of Virbac, director of the company Virbac Patagonia Limitada (Chile);

. director of the company Virbac Corporation (United States);

. treasurer of the company PP Manufacturing Corporation (United States);

. director of Virbac (Thailand) Co. Ltd (Thailand);

. director of Virbac Asia Pacific Co. Ltd (Thailand);

. director of Fujita Pharmaceuticals Co. Ltd (Japan);

. director of Kyoto Biken Laboratories Inc. (Japan);

. director of Sasaeah Holding Co. Ltd (Japan);

. director of Sasaeah Pharmaceuticals Co. Ltd (Japan).

Positions in companies outside of the Group:

. director of the company Pharcor SAS (France), an unlisted company.

Expired positions

Non-Group positions and functions exercised over the past five years but no longer in effect: none.

Marc Bistuer, deputy chief executive officer

• Age et nationality	63 years, French
• First appointment	as deputy chief executive officer since December 15, 2020
• Renewal of the mandate	December 2023
• Current term ends	December 2026
• Number of shares held as of 31.12.24	7,638 shares held in the nominal register

Doctor of pharmacy, industry option, Marc Bistuer, director of Corporate Quality & Compliance was appointed deputy executive officer and qualified person on December 15, 2020. He was re-elected as deputy chief executive officer for a period of three years and designated a qualified person by the board of directors on December 12, 2023.

List of positions	
Current positions	**Expired positions**
Positions in Group companies: . director of the company Holding Salut Animal (Chile); . director of the company PP Manufacturing Corporation (United States). **Positions in companies outside of the Group:** . manager of the company Estrade, SARL (France), unlisted company; . manager of the company Incella SCI (France), unlisted company.	Non-Group positions and functions exercised over the past five years but no longer in effect: none.

Changes that occurred in 2024 within the membership of the general management

	Departure	Appointment	Reappointment
General management	Sébastien Huron: chief executive officer . Habib Ramdani: deputy chief executive officer	. Habib Ramdani: interim chief executive officer	None

Group executive committee

General management is supported by the Group executive committee.
At the end of December 2024, the Group executive committee is composed of seven members: the interim chief executive officer, the deputy chief executive officer and five other members appointed by the general management. It is made up of three women and four men. These members work closely together and make decisions collectively. This way of working encourages joint reflection and teamwork. Whether the topic concerns long-term vision or operational needs, exchanges between the members of the Group executive committee are frequent, which allows for a high level of responsiveness in decision making.

The Group executive committee is composed of the following members:
- Habib Ramdani, interim chief executive officer and chief financial officer;
- Marc Bistuer, director of Corporate Quality & Compliance and deputy chief executive officer - qualified person;
- Nathalie Pollet, head of Global Marketing & Market Development;
- Sophie Favini, head of Global Business Operations;
- André Mathieu, director of Global Industrial Operations, Supply Chain and Sourcing;
- Bertrand Havrileck, head of Corporate R&D;
- Francesca Cortella, head of Corporate Human Resources.

The France executive committee

As of 31 December 2024, the France executive committee is composed of seventeen members, including six women and eleven men. This committee is responsible for decision-making, coordination and reporting on all issues affecting the Group's French companies and represents a platform from which to disseminate information to the various departments. Our France executive committee is chaired by the interim chief executive officer and is composed of the following members:
- head of Global Marketing & Market Development;
- director of Global Industrial Operations, Supply Chain and Sourcing;
- head of Corporate R&D;
- head of Corporate Human Resources;
- Corporate Sourcing director;
- head of Corporate Communications;
- head of New Products and Regulatory Affairs;
- head of Petfood & Pet care market unit;

- Finance director;
- Global Supply Chain director;
- EHS director France;
- Group general counsel;
- French Industrial Operations director;
- Group chief information officer;
- Europe area director;
- chairwoman of the Virbac France subsidiary.

Gender diversity policy for governing bodies

Under the "Rixain" law of December 24, 2021, aimed at accelerating women's participation in economic and professional life, the board of directors at its meeting on March 18, 2022 asked the general management to implement an action plan concerning the gender diversity policy in the governing bodies with objectives set over time, with a deadline of March 1, 2029 at the latest, in accordance with applicable legislation, and keep them regularly informed about the progress of this plan.

With regard to the gender diversity policy for governing bodies, the board of directors, acting on a proposal from general management, set a gender diversity objective for the above-mentioned executive committees of 30% of the total number of seats in these two bodies to be held by women.

The management informed the board of directors at its meeting on March 12, 2025 that this objective, as in previous years, is currently exceeded. As of December 31, 2024, the ratio of women in the two aforementioned governing bodies amounted to 37.78% (it was 30.4% in 2021, 31.25% in 2022 and 38.01% in 2023). The board of directors found that even though the ratio has fallen slightly, the goal of a gender diversity ratio of 40% is still close. It will be up to the general management to continue to ensure that this ratio is maintained as much as possible while maintaining the ambition to rise to 40% in the coming years, particularly when recruiting or replacing members of the governing bodies.

It should be noted that the achievement of the goal set by the board of directors took place before implementation of the obligations arising from the "Rixain" law, namely to achieve a target of at least 30% of women and men members of governing bodies from March 1, 2026, and 40% from March 1, 2029.

Besides, in 2024 the percentage of women among the 10% of positions with the highest responsibility within the Economic and social unit formed around Virbac[1] is 37.3% in France. Even though this ratio is also increasing since it rose from 30% in 2021, 34% in 2022, 35.4% in 2023 and to 37.3% in 2024 (an increase of 24% from 2021 until 2024), the company is aware that an effort must be made to improve the rate of representation of women among the 10% of positions with high level responsibilities and that this is an important issue for the years to come.

[1]the ratio is calculated on the total number of employees in gradings D, E and F (corresponding to positions with high level responsibility) for Virbac, Virbac France, Virbac Nutrition, Virbac Diagnostics and Alfamed

SUMMARY TABLE OF EXCEPTIONS TO THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE

Recommendations of the *Afep-Medef* Code (The "Code")	Company practices and justifications	Reference
Termination of the employment contract in the case of a corporate mandate (article 23 of the Code)	In view of the exceptional circumstances of the search for a new chief executive officer and the temporary nature of this situation, the board of directors decided that Habib Ramdani, interim chief executive officer, will retain the benefit of his employment contract corresponding to his duties as chief financial officer of the Group (separate from his mandate as interim chief executive officer) which he will continue to exercise under the supervision of the chairwoman of the board of directors.	page 167
Shareholder relations with the board of directors (article 4.4 of the Code)	The company did not wish to appoint a lead director. Relations with the shareholders, particularly on corporate governance matters, are handled, at the request of the chairwoman of the board of directors, by the Group's Financial Affairs department.	page 152
Specialized committee on corporate social responsibility (article 16 of the Code)	The board of directors has taken due note of the terms of the letter dated November 13, 2024 received from the High Committee on Corporate Governance on this point. Virbac's board of directors has chosen to address CSR issues directly, in a collegial manner, placing major importance on the direct oversight of sustainability issues. Furthermore, the responsibilities of our audit committee have been expanded in accordance with article L821-67 of the French commercial code, and a sustainability auditor has been appointed. The appointments and compensation committee also proposes CSR objectives to the board of directors as part of the development of the compensation policy for executive corporate officers. Furthermore, the board's non-voting member is a recognized specialist in corporate strategy with extensive expertise in CSR. Finally, a steering committee dedicated to these issues has been established to strengthen the impact of the CSR department, which works closely with the audit committee and reports regularly to the board of directors.	page 156
Composition of the audit committee (article 17.1 of the Code)	The board of directors has taken due note of the terms of the letters dated October 14, 2024 received from the French financial markets authority (*AMF*) and from the High Committee on Corporate Governance on November 13, 2024 on this point. The board of directors considers that Philippe Capron's skills in financial and accounting matters on the one hand and his knowledge of the Virbac group and the animal-health sector on the other hand allow him to have an objective critical view, without the duration of his mandate affecting his work, recommendations or votes. The board of directors wished to maintain him within the audit committee to take full advantage of his critical, objective and valuable contribution.	page 156
Appointments and compensation committee – Committee overseeing compensation chaired by an independent member and includes a director representing the employees (article 19.1 of the Code)	The board of directors has taken due note of the terms of the letter dated November 13, 2024 received from the High Committee on Corporate Governance on this point. The board of directors has set up a single committee responsible for two tasks, namely appointments and compensation and wishes to maintain the established terms of chairmanship and operation. The board of directors considers that the chairwoman exercises her duties impartially, and with a critical objective eye, since she is not ruling on her own compensation but on that of the executive corporate officers, that she is not herself an executive corporate officer, and that she chairs this committee in the interest of all shareholders and the company. It should also be noted that the proposals made by the appointments and compensation committee are reviewed and may be discussed at the board of directors meeting that approves them and in which the director representing employees participates.	page 157
Non-competition clause (article 25.4 of the Code) **Compensation of company officers** (article 26 of the Code)	Given the vacancy of the position of chief executive officer since the resignation of Sébastien Huron in September 2024 and the ongoing search for a successor, when drafting this report, the board of directors could not define a compensation policy for the future chief executive officer for 2025 in detail. In any event, the terms of the non-competition agreement as well as the compensation policy of the future chief executive officer will be built on the general principles applicable within Virbac (see page 164) as well as in accordance with the rules and practices in force. The choice of the candidate and the terms of the offer made to him/her will be decided by the appointments and compensation committee and submitted for validation by the board of directors.	pages 166 *et seq.*

SPECIAL PROCEDURES REGARDING SHAREHOLDER PARTICIPATION AT SHAREHOLDERS' MEETINGS

Shareholders' meetings are called and deliberate in the legally required manner. Meetings are either held at headquarters or at any other place specified in the meeting notice. Meetings are presided over by the chairwoman of the board of directors. The roles of scrutineers are filled by the two members of the shareholders' meeting with the highest numbers of votes and who accept this position. The meeting's board appoints the secretary, who need not be a shareholder.

The company reserves the right to modify these terms and conditions for the shareholders' meeting to be held in 2025 if health conditions or any other situation that may justify it so requires, in accordance with the legislative and regulatory provisions that may still be taken due to these exceptional circumstances.

The main powers of the ordinary shareholders' meeting consist of the right to approve or reject the parent statutory accounts and the consolidated accounts, to allocate profits, to decide on the distribution of dividends, to appoint or dismiss the members of the board of directors and to appoint the statutory auditors. The ordinary shareholders' meeting also has the right to vote on the compensation of corporate officers. Decisions by the ordinary shareholders' meeting are made by a majority of the votes of shareholders present or represented.

The extraordinary shareholders' meeting may make decisions such as amending the articles of association, authorizing financial transactions that may change the share capital, approving or rejecting proposed mergers or spin-offs and granting or refusing shares subscription or purchase options plans or performance-related stock grants. Decisions of the extraordinary shareholders' meeting are made by a two-thirds majority of the votes of the shareholders present or represented.

Irrespective of the number of shares he or she owns, any shareholder is entitled to attend the shareholders' meeting or to be represented there by another shareholder, a spouse, the partner with whom he or she has entered into a civil solidarity pact under French law as well as by any other individual person or legal entity of his or her choice, or alternatively to vote by mail. Legal entity shareholders attend shareholders' meetings through their legal representatives or any person they appoint for the purposes thereof. In line with the law, the entitlement of shareholders to attend shareholders' meetings in person, by proxy or by mail is subject to the registration of the shares in the name of the shareholder or in the name of the intermediary acting on his behalf, on the second business day prior to the meeting, no later than midnight Paris time, either in the registered share accounts administered for the company by its agent or in the bearer share accounts held by the authorized banking or financial intermediary, acting as security custodian.
The registration of shares in the bearer share accounts held by the authorized intermediary must be confirmed by a certificate issued by the latter and, attached to the postal voting or proxy form or admission card request filled out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. To be valid, postal voting or proxy forms must have been effectively received at the company's headquarters or the location specified in the meeting notice at the latest three days prior to the date set for the shareholders' meeting, except where a shorter period is specified in the meeting notice.
Each shareholder is entitled to exercise as many votes as the shares they hold or represent without limitation. Nevertheless, a double voting right is granted to all fully paid-up shares that have been registered in the name of the same shareholder for at least two years.

COMPENSATION OF CORPORATE OFFICERS

In accordance with article L22-10-8 of the French commercial code, the board of directors, on the recommendation of the appointments and compensation committee, establishes a policy for the compensation of corporate officers.

The principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of the total compensation and benefits of any kind attributable to directors and officers are presented below.

The board of directors and the appointments and compensation committee take into account and apply the principles recommended by the *Afep-Medef* Code, *i.e.*, completeness, balance between the elements of compensation, comparability, coherence, intelligibility of the rules and proportionality. They ensure that the compensation policy is in line with the company's interests, contributes to its sustainability and is consistent with its business strategy.

At the shareholders' meeting, a proposal will be made to vote on the compensation policy for corporate officers for their term of office, for the 2025 financial year, as described below, and to approve the description of the compensation components paid or allocated to corporate officers for the 2024 financial year.

It is pointed out that the position of chief executive officer has been vacant since the resignation of Sébastien Huron and that the appointments and compensation committee is in charge of identifying a successor, this process being currently underway. The board of directors will be called upon to appoint the chief executive officer and approve the various components of his/her compensation upon recommendation of the appointments and compensation committee as soon as a candidate has been identified and selected.

Policy for executives and non-executive officers

General principles
In the interests of the company and its shareholders, the board of directors defines a compensation policy that achieves the following objectives:

- attract and retain the best talents, essential to the company's development. The proposed compensation must therefore be competitive, in line with the skills required by the company and in line with market practices;
- define a balanced compensation structure that reflects the executive's level of responsibility;
- promote performance and long-term growth and align the interests of corporate officers with those of the company and its shareholders. As such, the compensation of corporate officers is subject to performance conditions;
- take into account the conditions of compensation and employment of Virbac employees;
- take into account the company's corporate social responsibility objectives. The performance criteria include non-financial objectives in the social and environmental fields in order to promote the company's development in an environmentally friendly manner and with a long-term approach.

The compensation policy for corporate officers is established by the board of directors, on the recommendation of the appointments and compensation committee, and is submitted to the shareholders' vote.

With regard to the members of the board of directors, the shareholders' meeting determines the annual total amount allocated to the members of the board of directors as compensation for their director and non-voting advisor duties. The board of directors shall then determine the rules for the distribution of this annual aggregate amount.

With regard to non-executive corporate officer (chairwoman of the board of directors) and executive officers (chief executive officer and deputy chief executive officers), the appointments and compensation committee assesses the compensation policy on an ongoing basis and examines any adjustments to be made to this policy. In order to prevent conflicts of interest, the chairwoman of the board of directors, who presides over the appointments and compensation committee, does not take part in the work and in the vote of the board of directors concerning her own compensation.

In order to prepare the compensation policy for corporate officers, the appointments and compensation committee conducts an analysis of the applicable governance rules and developments in this area and takes note of the expectations expressed by investors.

The compensation policy for corporate officers is determined taking into account the compensation and employment conditions of the company's employees. The appointments and compensation committee and the board of directors establish a compensation structure for corporate officers that is consistent with that applicable to the company's and the Group's key executives.

At the beginning of the year, the appointments and compensation committee reviews the compensation policy for directors, the chairwoman of the board of directors, the chief executive officer and the deputy chief executive officers. It presents the board of directors with the various components of the compensation policy based on the principles set out above.

The appointments and compensation committee also assesses the achievement of the various objectives set for the previous year that will be subject to approval by the board of directors. The variable portion due for fiscal year N is paid, if applicable, during financial year N+1 after the shareholders' meeting, subject to a favorable vote by the shareholders.

Long-term compensation takes the form of the allocation of performance-related stock grants, for which the appointments and compensation committee proposes the number of performance-related stock grants to be allocated to executive corporate officers and ambitious performance criteria. The performances taken into account are not linked to the performance of other companies or a benchmark sector because there are very few reliable comparisons. The majority of companies with an activity and size similar to that of Virbac are either unlisted or are divisions or spin-offs of large listed pharmaceutical groups. 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 (net debt) at the end of the second full financial year following the plan's start date, so as to take into account the Group's performance over more than two financial years.

If the target is met, all of the registered performance-related stock grants are acquired. In the event that it is not met, and for certain plans, terms and conditions are provided for allowing the acquisition of a smaller number of shares depending on the percentage of the target achieved. The board of directors may modify the performance conditions in the event of exceptional circumstances, or in the event of a strategic move structuring the scope of the Group's activities.

On the basis of the work of the appointments and compensation committee, the board of directors:

- defines the compensation policy for corporate officers for the current financial year;
- evaluates the performance of executive officers and approves the annual variable compensation for the previous financial year;
- approves, where appropriate, the terms of the long-term incentive plans and allocates performance-related stock grants for the current financial year.

The decision-making process followed for the determination of the compensation policy is also applicable in case of review.

All elements of the compensation policy for corporate officers will be submitted to a vote at Virbac's next shareholders' meeting.

In accordance with article L22-10-8 of the French commercial code, the board of directors may, in exceptional circumstances, derogate from the application of the compensation policy provided that the derogation applied is temporary and in accordance with the corporate interest and necessary to guarantee the sustainability or viability of the company. In this case, the board of directors may grant an additional element of compensation or withdraw an element of compensation provided for in the compensation policy previously approved by the shareholders' meeting but made necessary in light of these exceptional circumstances.

The board of directors may also adapt the compensation policy if unforeseeable or exceptional circumstances justify it. The recruitment of a new corporate officer in unforeseen circumstances may, for example, require a temporary adaptation of certain existing elements of compensation or the proposal of new elements of compensation.

In such situations, the board of directors will make its decisions based on the recommendation of the appointments and compensation committee.

Compensation policy for members of the board of directors and the non-voting advisors

Fixed and variable compensation

The shareholders' meeting sets the maximum annual amount that may be allocated to the directors as well as to non-voting advisor(s) as compensation for their mandate.

The compensation policy sets out the criteria for the allocation of this amount. The method of compensation distribution includes a variable part that takes into account the attendance of the directors and non-voting advisor(s) in the board and committees meetings.

The following criteria are taken into account to determine distribution of the maximum total annual amount set by the shareholders' meeting between the directors and the non-voting advisor(s):
- attendance at formal meetings;
- presence or absence on board committees.

Thus, on March 16, 2021, the board of directors decided that the amount of compensation paid to each member of the board of directors could vary according to his or her participation in board meetings (based on four meetings per year) as follows:
- attendance at a minimum of 75% of the board meetings will result in receiving 100% of the compensation;
- attendance at 50% of the board meetings will result in receiving 75% of the compensation;
- attendance at 25% of the board meetings will result in receiving 50% of the compensation.

This policy encourages attendance and effective participation of the members of the board of directors in the board and committees work. The length of the board of directors meetings as well as the high rate of attendance, makes it possible to affirm that the current allocation mechanism guarantees the effective attendance of the members to the meetings. In addition, the involvement of members of the board of directors in the company's management activities is not limited to their participation in periodic formal discussions of the board of directors.

The shareholders' meeting of June 21, 2024, allocated to the directors and to the non-voting advisors the total sum of €230,000.

A proposal will be made at the shareholders' meeting on June 19, 2025, to vote on the allocation of a total amount of €231,000 to the directors and the non-voting advisor for the year 2025. This sum will be distributed by the board of directors among the directors and the non-voting advisor according to the criteria described in this section.

Extraordinary compensation

Extraordinary compensation may be granted to certain members of the board of directors for any specific duties entrusted to them by the board of directors. The board of directors determines its amount.

Contract of employment or services concluded with the company

No employment or service contract has been concluded between the company and the directors or the non-voting advisor(s).

Compensation policy for the chairwoman of the board of directors

Compensation for the chairwoman of the board of directors consists of:
- a fixed amount in respect of her directorship, the amount of which is calculated in accordance with the criteria applicable to all directors as presented above;
- a fixed amount for her duties as chairwoman, the amount of which is decided by the board of directors.

No fixed or variable compensation other than that mentioned above is paid by the company to the chairwoman of the board of directors.

In accordance with the recommendations of the *Afep-Medef* Code, the compensation of the chairwoman of the board of directors consists solely of a fixed salary. The chairwoman of the board of directors does not receive any variable compensation (annual or long-term incentive), nor does she have any retirement or pension benefits. Nor does she receive any post-mandate compensation (severance pay or non-competition pay).

The meeting of the board of directors of March 12, 2025 decided to keep the compensation of its chairwoman unchanged compared to the previous year, *i.e.* a compensation of €125,000.

Compensation policy for members of general management

Compensation policy for the chief executive officer (applicable in the event of the appointment of a new chief executive officer)

In the event of the appointment of a new chief executive officer, the board of directors will determine, on the proposal of the appointments and compensation committee, within the context of this compensation policy, the different components of his/her total compensation, which will include fixed compensation, variable compensation and long-term compensation.

In the event of arrival during the financial year, the amounts due will be calculated *prorata temporis* to the presence of the new chief executive officer.

The board of directors reserves the right, in the event that a new chief executive officer is appointed, to allow him or her to benefit from an allowance for the assumption of duties and/or performance-related stock grants to compensate for the loss of the benefits that he or she previously enjoyed.

All elements of the chief executive officer’s compensation policy will be submitted to a vote at Virbac’s next shareholders’ meeting.

For all intents and purposes, it is specified that this chief executive officer’s compensation policy does not apply to Habib Ramdani, interim chief executive officer, but exclusively in the special case of the appointment of a new chief executive officer.

Employment contract
The chief executive officer will not have an employment contract.

Fixed compensation
The fixed compensation of the chief executive officer will reflect the responsibilities, experience and missions entrusted.

The amount of the fixed compensation will be determined by the board of directors, according to the general principles outlined above, and in line with the company's practices.

To this fixed compensation may be added, where appropriate, the compensation received by the chief executive officer for any duties as director that he/she carries out within one or more of the Group's subsidiary(ies).

Variable compensation
The chief executive officer will have a variable compensation target. This variable compensation will be consistent with the company’s compensation practices.

The board of directors will set out the financial and non-financial criteria for determining the chief executive officer’s variable compensation and the targets to be reached. It will ensure that the criteria and targets are aligned with the Group’s strategic key issues and annual priorities. It will give precedence to quantitative criteria over qualitative criteria, which, when they exist, underpin a limited portion of the variable compensation. Finally, the board of directors will be careful to ensure that the criteria are easy to understand and simple. The board of directors will retain full discretion to change these criteria in the event that the circumstances justify it.

Long-term compensation
The chief executive officer will be eligible for long-term compensation in the form of the allocation of performance-related stock in line with the practice implemented within the Group for executive corporate officers and certain employees and for whom the performance objectives, terms of allocation and number of shares will be defined by the board of directors.

Extraordinary compensation
In the event of special circumstances and subject to justification, the board of directors reserves the right to pay extraordinary compensation.

Other benefits
In addition to the various components of compensation, the chief executive officer will be eligible for the benefits listed below.

- **Company vehicle**

The chief executive officer will be eligible to use a company vehicle, in accordance with the policy defined by the appointments and compensation committee.

- **Health insurance plan, maternity benefits, provident and pension insurance plans**

The chief executive officer will be eligible to the health, maternity, provident and pension insurance plans available to all the company's executives, under the same conditions of contributions and benefits as those defined for the company's other executives.

- **Unemployment insurance plan**

The chief executive officer will be eligible to an unemployment insurance for company's chief executive officers.

Imposed departure indemnity
The board of directors may decide to grant an indemnification in the event of imposed departure, in accordance with applicable rules and practices.

Non-competition payments
The board of directors may decide to grant compensation in return for a non-competition commitment of the chief executive officer, after the termination of his corporate mandate, in accordance with applicable rules and practices.

As per the prevailing rules and practices, the cumulative amount of the non-competition compensation and the imposed departure indemnity will not exceed the amount of two years' compensation (fixed and variable).

Compensation policy for the interim chief executive officer

This compensation policy applies to the specific case of Habib Ramdani, who combines the functions of interim chief executive officer as well as chief financial officer in charge of the Group's financial affairs until the recruitment of a new chief executive officer.

This compensation policy includes the fixed and variable compensation to be received in respect of the employment contract as the chief financial officer in charge of the Group's financial affairs as well as a fixed and additional variable compensation to be received in respect of the mandate as interim chief executive officer.

In the event of the arrival of a new chief executive officer during the year, the amounts due for the performance of the duties of interim chief executive officer will be calculated *prorata temporis* for the period of the mandate as interim chief executive officer held by Habib Ramdani.

All elements of the interim chief executive officer's compensation policy will be submitted to a vote at Virbac's next shareholders' meeting.

Employment contract

In view of the exceptional circumstances and the temporary nature of the situation, Habib Ramdani retains the benefit of his employment contract corresponding to his duties as chief financial officer in charge of the Group's financial affairs (separate from his mandate as interim chief executive officer) which he continues to exercise under the supervision of the chairwoman of the board of directors.

The employment contract was concluded in 2016 for an indefinite period.
The notice period in case of departure (especially in case of dismissal) is three months.
The amount of severance pay is set in accordance with the applicable collective agreement, as follows:

- before five years of presence, the statutory allowances apply;
- between five and ten years of presence: 0.3 month of reference salary per year included in the tranche;
- from eleven years of presence onwards, the indemnity is calculated by cumulative seniority tranche, as follows:
  - for the tranche ranging from eleven to fifteen years of presence: 0.6 month of reference salary per year included in the tranche,
  - for the tranche beyond sixteen years of presence: 1.2 month of reference salary per year included in the tranche.

The reference salary is that defined according to the legal provisions in force.

Fixed and variable compensation

For the 2025 financial year, the meeting of the board of directors of March 12, 2025 decided to set Habib Ramdani's gross annual fixed compensation at the sum of €264,853 in respect of his employment contract and at the additional sum of €144,000 in respect of his mandate as interim chief executive officer.

The board of directors has set the amount of Habib Ramdani's gross annual variable compensation for the 2025 financial year at €105,941, based on 100% achievement of the objectives set, *i.e.* 40% of his fixed compensation in respect of his employment contract.
The board of directors has also set the amount of Habib Ramdani's gross annual variable compensation for the 2025 financial year at €86,400, based on 100% achievement of the objectives set, *i.e.* 60% of his fixed compensation in respect of his mandate as interim chief executive officer.

The actual amount of gross annual variable compensation paid for 2025 will depend on the achievement of quantitative targets determined as follows for 2025:

Criteria	Weighting (if all objectives are 100% achieved)
Group revenues as budgeted	30%
Ebita before RDL as budgeted	40%
Level of debt relief as budgeted	15%
Ebitda of Sasaeah Holdings Co. Ltd and its subsidiaries as budgeted in Virbac's basic twelve-month acquisition plan	5%
CSR objective	10%

CSR objectives

The two CSR objectives to be achieved are the following:
- climate objective (50%): define a quantified action plan for the Group's decarbonization resulting in the setting of targets for reducing direct and indirect emissions (scopes 1, 2 and 3) as a priority for the sites in France, USA, Australia, Mexico sites and the associated action plan by December 31, 2025;
- employee health and safety (50%): number of lost-time accidents in France divided by number of hours worked is less or equal to 5.

The variable compensation allocated for the 2024 financial year will be determined *a posteriori* by a decision of the board of directors after consultation with the appointments and compensation committee, taking into account the rules below.
The rules for allocation in relation to the percentage of the objective actually achieved are as follows:
- Group revenue: no bonus below 95% of the objective; 100% of the bonus when objective is reached or exceeded, linearity between the two;
- Ebita before RDL: no bonus below 95% of the objective; 100% of the bonus when objective is reached or exceeded, linearity between the two;
- debt relief: no bonus below 100% of the objective;
- Ebitda of Sasaeah Holdings Co. Ltd and its subsidiaries as budgeted in Virbac's basic twelve-month acquisition plan: no bonus below 95% of the target; 100% of the bonus at the target, linearity between the two;
- CSR objectives: no bonus below 100% of each objective.

It is specified that in the event that 85% of the Ebita objective before RDL is not achieved, or in the event of negative net profit - Group share, (excluding elements corresponding to the result of an impairment test), all of the above bonuses may be cancelled, even if certain objectives are achieved, at the discretion of the board of directors on the recommendation of the appointments and compensation committee.

The board of directors may use its discretionary power to adapt and/or modify the criteria and/or their calculation grid, either upwards or downwards, on the recommendation of the appointments and compensation committee, should special circumstances arise. Under no circumstances may these adjustments result in an increase in the ceiling of the annual variable compensation compared to the fixed compensation.
Overall, Habib Ramdani's variable compensation is capped at 40% of his fixed annual compensation for his employment contract and at 60% of his fixed compensation for his term of office as the interim chief executive director.

In any event, payment of the variable compensation will take place, if applicable, after and subject to approval by the shareholders' meeting to be held in 2026.

Long-term compensation

The interim chief executive officer is eligible for long-term compensation in the form of the allocation of performance-related stock grants set up in the Group for executive corporate officers and certain employees and for whom the performance objectives, terms of allocation and number of shares are defined by the board of directors.

On March 12, 2025, the board of directors decided to open a new performance-related stock grants plan. Under this new performance-related stock grants plan, a maximum of 800 shares may be granted to Habib Ramdani under his employment contract.

Conditions of the 2025 plan:

- beneficiaries: the chief executive officer of Virbac as well as employees of the Virbac group;
- retention period: minimum period of two years (except in the case of disability or death) during which the securities vested must be retained and therefore cannot be transferred, beyond which the shares are transferable, subject to the holding obligations set by the board of directors (page 185);
- performance indicator: formula linked to the adjusted consolidated operating profit (Ebita) and the consolidated net debt (net debt) for the financial year ended December 31, 2027. This indicator, equal to [(10 x Ebita) – net debt], will be calculated on the basis of the audited consolidated accounts approved by the board of directors in early 2028. The level given as a target for this indicator as at December 31, 2026, is strategic information that cannot be made public for confidentiality reasons.
  – if 100% of the target is reached by the end of 2027, the conditions for vesting of the shares will be fulfilled, and the shares will be delivered as soon as possible to the beneficiaries;
  – if 95% or less of this target is achieved by the end of 2027, the vesting conditions will not be met;
  – between 95% and 100%, 20% of the planned shares will be delivered for each 1% reached above 95% (*i.e.*, to illustrate, 20% of the planned shares for a 96% achievement, 50% of the planned shares for a 97.5% achievement and 100% of the planned shares for a 100% achievement).

It is specified that Habib Ramdani retains the benefit of all plans for the free allocation of performance-related stock grants prior to his appointment as interim chief executive officer (see page 171 *et seq.*).

<u>Other benefits</u>

In addition to the various components of compensation, deputy chief executive officers receive the benefits listed page 170.

Compensation policy for deputy chief executive officers

The compensation policy for deputy chief executive officers provides for a balanced distribution between the three components of total annual compensation: fixed compensation, variable compensation and long-term compensation.

<u>Employment contract</u>

A deputy chief executive officer has an employment contract entered into before he/she take office as deputy chief executive officer, under which they receive his/her full compensation. The duties of the deputy chief executive officer under his/her employment contracts are distinct from his/her duties as corporate officer. He/she do not receive any other compensation for his/her mandate.

The board of directors reserves the right, in the event that new deputy chief executive officers are appointed, to allow them to benefit from an allowance for the assumption of duties and/or exceptional performance-related stock grants to compensate for the loss of the benefits they previously enjoyed, pending the approval by the shareholders' meeting of a new compensation policy.

<u>Fixed compensation</u>

The fixed compensation of a deputy chief executive officer reflects the responsibilities, experience and missions entrusted.

<u>Variable compensation</u>

Each deputy chief executive officer has a variable compensation target that represents a percentage of his/her fixed compensation. It takes into account the missions entrusted to him/her as well as his/her responsibilities and experience. This variable compensation is consistent with the company's compensation practices.

The board of directors sets out the financial and non-financial criteria for determining each deputy chief executive officer's variable compensation and the targets to be reached. It ensures that the criteria and targets are aligned with Virbac's strategic key issues and annual priorities. It gives precedence to quantitative criteria over qualitative criteria, which, when they exist, underpin a limited portion of the variable compensation. Finally, the board of directors is careful to ensure that the criteria are easy to understand and simple.

The amount actually attributable to each deputy chief executive officer with respect to a given financial year will depend on the extent to which the objectives for that year are achieved, as defined by the board of directors during the given financial year and following the recommendation of the appointments and compensation committee. The degree to which each of these objectives can be achieved at 100% is strategic information that cannot be made public for confidentiality reasons.

<u>Long-term compensation</u>

Any deputy chief executive officer is eligible for long-term compensation in the form of the allocation of performance-related stock grants set up in the Group for executive corporate officers and certain employees and for whom the performance objectives, terms of allocation and number of shares are defined by the board of directors (see page 185).

Other benefits
In addition to the various components of compensation, a deputy chief executive officers receive the benefits listed below.

- **Company vehicle,** in accordance with the policy defined by the appointments and compensation committee.

- **Health insurance plan, maternity benefits, provident and pension insurance plans,** available to all the company's executives, under the same conditions of contributions and benefits as those defined for the company's other executives.

- **Unemployment insurance plan** for company employees.

- **Imposed departure indemnity**
A deputy chief executive officers do not receive any non-statutory indemnity, but may be entitled to indemnity under his/her employment contract.

- **Non-competition payments**
A deputy chief executive officers is not subject to any non-competition commitments in connection with his/her mandate or his/her employment contract and are therefore is not entitled to receive any non-competition payments.

Extraordinary compensation
In the event of special circumstances and subject to justification, the board of directors reserves the right to pay extraordinary compensation.

Compensation policy for Habib Ramdani

This compensation policy will apply to Habib Ramdani in the event of the resumption of his duties as deputy chief executive officer, subject to the recruitment of a new chief executive officer.

All elements of the compensation policy for Habib Ramdani as the deputy chief executive officer will be submitted to a vote at Virbac's next shareholders' meeting.

Employment contract
The employment contract was concluded in 2016 for an indefinite period.
The notice period in case of departure (especially in case of dismissal) is three months.
The amount of severance pay is set in accordance with the applicable collective agreement, as follows:
- before five years of presence, the statutory allowances apply;
- between five and ten years of presence: 0.3 month of reference salary per year included in the tranche;
- from eleven years of presence onwards, the indemnity is calculated by cumulative seniority tranche, as follows:
  - for the tranche ranging from eleven to fifteen years of presence: 0.6 month of reference salary per year included in the tranche,
  - for the tranche beyond sixteen years of presence: 1.2 month of reference salary per year included in the tranche.

The reference salary is that defined according to the legal provisions in force.

Fixed and variable compensation
On March 12, 2025, the board of directors decided to set Habib Ramdani's gross annual fixed compensation under his employment contract at €264,853 for the 2025 financial year.

The board of directors has set the amount of Habib Ramdani's gross annual variable compensation for the 2025 financial year at €105,941 based on 100% achievement of the objectives set, *i.e.*, 40% of his fixed compensation.

The actual amount of gross annual variable compensation paid for 2025 will depend on the achievement of quantitative targets determined as follows for 2024:

Criteria	Weighting (if all objectives are 100% achieved)
Group revenues as budgeted	30%
Ebita before RDL as budgeted	40%
Level of debt relief as budgeted	15%
Ebitda of Sasaeah Holdings Co. Ltd and its subsidiaries as budgeted in Virbac's basic twelve-month acquisition plan	5%
CSR objective	10%

CSR objectives

The two CSR objectives to be achieved are the following:
- climate objective (50%): define a quantified action plan for the Group's decarbonization resulting in the setting of targets for reducing direct and indirect emissions (scopes 1, 2 and 3) as a priority for the sites in France, USA, Australia, Mexico sites and the associated action plan by December 31, 2025;
- employee health and safety (50%): number of lost-time accidents in France divided by number of hours worked is less or equal to 5.

The variable compensation allocated for the 2025 financial year will be determined *a posteriori* by a decision of the board of directors after consultation with the appointments and compensation committee, taking into account the rules below.
The rules for allocation in relation to the percentage of the objective actually achieved are as follows:
- Group revenue: no bonus below 95% of the objective; 100% of the bonus when objective is reached or exceeded, linearity between the two;
- Ebita before RDL: no bonus below 95% of the objective; 100% of the bonus when objective is reached or exceeded, linearity between the two;
- debt relief: no bonus below 100% of the objective;
- Ebitda of Sasaeah Holdings Co. Ltd and its subsidiaries as budgeted in Virbac's basic twelve-month acquisition plan: no bonus below 95% of the target; 100% of the bonus at the target, linearity between the two;
- CSR objectives: no bonus below 100% of each objective.

It is specified that in the event that 85% of the Ebita objective before RDL is not achieved, or in the event of negative net profit - Group share, (excluding elements corresponding to the result of an impairment test), all of the above bonuses may be cancelled, even if certain objectives are achieved, at the discretion of the board of directors on the recommendation of the appointments and compensation committee.

The board of directors may use its discretionary power to adapt and/or modify the criteria and/or their calculation grid, either upwards or downwards, on the recommendation of the appointments and compensation committee, should special circumstances arise. Under no circumstances may these adjustments result in an increase in the ceiling of the annual variable compensation compared to the fixed compensation.
Overall, Habib Ramdani's variable compensation is capped at 40% of his fixed annual compensation.

In any event, payment of the variable compensation will take place, if applicable, after and subject to approval by the shareholders' meeting to be held in 2026.

Long-term compensation
1- As a reminder, the March 16, 2021, board of directors meeting and the March 18, 2022, board of directors meeting each decided to open a new performance-related stock grants plan (the 2021 and 2022 plans). Under these new performance-related stock grants plans, a maximum of 475 shares may be granted to Habib Ramdani under the 2021 plan, and 250 shares under the 2022 plan.

Conditions of the plans 2021 & 2022:
- beneficiaries: the chief executive officer of Virbac as well as employees of the Virbac group;
- retention period: minimum period of two years (except in the case of disability or death) during which the securities acquired must be retained and therefore cannot be transferred, beyond the transferability subject to the limitations set by the board of directors (page 185);
- performance indicator: formula linked to the adjusted consolidated operating profit (Ebita) and the consolidated net debt (net debt) for the financial year ended December 31, 2023 for the 2021 plan, or the financial year ended December 31, 2024, for the 2022 plan. This indicator, equal to [(10 x Ebita) – net debt], will be calculated on the basis of the audited consolidated accounts approved by the board of directors in early 2024 for the 2021 plan, or early 2025 for the 2022 plan. The level given as a target for this indicator as at December 31, 2023 or at December 31, 2024, is strategic information that cannot be made public for confidentiality reasons.
  - if 100% of the target is reached by the end of 2023 or at the end of 2024, as applicable, the conditions for the acquisition of the shares will be fulfilled, and the shares will be delivered as soon as possible to the beneficiaries;
  - if 95% or less of this objective is achieved by the end of 2023 or at the end of 2024, as applicable, the acquisition conditions will not be met;
  - between 95% and 100%, 20% of the planned shares will be delivered for each 1% reached above 95% (*i.e.*, as an illustration, 20% of the planned shares for a 96% achievement, 50% of the planned shares for a 97.5% achievement and 100% of the planned shares for a 100% achievement).

The 2021 and 2022 plans provide for adjustments to the calculation of the indicator based on the exchange rates of the principal currencies.

2 - On March 21, 2023, the board of directors decided to open a new performance-related stock grants plan. Under this new performance-related stock grants plan, a maximum of 350 shares may be granted to Habib Ramdani.

Conditions of the plan 2023:
- beneficiaries: the chief executive officer of Virbac as well as employees of the Virbac group;
- retention period: minimum period of two years (except in the case of disability or death) during which the securities acquired must be retained and therefore cannot be transferred, beyond which the shares are transferable subject to the limitations set by the board of directors (page 185);

- performance indicator: formula linked to the adjusted consolidated operating profit (Ebita) and the consolidated net debt (net debt) for the financial year ended December 31, 2025. This indicator, equal to [(10 x Ebita) – net debt], will be calculated on the basis of the audited consolidated accounts approved by the board of directors in early 2026. The level given as a target for this indicator as at December 31, 2025, is strategic information that cannot be made public for confidentiality reasons.
  – if 100% of the objective is reached by the end of 2025, the conditions for the acquisition of the shares will be fulfilled, and the shares will be delivered as soon as possible to the beneficiaries;
  – if 95% or less of this objective is achieved by the end of 2025, the acquisition conditions will not be met;
  – between 95% and 100%, 20% of the planned shares will be delivered for each 1% reached above 95% (*i.e.*, as an illustration, 20% of the planned shares for a 96% achievement, 50% of the planned shares for a 97.5% achievement and 100% of the planned shares for a 100% achievement).

3 - On March 15, 2024, the board of directors decided to open a new performance-related stock grants plan. Under this new performance-related stock grants plan, a maximum of 400 shares may be granted to Habib Ramdani.

Conditions of the 2024 plan:
- beneficiaries: the chief executive officer of Virbac as well as employees of the Virbac group;

retention period: minimum period of two years (except in the case of disability or death) during which the securities vested must be retained and therefore cannot be transferred, beyond which the shares are transferable, subject to the holding obligations set by the board of directors (page 185);
- performance indicator: formula linked to the adjusted consolidated operating profit (Ebita) and the consolidated net debt (net debt) for the financial year ended December 31, 2026. This indicator, equal to [(10 x Ebita) – net debt], will be calculated on the basis of the audited consolidated accounts approved by the board of directors in early 2027. The level given as a target for this indicator as at December 31, 2026, is strategic information that cannot be made public for confidentiality reasons.
  – if 100% of the target is reached by the end of 2026, the conditions for vesting of the shares will be fulfilled, and the shares will be delivered as soon as possible to the beneficiaries;
  – if 95% or less of this target is achieved by the end of 2026, the vesting conditions will not be met;
  – between 95% and 100%, 20% of the planned shares will be delivered for each 1% reached above 95% (*i.e.*, to illustrate, 20% of the planned shares for a 96% achievement, 50% of the planned shares for a 97.5% achievement and 100% of the planned shares for a 100% achievement).

4 - On March 12, 2025, the board of directors decided to open a new performance-related stock grants plan. Under this new performance-related stock grants plan, a maximum of 800 shares may be granted to Habib Ramdani.

Conditions of the 2025 plan:
- beneficiaries: the chief executive officer of Virbac as well as employees of the Virbac group;

retention period: minimum period of two years (except in the case of disability or death) during which the securities vested must be retained and therefore cannot be transferred, beyond which the shares are transferable, subject to the holding obligations set by the board of directors (page 185);
- performance indicator: formula linked to the adjusted consolidated operating profit (Ebita) and the consolidated net debt (net debt) for the financial year ended December 31, 2027. This indicator, equal to [(10 x Ebita) – net debt], will be calculated on the basis of the audited consolidated accounts approved by the board of directors in early 2028. The level given as a target for this indicator as at December 31, 2026, is strategic information that cannot be made public for confidentiality reasons.
  – if 100% of the target is reached by the end of 2027, the conditions for vesting of the shares will be fulfilled, and the shares will be delivered as soon as possible to the beneficiaries;
  – if 95% or less of this target is achieved by the end of 2027, the vesting conditions will not be met;
  – between 95% and 100%, 20% of the planned shares will be delivered for each 1% reached above 95% (*i.e.*, to illustrate, 20% of the planned shares for a 96% achievement, 50% of the planned shares for a 97.5% achievement and 100% of the planned shares for a 100% achievement).

Other benefits
In addition to the various components of compensation, Habib Ramdani receives the benefits listed above page 170.

Compensation policy for Marc Bistuer

Employment contract
The employment contract was concluded in 1989 for an indefinite period.

The notice period in case of departure (especially in case of dismissal) is three months.

The amount of severance pay is set in accordance with the applicable collective agreement, as follows:
- before five years of presence, the statutory allowances apply;
- between five and ten years of presence: 0.3 month of reference salary per year included in the tranche;
- from eleven years of presence onwards, the indemnity is calculated by cumulative seniority tranche, as follows:
  – for the tranche ranging from eleven to fifteen years of presence: 0.6 month of reference salary per year included in the tranche,
  – for the tranche beyond sixteen years of presence: 1.2 month of reference salary per year included in the tranche.

The reference salary is that defined according to the legal provisions in force.

Fixed and variable compensation
On March 12, 2025, the board of directors decided to set Marc Bistuer's gross annual fixed compensation under his employment contract at €266,542 for the 2025 financial year.

The board of directors set Marc Bistuer's gross annual variable compensation for the 2025 financial year at €79,963 based on 100% achievement of the objectives set, *i.e.*, 30% of his fixed compensation.

The actual amount of gross annual variable compensation paid for 2025 will depend on the achievement of quantitative targets determined as follows for 2025:

Criteria	Weighting (if all objectives are 100% achieved)
Group revenues as budgeted	30%
Ebita before RDL as budgeted	40%
Back orders/due orders for pharmaceutical products (excluding vaccines and petfood): on average below a certain threshold in the second half of 2025	10%
Back orders/due orders for vaccines: number of vials of vaccines produced above a threshold and number of vials of vaccines released above a threshold	10%
CSR objective	10%

CSR objectives

The two CSR objectives to be achieved are the following:
- climate objective (50%): define a quantified action plan for the Group's decarbonization resulting in the setting of targets for reducing direct and indirect emissions (scopes 1, 2 and 3) as a priority for the sites in France, USA, Australia, Mexico and the associated action plan by December 31, 2025;
- employee health and safety (50%): number of lost-time accidents in France divided by number of hours worked is less or equal to 5.

The variable compensation actually awarded with respect to the 2025 financial year will depend on the extent to which the objectives are achieved and will be determined *a posteriori* by decision of the board of directors after consultation with the appointments and compensation committee, applying the rules set out below.

The rules for allocation in relation to the percentage of the objective actually achieved are as follows:
- Group revenue: no bonus below 95% of the objective. 100% of the bonus when objective is reached or exceeded, linearity between the two;
- Ebita before RDL: no bonus below 95% of the objective. 100% of the bonus when objective is reached or exceeded, linearity between the two;
- CSR objectives: no bonus below 100% of each objective;
- back orders/due orders for pharmaceutical products (excluding vaccines and petfood): payment of 100% of the bonus if the target is reached; payment of 50% of the bonus if the level reached is below the target but above a second threshold;
- back orders/due orders and number of vials released: payment 100% of the bonus if the number of vials released is above the target; payment of 50% of the bonus if the number of vials released is less than the target but greater than a second threshold.

It is specified that in the event that 85% of the Ebita objective before RDL is not achieved, or in the event of negative net profit - Group share, (excluding elements corresponding to the result of an impairment test), all of the above bonuses may be cancelled, even if certain objectives are achieved, at the discretion of the board of directors on the recommendation of the appointments and compensation committee.

The board of directors may use its discretionary power to adapt and/or modify the criteria and/or their calculation grid, either upwards or downwards, on the recommendation of the appointments and compensation committee, should special circumstances arise. Under no circumstances may these adjustments result in an increase in the ceiling of the annual variable compensation compared to the fixed compensation.

Overall, Marc Bistuer's variable compensation is capped at 30% of his annual fixed compensation.

All elements of the compensation policy for the deputy chief executive officer will be submitted to a vote at Virbac's next shareholders' meeting.
In any event, payment of the variable compensation will take place, if applicable, after and subject to approval by the shareholders' meeting to be held in 2026.

Long-term compensation
1 - As a reminder, the March 16, 2021, board of directors meeting and the March 18, 2022, board of directors meeting each decided to open a new performance-related stock grants plan (the 2021 and 2022 plans). Under these performance-related stock grants plan, a maximum of 300 shares may be granted to Marc Bistuer under the 2021 plan, and 150 shares under the 2022 plan.

Conditions of the plans 2021 & 2022:

- beneficiaries:the chief executive officer of Virbac as well as employees of the Virbac group;
- retention period: minimum period of two years (except in the case of disability or death) during which the securities acquired must be retained and therefore cannot be transferred, beyond the transferability subject to the limitations set by the board of directors (page 185);
- performance indicator: formula linked to the adjusted consolidated operating profit (Ebita) and the consolidated net debt (net debt) for the financial year ended December 31, 2023 for the 2021 plan, or the financial year ended December 31, 2024, for the 2022 plan. This indicator, equal to [(10 x Ebita) – net debt], will be calculated on the basis of the audited consolidated accounts approved by the board of directors in early 2024 for the 2021 plan, or early 2025 for the 2022 plan. The level given as a target for this indicator as at December 31, 2023 or at December 31, 2024, is strategic information that cannot be made public for confidentiality reasons.
  – if 100% of the objective is reached by the end of 2023, or by the end of 2024, as applicable, the conditions for the acquisition of the shares will be fulfilled, and the shares will be delivered as soon as possible to the beneficiaries;
  – if 95% or less of this objective is achieved by the end of 2023 or by the end of 2024, as applicable, the acquisition conditions will not be met;
  – between 95% and 100%, 20% of the planned shares will be delivered for each 1% reached above 95% (*i.e.*, as an illustration, 20% of the planned shares for a 96% achievement, 50% of the planned shares for a 97.5% achievement and 100% of the planned shares for a 100% achievement).

The 2021 and 2022 plans provide for adjustments to the calculation of the indicator based on the exchange rates of the principal currencies.

2 - On March 21, 2023, the board of directors decided to open a new performance-related stock grants plan. Under this new performance-related stock grants plan, a maximum of 240 shares may be granted to Marc Bistuer.

Conditions of the plan 2023:

- beneficiaries: the chief executive officer of Virbac as well as employees of the Virbac group;
- retention period: minimum period of two years (except in the case of disability or death) during which the securities acquired must be retained and therefore cannot be transferred, beyond the transferability subject to the limitations set by the board of directors (page 185);
- performance indicator: formula linked to the adjusted consolidated operating profit (Ebita) and the consolidated net debt (net debt) for the financial year ended December 31, 2025. This indicator, equal to [(10 x Ebita) – net debt], will be calculated on the basis of the audited consolidated accounts approved by the board of directors in early 2026. The level given as a target for this indicator as at December 31, 2025, is strategic information that cannot be made public for confidentiality reasons.
  – if 100% of the objective is reached by the end of 2025, the conditions for the acquisition of the shares will be fulfilled, and the shares will be delivered as soon as possible to the beneficiaries;
  – if 95% or less of this objective is achieved by the end of 2025, the acquisition conditions will not be met;
  – between 95% and 100%, 20% of the planned shares will be delivered for each 1% reached above 95% (*i.e.*, as an illustration, 20% of the planned shares for a 96% achievement, 50% of the planned shares for a 97.5% achievement and 100% of the planned shares for a 100% achievement).

3 - On March 15, 2024, the board of directors decided to open a new performance-related stock grants plan. Under this new performance-related stock grants plan, a maximum of 240 shares may be granted to Marc Bistuer.

Conditions of the 2024 plan:

- beneficiaries: the chief executive officer of Virbac as well as employees of the Virbac group;
- retention period: minimum period of two years (except in the case of disability or death) during which the securities vested must be retained and therefore cannot be transferred, beyond which the shares are transferable, subject to the holding obligations set by the board of directors (page 186);
- performance indicator: formula linked to the adjusted consolidated operating profit (Ebita) and the consolidated net debt (net debt) for the financial year ended December 31, 2026. This indicator, equal to [(10 x Ebita) – net debt], will be calculated on the basis of the audited consolidated accounts approved by the board of directors in early 2027. The level given as a target for this indicator as at December 31, 2026, is strategic information that cannot be made public for confidentiality reasons.
  – if 100% of the target is reached by the end of 2026, the conditions for vesting of the shares will be fulfilled, and the shares will be delivered as soon as possible to the beneficiaries;
  – if 95% or less of this target is achieved by the end of 2026, the vesting conditions will not be met;
  – between 95% and 100%, 20% of the planned shares will be delivered for each 1% reached above 95% (*i.e.*, to illustrate, 20% of the planned shares for a 96% achievement, 50% of the planned shares for a 97.5% achievement and 100% of the planned shares for a 100% achievement).

<u>Other benefits</u>

In addition to the various components of compensation, Marc Bistuer receives the benefits listed above on page 170.

Compensation of the executives and non-executives officers for the 2024 financial year

The compensation components paid in the 2024 financial year or awarded with respect to the same financial year to executives and corporate officers will be submitted to a vote at the shareholders' meeting.

Compensation of the directors and the non-voting advisors for the 2024 financial year

The shareholders' meeting on June 21, 2024, approved the payment of a total sum of €230,000 as compensation to the directors and non-voting advisors.

Attendance of board of director's members

Meetings of board of directors and committees	**Board of directors attendance** (six meetings in 2024)	**Audit committee attendance** (four meetings in 2024)	**Appointments and compensation committee** (two meetings in 2024)
Marie-Hélène Dick-Madelpuech	100% present at meetings	N/A	100% present at meetings
Pierre Madelpuech	100% present at meetings	100% present at meetings	N/A
Philippe Capron	100% present at meetings	100% present at meetings	N/A
Olivier Charmeil	100% present at meetings	N/A	100% present at meetings
Solène Madelpuech	100% present at meetings	N/A	N/A
Cyrille Petit permanent representative of Cyrille Petit Conseil	100% present at meetings	100% present at meetings	100% present at meetings
Sylvie Gueguen employees representative[1]	83% present at meetings	N/A	N/A
Luc Thielland employees representative	17% present at meetings	N/A	N/A

[1]Sylvie Gueguen's term expired in October 2024; she was replaced by Luc Thielland appointed by the Social and economic committee in October 2024

At its meeting on September 13, 2024, the board of directors, taking into account the high attendance rates of directors at formal board and committees meetings and their participation in preparatory meetings, decided to distribute this amount among its members and to compensate the non-voting advisors as follows:

In €	Amounts allocated for the 2024 financial year (paid in 2025)	Amounts allocated for the 2023 financial year (paid in 2024)
	Compensation	Compensation
Marie-Hélène Dick-Madelpuech	31,000	27,000
Pierre Madelpuech	31,000	27,000
Philippe Capron[1]	34,000	30,000
Olivier Charmeil	31,000	NA[2]
Solène Madelpuech	31,000	27,000
Cyrille Petit Conseil represented by Cyrille Petit	31,000	27,000
XYC Unipessoal Lda, represented by Xavier Yon, non-voting advisor[3]	13,000	24,000
Rodolphe Durand, non-voting advisor	28,000	24,000
Total	**230,000**	**213,000**

[1]Philippe Capron's compensation takes into account his duties as chairman of the audit committee
[2] appointed to the board of directors by co-optation on December 21, 2023
[3] end of terms as non-voting advisor on June 21, 2024

Compensation of the chairwoman of the board of directors for the 2024 financial year

In her capacity as chairwoman of the board of directors, Marie-Hélène Dick-Madelpuech is eligible for specific compensation and has been awarded the sum of €125,000 for the 2024 financial year, according to the deliberations of the board of directors on September 13, 2024, in accordance with the compensation policy voted by the shareholders' meeting of June 21, 2024.

The table below summarizes the total compensation paid or allocated to Marie-Hélène Dick-Madelpuech for the 2024 financial year.

In €	Amounts allocated for the 2024 financial year (compensation as a director paid in 2025)	Amounts allocated for the 2023 financial year (compensation as a director paid in 2024)
As chairwoman of the board of directors	125,000	110,000
As director	31,000	27,000
Total	**156,000**	**137,000**

Compensation of the chief executive officer, the interim chief executive officer and deputy chief executive officer for the 2024 financial year

The shareholders' general meeting of June 21, 2024, approved the compensation policy applicable to the chief executive officer and deputy chief executive officers.

Following the resignation of Sébastien Huron from his position as chief executive officer, the meeting of the board of directors of September 13, 2024 decided, based on the recommendation of the appointments and compensation committee, on the financial conditions relating to his departure as well as on the financial conditions relating to the duties of interim chief executive officer to be carried out by Habib Ramdani.

The 2024 compensation of Sébastien Huron was established *prorata temporis* for the exercise of his mandate as chief executive officer of Virbac and executive officer of Virbac UK. Furthermore, Sébastien Huron no longer fulfilling the condition of presence attached to the performance-related stock grants allocated in respect of the 2022, 2023 and 2024 plans, he lost all rights in respect of said plans.

Habib Ramdani's compensation relating to his term as interim chief executive officer was capped at the compensation provided for by the compensation policy for the chief executive officer as approved by the shareholders' meeting of June 21, 2024 (excluding compensation for the duties of director of Virbac UK, duties for which Habib Ramdani was not appointed).

In accordance with *Afep-Medef* recommendations, a summary of all types of compensation granted to corporate officers is presented below. The following tables present the details for each of the corporate officers.

Summary of the gross amounts due or allocated for the 2024 financial year

In €	Compensation due or allocated for 2024	Value of stock options granted in 2024	Value of performance-related stock grants allocated in 2024	Total compensation
Sébastien Huron	631,817	—	—	631,817
Habib Ramdani	418,029	—	140,800	558,829
Marc Bistuer	343,391	—	84,480	427,871
Total	**1,393,237**	**—**	**225,280**	**1,618,517**

Summary of the gross amounts due or allocated for the 2023 financial year

In €	Compensation due or allocated for 2023	Value of stock options granted in 2022	Value of performance-related stock grants allocated in 2023	Total compensation
Sébastien Huron	673,421	—	225,600	899,021
Habib Ramdani	344,221	—	98,700	442,921
Marc Bistuer	328,539	—	67,680	396,219
Total	**1,346,181**	**—**	**391,980**	**1,738,161**

Gross compensation of Sébastien Huron, chief executive officer

	2024 financial year		2023 financial year	
In €	Amounts due for the financial year	Amounts paid during the financial year	Amounts due for the financial year	Amounts paid during the financial year
Fixed compensation[1]	388,130	388,130	379,000	379,000
Variable compensation	197,192	233,200	233,200	182,600
Extraordinary compensation	—	—	—	
Directors' fees[2]	33,750	33,750	45,000	45,000
Benefits in kind	12,745	12,745	16,221	16,221
Total	**631,817**	**667,825**	**673,421**	**622,821**

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

[2] paid by a Group subsidiary

Compensation components owed or awarded for 2024

Nature	Amounts or valuation to be voted on (in €)	Presentation
Fixed compensation	421,880	The meeting of the board of directors of March 15, 2024 decided to increase the annual fixed compensation to €449,440, including directors' fees. Given the resignation of Sébastien Huron, the meeting of the board of directors of September 13, 2024, on the proposal of the appointments and compensation committee, decided to allocate Sébastien Huron a fixed annual compensation of €421,880, including directors' fees, calculated *prorata temporis* for the exercise of his mandate as chief executive officer.
Annual variable compensation	197,192	At its March 15, 2024, meeting, the board of directors determined the variable compensation components for 2024. It amounts to 60% of the fixed compensation, including directors' fees. Due to the resignation of Sébastien Huron, the amount of his variable compensation was calculated on the basis of the annual fixed compensation on a *prorata temporis* basis. The board of directors' meeting of March 12, 2025, determined that Sébastien Huron had achieved 97.5% of his 2024 objectives and the resulting variable portion of €197,192.
Multi-annual variable compensation	NA	No deferred variable compensation.
Extraordinary compensation	NA	No extraordinary compensation.
Stock options, performance-related stock grants or any other long-term compensation components	NA	Absence of award of performance-related stock grants, in respect of the 2024 plan.
Directors' fees	33,750	Fees received on a *prorata temporis* basis for the exercise of a directorship held a in subsidiary of the Group in 2024.
Valuation of benefits in kind	12,745	Company vehicle and CSM contribution.
Imposed departure indemnity	No payment	The meeting of the board of directors of September 13, 2024 found that the conditions for payment of the imposed departure indemnity were not met insofar as the departure of Sébastien Huron was voluntary.
Non-competition payment	84,800	In accordance with the compensation policy voted by the shareholders' meeting of June 21, 2024, in return for the non-competition obligation, Sébastien Huron receives compensation corresponding to 80% of his gross fixed monthly compensation received for the financial year ended December 31, 2023 (including all other compensation related to his mandates within the Group), up to a limit of €500,000 gross.
Supplementary pension plan	NA	

Fixed compensation

In 2024, Sébastien Huron received a fixed annual compensation of €421,880, including director's fees and three months of non-competition compensation, *i.e.*, a total fixed compensation of €434,625, including benefits in kind.
As a reminder, during the 2023 financial year, he received a fixed annual compensation of €424,000, including director's fees, *i.e.*, a total fixed compensation of €440,221, including benefits in kind.

Evaluation criteria for the variable portion

The maximum variable portion of Sébastien Huron's compensation represents 60% of his fixed compensation (including any compensation paid by Group subsidiaries), and its amount is calculated for the 2024 financial year on the basis of the annual fixed compensation *prorata temporis* and with regard to the following criteria:

Criteria	Weighting	Level of achievement of the objective set
Group revenue	30%	100%
Adjusted Ebit before RDL	45%	100%
Debt reduction	15%	100%
Ebitda of Sasaeah Holdings Co. Ltd and its subsidiaries as budgeted in Virbac's basic twelve-month acquisition plan	5%	100%
CSR objective	5%	50%

Consequently, for the 2024 financial year, Sébastien Huron's variable compensation amounts to €197,192, *i.e.,* 58.5% of his fixed annual compensation on a *prorata temporis* basis.

The payment of variable compensation is subject to the approval of compensation components at the next ordinary shareholders' meeting in accordance with article L22-10-134 of the French commercial code.

Unemployment insurance plan
Sébastien Huron was covered by a unemployment insurance for company's chief executive officers, which was based on the rule of 70 over one year, in accordance with this organization's general conditions, and whose contributions have been entirely paid by the company, but will be claimed as a benefit in kind for the chief executive officer. The amount of annual contributions for 2024 amounts to €10,954.

Imposed departure indemnity
Due to his resignation, Sébastien Huron is not entitled to any imposed departure indemnity.

Non-competition payments
Sébastien Huron is bound by a non-competition obligation for a period of eighteen months from the effective termination of his mandate as chief executive officer in return for a non-competition indemnity in the amount of €500,000, of which €84,800 was paid to him for the 2024 financial year.

Gross compensation of Habib Ramdani, deputy chief executive officer and interim chief executive officer

	2024 financial year		2023 financial year	
en €	Amounts due for the financial year	Amounts paid during the financial year	Amounts due for the financial year	Amounts paid during the financial year
Fixed compensation[1]	294,339	294,339	244,895	244,895
Variable compensation[2]	122,046	97,958	97,958	77,433
Extraordinary compensation	—	—	—	—
Directors' fees	—	—	—	—
Benefits in kind	1,644	1,644	1,368	1,368
Total	**418,029**	**393,941**	**344,221**	**323,696**

[1]of which €37,200 corresponds to the fixed portion of the annual compensation in respect of the mandate as interim chief executive officer (based on a gross amount of €144,000, payable in twelve monthly installments, *prorata temporis*)
[2]of which €21,762 corresponds to the annual variable portion of gross compensation due in respect of the mandate as interim chief executive officer

Compensation components owed or awarded for 2024

Nature	Amounts or valuation to be voted on (in €)	Presentation
Fixed compensation	294,339	On March 15, 2024, the board of directors decided to set Habib Ramdani's gross annual fixed compensation at €257,139 in respect of his employment contract. In addition, the meeting of the board of directors of September 13, 2024, on the proposal of the appointments and compensation committee, decided to allocate to Habib Ramdani a gross fixed annual compensation of €144,000 in respect of his mandate as interim chief executive officer, *prorata temporis*, which corresponds to €37,200 in 2024.
Annual variable compensation	122,046	On March 15, 2024, the board of directors decided to set Habib Ramdani's target annual variable compensation at €102,855, *i.e.* 40% of his fixed compensation received in respect of his employment contract. In addition, the meeting of the board of directors of September 13, 2024, on the proposal of the appointments and compensation committee, decided to allocate to Habib Ramdani a gross variable target compensation of €86,400, *prorata temporis*, in respect of his mandate as interim chief executive officer, *i.e.* 60% of the fixed annual compensation relating to the mandate as interim chief executive officer. The meeting of the board of directors of March 12, 2025 decided on the levels of achievement of Habib Ramdani's 2024 objectives at 97.5% and the variable share of a total amount of €122,046 resulting therefrom.
Multi-annual variable compensation	NA	No deferred variable compensation.
Extraordinary compensation	NA	No extraordinary compensation.
Stock options, performance-related stock grants or any other long-term compensation components	140,800	Allocation of 400 performance-related stock grants under the 2024 free share allocation plan. This conditional allocation of performance-related stock grants in 2024 represents 9.9% of the total number of performance-related stock grants allocated in 2024 and 0.0047% of the share capital as at December 31, 2024. For more details see pages 171 and 185.
Directors' fees	NA	No directors' fees were received.
Valuation of benefits in kind	1,644	Company vehicle.
Imposed departure indemnity	NA	For more details see page 170.
Non-competition payment	NA	No non-competition payment (see page 170).
Supplementary pension plan	NA	

Fixed compensation

During the 2024 financial year, Habib Ramdani received a fixed annual compensation of €294,339, including an annual fixed compensation amounting to €37,200 on a *prorata temporis* basis for the interim chief executive officer duties, *i.e.*, a total fixed compensation of €295,983, including benefits in kind.

As a reminder, Habib Ramdani received, during the 2023 financial year, a fixed annual compensation of €244,895, *i.e.* a total fixed compensation of €246,623 including benefits in kind under his employment contract.

Evaluation criteria for the variable portion

For the 2024 financial year, the maximum variable portion of Habib Ramdani's compensation represents 40% of his fixed compensation under his employment contract and 60% of his fixed compensation for the duties as the interim chief executive officer on a *prorata temporis* basis. Its amount is calculated as per the following criteria:

Criteria	Weighting	Level of achievement of the objective set
Group revenue	30%	100%
Adjusted Ebit before RDL	45%	100%
Debt reduction	15%	100%
Ebitda of Sasaeah Holdings Co. Ltd and its subsidiaries as budgeted in Virbac's basic twelve-month acquisition plan	5%	100%
CSR objective	5%	50%

Consequently, for the 2024 financial year, Habib Ramdani's variable compensation amounts to €122,046 and is composed of :

– €100,284, *i.e.* 39% of his fixed annual compensation under his employment, and
– €21,762, *i.e.* 58.50% of his fixed compensation for the duties as the interim chief executive officer on a *prorata temporis* basis.

The payment of variable compensation is subject to the approval of compensation components at the next ordinary shareholders' meeting held in accordance with article L22-10-34 of the French commercial code.

Conditions for termination of the employment contract

See page 170.

Gross compensation of Marc Bistuer, deputy chief executive officer

en €	2024 financial year		2023 financial year	
	Amounts due for the financial year	Amounts paid during the financial year	Amounts due for the financial year	Amounts paid during the financial year
Fixed compensation	260,804	260,804	250,773	250,773
Variable compensation	58,681	56,424	56,424	52,049
Extraordinary compensation	22,000	22,000	20,000	—
Directors’ fees	—	—	—	—
Benefits in kind	1,906	1,906	1,342	1,342
Total	**343,391**	**341,134**	**328,539**	**304,164**

Compensation components owed or awarded for 2024

Nature	Amounts or valuation to be voted on (in €)	Presentation
Fixed compensation	260,804	On March 15, 2024, the board of directors, further to the recommendation of the appointments and compensation committee, decided to increase the annual fixed compensation up to €260,804.
Annual variable compensation	58,681	The meeting of the board of directors of March 15, 2024 decided to increase Marc Bistuer’s annual variable target compensation to €78,241, *i.e.* 30% of his fixed compensation received in respect of his employment contract. The meeting of the board of directors of March 12, 2025 decided on the levels of achievement of Marc Bistuer's 2024 objectives at 75% and the variable share of an amount of €58,681 resulting therefrom.
Multi-annual variable compensation	NA	No deferred variable compensation.
Extraordinary compensation	22,000	The board of directors of March 12, 2025, at the suggestion of the appointments and compensation committee, decided to allocate to Marc Bistuer an exceptional compensation of €22,000 gross.
Stock options, performance-related stock grants or any other long-term compensation components	84,480	Allocation of 240 performance-related stock grants under the 2024 free share allocation plan. This conditional allocation of performance-related stock grants in 2024 represents 5.9% of the total number of performance-related stock grants allocated in 2024 and 0.0028% of the share capital as at December 31, 2024. For more details see pages 174 and 185.
Directors’ fees	NA	No directors’ fees were received.
Valuation of benefits in kind	1,906	Company vehicle.
Imposed departure indemnity	NA	For more details see page 170.
Non-competition payment	NA	No non-competition payment (see page 170).
Supplementary pension plan	NA	

Fixed compensation

During the 2024 financial year, Marc Bistuer received a fixed annual compensation of €260,804, *i.e.*, a fixed total compensation of €262,710, including benefits in kind, under his employment contract. As a reminder, he received, during the 2023 financial year, a fixed annual compensation of €250,773, *i.e.*, a fixed total compensation of €252,115, including benefits in kind.

Evaluation criteria for the variable portion

For the 2023 financial year, the maximum variable portion of Marc Bistuer's compensation represents 30% of his fixed compensation, and its amount is calculated as per the following criteria:

Criteria	Weighting	Level of achievement of the objective set
Group revenue	30%	100%
Adjusted Ebit before RDL as budgeted	40%	100%
CSR objective	10%	50%
Inventory level	10%	Not achieved
Back orders/due orders for pharmaceutical products (excluding vaccines and petfood): on average below a certain threshold in the second half of 2024	5%	Not achieved
Back orders/due orders for vaccines: number of vials of vaccines produced above a threshold and number of vials of vaccines released above a threshold	5%	Not achieved

Consequently, for the 2024 financial year, Marc Bistuer's variable compensation amounts to €58,681 *i.e.,* 22.50% of his fixed compensation

The payment of variable compensation is subject to the approval of compensation components at the next ordinary shareholders' meeting held in accordance with article L22-10-34 of the French commercial code.

Extraordinary compensation

The board of directors of March 12, 2025, on the recommendation of the appointments and compensation committee, decided to grant Marc Bistuer an exceptional compensation of €22,000 gross, given the additional responsibilities entrusted to him during the year following the resignation of Sébastien Huron during the year.

Conditions for termination of the employment contract

See page 172.

Shares subscription or purchase options to executive corporate officers

The company does not have an allocation plan for shares subscription or purchase options to benefit executive corporate officers.

Performance-related stock grants

Performance-related stock grants allocated to executive officers

The executive board, then the board of directors, since the change in governance in December 2020, in accordance with the authorization from the shareholders' meeting, granted an allocation of performance-related stock grants for certain employees and directors at Virbac and its subsidiaries. During the last five financial years, a performance-related stock grants allocation plan was created each year on the decision of the board of directors for the benefit of the chief executive officer, the deputy chief executive officers and the Group employees.

The board of directors of March 15, 2024, decided to open a new performance-related stock grant allocation plan (*PAG* 2024) for the benefit of Virbac's chief executive officer, deputy chief executive officers as well as the employees of the Virbac group. The number of shares attributable to executive corporate officers (chief executive officer and deputy chief executive officers) was validated by the board of directors on March 15, 2024 and to the employees on June 20, 2024.

The board of directors of March 12, 2025, decided to open a new performance-related stock grant allocation plan (*PAG* 2024) for the benefit of Virbac's executive officers as well as the employees of the Virbac group. The number of shares attributable to Habib Ramdani was validated by the board of directors on March 12, 2025 (see page 172). The list of employees benefiting from the performance-related stock grants and the number of shares to be allocated will be validated by the board of directors during the 2025 year.

History of performance-related stock plans						
	PAG 2020	***PAG 2021***	***PAG 2022 n°1***	***PAG 2022 n°2 (special plan)***	***PAG 2023***	***PAG 2024***
Date of the board of directors / shareholders' meeting	06/19/2020	03/16/2021	03/18/2022 06/21/2022	3/18/2022 6/21/2022	3/21/2023 06/19/2023	03/15/2024 06/21/2024
Total number of shares allocated	1,600	6,225	4000	5,000	4,800	5,000
of which the number assigned to:						
Sébastien Huron[1]	—	950	500	5,000	800	950
Christian Karst[2]	1,600	—	—	—	—	—
Habib Ramdani	—	475	250	—	350	400
Marc Bistuer[3]	—	300	150	—	240	240
Acquisition date	2021	2023	2024	Cancelled[1] plan	2026	2027
Availability date	2023	2025	2026	Cancelled[1] plan	2028	2029
Performance conditions		See information below		Cancelled plan	See information below	
Shares acquired	—	4,875		—	—	—
Number of shares cancelled or lapsed[1]	1,600	1,350		5,000	800	950
Number of shares remaining at year-end	0	0		0	4,000	4,050

[1]Sébastien Huron, resigning chief executive officer, no longer meets the condition of presence attached to the performance-related stock grants awarded in respect of the 2022, 2023 and 2024 plans. Consequently, he lost all rights in respect of those plans and these shares were canceled in full in 2024
[2]Christian Karst, general manager until December 15, 2020, retired in 2021
[3]Marc Bistuer became deputy chief executive officer on December 15, 2020

The tables below for the 2022, 2023 and 2024 plans have been updated without the performance-related stock grants initially allocated to Sébastien Huron.

2020 plan

	Number of shares allocated	**Valuation of shares[1]**	**Acquisition date**	**Availability date**
Christian Karst	1,600	€312,000	_	_
Total	**1,600**	**€312,000**		

[1]based on the method used for the consolidated accounts

Performance condition:
the objective is based on the acquisition of exploitation rights for third-party products that complement Virbac's various internal R&D projects around the world, through the signing of commercial licensing agreements and enabling the short-term generation of sales and additional margins optimizing the Group's profitability.

The 2020 performance-related stock grant became irrelevant, following the retirement of Christian Karst in 2021.

2021 plan

	Number of shares allocated	Valuation of shares[1]	Acquisition date	Availability date[2]
Sébastien Huron	950	€221,825	2024	2026
Habib Ramdani	475	€110,913	2024	2026
Marc Bistuer	300	€70,050	2024	2026
Total	**1,725**	**€402,788**		

[1]based on the method used for the consolidated accounts
[2]subject to the limitations set by the board of directors (see below)

Performance condition: refer to pages 135 ans 136 of the corporate governance report 2023 for Sébastien Huron and pages 171 and 174 hereof respectively for Habib Ramdani and Marc Bistuer.

2022 plan

	Number of shares allocated	Valuation of shares[1]	Acquisition date	Availability date[2]
Habib Ramdani	250	€84,125	2025	2027
Marc Bistuer	150	€50,475	2025	2027
Total	**400**	**€134,600**		

[1]based on the method used for the consolidated accounts
[2]subject to the limitations set by the board of directors (see below)

Performance condition: refer to pages 171 and 174.

2023 plan

	Number of shares allocated	Valuation of shares[1]	Acquisition date	Availability date[2]
Habib Ramdani	350	€ 98,700	2026	2028
Marc Bistuer	240	€ 67,680	2026	2028
Total	**590**	**166380**		

[1]based on the method used for the consolidated accounts
[2]subject to the limitations set by the board of directors (see below)

Performance condition: refer to pages 171 and 174.

2024 plan

	Number of shares allocated	Valuation of shares[1]	Acquisition date	Availability date[2]
Habib Ramdani	400	€ 140,800	2027	2029
Marc Bistuer	240	€ 84,480	2027	2029
Total	**640**	**€ 225,280**		

[1]based on the method used for the consolidated accounts
[2]subject to the limitations set by the board of directors (see below)

Performance condition: refer to pages 172 and 174.

Mandatory shareholding requirement for executive officers
The board of directors has established as a rule that:

- the chief executive officer has to retain 35% of the performance-related stock granted, and
- each deputy chief executive officer has to retain 25% of the performance-related stock granted,

as long as they remain active in the Group.

This retention commitment will no longer apply should they build up a portfolio of Virbac shares representing:

- three years of annual target compensation (gross fixed compensation + gross variable compensation) for the chief executive officer,
- two years of annual target compensation (gross fixed compensation + gross variable compensation) for a deputy chief executive officer.

Authorization granted to the board of directors to proceed with the free allocation of performance shares

On June 21, 2024, the shareholders' meeting adopted a resolution to extend for a new 38-month period the possibility of allocating company performance-related stock grants, in compliance with the provisions of article L225-197-1 *et seq.* of the French commercial code.

This resolution allows for performance-related stock grants to be awarded to managers or comparable employees, or certain categories thereof, as well as to the corporate officers referred to in article L225-197-1 of the French commercial code, both for Virbac and the companies that are either directly or indirectly associated with it according to article L225-197-2 of the French commercial code.

The total number of performance-related stock grants awarded may not represent over 1.0% of Virbac's capital. It is also pointed out that the number of performance-related stock grants awarded to the corporate officers during the term of the authorization may not exceed 0.5% of the capital as of the day of the award. The allocation is made with no dilution, the company purchasing the number of required shares on the market.

Similar to the prior authorization, the bonus performance-related stock grants will only be definitive at the end of a vesting period of at least two years, with the shares then held also having to be retained for at least two years from the end of the vesting period. The board of directors will determine the identity of the beneficiaries as well as the terms and grant criteria for the shares that will be linked to the improvement in the Group's performance levels.

The corporate officers have undertaken not to enter into hedging transactions for their risk on performance-related stock grants until the end of the share lock-in period set by the board of directors.

Multi-year variable compensation

The chief executive officer and deputy chief executive officers do not receive any multi-year variable compensation.

Compensation ratios and annual evolution of Virbac's compensation and performance ratios

Compensation (in €)	2020	2021	2022	2023 [7]	2024
Marie-Hélène Dick[1]					
Total compensation due or awarded for the year	117,400	135,000	135,000	137,000	156,000
Evolution/N-1	5%	15%	—%	1%	14%
Ratio of compensation over average earnings	2.0	2.2	2.3	2.2	2.4
Evolution/N-1	0 point	+0,2 point	+0,1 point	0 point	0 point
Ratio of compensation over median earnings	2.5	2.6	2.7	2.6	2.8
Evolution/N-1	0 point	+0,2 point	+0,1 point	0 point	0 point
Sébastien Huron[2]					
Total compensation due or awarded for the year	579,838	884,221	2,448,642	899,021	631,817
Evolution/N-1	4%	52%	177%	-63%	-30%
Ratio of compensation over average earnings	10.0	14.5	41.0	14.4	9.8
Evolution/N-1	0 point	5 points	26 points	'-27 points	'-5 points
Ratio of compensation over median earnings	12.1	17.5	48.1	17.0	11.5
Evolution/N-1	0 point	5 points	31 points	-30 points	'-5 points
Habib Ramdani[3]					
Total compensation due or awarded for the year	311,097	458,524	395,061	442,921	558,829
Evolution/N-1	4%	47%	-14%	12%	26%
Ratio of compensation over average earnings	5.4	7.5	6.6	7.1	8.6
Evolution/N-1	0 point	2 points	-1 point	0 point	2 points
Ratio of compensation over median earnings	6.5	9.1	7.7	8.4	10.2
Evolution/N-1	0 point	3 points	-1 point	1 point	2 point
Christian Karst[4]					
Total compensation due or awarded for the year	809,136	—	—	—	—
Evolution/N-1	-30%	—	—	—	—
Ratio of compensation over average earnings	14.0	—	—	—	—
Evolution/N-1	-7 points	—	—	—	—
Ratio of compensation over median earnings	16.9	—	—	—	—
Evolution/N-1	-8 points	—	—	—	—
Marc Bistuer[5]					
Total compensation due or awarded for the year	—	391,162	341,500	396,219	427,871
Evolution/N-1	—	—	-13%	16%	8%
Ratio of compensation over average earnings	—	6.4	5.7	6.3	6.6
Evolution/N-1	—	—	-1 point	1 point	0 points
Ratio of compensation over median earnings	—	7.8	6.7	7.9	7.8
Evolution/N-1	—	—	-1 point	1 point	0 points
Total compensation due or awarded to the members of the top executives [6]	**1,817,471**	**1,868,907**	**3,320,203**	**1,875,161**	**1,774,517**
Evolution/N-1		3%	78%	-44%	-5%

[1]chairwoman of the supervisory board until December 15, 2020 and chairwoman of the board of directors since that date
[2]chairman of the executive board until December 15, 2020 and chief executive officer since that date until September 27, 2024
[3]member of the executive board until December 15, 2020 and deputy chief executive officer since that date
[4]chief executive officer until December 15, 2020
[5]deputy chief executive officer since December 15, 2020

[6]this amount includes the value of the performance shares granted under the plans set up at each financial years
Note that the value of these performance-related stock grants is totally theoretical. On the one hand, the shares have not vested to date: what has vested since June 21, 2022, is simply a right to get the shares. This right is subject to several very strict vesting conditions that must be complied with in order for these shares to vest. The first condition is a condition of presence in the company before the definitive vesting dates (*i.e.*, 2027 for 1,000 shares, 2030 for 1,000 shares and 2033 for 3,000 shares, respectively). The second condition is a very strict performance condition of the company. Performance is analyzed over long periods of three to five years, with a continuous five-year performance required for the first installment, and not taking into account market conditions, the macroeconomic or geopolitical context outside Virbac. This condition therefore makes obtaining these shares very uncertain. Furthermore, if these shares are finally vested, they may not be sold for at least two years (the required holding period), *i.e.*, 2029, 2032 and 2035, respectively, for the main installment.
Finally, the valuation of these performance-related stock grants corresponds to the book value recognized at the vesting date of this right. This gross value is therefore theoretical and non-representative of the value of the shares at the end of the holding period, which depends, in the event of vesting, on the stock market price, which may change significantly between now and the date of their sale. In light of these conditions, and as a consequence of Sébastien Huron's resignation on September 27, 2024, none of these shares will be acquired; the year 2024 therefore only includes the fixed (including the director's fees) and variable remuneration components, as well as benefits in kind, as presented on pages 177, 178 and 179
[7]from 2023, the average and median remuneration (see tables below) also include Virbac Nutrition; the year 2023 has therefore been restated accordingly

Virbac average earnings (€)	**2020**	**2021**	**2022**	**2023**	**2024**
	57,813	**60,786**	**59,878**	**62,681**	**64,719**
Evolution/N-1	3%	5%	-1%	5%	3%
Average ratio[5]	**31**	**31**	**55**	**30**	**27**
Evolution/N-1	-7 points	-1 point	25 points	-26 points	'-3 points

[5]executive compensation/average Virbac compensation

Virbac median earnings (€)	**2020**	**2021**	**2022**	**2023**	**2024**
	47,859	**50,450**	**50,956**	**52,933**	**54,989**
Evolution/N-1	4%	5%	1%	4%	4%
Median ratio[6]	**38**	**37**	**65**	**35**	**32**
Evolution/N-1	-8 points	-1 point	28 points	-30 points	'-3 points

[6]executive compensation/median Virbac compensation

Current operating profit before depreciation of assets arising from acquisitions (k€)	**2020**	**2021**	**2022 retraité[1]**	**2023**	**2024**
	128,875	**173,171**	**186,559**	**188,142**	**231,821**
Evolution/N-1	5%	34%	8%	1%	23%
Net result (k€)	**141,769**	**115,691**	**121,295**	**121,088**	**145,782**
Evolution/N-1	160%	-18%	5%	—%	20%

[1]reprocessing following amendment IAS 12 relating to deferred tax assets and liabilities resulting from the same transaction applicable on January 1, 2023 (see note "Accounting principles and methods")

Pursuant to article L22-10-9 of the French commercial code, for the calculation of the average compensation, the scope used is that of the Virbac, Virbac France, Virbac Diagnostics and Alfamed companies, representing more than 95% of the workforce in France, and whose reference workforce amounted to 1419, including 734 managers. This scope is representative of Virbac's various lines of business. From 2023, the scope also includes Virbac Nutrition (the year 2023 has therefore been restated in the remuneration table above); including Virbac Nutrition, the reference workforce amounts to 1,490, including 757 managers.
For the sake of comparison, and in accordance with the *Afep-Medef* Code recommendations, the staff used to calculate average and median compensation corresponds to a full-time equivalent staff. This workforce is defined on the basis of employees present in the company on January 1 of the reference year, excluding corporate officers.
Compensation is calculated from all amounts due or allocated during the financial year in question, and consists of fixed compensation, variable compensation, employee savings and performance-related stock grants.

Contracts, plans and compensation

Corporate managing officers	Employment contract	Supplementary pension plan if conditions fulfilled	Compensation or other benefits due or likely to be due following the term or due to change of function	Compensation due to a non-competition clause
Habib Ramdani				
Position: interim chief executive officer since September 27, 2024 Term end date of interim chief executive officer's mandate: at the appointment of the new chief executive director or December 2026 at the latest Previously member of the executive board since June 2016 until December 15, 2020 and deputy chief executive officer since December 15, 2020 until September 27, 2024	Yes	No	No	No
Marc Bistuer				
Position: deputy chief executive officer since December 15, 2020 Term end date of deputy chief executive officer: December 2026	Yes	No	No	No

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

In accordance with order n°2017-1162 of July 12, 2017, as well as decree n°2017-1174 of July 18, 2017 on various measures to simplify and clarify the obligations of information for which companies are responsible, our description of internal control and risk management systems are now included in the management report. This report has been drawn up based on contributions from several departments, in particular our Financial Affairs, Legal and Human Resources departments as well as the Group Risk Management department, and has been reviewed and validated by our general management. We then subsequently communicated the entire report to the statutory auditors and to the audit committee for review before final approval by our board of directors.
This report was approved by the board of directors at its meeting on March 12, 2025.

Definition and aims of internal control and risk management

Framework

We have drawn on the reference framework and its application guide, first published in January 2007 and updated on July 22, 2010 by the *AMF* (French financial markets authority), in order to define its internal control and risk management framework so as to structure its approach. In accordance with a recommendation from *AMF* report 2010-15 dated December 7, 2010, we decided to present the different information requested pursuant to the plan specified in the reference framework.

Scope

The scope of the internal control and risk management systems includes the parent company and the companies included in the Group's consolidated accounts.
The list of our subsidiaries is given in note A40 of the consolidated accounts.

Objectives and principles of the internal control and risk management system

Our risk management system sets out to identify, prioritize, process and manage the Group's key risk exposures.

In this capacity, the risk management system assists in:

- creating and preserving our Group's value, assets and reputation;
- providing a secure basis for decision-making in support of our strategic, operational and financial objectives;
- deploying a culture of risk in our organization by engaging all stakeholders.

Internal control sets out to ensure that:

- our economic and financial objectives are achieved in compliance with applicable laws and regulations;
- the orientations determined by our board of directors are implemented;
- our capital is enhanced and our assets are protected;
- the integration of acquired companies is carried out in accordance with our Group rules;
- and that our financial and accounting information depicts a true and fair view.

The internal control and overall risk management system must promote and secure our Group's industrial and economic development by helping to prevent and control the risks to which it is exposed, all within an environment of control which is suited to its business areas and their respective issues.
In line with the fixed objectives, our internal control and risk management system is based on the following structuring elements:

- appropriate and sustainable organization;
- internal distribution of reliable and targeted information;
- implementation of this system;
- suitable control activities that help to prepare and process accounting and financial information;
- continuous management and formalization of the areas of improvement.

Limits

An internal control system can only provide reasonable assurance, and never an absolute one, as regards overall risk control and limitation of obstacles to achieve our objectives. The probability of actually achieving these objectives is subject to the limits inherent in any internal control system, whether potential failings in the decision-making process are concerned, or the need for reviewing the cost/profit ratio before implementing controls, or the malfunctions that may occur due to a failure or human error.

An appropriate and sustainable governance

System components

The control environment which is essential for the internal control system, for good risk management and for the application of procedures, is based on a specific organization of behavioral and human aspects.

Organization

Our internal control organization is based, first of all, on key factors that are anchored deep within our company's culture and which have formed the basis of its success, such as taking the initiative, placing trust in our Group's workers and providing them with a sense of responsibility. Our operational organization of internal control is structured around three levels: Group, areas and subsidiaries. Each level is directly involved and is given

responsibility for designing and implementing the control in accordance with the level of centralization desired by our general management. At each of these three levels, our internal control is broken down into specific organizational procedures, delegation of responsibilities, raising awareness and training of staff which are consistent with our Group's general framework. It requires heavy involvement on the part of each operational or functional manager by expecting them to adopt the policies and procedures defined at our Group level, play a role in implementing and complying with them and finalize them via measures that are adapted to the special nature of the business activities or the areas under their responsibility.
The control system implemented within our Group is also based on a stronger governance structure, which guarantees that decisions are transparent and traceable, while still preserving the principles of subsidiarity and decentralization that are viewed as essential and necessary for optimum management of industrial and commercial activities in the Group.

Governance of subsidiaries within the Group
Our subsidiaries are almost all directly or indirectly wholly owned by the Virbac group. Special attention is paid to the composition of the boards of directors of our subsidiaries. Each appointment or change of a director must be validated by the members of our general management.
For companies which are not wholly owned, the rules of governance are defined and governed by shareholders' agreements.

Code of conduct
Since June 2015, our core commitments, in the industries in which we operate, have been incorporated into our code of conduct. This document, revised in 2022, replaces the previous version adopted in 2014. More comprehensive, more precise and more responsive to the priorities of our Group, it is written in sixteen languages and available on our Intranet as well as on Virbac website and is distributed to all our employees. Our code of conduct includes our fundamental principles regarding business conduct, safeguarding assets, our interaction with our stakeholders, and our corporate approach to privacy and social responsibility. It is a fundamental tool that formalizes the ethical values and operating principles of our company. In publishing our code of conduct, we undertake to adhere and ensure adherence by our partners and suppliers to the regulations and standards that apply to our activities, in the areas of finance, competition as well as in the social sphere.

Reference documents
We have provided employees with other reference documents describing practical rules applicable to specific areas covered by our code of conduct. These documents are available on our Intranet and are listed below.

- **Business partner charter**

Our business partner charter aims to define the rules governing our relationships with our partners (suppliers, sub-contractors, vendors, distributors...), as well as the guiding principles that we expect to see applied by our partners in the conduct of their business.

- **Group anti-bribery policy**

Virbac is committed to upholding the highest level of integrity in its operations and in its interactions with third parties and practices a zero-tolerance policy in the fight against corruption. Our Group anti-corruption policy reminds Virbac employees that they must refuse all forms of corruption, whether private or public, and describes the behaviours to adopt in certain identified risky situations and emphasizes transparency, which is a golden rule in this area. Our senior management has signed a commitment to respect and enforce this policy. An internal and external whistleblowing system is available to our stakeholders to report any inappropriate behaviour, particularly in deviation from our anti-corruption policy. A Group business ethics committee has been established to ensure the proper handling of alerts and the implementation of validated remedial measures.

- **Market abuse prevention policy**

With the entry into force on July 3, 2016 of European regulation 596/2014 of April 16, 2014 on market abuse, of act 2016-819 of June 21, 2016 on reforming the sanctions system for dealing with market abuse and of act 2016-1691 of December 9, 2016 on transparency, the fight against corruption and modernizing the economy, we implemented a market abuse prevention policy (thereby replacing our stock market charter of ethics). One of the aims of our policy is to increase employees' awareness of the notion of insider information and sensitive information, the obligations of employees who have access to insider or unreleased sensitive information (blackouts periods), sanctions incurred for breaches of confidentiality related to the possession of this type of information. We also established an insider information monitoring committee that meets whenever necessary, and we maintain lists of individuals with access to information as required by regulation whenever insider information is identified.

- **Group ethics charter**

In accordance with regulations and with the focus on providing safe and effective products, we, like any pharmaceutical company, must resort to animal testing in very specific cases: when they are necessary and if, at this stage, there is no other alternative method available that has been approved by the authorities. However, we will give preference to all alternative methods available and actively encourage any initiatives to replace, reduce, or refine animal testing. To ensure implementation of these founding principles, we have developed an ethical charter that applies to all of our employees and our external partners.
as solutions to avoid or best manage any situation that may fall within the scope of this policy.

- **Conflict of interest prevention and management policy**

To strengthen our commitment to integrity and transparency, in 2024 we implemented a clear, precise, and illustrated conflict of interest prevention and management policy for effective and proactive risk management in this area, applicable to all Virbac group entities and employees.

This policy includes a precise definition of a conflict of interest,
rules of conduct for all employees, a reporting mechanism at the Group level and to be implemented locally, as well as solutions to avoid or best manage any situation that may fall within the scope of this policy.

- **Group social networking principles**

In accordance with privacy and freedom of expression, this document describes the rules applicable to Virbac employees (such as confidentiality obligations regarding Virbac data) when they mention their employer or their professional activity during their personal use of social networks.

Procedures and standards governing activities

Our functional departments have defined Group policies for all processes supplying the financial statements, in particular sales, purchases and stock and property management. They lay down Group policies which define the organization, responsibilities and particular operating and reporting principles in the respective area of expertise under their responsibility. These policies are then broken down into specific procedures for monitoring, rule validation, authorization and accounting.

For example, we have implemented the following policies:

- a purchasing policy which determines our rules, our aims and best practices related to responsible purchasing and ethics;
- a "scope of power" procedure that determines the internal rules to be respected by the managing directors of our subsidiaries or the leaders and managers of company functions in the decision-making process according to the business axes ;
- a financial handbook that lists all the rules related to the financial closing of our accounts and to the global reporting, to be used by our subsidiaries;
- a policy for securing payment methods which defines the methods that must be implemented in order to prevent the risks of fraud;
- a policy for protecting individuals aimed at providing the same level of protection to all our employees, whether they are expatriates, locals or on special assignments;
- a safety and environmental policy which lays down the rules of conduct for a permanent reduction in the risks inherent in any industrial activity;
- an investment policy, which is validated by our general management when the strategic plans and then the budgets are drawn up. Any major investment foreseen in these budgets is still subject to a further validation by our Global Industrial Operations department or by our board of directors. Any change that may occur during the financial year relating to projects that have been budgeted is subject to special prior authorization;
- an information system security policy.

In parallel with this body of procedures, in general internal by-laws, we comply with the different frames of reference that apply within the pharmaceutical industry. These texts outline the management operations for each stage, at the research and development method level or at the level of drug and vaccine manufacturing standards, packaging, distribution, sales and marketing or promotion.

Human resources management policy

Human resources management plays a part in our internal control system and allows us to ensure that our employees have a suitable skills level in relation to the roles and responsibilities entrusted to them, and that they are aware of their responsibilities and their limits, in addition to being aware of and complying with our Group rules.

- **Recruitment and development policy**

We recruit in all countries and for all jobs in order to support our growth. Our Human Resources department defines standards and verifies practices in order to ensure the consistency and relevance of the recruitment process.
In parallel, we have implemented an employee performance and development management process known as *Perf* (covering performance, evaluation, compensation and training); this process comprises of several different parts, which include setting individual objectives and annual achievements assessed by line managers.
Within the annual performance committee, our Group executive committee shares the assessments, remuneration and professional development possibilities of the 60 key individuals in the Group, as well as the potential top performers identified through the *Perf* process.

- **Remuneration policy**

We carry out an annual salary review, particularly concerning base salaries and individual and collective bonuses. The salary review is carried out in accordance with an overall policy aimed at strengthening the competitiveness, consistency and development of our employees within the Group. The bonus practices applicable in the Group are otherwise consistent and are based mainly on comparable criteria in terms of value and type.

Main players

The main players who monitor and contribute to the implementation of the internal control and risk management system to ensure the sustainability and achievement of the Group's objectives are:

- board of directors and speciliazed committees (see pages 151 and 155)
- general management and its committees (see pages 158 and 160)

- operational departments

In accordance with the operational decentralization principles within our Group, the managers of each business activity have the necessary powers for organizing, directing, managing and delegating the operations for which they are responsible.
Each activity favors the organization which is best suited to its markets, taking into account its specific sales, industrial and geographical features. The managers are responsible for adopting internal control systems consistent with their organizations as well as our Group principles and rules. For example, for our subsidiaries whose risk management system has been deployed, each director is in charge of monitoring its subsidiary's risks. The same goes for each regional director with the various mappings being conducted in the area.

- functional departments

Our central functional departments (Finance, Legal, Human Resources, Communications, Information Systems, Quality and Compliance) have a dual task: organization and control of Group operations falling within their respective skills area and technical assistance with operational activities in these areas, where required. As for the risk management system, our operational departments are in charge of coordinating all actions related to Group-wide risk identification.
The presence of the central functions and their organization play a significant role in Group internal control systems. The managers of these functions exercise, in particular, functional authority over all managers who carry out tasks falling within their skills area in the operational activities.

- insurance and Risk Management department

Reporting hierarchically to the Group Quality & Compliance director (member of the Group executive committee and deputy chief executive officer), our Insurance and Risk Management director is responsible for defining and implementing risk management systems. He notably coordinates risk analysis, makes a contribution across the organization and contributes in sharing best practices between Group entities and departments, thereby helping to develop a risk management culture across the Group. His roles and responsibilities are shown in detail on page 195 of this report.

Internal distribution of reliable and targeted information

Information and communication are connected with the information flows which support the internal control procedures, from the orientations expressed by our management to action plans. They contribute to the control environment being implemented, as well as to the distribution of an internal control culture and the promotion of relevant control activities that play a part in risk control.
There are different aims:

- informing all our employees and making them aware of the implementation of best practices;
- sharing experiences so as to promote the use of these best practices, including internal control and risk management systems.

Special communication tools that we deploy, encourage the achievement of these aims. Tools such as Intranet allow our Group policies and procedures to be distributed. We also strive to provide each of its newly recruited managers with a view over our entire Group and its organization, main business areas and strategy. Introduction sessions for new recruits, which we either organize at the head office or locally, are part of this effort. Finally, in addition to the training sessions organized by the operational divisions, our seminars allow employees to improve certain professional skills (finance, marketing, human resources, project management, etc.) and encourage an exchange of best practices.

The information and the communication channels also rely on our information systems. Our Group Information Systems department is responsible for all Group information systems. It is made up of departments that are under the direct responsibility of the Group Information Systems department and of decentralized departments within the operational divisions. The role of these Group departments is to define information system policies, to coordinate the processes for managing the information systems function and to manage global IT infrastructure and services in line with Group priorities. The decentralized departments develop and manage the specific applications within their divisions, as well as the dedicated IT infrastructure and services.
Upward and downward information channels have been defined so as to allow the timely transmission of relevant and reliable information.

In terms of information feedback, accounting and financial information is processed in accordance with processes and with collaborative reporting and control tools (collaborative reporting and consolidation software shared throughout our Group under the authority of the Financial Affairs department).
For downward information flows, resolutions from the decision-making bodies are relayed via the relevant departments. Any change in the regulatory framework relating to whatever matter is communicated to the relevant entities and departments in an appropriate manner.

Finally, our communications aimed at stakeholders is governed by the appropriate systems for the sake of guaranteeing the quality of the information.
In addition, we have distributed a crisis management procedure to our subsidiaries with the objective to anticipate, as far as possible, the potential occurrence of any crises through deployment of management and alert principles covering all areas and activities of our Group.

Implementation of the risk management system

Aims

In order to strengthen our ability to anticipate, analyze and prioritize our risks of all kinds and to ensure the adequacy of the development of our Group with regard to these risks, the Risk Management department was created at the end of 2009. Our organization changed in 2023 by bringing together the Risk Management department with the Insurance and Prevention department within the same department.

Our Insurance and Risk Management department has built its methodological framework in line with best practices and market standards and in particular the *AMF* reference framework on risk management and internal control systems.

The objectives of our Insurance and Risk Management department are based on the following areas for Risk management:

- know and anticipate: ensure that there is constant monitoring of the risks within our Group in order to guarantee that none are forgotten or underestimated and to forecast any development in their nature or intensity;
- organize: ensure that the main risks identified are actually taken into account by our organization, at the most appropriate level. Numerous operational risks are managed by our subsidiaries; head office takes care of other risks which require special skills or that have an essentially cross-organizational or strategic component;
- control: ensure that the organizations and methods in place are effective in reducing the risks identified;
- train: gradually develop a risk management culture among all relevant managers and do so through appropriate training in France and internationally;
- inform: notify the general management of any changes in the situation.

Regular structured analysis of the main Group risks

The risk management system is based on the internal control environment and is part of a continuous process for identifying, assessing and managing risk factors that are likely to have an impact on the aims being achieved and the opportunities that could improve performance. Providing an awareness of the responsibilities related to identifying, assessing and managing risks should be spread out through all appropriate levels of our organization.

A formal and more accurate report of the main risks for the Group and the methods of management and control of these is shown in the chapter on "Risk factors" on pages 198 *et seq.* of this report.

Thanks to a structured process aimed at understanding and analyzing our main risks, we are able to assess the adequacy of the existing internal control systems, implement relevant action plans for their improvement and, more generally, to provide increased protection for our Group's enterprise value in compliance with applicable laws and regulations.

Risk management system

The risk management system is based on a clearly defined risk management process and organization:

- the organization is placed under the responsibility of our Insurance and Risk Management department, which is supported by two committees (the audit committee and the Group executive committee) which validate our risk management policy and the processes used to identify, assess and address risks. The organization also includes "risk owners", whose role is to define and oversee the action plans for the Group's major risks;
- the risk management process is based on:
  - identifying risks: through the risk map of the Group's major risks, its main exposures can be assessed. It was fully updated in 2021;
  - assessing risks: senior managers play an active role in assessing and prioritizing the risks identified. These managers have extensive experience in the animal health sector and the company itself, which represents an asset with regard to ascertaining the impact, the occurrence and the management of each risk;
  - addressing risks: each risk classified as a major risk has been analyzed and prioritized. A risk owner has been appointed for each major risk. The risk owners are mainly the senior managers who are members of the three committees referred to above. Their role is to design and implement action plans in coordination with the different operational and functional organizations, in order to limit the company's exposure to the risks for which they are responsible;
  - management of actions: our Insurance and Risk Management department coordinates the whole process in partnership with the risk owners.

For Virbac, risk management forms part of a continuous improvement cycle of the internal control system by becoming anchored in company processes and consistently taking into account the fundamental issues that can be found in our organization, whether it is operational, legal, regulatory or related to governance.

Suitable control activities supporting the process of preparing and processing accounting and financial information

Our system not only covers the processes for preparing financial information, but also all the upstream operational processes that help to produce this information. Internal control in all its forms, but especially the one related to finance and operations, is essential for our company. Our ongoing aim is to maintain the balance between the decentralization required for our activities, better operational and financial control and the dissemination of skills and best practices.

Dedicated financial organization

Our control system and our procedures for producing accounting and financial information are consistent within our Group. Our system is made up of a cross-functional accounting organization throughout our Group, harmonized

accounting standards, one single consolidated reporting system and quality control of the financial and accounting information produced.
Accounting and financial operations are managed by our Group Financial Affairs department. In 2019, the Financial Affairs department decided to make some organizational changes so as to be more efficient and further optimize its resources.

The Financial Affairs department oversees the following activities:

- all accounting services (accounts receivable, accounts payable and general accounting). These services are grouped under the same management, which will increase synergies and cross-functionality;
- the Treasury and Financing department, which is mainly responsible for coordinating and monitoring our Group's financial debt and financial result reporting. With regard to exposure to exchange rate risks in particular, the guidelines of the Financial Affairs department forbid speculation and only allow for the hedging of positions that, whether current or future, are certain;
- the Consolidation and Reporting department: resulting from a merger of the statutory and management teams, this new department aims to streamline the preparation of financial information and analyses and improve data production times, both current and forecasted; it now handles statutory consolidation as well as management consolidation, which allows for monitoring and analysis of the company's internal performance; it is also responsible for the correct implementation of international accounting standards throughout the Group;
- the Tax department: this department, also newly-established, serves as an expert in international tax standards. It strengthens headquarters' presence within our subsidiaries to help them face ever-increasing regulatory challenges;
- a Group Controlling department responsible for the reporting and analysis of Business, Industrial, R&D and support services activities.

The financial directors of each subsidiary play a key role on behalf of the decentralized organization for the accounting and financial functions. They are mainly responsible for ensuring that all internal accounting and financial control procedures are applied correctly in every subsidiary. Each subsidiary financial director reports functionally to an area financial controller who operates at the area level. On a functional level, it reports to a Group manager of Management Control.

Suitable tools: procedures and reference frameworks

The accounting and financial rules set out in the special instructions, drafted by our Group Financial Affairs department, apply to all operational and legal entities in the Group. In compliance with the IFRS (International financial reporting standards) adopted in the European Union, these rules include the following factors:

- a reminder of the general accounting principles and instructions that must be followed;
- a detailed chart of accounts;
- a confirmation of the Group accounting methods applicable for the most significant items and/or transactions;
- control procedures for the largest account categories, and in particular the main reconciliation to be carried out for controlling the information produced;
- rules defining the framework of the management information known as financial handbook;
- rules to be followed in order to manage cash flow requirements and financing thereof, investments of cash surpluses, hedging of exchange rate risks.

Our financial affairs department regularly updates these documents, in particular each time new accounting standards are modified or applied. We have set up a reporting system, which has been deployed in all our entities in order to ensure the quality and reliability of the financial information. It is supplied via the local accounting data, either by an interface, by drawing the required data from the ERP (Enterprise resource planning), financial modules available to our entities, or by manual entry.
We have defined special procedures for off-balance sheet commitments. These latter items stem essentially from guarantees provided by our company. The provision of securities, deposits and guarantees is subject to the following controls:

- for our parent company, special authorizations from the board of directors whenever such guarantees exceed the annual authorization limits given to the chief executive officer;
- for our subsidiaries, material off-balance sheet commitments must be reviewed in advance by the parent company.

Formal processes

The financial processes we have implemented contribute to the quality and reliability of the accounting and financial information.
Accounting (statutory) and management consolidation processes are now the responsibility of the single Consolidation and Reporting department.

Accounting consolidation process

Information is generated via the half-yearly and annual consolidation process underpinned by accounting principles applicable to all our subsidiaries, thereby ensuring consistency of methodology.

Management consolidation process and reporting

Our Consolidation and Reporting department coordinates the monthly budgetary consolidation and reporting process within our Group, using information provided by our different operational departments and our affiliates. Concordance between the management information from reporting and the accounting data constitutes the key principle of control for ensuring the reliability of accounting and financial information. The management reporting system is used to monitor the monthly results and the main management indicators and to compare them with the

budget and with the results from the previous financial year. The management indicators are explained and analyzed by our consolidation and reporting department in collaboration with our local financial directors.
Each month, the general management examines the summaries from the management reporting, analyzes the significant variations and decides on any corrective actions to be implemented whenever necessary.

Treasury process
A process for establishing an annual treasury plan was also implemented across the Group, making it possible to control and consolidate the forecasts of cash movements of our subsidiaries, a sign of the accuracy of sales and expenditure forecasts and of working capital requirement management: customer collection, stock management and supplier payment terms.
Our policy of pooling excess cash and financing requirements daily in the euro zone allows us to reduce our net positions and manage our deposits or financings in an optimized way. Outside Europe, our policy of cash pooling was also implemented in order to limit counterparty risks and to optimize the use of lines of credit.

Items likely to have an impact in the event of a public offer

Pursuant to article L22-10-11 of the French commercial code, the items likely to have an impact in the event of a public offer, *i.e.* the existence of a double voting right granted to all shares registered in the name of the same shareholder for at least two years, are set out on page 207.
Upon authorization of the shareholder's meeting of June 20, 2023, the board of directors, on September 13, 2024, decided to reduce Virbac's share capital by canceling 67,340 treasury shares. Following this capital reduction, our main shareholder, the Dick family group, has 50.09% of the share capital (49.7% before the capital reduction) and 66.21% of the voting rights.

Management of systems and areas for improvement

Actions to monitor and improve systems

We implement continuous improvement actions for our risk management and internal control systems under the supervision of the audit committee and the board of directors.

Board of directors
The role of our board of directors and its special committees is described on pages 151 and 155.

Group executive committee
Our Group executive committee is responsible for defining and managing the approach to internal control and risk management, relying on our different operational departments to implement these measures (see page 193 of this report). Our functional departments carry out investigations into operations in their respective areas through their network of experts or via regular audits (see page 194).

Statutory auditors
All the accounting and financial elements prepared by our consolidated subsidiaries are subject to, at least, a limited audit during half-yearly closing for the most significant entities, and to an audit carried out by our external auditors when the year closes. The audit tasks in the different countries are given to the members of our Group's network of statutory auditors. They certify the regularity, sincerity and fair view presented by the consolidated accounts and the individual statutory accounts. They are informed of the key factors in the financial year ahead in the process of preparing the financial statements and they present a summary of their work to the Group accounting and financial managers and to the audit committee at the half-yearly stage and when the year closes.

Financial communication

The importance and increasing role of communication and the need to deliver comprehensive, quality financial information have led us to acquire the functions and skills required to present this information and to control risks to the corporate reputation.

Annual report and periodic financial information
Our Financial Affairs department is responsible for preparing our annual report and periodic financial information, working closely with our Corporate Communications department, which involves, in particular:
- defining and validating information in the annual report, the half-year report and periodic financial announcements;
- supervising the work carried out by the annual report steering committee;
- distributing financial information;
- applying the stock market regulations regarding financial communication and managing relations with the *AMF*.

Press releases
Our Corporate Communications department is responsible for media activities which could have an impact on the image, reputation and integrity of the Virbac brand name. To achieve this, it works very closely with the Financial Affairs department, in particular in activities and by distributing information which could have an impact on Virbac's share price.

RISK FACTORS

Like any organization, our Group is prompted to take risks, look for opportunities and create value. The stake of our Group's general risk management mechanism lies in its ability to identify risks, whether they are recurrent or emerging, and to control them over time.
Throughout 2024, we continued our efforts with the roll-out of our general risk management process through reliance on our risk management information system implemented since 2014. More specifically, in 2024, we continued to work on updating action plans to mitigate the key risks identified as part of the latest Group risk mapping update.
Generally speaking, each risk identified is described in detail and assigned to a risk owner in charge of providing follow-up as well as defining and managing the implementation of adequate control measures.
We presented the organization and methods for how the tool was implemented within our Group in detail in the preceding paragraph of the report.
As part of the major risk mapping update performed in 2021, we had conducted a review of risks that could have a significant adverse effect on our business, our financial situation or our profit, and we consider that, so far, and to the best of our knowledge, there are no significant risks other than those presented in this report.
However, certain risks not detailed here or not identified to date may potentially affect our Group's results, objectives, image or share price.

Risks related to the Group’s business activities and strategy

The animal health market has undergone significant changes over recent years which have given rise to new challenges for the animal health sector which our Group has taken into account in its strategy (by market and by species).

Risks related to innovation process (research, development and licensing) and product registration

Risk factors

The field of the veterinary pharmaceutical industry is highly competitive, and every year, in order to meet changing market needs, maintain our market share and ensure our development, we devote significant resources to research and development.
In 2023, we committed 9,1% of our revenue (before R&D tax credit) to our RDL (Research, development and licensing), before taking into account the research tax credit. The R&D process usually extends over several years and has various stages for testing, among other things, the efficacy and safety of products. In each of these stages, there is a risk that the objectives are not met and that a project where large amounts were invested is abandoned, including at an advanced stage of development.
Once the research and development phase is complete, as a veterinary pharmaceutical company, we must obtain, where necessary, all the administrative authorizations required, the Marketing authorizations, to market our products. This phase is often long and complex, and we have no guarantee of success. Indeed, the filing of a registration dossier with the appropriate authority provides no automatic guarantee that the authorization to market the product will be granted. Such authorization may be only partial, *i.e.* limited to certain countries or indications. Once a MA has been obtained, products are subject to ongoing controls and their marketing may potentially be restricted, or they may be withdrawn from the market. Our products placed on the market may also be subject to regulatory developments, which in some cases could require a new registration and therefore the performance of new clinical trials.
Consequently, the current investments in respect of the development and launch of future products may involve costs that will not necessarily generate additional revenue.
Along with in-house R&D projects which are the subject of extremely defined processes and regular monitoring of the various projects underway, we also pursue a license acquisition policy allowing us to have access to new products ready to be marketed or projects under development that we oversee to completion. In the same way as with in-house R&D projects, there is always a risk that these projects will not be successful or that the commercial potential will prove to be less attractive than expected, possibly resulting in these assets being impaired.

Risk management mechanisms

We seek to limit these risks by first employing stringent selection criteria for the research and development projects in which we invest. Similarly, we use in-depth research to target the products for which licenses must be granted. Finally, we rely on the expertise of our Regulatory Affairs department which is responsible for filing, monitoring and renewing Marketing authorizations.
The animal health market is highly regulated and we display a very strong commitment to compliance by putting in place all necessary means to achieve it.

Risks associated with the emergence of a pandemic

Risk factors

Like all companies, we can be exposed to viral pandemic like the Covid-19 one.
Some of our suppliers or production sites could be located in areas with a higher circulation of the virus, which could consequently impact our production level. The same goes for our head office and our subsidiaries, where certain processes or the health of our employees could have been affected. Lastly, our business could also be affected by a global slowdown or economic standstill caused by the emergence of a pandemic. This could occur, for example, due to a drop in visits to veterinarians or to a strain on the distribution of products.

Risk management provisions
During the Covid-19 pandemic, a crisis unit had been set up to monitor the situation resulting from this pandemic, adapt critical processes and propose a continuity plan when possible. We also reviewed our inventory strategy.
In the event of a new pandemic, the Group would resume and adapt the measures already taken during the 2020 health crisis.

Risks associated with product compliance

Risk factors
Our Group may also be exposed to a temporary or permanent suspension of the operation of its products if they present, in the opinion of the competent authorities, a critical deviation from the regulations in force concerning them.

Risk management mechanisms
Our Group strives to ensure that our factories and manufacturing processes meet the highest level of compliance with existing benchmarks (Good manufacturing practices and others). We have defined and rolled out a quality management mechanism in all our manufacturing facilities worldwide. This mechanism helps to flag and correct any identified deviation between a manufactured product and its regulatory framework. The Quality Assurance department is responsible for defining and rolling out this system throughout our Group, and ensures proper implementation of the system by conducting its own audits. It also provides follow-up on action plans related to recommendations it may be called upon to make.

Risks associated with product liability

Risk factors
Our product liability may be questioned if adverse side effects from drugs occur (not detected during clinical trials prior to MA) or if any default in quality should occur. The consequences of such events could be the recall of marketed batches, or loss, temporary or permanent, of the MA. If our liability were to be confirmed relative to major claims, our financial position could be greatly affected, as well as our reputation. Drug recall costs would also be added in the event of a quality problem.

Risk management mechanisms
We constantly strengthen our pharmacovigilance procedures and our quality checks on all products that we market. In the context of pharmacovigilance procedures, we conduct a systematic review and regular analysis of the safety profile of our products to ensure the safe use of drugs by monitoring the side effects attributable thereto.
Moreover, we have product liability insurance that applies to all subsidiaries.

Risks associated with the distribution channels

Risk factors
We operate in a large number of countries, either through our subsidiaries or through distributors in countries where we do not have subsidiary. We have numerous distribution channels, and their characteristics depend on the country of marketing. However, our products are primarily distributed through wholesalers and purchasing groups which supply veterinarians. Despite the supervision of these relationships by contracts that are regularly revised, this distribution mode could create for our Group some dependency or insufficient control of our presence and our development.
Moreover, in certain countries the animal health sector has shown for some years now a trend towards the concentration of distributors and veterinarians within veterinary clinics networks. Likewise, new distribution channels, such as the Internet, for example, have appeared. We remain vigilant about these developments and their potential subsequent impacts on our revenue and margins.

Risk management mechanisms
To reduce our dependence on distributors and reduce the effects of potential consolidation, we have implemented a policy of securing our margins and consolidating our market positions. This policy involves systematically studying the possibility of bringing distribution in-house whenever sales are of a sufficient size in a given market. We then opt for the most appropriate solution, either acquiring our distributor or establishing a new distribution business. In 2024, we bought Mopsan, our historic distributor in Türkiye .
In more general terms, we strive to constantly adapt our marketing strategy in order to limit associated risks, and to take advantage of the opportunities which arise from these changes.

Risks related to increased competition

Risk factors
The animal health sector has become increasingly competitive. Our products are sold in competitive markets in terms of pricing, financial conditions and product quality.
We often face strong competitors larger than ourselves or with greater resources. A consolidation trend has emerged in recent years with the grouping of certain laboratories (through mergers or acquisitions, or through the sale of their animal health or human health activities). New forms of competition can also be seen, such as the verticalization of activities among certain large distributors, local development of innovative players in niche markets, or even new strategic partnerships between smaller market players. These developments could alter our competitive environment, thereby impacting volumes and/or prices.

Risk management mechanisms
We analyze and constantly monitor the movements of our competitors across all markets. We have a policy of external growth through acquisitions and/or partnerships, enabling us notably to participate in the on-going consolidation in the sector.
Furthermore, we remain on the lookout for opportunities that could arise from mergers between major players (divestment of businesses).

Risks related to the external growth policy of the Group

Risk factors
Since our inception, we have pursued an active external growth policy that has led us to be present today in many countries and to have a wide range of products. We aim to continue this policy in the future to bolster our geographic presence and product offerings.
This choice of growth through acquisition entails financial and operational risks, especially related to the valuation of assets and liabilities and the integration of employees, activities and products purchased.
These acquisitions involve, in particular, the following uncertainties:

- the assumptions of future profitability taken into account in valuations that could not be verified;
- we may not successfully integrate acquired companies and their product ranges.

This external growth can sometimes take the form of a partnership (joint-venture) whereby we do not directly or solely engage in managing the operations of the businesses in which we have invested. This situation may result in governance issues if the various shareholders are not aligned on strategic objectives.

Risk management mechanisms
We have defined a rigorous process for mergers and acquisitions to cover the analysis of potential targets and the integration of acquired companies:

- applying strict criteria for investment profitability;
- establishing expert, multidisciplinary teams, supported where necessary by external consultants, in charge of implementing in-depth due diligence.

This process requires the approval of the chief executive officer and/or the board of directors prior to any acquisition.
We now have experience gained from past acquisitions which allows us to understand a wide variety of situations related to this type of partnership.
For example, in 2024, we made a major acquisition with Sasaeah group in Japan, which required the implementation of a specific structured and sequenced integration process given the size of this acquisition.

Risks associated with the ability to attract and retain key talent

Risk factors
In France, the key skills sought for core functions (Industry/Quality Assurance/R&D) are in high demand throughout the pharmaceutical, human and veterinary medicine industries. In addition to competition amongst employers, the geographical location of the head office can represent a limitation to hiring, given the limited pool for spousal employment, coupled with the high cost-of-living in the region, particularly the cost of real estate.
Meanwhile, in emerging countries, the job market is very dynamic, and our size and reputation cannot always attract the best talent.

Risk management mechanisms
The ability to identify, recruit, integrate, develop and retain the key talent we need in order to achieve our development plan is a major challenge for our Group, not to mention a priority for the Human Resources department, which serves as a liaison with the main functional and operational departments in question.
With that in mind, the HR talent management strategy consists of repeatedly and continually pointing out the dynamic and competitive nature of our Group from a standpoint of career development and compensation, while stepping up our presence in schools and universities, as well as partnerships with major employment stakeholders in the industry.
So as to reinforce this strategy, over the last few years, we have developed an employer offering which formalizes internal and external communication in the Group as an employer. We now have a strong employer message to support our growth both in France and abroad by making retention of key talent one of our priorities.

Country risk

Risk factors
We are an international group, which may have to operate in countries subject to certain geopolitical and economic instability and in which we have production units.

Risk management mechanisms
We remain vigilant, and closely follow the level of political or economic instability in certain countries to anticipate possible response or prevention methods if the level were to reach a magnitude that could have a major impact on employees, assets or our operations.
Additionally, we use *Coface* hedging, the leading French insurance company specializing in export credit insurance to secure our operations in certain regions.

Financial risks

The financial risk management policy is controlled centrally by our 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 our 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.

Market risks

Currency exchange risks

- **Risk factors**

The currency risk arises from the impact of fluctuations in exchange rates on the Group's 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.

- **Risk management mechanisms**

Our policy is to hedge foreign currency risk on transactions when the extent of exposure and the risk of currency fluctuations are high. Accordingly, we use various instruments available on the market and generally employ foreign exchange forwards or options. The details associated with this risk are presented in note A33 of the consolidated accounts.

Interest rate risks

- **Risk factors**

Our income statement may be impacted by the interest rate risk. In fact, unfavorable rate changes can thus have a negative impact on our financing costs and future cash flows.
Our exposure to the interest rate risk arises from the fact that our main lines of credit are at variable rate; therefore the cost of debt may increase in the event of a rise in interest rates.

- **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. The details associated with this risk are presented in note A33 of the consolidated accounts.

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**

The policy of pooling surplus cash and funding needs in all areas helps to refine our net position and to optimize the management of investments and funding requirements, ensuring Virbac's ability to meet its financial commitments and maintain an optimal level of availability commensurate with its size and needs.
We ensure that our financing resources and surpluses cover our cash requirements and ensure compliance with our financial ratio (debt covenant).

Other financial risks

Fraud risks

- **Risk factors**

The Group could be victim of internal or external fraud that could lead to financial losses and affect our reputation.

- **Risk management mechanisms**

We are committed to strengthening internal control and give particular importance to making our employees aware of these issues. Our head office teams regularly give strong guidance and guidelines on this subject. Segregation of duties, as well as a central, regional and local management control mechanisms 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.
Virbac's code of conduct underscores our 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.

Credit risk

- **Risk factors**

Credit risk may arise when the Group grants 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 the Group's income statement and net cash position.

- **Risk management mechanisms**

The Group limits this type of risk thanks to the very high fragmentation and dispersal of its customers throughout all countries in which we operate. Based on the regulations in force, the Treasury department recommends the uses, the ratings, the credit-insurance limits, the maximum payment periods and sets credit limits for customers to be applied by operational entities. 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. Furthermore, there is a credit insurance group framework contract for which any subsidiary is or may be eligible when it comes to this kind of risk. The details associated with this risk are presented in note A33 of the consolidated accounts.

Counterparty risk

- **Risk factors**

The Group is exposed to counterparty risk within its contracts and financial instruments that we buy, in the event that the debtor refuses to honor all or part of his commitment or finds himself *in fine* unable to do so.

- **Risk management mechanisms**

We pay particular attention to the choice of financial institutions we use, and 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. The details associated with this risk are presented in note A33 of the consolidated accounts.

Inflation risks

- **Risk factors**

The Group is exposed to a risk of inflation over its costs, which could reach such levels that we can no longer offset it through our price increases, our operational improvement and our product mix. This risk could lead to a loss of competitiveness of our business.

- **Risk management mechanisms**

We regularly follow-up on the trend in our purchase prices and the impact of inflation in order to anticipate and assess the magnitude of any potential impact. Our Corporate Sourcing department, in collaboration with the management of Management Control, pays a special attention to the negotiation of our contracts. We also make every effort to adjust our selling prices in line with the impacts of inflation, and we also monitor changes in our selling prices on a regular and frequent basis. We work to optimize our product mix to optimize our margin, and we implement productivity improvements whenever possible.

Industrial and environmental risks

Because of our activities carried out in various strategic sites worldwide, we are subject to industrial and environmental risks which could result in significant additional operating costs and liability in case of fire or explosion.
The ultimate risk would be temporary or permanent closure of a site for non-compliance with certain rules or following a major incident.
However, we pay a particular attention to industrial risk prevention and environmental protection, in line with our social and environmental policy.
The responsibility for industrial risk management falls mainly to the line managers, who monitor compliance with regulations and standards in this field by implementing operating procedures, quality systems and a series of security measures, as defined and dictated by our Group, in cooperation with our insurers.
More information regarding the industrial and environmental risk factors related to our activities can be found in the Sustainability statement on pages 10 *et seq.*

Risks related to the use of hazardous materials

Risk factors

As part of our veterinary medicine manufacturing business, we use substances that present health, fire and/or explosion, air pollution and spillage risks during the various phases of the production and marketing processes

(R&D, manufacturing, storage and transport). These risks could, should they materialize, cause damage to persons, property and the environment.

Risk management mechanisms
To limit these risks, and as a minimum, we comply with the safety measures required by the laws and regulations in force, implement Good manufacturing and laboratory practices, and ensure that our employees are trained. Our manufacturing sites and research and development facilities are also regularly inspected by regulatory authorities.

Risk of business interruption due to equipment or strategic facilities losses or downtime

Risk factors
Like any industrial activity, our production sites are exposed to the possibility of unforeseen incidents that could result in the temporary suspension of production or permanent closure of the site.
These potential incidents are of various types: fire, machine breakdown, explosion, natural disaster, contamination, malicious acts or storage of hazardous materials.
Furthermore, considering the specific nature of the pharmaceutical industry, a national health authority may be called upon in certain situations to impose an administrative business suspension. This may affect our ability to achieve our goals, depending on the potential length of such a suspension.

Risk management mechanisms
We have developed a process to ensure safety in our industrial facilities. The probability of such events occurring and any related potential impact production levels and profits are therefore limited by the following measures:

- buildings are in compliance with regulatory safety requirements (*e.g.* standardized fire detection systems on the sites);
- annual audits of facilities are performed;
- insurers make preventive visits and audits;
- ongoing investments are made to improve and secure production-related operations activities.

The Global Industrial Operations, Supply Chain and Sourcing department aims to develop and sustain the production assets over time. This allows, on one hand, to comply with all applicable local regulations, and on the other hand, to create conditions for greater flexibility and synergy with our different production sites. The creation in 2023 of the Compliance and Corporate Quality Assurance department independent from the Global Industrial Operations department strengthened internal control of these strategic topics for our Group. Additionally, in the past few years, we have significantly enhanced our industrial and quality assurance processes at the St. Louis site in the United States, which led the FDA in 2019 to confirm the GMP status of this site after an audit. Finally, we have taken out operating loss insurance, which also covers for losses incurred as a consequence of a deficiency from our suppliers.

EHS risks (Environment, health and safety)

Risk factors
As part of our activities, we are subject to a set of regulations related to health, safety and environmental issues.
The majority of the production sites in France are subject to operating regulations issued by the supervisory authorities.
These regulations include requirements that our sites must meet regarding environmental matters, including waste management, the volume and quality of water discharges, and safety and risk prevention rules.
The operating regulations to which our sites are subject are at declaration or authorization level. No site is subject to regulation of the European Seveso directive.
Failure to comply with these regulations could result in fines and financial burden and potentially lead to the closure of a site by the administrative authorities.
Meanwhile, given the nature of our activity, we may have an impact on the environment even if it does not cause visual, noise or olfactory pollution.
Finally, given the nature of our industrial activities, the possibility of an accident occurring at the workplace (either conventional or related to the risk of contamination by products) cannot be ruled out, even if the dangerousness of such activities must be appreciated with regard to other industries considered more dangerous.

Risk management mechanisms
Protecting the environment and the safety of our employees are among our key priorities.
We pay special attention to ensure that our different sites comply with existing regulations. We have an EHS department whose mission is to guide and assist the operational departments in developing and maintaining an adequate level of protection for people and the environment.
Practically, the exposure of employees is covered by specific measures presented on pages 73 to 83 of the annual report:

- defining a clear and precise safety organization;
- establishing a prevention policy and a continuous improvement approach.

For this purpose, we have pursued the implementation of tools and means of support for all teams thanks to:

- the Reflex Prevention approach (awareness-raising and training of employees in work safety);
- the analysis of accidents in the workplace as a performance indicator;
- medical evaluation before each recruitment (for instance in the United States).

Finally, we take EHS matters into account during the due diligence of acquisition of new industrial sites.

Risks associated with the effects of climate change

Risk factors
We have not identified any significant financial risk associated with the short-term effects of climate change.
Currently, only three subsidiaries have their activity somehow exposed to climate effects. These are South Africa, India and Australia: long periods of drought, or alternatively floods, could impact the financial situation of their customers (mainly farmers), resulting in repercussions on the farm animal activity of these subsidiaries.

Risk management mechanisms
Generally speaking, we are strongly committed to preserving the environment. We therefore place particular importance on measures to reduce our carbon footprint, particularly in terms of energy consumption (see Sustainability statement pages 10 to 119).

Risks related to investment projects

Risk factors
We have approved an unprecedented investment plan for the coming years to renew and expand our production and R&D capacities, particularly in France. In this context, our Group is exposed to numerous risks that could impact the execution and profitability of these projects.
The complexity and size of these projects, their number, changes in standards to be considered, as well as operational risks related to execution and co-activity, can lead to delays and/or additional costs.

Risk management systems
Proactive management of these risks is essential to ensure the success of our investment projects and value creation for the Group. To minimize these risks, the company has implemented a risk management system integrated into its project management process, including:

- a rigorous risk assessment upstream of projects, with the identification of risk scenarios and their potential impacts;
- regular risk monitoring throughout the duration of projects, with key performance indicators and mitigation action plans.

A Strategic Projects & Engineering department within the Global Industrial Operations department management team was established in 2024 to strengthen the overall governance of the Group's investment projects.
Each investment project is also subject to contractual and insurance security to cover the risks associated with each operation.

Legal risks

We give special importance to legal risk management, particularly given the complexity and growing intensity of the competitive and regulatory environment and our growth. The Legal department oversees the prevention and management of legal risks in conjunction with other departments and operational teams.

Risks related to the maintenance of intellectual property rights

Risk factors
Our success rests largely on our ability to obtain and effectively protect our intellectual property rights and, in particular, our brands, our registration files, formulae, technology and our trademarks.
We incur a dual risk: the risk of a competitor attacking or exploiting our intellectual property rights, and the risk of being sued for infringement by third party rights holders.

Risk management mechanisms
The protection of our intellectual property relies on two departments working in close collaboration.
Within the R&D department, the role of the patents team includes:

- drafting and filing patent applications related to innovative techniques or products;
- monitoring the competition in order to guard against abusive use of rights by a third party;
- analyzing third party patents from the development phase of new products in order to avoid exposure to a possible infringement situation.

The Legal department oversees, across the Group, the selection, registration and protection of the various brands and registered domain names, opposes third-party brands that could be infringing on the Group's rights and manages all disputes related to intellectual property. It also protects our patterns and models and raises awareness among the various players in the company about the need to respect the rights of third parties.

Risks related to regulatory changes

Risk factors
Regulatory risks arise from our exposure to changes in laws and regulations, particularly those regarding public health policies. Any changes in legislation may impact our profits and financial position.
We must obtain and retain Marketing authorizations required for the manufacture and sale of our products. Given our international presence, those regulatory authorizations are issued by authorities or agencies in several

countries. Withdrawal of a previous authorization or not obtaining authorization for a new product may have an adverse effect on our operating profits.
It should be noted that the pharmaceutical industry is subject to increased attention from authorities and the public, which results in the regular issuance of tougher governing rules.

Risk management mechanisms
Each of our functional and operational department is responsible for implementing an ongoing monitoring mechanism in order to identify or anticipate any regulatory change which could impact our activities.
Where appropriate, each department may be required to rely on local experts in those countries where our Group distributes its products.
A Group Regulatory and Public Affairs department provides permanent monitoring of the pharmaceutical regulations to which our Group is subject.

Risk of litigation

Risk factors
Our company is established worldwide. In the conduct of our business, we may be involved in disputes, legal, arbitration or administrative proceedings and class actions anywhere in the world. All significant disputes are routinely assessed and managed by the Legal department, with the assistance, where necessary, of external consultants.

Risk management mechanisms
We consider that the provisions recorded in the accounts in respect of these disputes are sufficient to cover the exposed financial risk if convicted.
As of the date of this annual report and to our knowledge, there is no current legal proceeding in which our company would be threatened that could have significant effects on the financial position or profitability of the Group.

Operational risks

By their very nature, our different activities, encompassing the entire value chain in the sector, expose us to various operational risks. The Global Industrial Operations and Corporate Quality Assurance department, as well as Corporate Sourcing, contribute to securing the associated risks.

Risks of dependence on third parties for supply or manufacturing of certain products

Risk factors
The majority of raw materials and active ingredients forming the composition of products that our company manufactures are provided by third parties.
In certain cases, we also use contract manufacturing organizations or industrial partners who have production capacities or expertise in particular technologies.
But there are, for certain supplies or certain technologies, situations where diversification is difficult if not impossible, which could then result in a risk of shortages or price pressures. These single-sourcing cases are structural and characteristic of the pharmaceutical industry.

Risk management mechanisms
The selection of suppliers is performed according to strict criteria and, to the extent possible, we diversify our sources by referencing multiple vendors, while ensuring that these sources provide sufficient characteristics of quality and reliability. To limit these risks, we have broadened our approach to identify 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 too high a dependency.
Whatever the solution adopted, we systematically ensure upstream the sustainability of the source. In addition, we have regularly updated the mapping of our major suppliers, including contract reviews and an analysis of possible alternative sources.

Risks related to safety and reliability of information systems

Risk factors
Our business is based in part on highly integrated information systems. Failure of these systems could directly impact our business and our profit. Other risk factors may be considered, such as intrusion, piracy, theft of knowledge, know-how or confidential information, system shut-down of one or more systems following a computer failure, obsolescence of a part of the IT system (application, server, etc.) as well as regulatory developments particularly linked to the Internet (licenses and copyright, personal data, etc.).

Risk management mechanisms
Our Group Information Systems department (ISD) ensures the ongoing security of the information systems and networks. The areas covered are:

- organization and general security of information systems;
- physical security (intrusion, accidents);
- networks (local, remote, internet);
- the availability of applications and data.

The ISD regularly develops and updates all measures to preserve the confidentiality of data, protect information systems against intrusion and minimize the risk of interruptions of service (backup, redundancy and server backup procedures, disaster recovery plan, and so forth).
In addition, an IT systems-use code is applied to all our employees.

Insurance and risk coverage

General coverage policy

Our insurance policy is underpinned by a risk prevention and protection approach specific to our activities.
We regularly review our insurable risks and financial coverage with the assistance of an international broker who is part of an integrated network. In this regard, all contracts have been harmonized at Group level, and the parent company provides assistance and support to the subsidiaries as part of its international insurance programs for the establishment of local insurance policies.
The broker ensures coordination and control of these programs in conjunction with its local contacts.
Insurable risks are covered by our Group insurance policies with a level of coverage that we deem appropriate, given our circumstances, barring any wholly unforeseeable events.
During acquisitions, we carry out a preliminary analysis of the target company's coverage and then work on its integration into our international programs.

Insurance programs

The international damage and operational losses insurance program, as well as the general third-party liability and product liability international insurance program, cover our entire Group.
A single Group-wide international transport insurance program covers all goods transported across the globe under the responsibility of Virbac or its subsidiaries.
The coverage levels were set on the basis of our risk profile. Despite unequal local resources, this centralization of our risks coverage provides a better level of protection for all our entities, while realizing economies of scale.
Property, buildings and equipment are insured against damage based on full replacement value, purchase price or production cost of merchandise and operating losses based on the loss of gross margin.
Our main production facilities are subject to a prevention inspection program conducted by the leading insurance company's Risk Studies and Prevention department as part of the damage and operational losses program. The same applies to following-up our investment projects so that we can integrate the most appropriate risk management measures into our new facilities.
We do not have a captive insurance or reinsurance company.

TRADING IN COMPANY SHARES

Pursuant to the provisions of articles L621-18-2 of the French monetary and financial code and 223-26 of the general regulations of the *AMF*, we hereby present a summary of the transactions carried out during the past financial year by managers and related parties in respect of which the Group was notified.

By corporate managing officers and related parties

	Number of shares	Cumulated amount of transactions
Sébastien Huron		
Purchases	None	None
Sales	6,016	€2,195,906

By members of the board of directors and related parties

	Number of shares	Cumulated amount of transactions
Purchases	None	None
Sales	None	None

Prohibition periods preceding the publication of annual and interim financial statements

At the beginning of each year, the company communicates to all persons concerned, including corporate officers, the prohibition periods provided for in article 19.11 of regulation 596/2014 with regard to the publication of annual or half-year financial statements and the prohibition periods defined by the *AMF* recommendation (DOC 2016-08) for quarterly financial statements. The same people also receive a reminder message at the beginning of each prohibition period.

SHARE CAPITAL STRUCTURE

As of December 31, 2024

	Shares number	Voting rights number	Capital share	Voting rights share
Dick family group	4,203,226	8,403,507	50.09%	66.21%
Company savings plan	48,029	93,839	0.57%	0.74%
Public	4,123,339	4,195,519	49.14%	33.05%
Treasury shares	16,066	—	0.20%	—%
Total	**8,390,660**	**12,692,865**	**100.00%**	**100.00%**

During the meeting held on September 13, 2024, the board of directors, acting on the authorization granted by the shareholders' meeting on June 20, 2023, decided to reduce the share capital by canceling 67,340 treasury shares, acquired under the share buyback program authorized by the same shareholders' meeting.
As of December 31, 2024, the share capital is divided into 8,390,660 shares of €1.25 each, fully paid-up.

As of December 31, 2023

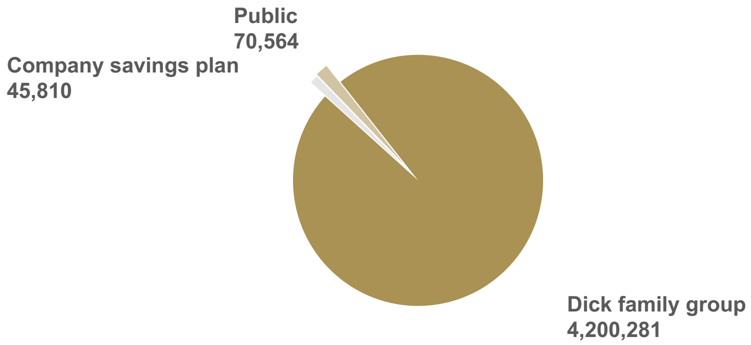
	Shares number	Voting rights number	Capital share	Voting rights share
Dick family group	4,203,226	8,403,507	49.70%	66.24%
Company savings plan	47,683	93,262	0.56%	0.74%
Public	4,118,810	4,190,198	48.70%	33.02%
Treasury shares	88,281	—	1.04%	—%
Total	**8,458,000**	**12,686,967**	**100.00%**	**100.00%**

Delegation granted by the shareholders' meeting concerning capital increases

There is no delegation of authority granted by the shareholders' meeting in the area of capital increases.

Information likely to have an impact in the event of a public offering

Pursuant to article L22-10-11 of the French commercial code, it should be noted that certain shares have special control rights. A double voting right is granted to all shareholders holding their registered shares for at least two years. The following shares carry double voting rights:



Treasury shares (16,066 shares) carry no voting rights.

Thresholds crossed

As of April 22, 2024, Grandeur Peak Global Advisors, LLC declared having sold 3,091 Virbac shares and holding 251,056 shares, representing 2.97% of the share capital of the company.

Furthermore, on August 29, 2024, Ameriprise Financial Group declared having crossed the 1% threshold of Virbac's share capital upwards. On that date, it held 96,574 shares, representing 1.142% of the total number of shares and 0.756% of the voting rights.

STOCK MARKET DATA

Shareholder structure and stock market performance

Virbac provides regular, clear, and transparent information to its individual and institutional shareholders, as well as to their advisors (financial analysts).
This information is provided through financial notices published in the national press, press releases published on financial websites and the *AMF* website, as well as through the Group's quarterly revenue and half-yearly results publications.

in €	2020	2021	2022	2023	2024
Highest share price	244.00	448.50	442.00	363.50	400.00
Lowest share price	132.20	200.50	215.00	228.00	306.00
Average share price	198.68	310.68	331.62	280.05	347.66
Closing share price	238.00	424.50	228.00	359.50	316.50

Employee holdings in share capital

Pursuant to article L225-102 of the French commercial code, the employees of the company and companies associated with them owned 73,443 Virbac shares, representing a share capital of 0.88%, which were held through an employee savings plan and registered performance-related stock grants as of December 31, 2024.

Relations with individual investors

The corporate.virbac.com website has a financial information section that is regularly updated. It allows Group financial information to be obtained and downloaded: press releases, annual and interim financial statements and annual reports. Internet users may also email questions pertaining to Group financial matters to finances@virbac.com.
Since 2007, in accordance with the obligations of the transparency directive and the general regulation of the *AMF*, the Investors part contains all of the information required by the directive.

Relations with institutional investors

The corporate managing officers are widely involved in communicating with the investors and analysts they meet over the course of the year, primarily in the Paris and London markets.
Analyst meetings and conference calls are arranged to coincide with the publication of results, acquisitions or other major events for the Group.
The Financial Affairs department is available to answer any questions investors and analysts may have regarding the Group's strategy, products, published results or major events.

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 2065 m 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. Firmly established 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 consequence, 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 Sébastien Huron's departure, was appointed interim executive chief officer by the board of directors, giving the appointments and compensation 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, 2024, 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, 2024, 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).

Acquisition of Globion India Private Ltd

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.

Acquisition of Mopsan Veteriner

On December 2, 2024 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	Concessions, patents, licenses and brands 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 the 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 cancelled 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	**20,358**

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 recognized 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 less than 1 year	from 1 to 5 years	more than 5 years	Total
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 less than 1 year	from 1 to 5 years	more than 5 years	Total
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 due to the timing of payment (-€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 cyberattack 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

in € thousand	2024		2023	
	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 & 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 can not be considered as an operating segment 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	IMEA	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	IMEA	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	IMEA	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	IMEA	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 counter-party 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 counter-party risk to be limited, considering the quality of our major counter-parties. 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 counter-parties.

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 giving 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 & 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/ region	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/ region	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

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Virbac's annual general meeting,

OPINION

in compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Virbac for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2024 and of the results of its operations for the year then ended in accordance with International financial reporting standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the audit committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Our responsibilities under those standards are further described in the "Statutory auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French commercial code (*Code de commerce*) and the French code of ethics (*Code de déontologie*) for statutory auditors, for the period from January 1, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of regulation (EU) n°537/2014.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of articles L821-53 and R821-180 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as how we addressed those risks.
These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on specific items of the consolidated financial statements.

Key audit matter: measurement of goodwill and indefinite-life intangible assets on Chile CGU (notes A1, A2, A3)

As of December 31, 2024, goodwill and indefinite-life intangible assets are recorded in the Group's consolidated balance sheet in the amount of €276.6 million and €144.5 million, respectively.
Goodwill of the Chile CGU is valued at €22.9 million, as presented in the note A1 "Goodwill" to the consolidated financial statements.
The indefinite-life intangible assets of this CGU mainly consist of trademarks, patents, know-how, Marketing authorizations and registration fees.

At least once annually or whenever there is indication of loss in value, management verifies that the value in use of these assets (based on estimated discounted future cash flows) exceeds their net carrying amount in order to ensure they do not present a risk of loss in value. Impairment testing methods implemented and a breakdown of the assumptions adopted are presented in the "Goodwill" and "Intangible assets" sections of the "Accounting principles and methods" note and note A3, "Impairment of assets" to the consolidated financial statements.
The impairment tests performed by management on the assets of the Chile CGU require management to make significant judgments and assumptions, notably concerning:

- forecast future cash flows and particularly forecast sales and future costs;
- discount rates and long-term growth rates used to forecast these flows.

Accordingly, a change in these assumptions is likely to modify the value in use of these assets.

We considered the measurement of goodwill and indefinite-life intangible assets, of the aforementioned CGU, to be a key audit matter due to the inherent uncertainties surrounding the realization of forecasts underlying the calculation of value in use and also due to their materiality in the consolidated financial statements.

Our response

We obtained the most recent business plans from management and impairment tests for the CGUs and group of CGUs. Using this information, we performed a critical review of the implementation of this methodology and the following procedures on the Chile CGU:

- we assessed the reasonableness of the key assumptions adopted for:
  – determining the cash flows with respect to the economic and financial context in which the CGU operates. We also analyzed the consistency of these cash flow forecasts with the most recent management estimates, as presented to the board of directors in the budget process, it being specified that the board of directors approves the main business plans;
  – determining the long-term growth rate underlying these flows, substantiating it with external market analyses;
- we assessed the discount rates adopted by management with the help of an appraisal firm, comparing it with our own estimated rates, prepared with the assistance of our valuation specialists;
- we tested the calculations and the consistency of the impairment testing structure based on procedures performed by our valuation specialists;
- we compared forecasts adopted for prior periods with the corresponding actual results to assess the attainment of past objectives;
- we tested the arithmetical accuracy of the impairment tests performed on the Chile CGU by the company;
- we obtained and reviewed sensitivity tests performed by the management;
- we also performed our own sensitivity tests to verify that sensitivity tests based on reasonably possible changes in key assumptions would not give rise to asset impairment;
- we assessed the appropriateness of the disclosures in the "Goodwill" and "Intangible assets" paragraphs of the "Accounting principles and methods" note and Notes A1 and A3 to the consolidated financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the board of directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATIONS

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be

included in the annual financial report mentioned in article L451-1-2, I of the French monetary and financial code (*Code monétaire et financier*), prepared under the responsibility of chief executive officer, complies with the single electronic format defined in the European delegated regulation n°2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.
Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the *AMF* are in agreement with those on which we have performed our work.

Appointment of the statutory auditors

We were appointed as statutory auditors of Virbac by your annual general meeting held on June 29, 1998 for Novances David & Associés and on June 30, 2004 for Deloitte & Associés.
As at December 31, 2024, Novances - David & Associés was in the twenty-seventh consecutive year of mandate without interruption and Deloitte & Associés was in the twenty-first consecutive year of mandate without interruption.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International financial reporting standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.
The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.
The consolidated financial statements were approved by the board of directors.

STATUTORY AUDITORS’ RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L821-55 of the French commercial code, our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the audit committee

We submit a report to the audit committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the audit committee with the declaration provided for in article 6 of regulation (EU) n°537/2014, confirming our independence pursuant to the rules applicable in France such as defined in particular by articles L821-27 to L821-34 of the French commercial code and in the French code of ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Nice and Marseille, April 28, 2025

The statutory auditors

French original signed by

Novances-David & Associés	**Deloitte & Associés**
Jean-Pierre Giraud	Hugues Desgranges Jérémie Perrochon

Statutory accounts

FINANCIAL STATEMENTS

Balance sheet - Assets

in € thousand	Notes	Gross amount	Depreciation and provisions	2024 Net amount	2023 Net amount
Concessions, patents, licenses and brands		144,386	107,788	36,598	9,897
Other intangible assets		6,734	442	6,292	30,790
Intangible assets	**B1**	**151,120**	**108,230**	**42,890**	**40,687**
Land		8,247	—	8,247	8,247
Buildings		128,198	87,138	41,060	41,072
Technical facilities, materials and industrial		137,818	92,864	44,954	45,175
Other tangible assets		7,518	5,802	1,716	1,737
Prepayments on assets and assets in progress		53,041	—	53,041	19,670
Tangible assets	**B2**	**334,822**	**185,804**	**149,018**	**115,901**
Shares in companies and other receivables		575,943	25,106	550,837	383,516
Other long-term securities		—	—	—	—
Loans		329,765	—	329,765	78,636
Other financial assets		613	—	613	18,119
Financial assets	**B3**	**906,321**	**25,106**	**881,215**	**480,271**
Total fixed assets		**1,392,263**	**319,140**	**1,073,123**	**636,859**
Raw materials		61,009	2,820	58,189	49,195
Work in progress		133	—	133	27,228
Goods for resale		7,308	103	7,205	—
Semi-finished and finished goods		49,469	2,527	46,942	16,563
Inventories and work in progress	**B4**	**117,919**	**5,450**	**112,469**	**92,986**
Trade receivables and related accounts		103,438	77	103,361	108,341
Employee-related receivables		37	—	37	25
Income tax receivables		15,120	—	15,120	19,758
Other social and state receivables		12,256	—	12,256	12,420
Other receivables		83,957	—	83,957	75,672
Current receivables	**B5**	**214,808**	**77**	**214,731**	**216,216**
Advances and prepayment on orders		967	—	967	324
Marketable securities	**B6**	4,071	—	4,071	6,740
Available funds	**B7**	1,456	—	1,456	22,511
Cash and cash equivalents		**6,494**	**—**	**6,494**	**29,575**
Prepaid expenses		6,967	—	6,967	6,086
Deferred charges		487	—	487	379
Unrealized foreign exchange losses		18,074	—	18,074	10,534
Accruals and other assets	**B8**	**25,528**	**—**	**25,528**	**16,999**
Total assets		**1,757,012**	**324,667**	**1,432,345**	**992,635**

Balance sheet - Liabilities

in € thousand	Notes	2024	2023
Share capital		10,488	10,573
Share premium and paid-in capital		6,534	6,534
Legal reserve		1,089	1,089
Regulated reserves		36,287	36,287
Other reserves		18,940	36,396
Retained earnings		627,520	577,283
Result for the period		233,814	61,292
Investment grants		1,229	1,449
Regulated provisions		36,115	32,061
Equity	**B9**	**972,016**	**762,964**
Conditional advances		—	—
Other equity		**—**	**—**
Provisions for contingencies		15,773	11,728
Provisions for foreign exchange losses		12,419	14,515
Provisions for litigations		—	—
Provisions for liabilities and charges	**B10**	**28,192**	**26,243**
Bonds		—	—
Bank borrowings		203,623	18,736
Bank overdrafts - current		3,593	2,214
Bank overdrafts - other		—	—
Other borrowings and financial liabilities		15,431	16,472
Related borrowings and financial liabilities		58,910	51,912
Financial liabilities	**B5 & B11**	**281,557**	**89,334**
Trade payables and related accounts		67,074	75,249
Employee-related payables		23,533	21,121
Social payables		11,316	10,620
Income tax payables		9,862	—
Value added tax		242	43
Other social and state payables		4,413	3,871
Payables to fixed assets suppliers and related accounts		21,664	—
Other payables		1,417	1,669
Current liabilities	**B5**	**139,521**	**112,573**
Prepaid income		—	89
Unrealized foreign exchange gains		11,059	1,432
Accruals and other liabilities	**B12**	**11,059**	**1,521**
Total liabilities		**1,432,345**	**992,635**

Income statement

in € thousand	Notes	2024	2023	*Variation*
Sales of goods		130,499	104,103	
Production sold: goods and services		281,701	274,425	
Net sales	**R1**	**412,200**	**378,528**	***8.9%***
Production transferred to inventory		13,668	-703	
Capitalization of expenses		5,742	4,480	
Government grants		34	60	
Reversals of provisions and depreciations, expense transfers		10,880	5,492	
Other operating income		2,334	4,994	
Operating income	**R2**	**32,658**	**14,323**	***128.0%***
Purchases of goods		-62,583	-61,517	
Change in inventories		24,157	—	
Purchases of raw materials and other supplies		-78,188	-63,637	
Change in inventories (raw materials and supplies)		-17,558	2,843	
Other purchases and external expenses		-139,568	-124,428	
Taxes and other contributions		-8,493	-6,868	
Wages and salaries		-79,719	-73,129	
Social contributions		-41,041	-34,006	
Depreciations and provisions of fixed assets		-20,022	-18,759	
Provisions for current assets		-5,497	-4,730	
Provisions for risks and charges		-3,532	-5,247	
Other operating expenses		-5,264	-10,037	
Operating expenses	**R2**	**-437,308**	**-399,515**	***9.5%***
Net operating income		**7,550**	**-6,664**	***-213.3%***
Dividends received		141,693	66,037	
Other interest receivable and similar income		12,525	12,398	
Reversals of provisions and expense transfers		113,059	8,574	
Foreign exchange gains		30,247	10,736	
Net income on the disposals of marketable securities		50	1	
Financial income	**R3**	**297,574**	**97,746**	***204.4%***
Depreciations and provisions		-24,036	-19,009	
Other interest paid and similar expenses		-5,563	-2,332	
Foreign exchange losses		-32,871	-13,637	
Net expenses on the disposals of marketable securities		—	—	
Financial expenses	**R3**	**-62,470**	**-34,978**	***78.6%***
Net financial income		**235,104**	**62,768**	***274.6%***
Profit before tax		**242,654**	**56,104**	***332.5%***
Non-recurring income from operations		—	461	
Non-recurring income from capital transactions		353	372	
Reversals of provisions and expense transfers		4,801	5,059	
Non-recurring income	**R4**	**5,154**	**5,892**	***-12.5%***
Non-recurring expenses from operations		—	-417	
Non-recurring expenses from capital transactions		-2,360	-1,810	
Depreciations and provisions		-7,855	-7,600	
Non-recurring expenses	**R4**	**-10,215**	**-9,827**	***3.9%***
Net non-recurring income		**-5,061**	**-3,935**	***28.6%***
Employee profit-sharing		-5,382	-3,780	
Income tax	**R5**	1,603	12,903	
Result for the period		**233,814**	**61,292**	***281.5%***

Cash flow statement

in € thousand	2024	2023
Result for the period	**233,814**	**61,292**
Elimination of depreciations and provisions	-67,425	36,406
Elimination of gains and losses on disposals	2,227	1,718
Other income and expenses with no cash impact	-337	-53
Cash flow	**168,279**	**99,363**
Effect of net change in inventories	-19,484	-1,324
Effect of net change in trade receivables	4,980	-17,812
Effect of net change in trade payables	12,723	-12,496
Effect of net change in other receivables and payables	17,046	12,449
Effect of change in working capital requirements	**15,265**	**-19,183**
Net cash flow generated by operating activities	**183,544**	**80,180**
Acquisitions of intangible assets	-8,879	-13,685
Acquisitions of tangible assets	-47,382	-27,937
Acquisitions of financial assets	-342,618	-31,651
Disposals of intangible and tangible assets	16,392	28,472
Net flow allocated to investing activities	**-382,487**	**-44,801**
Dividends paid to the owners of the parent company	-11,054	-11,145
Increase/decrease in capital	—	—
Merger premium	—	—
Other increases related to merger	—	—
Investment grants	—	-123
Other equity	—	—
Issuance/repayments of debt	184,891	-1,964
Net cash from financing activities	**173,837**	**-13,232**
Change in cash position	**-25,106**	**22,147**

Statement of change in cash position

in € thousand	2024	2023
Marketables securities	-2,669	2,113
Available funds	-21,054	21,871
Change in cash position assets	**-23,723**	**23,984**
Bank overdrafts - current	-1,383	-1,837
Change in cash position liabilities	**-1,383**	**-1,837**
Net change in cash position	**-25,106**	**22,147**

APPENDICES TO THE STATUTORY 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.

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 Sébastien Huron's departure, was appointed interim executive chief officer by the board of directors, giving the appointments and compensation 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.

Events subsequent to the financial year-end

There is no significant event after the closing date.

Accounting rules and methods

The accounts for the financial year ended December 31, 2024 have been prepared and presented in accordance with the accounting rules, in compliance with the principles provided for by articles 120-1 *et seq.* of the 2014 General accounting plan (GAP). The basic method used for the evaluation of the items recorded in the accounts is the historic costs method. The accounting conventions have been applied in compliance with the provisions of the French commercial code, the accounts decree of November 29, 1983 and the French accounting standards authority (*ANC*) regulation 2014-03 pertaining to the rewriting of the 2014 General accounting plan applicable to the financial year-end, amended by *ANC* regulation 2015-06 of November 23, 2015. Regulation 2015-05 of July 2, 2015 which supplements *ANC* regulation 2014-03 was applied from the 2017 financial year. *ANC* regulation 2018-01 concerning changes in methods, estimates and correction of errors is applicable to financial years beginning October 9, 2018.

Intangible assets

This section includes the business goodwill, Marketing authorizations, patents, licenses acquired by the company and the costs of filling external trademarks which are registered and appear under assets in the balance sheet for their original value as long as these trademarks are exploited. These fixed assets are valued at the historic acquisition cost, which corresponds to the acquisition price and the acquisition costs or at the actual production cost in the case of assets produced internally. The loan costs associated with the acquisition or the production of the assets are not capitalized. The patents, licenses and concessions are depreciated on a straight-line basis over their economic useful lives when they can be estimated.
The potential impairment of intangible assets not being depreciated is examined at least once a year. An impairment test is carried out irrespective of any indication of a loss in value. It combines a fair market value approach (estimate of fair value) and a future cash flow approach (estimate of value in use). Those are calculated on the basis of five-year estimates. The discount rate used for these calculations is based on the weighted average cost of the Group’s capital. This is a post-tax rate applied to post-tax cash flows. For the 2024 fiscal year, the discount rate used for France is 8.5%.

The other intangible assets include, in particular, computer software:
- standard office software is amortized on a straight-line basis, as soon as it is capitalized, over four years, which corresponds to its economic useful life;
- expenditure items relating to information technology projects that, in addition to license acquisition costs, include significant consultancy expenditures are recorded as assets as and when they are incurred. These information technology projects are depreciated on a straight-line basis, starting as soon as the information system is operational.

Research and development costs are fully booked as expenses.

	Depreciation period of intangible assets
Trademarks	non-depreciable
Patents, licenses and know-how	between 10 and 15 years
Marketing authorizations	between 10 and 15 years
Distribution rights	contract duration
Softwares	4 years
Movex ERP software	between 7 and 14 years
Other intangible assets	between 4 and 10 years

Tangible assets

Tangible assets are recorded at cost and include incidental costs. The loan costs associated with the acquisition or the production of the assets are not capitalized.
We proceed as follows:
- breakdown by components (buildings and fittings);
- breakdown by components of the industrial equipment with a gross value over €50,000;
- definition of depreciation schedules according to useful lives.

The depreciation periods applied correspond to the economic useful lives summarized in the table below.
Furthermore, we continue to use the useful lives defined by the tax authorities and, where possible, apply the declining balance depreciation method. The differences resulting from the application of specific fiscal depreciation methods and periods, including the declining balance, are recorded as non-recurring depreciations.

	Depreciation period of tangible assets
Buildings	between 10 and 40 years
Facilities	between 10 and 20 years
Equipments	between 5 and 20 years
Other tangible assets	between 4 and 10 years

Financial assets

Shares in company

Shares in company basically correspond to capital investments in the subsidiaries and are recorded at cost, excluding incidental expenses. Incidental acquisition costs booked as expenses in the financial year are fiscally restated and their deduction is spread over five years.
At the end of each financial year, a provision may be made to reflect the impairment of the value of a subsidiary's securities. To do so, we perform an impairment test. The method used is to compare the gross value of the securities held in our accounts with the net equity of our subsidiaries.
If the value of the securities is less than the net equity, no provision is recorded. On the other hand, if the net equity is less than the value of the securities on the balance sheet, two scenarios arise:
- for subsidiaries on which an impairment test is carried out, we justify, where appropriate, the economic surplus value using the result of this test;
- for subsidiaries where no test is carried out, a five-year business plan is prepared to justify, where appropriate, the non-recognition of the impairment. This business plan is created in the same way and with the same assumptions as those used for impairment tests.

Other financial assets

The loans to subsidiaries are recorded at historic cost. A provision for impairment is recorded when there is an objective indication of loss of value, resulting from an event occurring after the asset's initial recognition.

Operating assets

We value inventories of raw materials at the standard annual purchase price, the cost including a percentage of incidental purchase costs. For each receipt transaction or invoice reconciliation, the actual versus standard variations are recorded. A provision for impairment is made when the products have expired or are unusable from a quality point of view, or if there is a probability that these products will not be used before their expiry date.

The semi-finished and finished products are valued at their standard manufacturing cost, including direct and indirect production costs. At the end of each manufacturing order and update of material and labor consumption, the variations versus the actual are recognized. A provision for impairment of finished products is applied when the realizable value or the prospects for sale of these products – assessed according to the market - appear lower than the gross inventory value.

An inventory of spare parts (included in the balance sheet in the "Raw materials" line) is also valued at average weighted cost at the close of the financial year. An impairment loss may be recognized on the equipment according to the age of the parts and the likelihood of use.

Receivables and payables

Receivables and payables are valued at their nominal value. Where applicable, receivables are entered at a loss in value by means of a provision to reflect any difficulties in recovering outstanding amounts.

Sales are recorded at the time of transfer of ownership, which normally occurs at the time of delivery of the asset. Trade receivables assigned through the factoring program are classified on the balance sheet as a reduction of trade receivables by the counterparty of a dedicated miscellaneous receivables account. This account is settled at the time of collection of the financing, after deduction of the fees and the holdback classified as a financial asset. When the invoices come due, the funds are transferred to the factoring company via a specific bank account. The customer accounts and factoring customer accounts are then settled.

Marketable securities

Marketable securities are recorded at their acquisition cost. The unrealized gains on portfolio securities are not recognized in the financial year's accounting results. A provision for impairment of the securities is recorded, where applicable, if their realizable value falls below their acquisition cost.

As regards Undertakings for collective investment in transferable securities (UCITS), the realizable value corresponds to the market value at the closing date. Treasury shares are valued at acquisition cost. As regards plans for the allocation of performance-related stock grants, a provision is made over the vesting period.

Available funds

Foreign currency liquidity is converted into euros based on the latest exchange rate, and these foreign exchange gains and losses are included in the profit for the financial year.

Unrealized foreign exchange gains and losses

Unrealized foreign exchange gains and losses are a result of the recognition of payables and receivables in currencies outside the Euro zone at closing date.

Unrealized losses result in a provision for foreign exchange losses when the exchange rate has not been definitively hedged by forward transactions or by *de facto* hedges. Unrealized gains do not contribute to the profit of the financial year.

Derivative financial instruments

As a result of our activity and our international presence, we are exposed to exchange rate variations.

Hedging instruments are negotiated to cover transactions recorded on the balance sheet, as well as highly probable future transactions. These hedges are held with the sole aim of reducing exposure to rate and exchange risks. Unrealized gains and losses on derivative financial instruments linked to exchange rate changes are recorded on the balance sheet as a translation difference so as to comply with the principle of symmetry with the hedged item. Gains and losses obtained from hedging derivatives are recorded in profit in the same section as the hedged item. In accordance with article 628-11 of *ANC* regulation 2015-05, the effects of hedging are classified in operating profit in respect of the operational flows (account 656000 for foreign exchange losses, account 756000 for foreign exchange gains) and in financial result in respect of financial flows (account 666200 for foreign exchange losses, account 766200 for foreign exchange gains). The gains and losses made on hedging derivatives on highly probable forward transactions are recognized in profit only when the hedged item itself impacts on the profit. The premium for an option comprises the hedging cost. It is recorded in the financial result or in the starting value on the balance sheet of the hedged item, only at the end of the hedge.

The swap point comprises the hedging cost, for forward transactions; it is recorded on a symmetrical basis with the hedged item. It is not spread in the income statement if the hedge reduces almost all of the risk.

Provisions

They are intended to cover known costs and litigation (foreign exchange risks, supplementary retirement plans for managers, end-of-career allowances for staff, commercial disputes) as well as general economic risks that are based on an assessment (regulatory or fiscal product risks, potential litigations).

Employee benefits

- **Defined contribution retirement plans**

The benefits associated with defined contribution retirement plans are recorded in expenses as incurred.

Operating income

Sales are recorded as follows:

- sales of assets are recorded at the delivery of the assets and the transfer of the property title;
- transactions involving service provisions are recorded over the period during which the services were provided.

Financial income and expenses

Financial income is generated mainly by dividends received from subsidiaries and investment income from available cash flow. The unrealized gains on monetary investments in UCITS are not recorded in the accounting results of the financial year, but only upon sale of the securities. A provision for impairment of the securities may be recognized when justified by the subsidiary’s financial position (see note B3).

Income tax

As regards income tax, Virbac and all of its French subsidiaries (Virbac France, Alfamed, Interlab, Virbac Nutrition, Virbac Diagnostics) come under the tax integration system instituted by article 68 of the December 30, 1987 law.
Each company records the tax as if it were taxed separately and retains the right to use possible deficits in the future.
As the sole company liable for taxes, Virbac records the debt or receivable *vis-à-vis* the Tax office for the entire tax group.

NOTES TO THE STATUTORY ACCOUNTS

B1. Intangible assets

in € thousand	2023	Increases	Decreases	Transfers	2024
Trademarks and filing fees for trademarks	5,288	—	—	—	5,288
Patents and licenses	17,248	200	-950	—	16,498
Marketing authorizations (MA)	28,374	—	—	—	28,374
Domain names	3	—	—	—	3
Distribution rights	2,788	—	—	—	2,788
Goodwill	837	—	—	—	837
Other intangible assets	40	—	—	—	40
Softwares	72,766	4,156	-2,453	16,926	91,395
Advances, prepayments on intangible assets and assets in progress	18,966	4,522	-664	-16,926	5,898
Gross value	**146,310**	**8,878**	**-4,067**	**—**	**151,121**
Depreciation	-100,286	-6,810	2,438	—	-104,658
Provisions	-3,679	-394	500	—	-3,573
Depreciation and provisions	**-103,965**	**-7,204**	**2,938**	**—**	**-108,231**
Net value	**42,345**	**1,674**	**-1,129**	**—**	**42,890**

The main patents, licenses, Marketing authorizations and distribution rights are as follows (gross values):

- the Alpha Laval patent at €2,479 thousand;
- the FeLV patent at €2,628 thousand;
- the Alizine patent at €2,592 thousand;
- the Antigenics patent at €3,394 thousand;
- the doxycycline 50% Marketing authorization at €690 thousand (net value after impairment and depreciation: zero);
- the Schering-Plough Marketing authorization at €18,334 thousand;
- the Virbamec, Equimax and Eraquell Marketing authorizations at €4,000 thousand;
- the cyclosporin Marketing authorization at €1,500 thousand;
- the Suramox and Stabox Marketing authorizations at €463 thousand;
- the cyclosporin cat Marketing authorization at €195 thousand;
- the halofuginone Marketing authorization at €1,000 thousand;
- the tramadol Marketing authorization at €453 thousand;
- the Tilapia Marketing authorization at €451 thousand;
- the QBiotics distribution rights at €1,110 thousand;
- the Kibow distribution rights at €932 thousand;
- the Vibalogics masterseeds at €501 thousand.

The Vetbiobank license was scrapped for €750 thousand over the financial year.

A provision of €3,167 thousand for impairment of MAs and brands relating to Schering Plough products was set up.

With regard to computer programs, changes were made to various systems, including the commissioning of the development of the R&D database for €267 thousand for the RIMS (Regulatory information management system) project, the Convergence phase core model platform (merger of consolidation tools and functionalities on a single platform) for €473 thousand, of the Odyssey phase 1 project for €17,628 thousand and development of CRM (Customer relationship management) core model phase software (business software) for €308 thousand.

Various ongoing IT projects were recognized during the year, including the MC2 (Move to cloud) project, modernization and migration of applications to combat platform obsolescence for €332 thousand and the acquisition of Ecuphar intellectual property for €600 thousand.

The staff costs that have been capitalized on IT projects amounted to €3,645 thousand for the financial year.

B2. Tangible assets

in € thousand	2023	Increases	Decreases	Transfers	2024
Land	8,247	—	—	—	8,247
Buildings	123,103	1,975	—	3,120	128,198
Equipment and tools	133,139	2,965	-2,123	3,837	137,818
Other tangible assets	7,136	357	-14	38	7,517
Tangible assets in progress	7,357	26,249	-537	2,229	35,298
Invoices to be received for fixed assets	9,417	13,830	—	-8,991	14,256
Advances and prepayment orders	1,736	2,006	-21	-233	3,488
Gross value	**290,135**	**47,382**	**-2,695**	**—**	**334,822**
Land	—	—	—	—	—
Buildings	-82,031	-5,107	—	—	-87,138
Equipment and tools	-87,963	-7,178	2,277	—	-92,864
Other tangible assets	-5,898	-415	511	—	-5,802
Tangible assets in progress	—	—	—	—	—
Pending invoices for fixed assets	—	—	—	—	—
Advances and prepayment orders	—	—	—	—	—
Depreciation and provisions	**-175,892**	**-12,700**	**2,788**	**—**	**-185,804**
Land	8,247	—	—	—	8,247
Buildings	41,072	-3,132	—	3,120	41,060
Equipment and tools	45,176	-4,213	154	3,837	44,954
Other tangible assets	1,238	-58	497	38	1,715
Tangible assets in progress	7,357	26,249	-537	2,229	35,298
Invoices to be received for fixed assets	9,417	13,830	—	-8,991	14,256
Advances and prepayment orders	1,736	2,006	-21	-233	3,488
Net value	**114,243**	**34,682**	**93**	**—**	**149,018**

Investments were made and implemented at various sites during the 2024 financial year, including renovation or improvement work at:

- VB1 for €237 thousand for the replacement of the cold water network;
- VB1 for €258 thousand for the new thermostatic hot room;
- Bio 4 for €300 thousand for the renovation of the hot water network;
- VB1 for €365 thousand for the development of the boiler installation area;
- VB1 for €1,038 thousand for the development of the area surrounding the isolator and steam generator.

Investments ongoing at the end of 2024 were completed:

- creation of the Bio 5 factory for €10,956 thousand;
- updating of utilities (fluid circulation) building VB4 for €1,187 thousand;
- new construction of logistics storage for €554 thousand;
- clean room development for expanding the Bio 1 building production area for €554 thousand;
- development work on building VB4 for €8,503 thousand.

Equipment was purchased or commissioned, such as, for example:

- an isolator at VB1 for a value of €254 thousand;
- an aerobiocollector and a pump for Bio 1 for a value of €272 thousand;
- a machine cryosas for Bio 1 for a value of €305 thousand;
- laboratory fume cupboards for VB1 for a value of €409 thousand.

The shutdown of production of the leishmaniosis vaccine in 2020 resulted in a provision for the impairment of equipment that is no longer used, up to its net book value, *i.e.*, €1,530 thousand as of 31 December 2024. A portion of this equipment had been decommissioned in prior financial years and as of December 31, 2024, had already been written down for a value of €1,781 thousand.

B3. Financial assets

in € thousand	2023	Increases	Decreases	Transfers	2024
Long-term investments	500,823	68,890	-71	—	569,642
Related account receivable	—	6,301	—	—	6,301
Other equity securities	—	—	—	—	—
Loans and other financial assets	79,213	267,426	-16,261	—	330,378
Other miscellaneous financial assets	17,541	—	-17,541	—	—
Gross value	**597,577**	**342,617**	**-33,873**	**—**	**906,321**
Impairment of financial assets	-117,306	-11,617	103,817	—	-25,106
Provisions	**-117,306**	**-11,617**	**103,817**	**—**	**-25,106**
Net value	**480,271**	**331,000**	**69,944**	**—**	**881,215**

Equity investments

Virbac carried out several capital increases on various subsidiaries over the financial year, such as in Japan for an amount of €46,153 thousand, in Shanghai for €3,500 thousand, in Türkiye for €7,025 thousand and in Taiwan for €10,614 thousand, with a capital increase by partial offsetting of its loan. We also created a new company in China and paid the amount of its capital, *i.e.* the sum of €1,400 thousand.

Following the impairment tests carried out for 2024, the securities of the subsidiaries Virbac Diagnostics and Virbac Trading Shanghai were subject to a provision for impairment with respective values of €8,117 thousand and €3,500 thousand.
A reversal of provision for impairment of €103,817 thousand was recorded on Interlab's securities. A price complement was also paid for the acquisition of our subsidiary Virbac Czech Republic.

in € thousand	2024
Virbac Trading Shanghai	3,500
Virbac Taiwan	10,613
Virbac Japan	46,153
Virbac Türkiye	7,025
Virbac (Sozhou) Pet Food	1,400
Virbac Czech Republic	199
Capital increases, acquisitions, mergers and start-ups	**68,890**

in € thousand	2024
Virbac Pharma Handelsgesellshaft	71
Disposals, reimbursements, liquidations and mergers	**71**

Other financial assets

The ordinary shareholders' meeting of June 21, 2024 authorized Virbac company to buy back treasury shares in accordance with article L225-209 of the French commercial code. Given the objectives set in the buyback program, the treasury shares have been classified as marketable securities except those corresponding to treasury share buybacks in order to reduce the company's capital by canceling all or parts of the securities purchased, classified as "Other miscellaneous financial assets".

On September 13, 2024, the board of directors decided to decrease the company's capital by canceling 67,340 shares with a nominal value of €1.25. These shares were acquired with a view to being canceled for a total amount of €17,541 thousand. The difference between the book value of the redeemed shares and their nominal amount was charged to the "Other reserves" account.

The line item "Loans and other financial assets" includes mainly loans to subsidiaries and sub-subsidiaries, *i.e.*:
- €51,525 thousand to Virbac Chile (52,950 million Chilean pesos);
- €258,469 thousand to Virbac Japan (42,146 million yen);
- €9,330 thousand to Virbac Trading Shanghai (71 million yuan);
- €10,434 thousand to Virbac Taiwan (354 million Taiwanese dollars).

Virbac Vietnam's loan was repaid in full over the financial year for the sums of US $2.8 million and €0.65 million.
Two new loans were granted during the financial year, to Virbac Japan in the amount of 42,146 million yen and to Virbac Trading Shanghai in the amount of 71 million yuan.
Virbac Japan's loan is the subject of foreign exchange hedges as well as Virbac Trading Shanghai's loan in yuan. The Virbac Taiwan loan is partially hedged for an amount of 317 million Taiwanese dollars out of a total amount of 354 million Taiwanese dollars. The loan to Virbac Chile is no longer hedged.

B4. Inventories and work in progress

in € thousand	2024 Gross	2023 Gross	Change in inventories of raw materials and other supplies	Change in inventories of work-in-progress and finished products
Raw materials and supplies	61,009	50,995	-10,014	—
Work-in-progress	133	28,518	—	-28,385
Finished goods	49,469	17,982	—	31,487
Goods for resale	7,308	—	—	7,308
Inventories and work-in-progress	**117,919**	**97,495**	**-10,014**	**10,410**

This year, changes were made to the accounts following the implementation of our new ERP system and industrial accounting. Inventories of goods for resale have been split from finished goods inventories (at the end of 2023, they amounted to €4,244 thousand), and semi-finished goods inventories (€31,304 thousand at the end of 2024) are accounted for together with finished goods. The table above has therefore been updated accordingly.

As of December 31, 2024, provisions for inventory depreciation amounted to:
- raw materials: €2,820 thousand;
- goods for resale: €103 thousand;
- manufacturing work-in-progress: €1,875 thousand;
- finished goods: €653 thousand.

B5. Receivables and payables

in € thousand	2024 Gross amounts	Due in less than one year	Due from 1 to 5 years	Due in more than 5 years
Receivable related to long-term investments	6,301	6,301	—	—
Loans	329,765	101,907	19,764	208,094
Other financial assets	613	—	613	—
Total fixed assets	**336,679**	**108,208**	**20,377**	**208,094**
Accounts receivable and related accounts	103,437	103,437	—	—
Other receivables	111,370	111,370	—	—
Prepaid expenses	6,967	6,967	—	—
Current assets	**221,774**	**221,774**	**—**	**—**
Total receivables	**558,453**	**329,982**	**20,377**	**208,094**
Bank loans	203,623	8,981	193,079	1,563
Current bank overdrafts	3,593	3,593	—	—
Bank overdraft	—	—	—	—
Loans and miscellaneous financial debts	15,431	15,259	172	—
Owed to subsidiaries (current accounts)	58,910	58,910	—	—
Borrowings	**281,557**	**86,743**	**193,251**	**1,563**
Accounts payable and related accounts	67,074	67,074	—	—
Tax and social payables	49,366	49,366	—	—
Payables to fixed assets suppliers and related accounts	21,663	21,663	—	—
Other payables	1,417	1,417	—	—
Prepaid income	—	—	—	—
Operating liabilities	**139,520**	**139,520**	**—**	**—**
Total payables	**421,077**	**226,263**	**193,251**	**1,563**

The amount of receivables assigned under the factoring agreement amounted to €1,311 thousand as of December 31, 2024, and ongoing financing amounts to €1,152 thousand.
A provision for the impairment of trade receivables was recorded in December of 2024 in the amount of €77 thousand, that of December 2023 amounted to €335 thousand. We have recorded an amount of €92 thousand of loss on bad debts for the financial year.

B6. Marketable securities

As of December 31, 2024, this item includes the treasury shares of the 2022 performance plans for an amount of €1,014 thousand, treasury shares attributed to the 2023 performance plan for an amount of €965 thousand, to the new 2024 performance plan for an amount of €954 thousand and unallocated treasury shares for an amount of €1,137 thousand.

in € thousand	2023	Increases	Decreases	Transfers	2024
SICAV	**918**	—	-918	—	**—**
Treasury shares (liquidity contract)	**3,532**	—	—	-3,532	**—**
Performance-related stock grants	**2,290**	—	-1,752	2,395	**2,933**
Unallocated treasury shares	**—**	—	—	1,137	**1,137**
Marketable securities	**6,740**	**—**	**-2,670**	**—**	**4,070**

Our liquidity contract was suspended from February 01, 2023 until June 30, 2024 and then closed on this date.
The 14,537 treasury shares in the amount of €3,532 thousand of the liquidity contract were transferred to the various performance plans as follows: 2022 performance plan for 1,974 treasury shares in the amount of €477 thousand, 2023 performance plan for 4,000 treasury shares in the amount of €965 thousand, 2024 performance plan for 4,050 treasury shares in the amount of €954 thousand and the balance, *i.e.* 4,513 treasury shares remaining unallocated for an amount of €1,136 thousand as of December 31, 2024.
The probable cost resulting from the allocation of performance-related stock grants is taken into account and spread over the period of acquisition of the rights, in the form of a provision (see note B10).

B7. Available funds

As of December 31, 2024, available funds consisted only of the credit balances in the bank accounts which amounted to €2,071 thousand invested mainly in euro-denominated interest-bearing accounts, and to financial instruments in the amount of -€614 thousand following revaluations of receivables and liabilities at the hedging price at the end of the financial year.

B8. Accruals and deferred expenses

Prepaid expenses

They are mainly made up of various external expenses and the purchase of inventoried goods relating to the 2025 financial year.

Deferred charges

The deferred charges consist of the loan issuance fees spread over the redemption term of the loans.

Conversion losses

They correspond to unrealized foreign exchange losses in the amount of €18,074 thousand compensated for the portion covered by unrealized gains obtained on financial derivatives, enabling the principle of symmetry to be complied with and recorded in liabilities (section "Accruals and deferred income") in the amount of €5,590 thousand in account 478700. A provision for the amount of the unhedged financial risk was booked for a value of €12,419 thousand as of December 31, 2024. This is mainly linked to a loan in foreign currency made to a subsidiary.

in € thousand	Trade receivables and payables	Financial receivables and payables	Financial derivatives	Total
Unrealized foreign exchange losses	557	5,706	11,811	**18,074**
Change in value of financial instruments	-160	-5,431	—	**-5,591**
Other hedges (natural)	—	—	—	**—**
Provision for foreign exchange losses	397	12,022	—	**12,419**

Provisions for foreign exchange losses are detailed in note B10.

B9. Equity

Share capital

As of December 31, 2024, the €10,488,325 in share capital consisted of 8,390,660 shares with a nominal value of €1.25.

Statement of change in equity

Following the meeting of the board of directors of September 13, 2024, the company's share capital was reduced by 67,340 shares of €1.25 in nominal value, *i.e.*, by an amount of €84,175. The value differential of these treasury shares acquired as part of the buyback and capital decrease program, *i.e.* an amount of €17,456 thousand, was charged to the "Other reserves" account.
As of December 31, 2024, we held 16,066 treasury shares acquired on the market for a total of €4,071 thousand excluding costs, that is, an average cost of €253.38 per share.
The ordinary shareholders' meeting of June 21, 2024 decided to pay a dividends of €11,165 thousand.

	Prior to appropriation of results	2023 allocation of net income	After allocation of net income	Increases	Decreases	2024
Number of shares as of December 31, 2024	**8,458,000**	—	8,458,000	—	-67,340	**8,390,660**
Number of dividend-bearing shares	**8,458,000**	—	8,458,000	—	-67,340	**8,390,660**

in € thousand	Prior to appropriation of results	2023 allocation of net income	After allocation of net income	Increases	Decreases	2024
Share capital	**10,573**	—	10,573	—	-84	**10,489**
Share and merger premiums	**6,534**	—	6,534	—	—	**6,534**
Financial year results	**61,292**	-61,292	—	233,814	—	**233,814**
Legal reserve	**1,089**	—	1,089	—	—	**1,089**
Regulated reserves	**36,287**	—	36,287	—	—	**36,287**
Other reserves	**36,396**	—	36,396	—	-17,456	**18,940**
Amount carried forward	**577,283**	50,237	627,520	—	—	**627,520**
Distribution of dividends	**—**	11,055	11,055	—	-11,055	**—**
Investment grants	**1,449**	—	1,449	—	-220	**1,229**
Regulated provisions	**32,061**	—	32,061	7,855	-3,802	**36,114**
Equity	**762,964**	**—**	**762,964**	**241,669**	**-32,617**	**972,016**

Regulated provisions

This line item consists only of exceptional depreciation arising from different tax depreciation durations and methods.

B10. Provisions

The entries recognized in this line item are as follows:

in € thousand	2023	Allowances	Reversals of amounts used	Reversals of amounts not used	2024
Retirement and severance pay allowances	9,350	922	-742	—	9,530
Provisions for foreign exchange losses	9,242	12,419	-9,242	—	12,419
Provisions for stock grants	4,354	713	-2,963	—	2,104
Provisions for risks and charges	3,297	1,896	-1,054	—	4,139
Provisions for risks and charges	**26,243**	**15,950**	**-14,001**	**—**	**28,192**
Impairment of fixed assets	123,265	12,011	-105,067	—	30,209
Impairment of current assets	4,844	5,497	-4,813	—	5,528
Provisions for impairment	**128,109**	**17,508**	**-109,880**	**—**	**35,737**
Provisions	**154,352**	**33,458**	**-123,881**	**—**	**63,929**

We recognized a provision for end-of-career compensation required by law and the collective agreement equal to €180 thousand for the financial year.

The calculation of the commitment takes into account compensation, the employees' years of service and the following criteria:

- vesting:
  - executive personnel: 12.0% per year of service;
  - non-executive personnel: 12.0% per year of service;
- discount rate: 3.25%;
- inflation rate: 2.0%;
- rate of social contributions: 47.0%;
- employee turnover rate: determined based on the employees' category, age and years of service;
- life expectancy: determined based on the *Insee* TD-TV 18-20 mortality table.

Other criteria:

- retirement age: legal scale with quarter.

	Executive personnel	Non-executive personnel
Salary adjustment rate	2.5%	2.5%

The allowances are calculated based on a retrospective actuarial method. Actuarial differences are recognized in profit. The amount of charges for defined-contribution pension schemes recorded was €6,842 thousand in the financial year 2024.

We are also making a staggered provision for the probable cost of allocating performance-related stock grants to certain employees and managers. We created one new plan for 2024, the vesting period is set at December 31, 2026, which includes 4,050 shares. The provision amounted globally for this new plan to €242 thousand, of which €40 thousand was an employer contribution over the year.
When shares in performance plans have already been acquired on the market, the provision is based on the acquisition value of the securities on the balance sheet, otherwise, we retain the share price at the end of the financial year.

Performance-related stock grants	2021	2022 n°1	2022 n°2	2023	2024
Number of shares planned for distribution	6,225	4,000	5,000	4,800	4,050
Number of shares allocated during the financial year	—	—	—	—	4,050
Number of shares allocated during the previous financial year	—	—	—	4,800	—
Number of shares allocated accumulated since the plan's allocation date	6,225	4,000	5,000	4,800	4,050
Number of share rights cancelled or awaiting cancellation since the creation of the plan	1,350	500	5,000	800	—
Total number of shares acquired since date of allocation of the plan	4,875	—	—	—	—

Regarding other provisions for risks and charges on December 31, 2024, we note in the accounts a provision for labor disputes amounting to €552 thousand, a provision for disputes following the reimbursement of the *Schuldschein* contract for €299 thousand, a provision concerning infringement litigation of €100 thousand, a provision for general risks of €1,476 thousand partly linked to tax disputes as well as a provision of €441 thousand related to the transfer of the intramammary production activity from the Carros site, as we have decided to gradually close this workshop and to outsource production. The costs linked to this production transfer were the subject of a provision for the 2018 financial year and gave rise in 2019, 2020, 2021, 2022 and 2023 to partial reversals of this provision for respective amounts of €1,207 thousand, €781 thousand, €698 thousand, €477 thousand and €302 thousand. For the 2024 financial year, an adjustment of this provision of €6 thousand was recorded as expenses. Following the judgments of the Court of Appeals of September 13, 2023 on the right of employees on sick leave to accrue paid leave during their sick leave, a provision was made in 2023 to cover the risk, in the amount of €384 thousand; this provision was retained in the accounts in 2024.
This year, the impairment tests carried out at the end of 2024 on financial assets resulted in a provision for impairment of Virbac Diagnostics and Virbac Shanghai securities for the respective amounts of €8,117 thousand and €3,500 thousand. We have also released the provision for impairment of Interlab's securities for an amount of €103,817 thousand.
The provision for tangible assets impairment involves unused or decommissioned equipment for €1,530 thousand at the end of 2024 following the shutdown of the leishmaniosis vaccine production (see note B2) as well as the impairment of trademarks, MAs and know how in the amount of €3,574 thousand following impairment tests (see note B1). Impaired current assets correspond to inventories and work in progress in the amount of €5,451 thousand and to accounts receivable for €77 thousand.

B11. Financial liabilities

During 2024, in order to finance the acquisition of the company Sasaeah in Japan, we set up a bridging loan in the amount of €300 million, for a 12-month period with two options to extend by six months, that can be mobilized in euros and in yen. This credit facility was only drawn up to €200 million to repay the existing bank loan at Sasaeah and to pay part of the purchase price, the remainder of the purchase price having been financed in part by our available funds in the Group and by 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, during the same period, our request for an amendment to include a second accordion option of €100 million in this syndicated loan was unanimously accepted by our banks, bringing 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 as we evolve. 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, the main sources of bank and disintermediated financing available to us and their characteristics are as follows:

- a syndicated loan of €350 million at variable rate, repayable *in fine* in October 2028, after being extended by two years, accompanied by a so-called "accordion" clause allowing the financing to be increased by €100 million and which includes commitments in connection with our CSR policy;
- market-based contracts (*Schuldschein*) amounting to €6 million, with maturities in April 2025, at a fixed rate;
- financing contracts with Bpifrance, for €10.2 million, amortizable and maturing in July 2027 and June 2032.

As of December 31, 2024, our financing position is as follows:

- the syndicated contract's line of credit is mobilized in the amount of €187 million;
- market-based contracts amounted to €6 million;
- the Bpifrance financing amounts to €10.2 million.

These financing instruments include a financial covenant compliance clause that requires us to adhere to the annual financial ratio based on the annual consolidated accounts and reflecting consolidated net debt[1] on the consolidated Ebitda[2].

As of December 31, 2024, we are in compliance with the financial ratio clauses, as it is at 0.59, thus placing it below the contractual financial covenant limit of 3.75.

[1f]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 accounting 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 asset derivatives as shown in the annual consolidated accounts
[2]consolidated Ebitda refers to, based on the annual consolidated accounts, the operating profit for the accounting year in question within the meaning of the accounting principles applicable to the consolidated accounts, plus allowances for depreciation, amortization and provisions, net of reversals, and dividends received from non-consolidated subsidiaries

Our financing capacity is sufficient to fund our cash requirements.

B12. Accruals and deferred income

Deferred income

As of December 31, 2024, we have not recorded any prepaid income.

Conversion gains

These correspond to unrealized foreign exchange gains following the revaluation at the closing rate of receivables and payables labelled in foreign currencies and derivatives for €11,059 thousand.
These gains are offset by unrealized exchange losses in the amount of €11,811 thousand generated by financial derivatives, enabling the principle of symmetry to be complied with and recorded in the assets (section "Accruals and deferred expenses") in account 478600.

in € thousand	Trade receivables and payables	Financial receivables and payables	Financial derivatives	Total
Unrealized foreign exchange gains	468	5,000	5,591	**11,059**
Change in value of financial instruments	-316	-11,495	—	**-11,811**
Unrealized exchange gains or losses	152	-6,495	5,591	**-752**

R1. Sales

Breakdown of revenue between France and export

in € thousand	2024	2023
France	79,039	72,116
Export	333,161	306,412
Sales	**412,200**	**378,528**

Breakdown of revenue by type

in € thousand	2024	2023
Sales of finished goods and merchandise	389,268	360,805
Services	22,932	17,733
Sales	**412,200**	**378,538**

R2. Operating income and expenses

Research and development costs

Research and development costs are booked as expenses during the financial year. As of December 31, 2024, subcontracted research and development costs amounted to €20,508 thousand.

Foreign exchange differences

In accordance with the *ANC* 2015-05 regulation, the impacts of hedging have been recognized in operating profit for the operational flows and in financial result for the financial flows. The impact of the balance of foreign exchange differences in operations during 2024 financial year amounts to a €999 thousand loss:

- foreign exchange gains in the amount of €1,015 thousand booked in accounts 756;
- foreign exchange losses in the amount of €2,014 thousand booked in accounts 656.

Pensions plans provisions

Since the 2023 fiscal year, provisions for post-employment benefits are recorded in operating expenses and income.

R3. Financial income and expenses

The financial result at the end of December 2024 amounted to €235.1 million, *i.e*, an increase of €172.3 million compared to 2023. This variation is mainly explained by the reversal of provision for impairment of equity interests in the amount of €103.8 million in 2024 compared to €0.7 million in 2023. In addition, overall income on equity interests increased by €76 million. With regard to foreign exchange, the overall net impact is a charge of €1.3 million compared with 2023.

Financial expenses

in € thousand	2024	2023
Provisions for foreign exchange losses	-12,419	-9,242
Provisions for subsidiaries shares depreciations	-11,617	-9,767
Provisions for impairment of marketable securities	—	—
Allowances for depreciations and provisions	**-24,036**	**-19,009**
Interest, loans and credit lines	-3,399	-622
Other financial charges	-2,164	-1,710
Foreign exchange losses	-32,871	-13,637
Other interest paid and similar expenses	**-38,434**	**-15,969**
Financial expenses	**-62,470**	**-34,978**

Financial income

in € thousand	2024	2023
Income from investments	141,693	66,038
Reversal of provisions	113,060	8,574
Foreign exchange gains	30,247	10,736
Net income from sales of marketable securities	50	—
Income from various receivables	12,524	12,399
Financial income	**297,574**	**97,747**

R4. Non-recurring expenses and income

Non-recurring income for 2024 amounts to -€5 million, *i.e.* a decrease in result of €1.1 million compared to the 2023 financial year. This change is mainly explained by the the increase of €0.6 million in the disposal of fixed assets and by the increase of €0.5 million allowances to regulated provisions following the commissioning of a new project.

Non-recurring expenses

in € thousand	2024	2023
Net values of fixed asset disposals	-2,358	-1,810
Tax penalties	—	—
Other non-recurring expenses	-2	-417
Allowances for regulated provisions	-7,855	-6,990
Allowances for provisions for risks and charges	—	-110
Allowances for other provisions	—	-499
Non-recurring expenses	**-10,215**	**-9,826**

Non-recurring income

in € thousand	2024	2023
Income from disposal of fixed assets	131	38
Reversals of regulated provisions	3,802	3,409
Reversals of provisions for risks and charges	—	350
Reversals of provisions for extraordinary impairments	999	1,300
Transfers of extraordinary expenses	—	—
Miscellaneous income	222	794
Non-recurring income	**5,154**	**5,891**

R5. Income tax

As of December 31, 2024, the tax savings realized by Virbac as a result of tax losses incurred by consolidated subsidiaries amounted to €229 thousand. Such tax savings may reverse if the concerned subsidiaries become profitable again. As of December 31, 2024, a €9,708 thousand research tax credit and a €15 thousand corporate sponsorship tax credit were recognized as well as tax credits related to the share of costs and expenses on dividends for a value of €857 thousand and on the collection of interest from foreign sources for €195 thousand. If Virbac had been taxed separately, it would have recognized that a tax charge of €1,605 thousand and tax credits of €10,775 thousand in total. As a result of Group tax consolidation, Virbac this year recognized tax income equal to €1,032 thousand.

Increases and decreases of the future tax liability

Tax relief and tax increases are calculated based on a rate of 25.83%.

in € thousand	2024	2023
Tax rate	**25.83%**	**25.83%**
Accelerated tax depreciation	9,328	8,281
Unrealized foreign exchange losses	—	—
Total increases related to timing differences	**9,328**	**8,281**
Solidarity contribution	159	145
Unrealized gains on investments of cash	—	8
Unrealized foreign exchange gains	1,396	36
Retirement obligations	2,461	2,415
Corporate sponsorship tax credit	60	15
Other provisions	703	608
Total decreases related to timing differences	**4,779**	**3,227**
Tax carry forwards	—	-1,143
Items to be charged to the tax	**—**	**-1,143**

Exceptional tax evaluations and profit

Tax rate 25.83%

in € thousand	Gross	Taxes 2024	Net
Financial year results	**232,211**	**1,603**	**233,814**
Accelerated tax depreciation	4,053	-1,047	3,006
Other regulated provisions	—	—	—
Exceptional evaluations (allowances and reversals)	**4,053**	**-1,047**	**3,006**
Net income excluding exceptional tax evaluations	**236,264**	**556**	**236,820**

Tax rate 25.83%

in € thousand	Gross	Taxes 2023	Net
Financial year results	**48,389**	**12,903**	**61,292**
Accelerated tax depreciation	3,581	-925	2,656
Other regulated provisions	—	—	—
Exceptional evaluations (allowances and reversals)	**3,581**	**-925**	**2,656**
Net income excluding exceptional tax evaluations	**51,970**	**11,978**	**63,948**

Breakdown of the 2024 income tax

in € thousand	Profit before taxes	Tax owed	Net income after taxes
Operating profit from ordinary activities	237,272	-10,478	**226,794**
Non-recurring result	-5,062	1,307	**-3,755**
Miscellaneous tax credits	—	10,775	**10,775**
Net income for accounting purposes	**232,210**	**1,604**	**233,814**

A1. Financial lease and operating lease transactions

Financial lease agreements

Virbac signed operating lease agreements for computers. As of December 31, 2024, the commitment in terms of capital amounted to €1,299 thousand.

A2. Off-balance sheet commitments

in € thousand	2024	2023
Securities, deposits, letters of comfort and guarantees	67,976	65,799
of which were used	53,716	46,017
of which extended to related companies	67,976	65,799
Commitments given	**67,976**	**65,799**
Forward exchange contracts	252,073	159,835
OTC options exchange	71,062	61,534
Swap rate	—	—
Interest rate options	—	—
Cross currency swap	165,329	7,833
Reciprocal commitments	**488,464**	**229,202**
Real estate finance leases	—	—
Finance leases	1,299	1,930
Others commitments	**1,299**	**1,930**

Contingent liabilities

At times, Virbac is involved in litigation or other legal proceedings, generally involving disputes related to intellectual property rights, disputes involving competition law and tax matters. A risk provision is recognized where appropriate. No provision is made when the company considers the likelihood of a significant outflow of resources is low.
The same applies to tax disputes where the company deems that an adjustment proposal is unwarranted and feels that its case is sufficiently strong.

A3. Exposure to market risks and derivative financial instruments

The Group holds derivative financial instruments only for the purpose of reducing its exposure to rate or exchange risks on balance sheet items on its firm or highly probable commitments.

Credit risk

The following statements show the breakdown of third-party trade receivables (excluding pending invoices and credit notes) as well as the maturity dates concerning Group loans as of December 31, 2024:

in € thousand	Trade receivables due	Receivables overdue for < 3 month	3-6 month	6-12 month	> 12 month	*Trade receivables Impaired*	Total
Third-party trade receivables	8,564	705	421	(34)	38	*77*	**9,694**

in € thousand	Receivables due in 2025	2026	2027	2028	2029	Beyond 5 years	Total
Group loans	101,907	4,569	15,195	—	—	208,094	**329,765**

As of December 31, 2024, our maximum exposure to credit risk corresponds to the trade receivables item for €103,438 thousand and the Group loans item for €329,759 thousand in the accounts. Although there were no contractual deadlines, we took into account the fact that some loans would not be repaid for ten years due to the nature of the loans. The €93,744 thousand risk on trade receivables across Group companies is not material because we ensure that our subsidiaries have the necessary financial structure to honor their liabilities. Concerning receivables with third parties, we consider that we are not exposed to a significant credit risk given the implementation of a customer credit insurance program to prevent risk and the regular monitoring of counterparty ratings. This program concerns a large portion of the export portfolio. In addition to this program, there is regular monitoring of overdue amounts to address risk prevention, as it maximizes the ability to recover amounts due. This monitoring of overdue receivables enables to limit the amount of doubtful receivables.

Our factoring contract consists in transferring trade receivables on a monthly basis. As of December 31, 2024, the amount of receivables transferred amounted to €1,311 thousand (classified as a reduction of trade receivables) and current funding was €1,152 thousand.

Risk factors
The credit risk may arise when the Group grants 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 the Group's profit and net cash position.

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, maximum settlement times and sets the customer credit limits to be applied by operating entities. Our 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 subsidiary for which this type of risk has been identified.

Counter-party risk

Risk factors
We are exposed to counterparty risk within the contracts and financial instruments that we take out, in the event that the debtor refuses to honor all or part of its commitment or finds itself *in fine* unable to do so.

Risk management mechanisms
We pay particular attention to the selection of banking institution we operate with, even more critical when it comes to investing available cash.
However, we consider that we have limited exposure to counterparty risk given the quality of our major counterparties. In fact, investments are only made with first-class banking entities.

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 positions and to optimize the management of investments and funding requirements, thus ensuring our ability to meet our financial commitments and maintain an optimal level of availability commensurate with our size and needs.
In respect of 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 (liabilities covenant).
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 the rollout of best practices 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 underscores our 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 risk

Exchange rate risk

- **Risk factors**

The currency risk arises from the impact of fluctuations in exchange rates on the Group's financial flows when carrying out its activities. Due to its strong international presence, the Group is exposed to the foreign exchange risk on transactions, and the foreign exchange risk on the conversion of the financial statements of its foreign subsidiaries.

- **Risk management mechanisms**

The risk management policy consists of hedging the operational transaction currency risk using derivatives. We apply a centralized foreign exchange risk management policy for currency trading transactions by the most exposed subsidiaries in the Group having no local regulatory restrictions. On the basis of the annual currency budgets reported by the subsidiaries, the Group cash position covers the net exposure and provides internal exchange guarantees to each centralized entity. We use future, firm or optional purchase and sale hedging derivatives.

in € thousand (market value)	2024	2023
Fair value hedges	-2,934	681
Cash flow hedges	1,302	-107
Net investment hedges	—	—
Derivatives not qualifying for hedges	72	-275
Exchange derivatives	**-1,560**	**299**

Interest rate risk

- **Risk factors**

The Group's income statement may be impacted by the interest rate risk. Indeed, unfavorable rate changes can thus have a negative impact on the Group's financing costs and future cash flows. The exposure to interest rate risk arises from the fact that the main Group's credit lines are at variable rates, the cost of debt can therefore increase if interest rates rise.

- **Risk management mechanisms**

To manage these risks and optimize the cost of its debt, the Group monitors developments and market rate expectations and limits its 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 duration and value of its actual commitments.
Following the announcement by the FCA (Financial conduct authority) of its intention to no longer require banks to contribute to Libor rates, our financing contracts and interest rate hedging contracts are now indexed on Risk-free rates (RFR) recommended by the International swaps and derivatives association (ISDA) and adjusted in certain cases by a spread set according to their methodology, in order to make the transition as economically neutral as possible.

in € thousand (market value)	2024	2023
Fair value hedges	—	—
Cash flow hedges	1,384	43
Net investment hedges	—	—
Derivatives not qualifying for hedges	—	—
Rate derivatives	**1,384**	**43**

Specific impacts from hedging exchange and interest rate risks

The exchange rate derivatives used for cash flow hedging generally mature within a year. The derivative financial interest rate instruments are used to hedge the credit lines or loans and therefore have a maturity beyond several years, compatible with the hedged cash flows. All of the derivative instruments that we hold at December 31, 2024 are qualified as hedges.

in € thousand	Nominal 2024	Nominal 2023	Positive fair value 2024	Positive fair value 2023	Negative fair value 2024	Negative fair value 2023
Forward exchange contracts	252,073	159,835	3,815	2,255	5,618	1,648
OTC options 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 swaps	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**

We may deal with hedges with asymmetrical vanilla tunnel optimization. These derivatives are traded with a floor rate and a cap rate that allows us to benefit from market changes between these two limits; they are always backed by foreign currency trade transactions recognized in the balance sheet or future transactions of a highly probable nature.

Supply risks

The raw materials and certain active ingredients used to manufacture Virbac's products are supplied by third parties. In certain cases, the Group also uses contract manufacturing organizations who have expertise in or master particular technologies. As far as possible, we diversify our sources of supply by approving 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 suppliers as possible, and may in certain cases secure our supply chain by acquiring the technologies and capacities we lack and that create too high a dependency. An example of this was the company's acquisition of the industrial property rights and industrial facilities to produce the protein used to make the leading cat vaccine.

A4. Average workforce

	2024	2023
Managers	636	618
Supervisors and technicians	465	446
Workers	156	166
Employees	36	34
Apprentices	53	47
Workforce	**1,346**	**1,311**

A5. Breakdown of accrued expenses and income

Breakdown of accrued expenses

in € thousand	2024	2023
Accrued interest on employee profit-sharing	6	6
Accrued interest on credit line	193	171
Loans and financial debts	**199**	**177**
Provisions for invoices to be received	52,845	39,656
Provisions for representation offices	—	23
Unrealized exchange differences	—	765
Accounts payable and related accounts	**52,845**	**40,444**
Third-party discounts, rebates and refunds to be obtained	88	96
Group discounts, rebates and refunds to be invoiced	458	1
Discounts, rebates and refunds to be invoiced	**546**	**97**
Provision for paid holidays (including social charges)	10,407	9,987
Provision for various bonuses (including social charges)	12,286	11,944
Provision for profit-sharing bonus	7,045	5,712
Provision for other accrued social charges	476	35
Provision for various accrued tax charges	2,085	1,747
Provision for professional training	—	—
Provision for the construction effort	347	317
Provision for the apprenticeship tax	108	99
Provision for the payroll taxes	16	9
Provision for the business added value assessment (*CVAE*)	71	—
Provision for the business property tax (*CFE*)	—	—
Provision for taxes and various duties	328	319
Provision for the solidarity contribution	615	562
Tax and social payables	**33,784**	**30,731**
Provision for various accrued charges	199	247
Bank overdrafts and accrued interest not yet matured	27	31
Other payables	**226**	**278**
Accrued expenses	**87,600**	**71,727**

Breakdown of accrued income

in € thousand	2024	2023
Provision for interest accrued on loans	—	—
Other financial assets	**—**	**—**
Invoices to be issued - third-party	43	56
Invoices to be issued - Group	1,590	491
Unrealized exchange differences	—	184
Accounts receivable and related accounts	**1,633**	**731**
Miscellaneous accrued income	—	113
Pending supplier credit note invoices	—	—
Accrued interest	330	188
Other receivables	**330**	**301**
Accrued income	**1,963**	**1,032**

A6. Related parties

Compensation of corporate officers

The expense recognized by the company during the 2024 financial year and related to the compensation of members of the board of directors and of the non-voting advisor amounts to €230,000. That which concerned the total compensation of the members of the general management amounted to €1,129,711 this year.

Other benefits

The members of the general management receive the following benefits.

Company vehicle

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

Health insurance plan, maternity benefits, pension and retirement

The chief executive officer and the deputy chief executives officers are covered by the health, maternity, provident and pension insurance plans available to all the company's executives, under the same conditions of contributions and benefits as those defined for the company's other executives.

Unemployment insurance plan

The chief executive officer is covered by a unemployment insurance for company's chief executive officers, which is based on the rule of 70 over one year, the amount of annual contributions not exceeding €15,000.
The deputy chief executives officers are covered by the unemployment insurance plan for company 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 grants

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 the Group's consolidated operating profit and 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

A7. Subsidiaries and investments as of December 31, 2024

The company is the parent company of the consolidated Group and as such publishes the consolidated accounts in accordance with IFRS, as adopted by the European Union.

Company name	Country	Share capital in thousand currency		Reserves and retained earnings before appropriation of net income in thousand currency		Loans and advances extended € thousand	Endorsements and deposits € thousand	Share of the capital held %
French subsidiaries								
Interlab	France	63,463	kEUR	106,593	kEUR	—	—	100.00%
Virbac France	France	240	kEUR	33	kEUR	—	—	99.95%
Virbac Nutrition	France	547	kEUR	570	kEUR	—	—	99.99%
Virbac Diagnostics	France	200	kEUR	283	kEUR	—	—	100.00%
Alfamed	France	69	kEUR	498	kEUR	—	—	100.00%
Foreign subsidiaries								
Virbac Nederland BV	Netherlands	50	kEUR	4,679	kEUR	—	—	100.00%
Virbac (Switzerland) AG	Switzerland	200	kCHF	4,888	kCHF	—	—	100.00%
Virbac Ltd	United Kingdom	2	kGBP	8,551	kGBP	—	—	100.00%
Virbac SRL	Italy	1,601	kEUR	1,528	kEUR	—	—	100.00%
Virbac do Brasil Industria e Comercio Ltda	Brazil	22,032	kBRL	118,093	kBRL	—	—	100.00%
Virbac Danmark A/S	Denmark	498	kDKK	18,393	kDKK	—	—	100.00%
Virbac Mexico SA de CV	Mexico	10,197	kMXN	672,885	kMXN	—	—	99.60%
Virbac Tierarzneimittel GmbH	Germany	440	kEUR	2,202	kEUR	—	—	100.00%
Virbac Sp. z o.o.	Poland	5	kPLN	421	kPLN	—	—	100.00%
Virbac Hungary Kft	Hungary	3,000	kHUF	101,757	kHUF	—	—	100.00%
Virbac Uruguay S.A.	Uruguay	2,173	kUS$	37,110	kUS$	—	—	99.18%
Virbac Trading (Shanghai) Co. Ltd	China	49,617	kCNY	-25,676	kCNY	9,330	—	100.00%
Virbac HK Trading Co Ltd	Hong Kong	517	kHKD	73,470	kHKD	—	—	100.00%
Asia Pharma Ltd	Hong Kong	16,055	kHKD	-2,612	kHKD	—	—	100.00%
Virbac Hellas SA	Greece	396	kEUR	1,635	kEUR	—	—	100.00%
Virbac Espana SA	Spain	601	kEUR	1,381	kEUR	—	—	100.00%
Virbac Osterreich GmbH	Austria	36	kEUR	438	kEUR	—	—	50.00%
Virbac Korea Co. Ltd	South Korea	1,600,000	kKRW	2,307,435	kKRW	—	—	100.00%
Virbac (Thailand) Co. Ltd	Thailand	100,000	kTHB	61,022	kTHB	—	—	100.00%
Virbac (Taiwan) Co. Ltd (ex SBC Virbac Biotech)	Taiwan	766,635	kTWD	-410,552	kTWD	10,434	—	100.00%
Virbac Colombia Ltda	Colombia	7,404,486	kCOP	28,987,174	kCOP	—	—	100.00%
Virbac Philippines Inc.	Philippines	48,500	kPHP	-40,687	kPHP	—	250	100.00%
Virbac Japan Co. Ltd	Japan	3,880,000	kJPY	4,618,839	kJPY	258,469	1,104	100.00%
Laboratorios Virbac Costa Rica SA	Costa Rica	178,750	kCRC	1,263,711	kCRC	—	—	100.00%
Virbac Asia Pacific Co. Ltd	Thailand	10,000	kTHB	2,397	kTHB	—	—	100.00%
Virbac de Portugal Laboratorios Lda	Portugal	5	kEUR	1,750	kEUR	—	—	95.00%
Virbac Vietnam Co. Ltd	Vietnam	22,606,324	kVND	275,279,570	kVND	—	—	100.00%
Virbac RSA (Proprietary) Ltd	South Africa	54	kZAR	177,930	kZAR	—	—	100.00%
Virbac Animal Health India Private Limited	India	3,839	kINR	9,388,356	kINR	—	—	100.00%
PP Manufacturing Corporation	United States	—	kUS$	6,789	kUS$	—	1,734	100.00%
Virbac (Australia) Pty Ltd	Australia	2,500	kAUD	65,370	kAUD	—	—	100.00%
Virbac New Zealand Ltd	New Zealand	2,290	kNZD	41,991	kNZD	—	—	100.00%
Virbac Chile Spa	Chile	25,811,200	kCLP	10,809,789	kCLP	51,525	—	100.00%
Virbac Patagonia Ltda	Chile	71,337,809	kCLP	-3,316,983	kCLP	—	—	—
Virbac Latam Spa	Chile	1,000	kCLP	439,476	kCLP	—	—	100.00%
Virbac Hayvan Sagligi Limited Sirketi	Tükiye	298,772	kTRY	21,421	kTRY	—	105	100.00%
Virbac Ireland Ltd	Ireland	—	kEUR	225	kEUR	—	—	100.00%
Virbac Czech Republic s.r.o.	Czech Republic	1,000	kCZK	33,910	kCZK	—	—	100.00%
Virbac Suzhou Pet Food Co Ltd	China	11,000	kCNY	—	kCNY	—	—	100.00%

Gross value of the shares held	Net value of the shares held	Number of shares held	Total number of shares	IFRS sales for the financial year		Financial year results		Dividends received by Virbac	2024 currency-to-EUR foreign exchange rate	
€ thousand	€ thousand			in thousand currency		in thousand currency		€ thousand	closing	average
276,785	273,874	1,512,910	1,512,910	—	kEUR	103,817	kEUR	—	—	—
40,761	40,761	10,434	10,439	91,695	kEUR	5,885	kEUR	4,017	—	—
2,933	2,933	68,349	68,354	107,688	kEUR	22,762	kEUR	16,609	—	—
17,601	4,958	30,939	30,939	5,866	kEUR	-454	kEUR	—	—	—
3,391	1,246	1,008	1,008	12,554	kEUR	453	kEUR	480	—	—
10,443	10,443	89	89	34,215	kEUR	5,278	kEUR	2,200	—	—
115	115	2,000	2,000	24,077	kCHF	2,003	kCHF	1,584	0.941	0.952
3	3	2,000	2,000	52,604	kGBP	4,592	kGBP	1,807	0.829	0.847
5,046	5,046	179,900	179,900	40,573	kEUR	1,052	kEUR	—	1.000	1.000
11,390	11,390	22,032,352	22,032,353	323,516	kBRL	50,296	kBRL	2,772	6.425	5.811
5,350	5,350	500	500	150,170	kDKK	7,280	kDKK	804	7.458	7.459
4,215	4,215	6,171,776	6,196,830	1,850,946	kMXN	206,364	kMXN	2,519	21.550	19.833
1,593	1,593	861,200	861,200	69,720	kEUR	3,842	kEUR	4,801	—	—
1	1	100	100	80,278	kPLN	4,689	kPLN	694	4.275	4.305
10	10	1	1	513,837	kHUF	22,843	kHUF	—	411.350	395.250
14,581	14,581	99,175	100,000	21,495	kUS$	38	kUS$	—	1.039	1.081
6,350	—	6,350,000	6,350,000	170,406	kCNY	-52,337	kCNY	—	7.583	7.783
13,279	13,279	517,355	517,355	1,273	kHKD	-72	kHKD	—	8.069	8.441
1,766	1,766	3	3	—	kHKD	3,552	kHKD	480	8.069	8.441
1,415	1,415	100,000	100,000	9,120	kEUR	511	kEUR	400	—	—
912	912	99,999	100,000	38,677	kEUR	1,752	kEUR	2,000	—	—
18	18	18,170	36,340	9,300	kEUR	586	kEUR	400	—	—
1,329	1,329	320,000	320,000	13,619,900	kKRW	205,839	kKRW	—	1,532.150	1,474.686
2,894	2,894	999,998	1,000,000	447,106	kTHB	31,823	kTHB	—	35.676	38.009
21,629	21,629	76,663,500	76,663,500	569,671	kTWD	6,208	kTWD	—	33.942	34.718
3,408	3,408	5,659	5,660	90,975,090	kCOP	6,861,375	kCOP	2,384	4,557.350	4,397.421
1,156	99	37,999,997	38,000,000	152,878	kPHP	-34,541	kPHP	—	60.301	62.037
48,987	48,987	12,000	12,000	2,489,698	kJPY	-526,381	kJPY	—	163.060	164.279
432	432	420,658	420,658	4,214,306	kCRC	427,300	kCRC	690	506.660	526.126
209	209	99,998	100,000	139,632	kTHB	16,835	kTHB	251	35.676	38.009
5	5	380	400	8,907	kEUR	92	kEUR	—	—	—
2,977	2,977	1,000	1,000	700,599,155	kVND	138,268,531	kVND	3,332	26,379.400	27,089.855
5,305	5,305	56,684	56,684	597,721	kZAR	55,956	kZAR	2,546	19.619	19.822
66	66	383,899	383,900	11,778,744	kINR	3,081,261	kINR	61,407	88.934	90.632
4,946	4,946	100	100	9,196	kUS$	121	kUS$	—	1.039	1.081
4,346	4,346	2,499,997	2,500,000	155,451	kAUD	22,861	kAUD	22,719	1.677	1.639
3,872	3,872	2,290,000	2,290,000	45,490	kNZD	9,918	kNZD	5,618	1.853	1.791
30,002	30,002	1,000	1,000	—	kCLP	-1,369,124	kCLP	—	1,027.640	1,019.236
—	—	—	—	—	kCLP	-2,711,587	kCLP	—	1,027.640	1,019.236
1	1	1,000	1,000	842,929	kCLP	88,134	kCLP	—	1,027.640	1,019.236
7,827	7,827	11,151,609	11,151,609	314,407	kTRY	88,045	kTRY	—	36.737	35.453
—	—	100	100	4,285	kEUR	35	kEUR	—	—	—
10,892	10,892	1	1	151,736	kCZK	8,441	kCZK	803	25.185	25.151
1,400	1,400	11,000,000	11,000,000	—	kCNY	-55	kCNY	—	7.583	7.783

Statutory auditors' report on the financial statements

For the year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To Virbac shareholders' meeting,

OPINION

in compliance with the engagement entrusted to us by your shareholder's meeting, we have audited the accompanying financial statements of Virbac for the year ended December 31, 2024.
In our opinion, the financial statements give a true and fair view of the assets and liabilities, and of the financial position of the company as of December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the audit committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Our responsibilities under those standards are further described in the "Statutory auditors' responsibilities for the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French commercial code (*Code de commerce*) and the French code of ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of regulation (EU) n°537/2014.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Key audit matters

In accordance with the requirements of articles L821-53 and R821-180 of the French commercial code relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Key audit matter: measurement of equity investments

As of December 31, 2024, equity investments have a gross value of € 569.6 million and a net carrying amount of €544.5 million including an impairment loss of €25.1 million. They are recognized at acquisition cost, excluding incidental expenses, on entry into the accounts.

If the value in use of equity investments is lower than their net carrying amount, a provision for impairment is recognized for the amount of the difference as disclosed in the "Equity investments" section of the "Accounting principles and methods" note to the financial statements.

Impairment tests performed by management to calculate the value in use of equity investments, when the net carrying amount is higher than the share in equity, require management to make significant judgments and assumptions, notably concerning:
- discount rates applied to cash flows;
- the long-term growth rate applied to assess the terminal value.

Accordingly, a change in these assumptions may modify the value in use of equity investments. In this context, we considered the correct measurement of equity investments to be a key audit matter due to the importance of management judgment and the material amount of equity investments in the balance sheet.

Our response

To assess the reasonableness of the estimated value in use of equity investments, our work mainly consisted in verifying that the estimated values, as determined by the management, are based on an appropriate justification of the valuation method and the figures used.

We:
- verified that the equity, including the share of equity used, agrees with the entity accounts audited;
- assessed the quantified data used for the determination of values in use, with a specific attention to the subsidiary Interlab, which holds the entire capital of the American subsidiary (Virbac Corporation);
- assessed the discount rates adopted by management, comparing it with our own estimated rates, prepared with the assistance of our valuation specialists;
- assessed the reasonableness of the long-term growth rate used to determine the terminal value;
- sample tested the arithmetical accuracy of the impairment tests performed by the company;
- assessed the appropriateness of disclosures presented in the "Equity investments" section of the "Accounting principles and methods" note and note B3 "Financial assets" and A7 "Subsidiaries and affiliates as of December 31, 2024" to the financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and other documents addressed to shareholders with respect to the financial position and the financial statements

We have no comments to make on the fair presentation and consistency with the financial statements of the information given in the board directors' management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.
We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in article D441-6 of the French commercial code.

Report on corporate governance

We attest that the board of directors' report on corporate governance sets out the information required by articles L225-37-4, L22-10-10 and L22-10-09 of the French commercial code.

Concerning the information given in accordance with the requirements of article L22-10-9 of the French commercial code relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to article L22-10-11 of the French commercial code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements included in the annual financial report mentioned in article L451-1-2, I of the French monetary and financial code (*Code monétaire et financier*), prepared under the responsibility of chief executive officer, complies with the single electronic format defined in the European delegated regulation n°2019/815 of December 17, 2018.
Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the *AMF* are in agreement with those on which we have performed our work.

Appointment of the statutory auditors

We were appointed as statutory auditors of Virbac by your annual general meeting on June 29, 1998 for Novances David & Associés and on June 30, 2004 for Deloitte & Associés.
As at December 31, 2024, Novances David & Associés was in the twenty-seventh consecutive year of mandate without interruption and Deloitte & Associés was in twenty-first consecutive year of mandate without interruption.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the board of directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L821-55 of the French commercial code, our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the audit committee

We submit a report to the audit committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit committee with the declaration referred to in article 6 of regulation (EU) n°537/2014, confirming our independence pursuant to rules applicable in France as defined in particular by articles L821-27 to L821-34 of the French commercial code and in the French code of ethics for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Nice and Marseille, April 28, 2025

The statutory auditors

French original signed by

Novances-David et Associés
Jean-Pierre GIRAUD

Deloitte & Associés
Hugues Desgranges Jérémie PERROCHON

Statutory auditors’ special report on regulated agreements

This is a free translation into English of the statutory auditors’ special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements and commitments reported on are only those provided by the French commercial code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Shareholders’ meeting held to approve the financial statements for the year ended December 31, 2024.

To the shareholders' meeting,

in our capacity as statutory auditors of your company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the company’s interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to article R225-31 of the French commercial code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R225-31 of the French commercial code relating to the implementation during the past year of agreements previously approved by the shareholders’ meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French national institute of statutory auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the shareholders’ meeting pursuant to article L225-38 of the French commercial code.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS’ MEETING

We inform you that we have not been advised of any agreement previously approved by the shareholders’ meetings that remained in force during the year.

Nice and Marseille, April 28, 2025

The statutory auditors

French original signed by

Novances-David et Associés
Jean-Pierre GIRAUD

Deloitte & Associés
Hugues Desgranges   Jérémie PERROCHON

Statement of responsibility for the annual financial report

I certify, to the best of my knowledge, that the financial statements and the consolidated accounts are prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position, and the profits or losses of the issuer and of all the companies included in the consolidation, and that the management report presents an true and fair view of the evolution of the business, the results, and the financial position of the company and of all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face, and that it has been prepared in accordance with applicable sustainability reporting standards.

Carros, April 28, 2025

Habib Ramdani, interim chief executive officer, Virbac group

Combined ordinary and extraordinary shareholders' meeting of June 19, 2025

Explanatory statement and draft resolutions

ORDINARY BUSINESS

1. Approval of the accounts of the financial year 2024

Statement

Resolutions 1, 2 and 3: approval of the annual accounts (parent company and consolidated), allocation of profit from the 2024 financial year and determination of dividends

The ordinary shareholders' meeting is convened to approve:

- the statutory accounts as detailed and explained from page 272 to page 298 along with an income statement that shows a net profit of €233,814,048.23 in 2024;
- the consolidated accounts from the 2024 financial year, with details and explanations appearing on pages 208 to 266;
- allocation of profit.

The distribution of a dividend will be proposed to the shareholders' meeting in the amount of €1.45 per share, *i.e.* a total amount of €12,166,457.

Resolutions

First resolution: approval of the statutory accounts for the 2024 financial year

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholders' meetings, after having heard the reports from the board of directors and the statutory auditors, approves, as they were presented, the statutory accounts for the financial year ending December 31, 2024 showing a net profit of €233,814,048.23, as well as the transactions reflected in these accounts or summarized in said reports.
The shareholders' meeting also approves the expenditures incurred during the past financial year related to the transactions that fall within the scope of article 39-4 of the French general tax code, representing a total of €582,431. As a consequence, the shareholders' meeting grants the board of directors full and unreserved discharge of their duties for the aforementioned financial year.

Second resolution: approval of the 2024 consolidated accounts

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholder's meeting, after having heard the reports from the board of directors and the statutory auditors for the financial year ending December 31, 2024, approves, as they were presented, the consolidated accounts for that financial year, showing a net profit of €145,289,535 attributable to the owners of the parent company.
The shareholders' meeting also approves the transactions reflected in these accounts or summarized in said reports.

Third resolution: allocation of profit

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholders' meetings, elects to allocate the profit for the financial year as follows:

in €	2024 financial year
Net result for the period	233,814,048.23
Retained earnings carried forward	627,520,195.29
Distributable result	**861,334,243.52**
Distribution of dividend	12,166,457.00
Retained earnings for the period	221,647,591.23

The dividend distributed for each share with the nominal value of €1.25 amounts to €1.45. The dividend to be distributed will be detached from the share on June 24, 2025 and will be payable on June 26, 2025.

The shareholders' meeting decides that, in accordance with the provisions of article L225-210 of the French commercial code, the amount of the dividend corresponding to the treasury shares on the date of payment will be allocated to the retained earnings account, which will therefore be increased by this amount.

The shareholders' meeting acknowledges that the shareholders have been informed:

- that since January 1, 2018, the distributed income is subject to a single flat-rate deduction ("flat tax") of 30%, *i.e.* 12.8% for income tax and 17.2% for social security deductions;
- that the mandatory lump sum deduction not discharging the income tax is maintained but its rate is aligned with that of the flat tax (12.8% - article 117 *quater* of the French general tax code);
- that natural persons belonging to a tax household whose reference tax income for the previous year is less than €50,000 (single, divorced or widowed taxpayers) or €75,000 (taxpayers subject to joint taxation) may request to be exempted from the flat-rate non-discharging deduction of 12.8% in respect of income tax; the exemption request must be made, under the responsibility of the shareholder, no later than November 30 of the year preceding the payment of the dividend;
- that the option for taxation of the dividend on the progressive scale remains possible and must be indicated on the tax return; in this case, the flat-rate non-discharging deduction of 12.8% will be deducted from the tax due. The 40% reduction will be maintained, but social security contributions will be based on the amount before reduction.

It is specified that the amount of income distributed for the year ended December 31, 2024 eligible for the 40% reduction provided for in article 158, 3-2° of the French general tax code amounts to €12,166,457, *i.e.* all dividends distributed.

The shareholders were also reminded that, in accordance with the provisions of article L136-7 of the French social security code, social security contributions on dividends paid to natural persons domiciled for tax purposes in France are subject to the same rules as the deduction mentioned in article 117 *quater* of the French general tax code, *i.e.* debited at source by the paying institution, when the latter is established in France, and paid to the Treasury within the first fifteen days of the month following the payment of dividends.

Pursuant to article 243 *bis* of the French general tax code, it is recalled that distributions made for the three previous financial years were as follows:

in €	Dividend per share	Global distribution
In respect of 2021	1.25	10,572,500.00
In respect of 2022	1.32	11,164,560.00
In respect of 2023	1.32	11,164,560.00

2. Regulated agreements

Statement

Resolution 4: agreements and commitments known as "regulated", pursuant to article L225-38 *et seq*. of the French commercial code

No agreement or commitment subject to the provisions of article L225-38 of the French commercial code was entered into or renewed in the 2024 financial year, and there is no agreement or commitment already approved by the shareholders' meeting that would continue during the past financial year.

However, a resolution will be presented at the shareholders' meeting to acknowledge the absence of regulated agreements and commitments.

Resolution

Fourth resolution: regulated agreements and commitments referred to in article L225-38 of the French commercial code

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholders' meetings, having acquainted itself with the special report of the statutory auditors noting the absence of agreements and commitments subject to the provisions of article L225-38 of the French commercial code, shall simply take note of that.

3. Board of directors – renewal of the mandate of the terms of office of directors

Statement

Resolutions 5 and 6: renewal of the terms of office of Pierre Madelpuech and the company Cyrille Petit Conseil represented by Cyrille Petit as directors

The terms of office of Pierre Madelpuech and of the company Cyrille Petit Conseil represented by Cyrille Petit expire at the end of this shareholders' meeting. It will be proposed to the shareholders' meeting to renew their terms of office for a period of three years.

Pierre Madelpuech has been a member of Virbac's supervisory board since 1995 and was appointed as a director, in 2020, at the time of the change in Virbac's mode of administration and management. He has served as vice-chairman of the board of directors and a member of the audit committee. During the past three years of his term of office, he attended 100% of the meetings of the board of directors and of the audit committee. He brings to the board of directors his extensive knowledge of the pharmaceutical and veterinary industries and his financial expertise.

Cyrille Petit served on the board of directors in a personal capacity from 2019 to 2020 and, since 2020, as a permanent representative of the company Cyrille Petit Conseil. He is an independent director and a member of the audit committee and of the appointments and compensation committee. During the past three years of his term, he attended 100% of the meetings of the board of directors and the aforementioned committees. He brings to the board of directors, in particular, his knowledge of international group management as well as his skills in strategy and mergers & acquisitions.

Accordingly:
• we propose that you renew Pierre Madelpuech's term of office as a member of the board of directors for a period of three years, until the end of the shareholders' meeting convened to approve the financial statements ending December 31, 2027 (resolution 5);
• we propose that you renew the term of office of the company Cyrille Petit Conseil, represented by Cyrille Petit, as a member of the board of directors for a period of three years, until the end of the shareholders' meeting convened to approve the financial statements ending on December 31, 2027 (resolution 6).

Information regarding the above-mentioned members of the board of directors appears in the corporate governance report on pages 144 and 147.

Resolutions

Fifth resolution: renewal of the term of office of Pierre Madelpuech as a director

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholders' meetings, elects to renew Pierre Madelpuech's term of office as a director for a period of three years that will expire at the end of the shareholders' meeting convened to approve the accounts for the financial year ending December 31, 2027.

Sixth resolution: renewal of the term of office of the company Cyrille Petit Conseil, represented by Cyrille Petit, as a director

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholders' meetings, elects to renew the term of office of the company Cyrille Petit Conseil, represented by Cyrille Petit, as a director for a period of three years that will expire at the end of the shareholders' meeting convened to approve the accounts for the financial year ending December 31, 2027.

4. Board of directors – renewal of one non-voting advisor term

Statement

Resolution 7: renewal of the term of office of Rodolphe Durand as a non-voting advisor

The shareholders' meeting of June 21, 2024 renewed the term of office of Rodolphe Durand, as a non-voting advisor, until the end of this shareholders' meeting.
We propose to renew the terms of office of Rodolphe Durand, as a non-voting advisor for a period of one year, or until the end of the shareholders' meeting convened to approve the accounts for the 2025 financial year.

Information regarding the non-voting advisor appears in the corporate governance report on page 157.

Resolution

Seventh resolution: renewal of the term of office of Rodolphe Durand as a non-voting advisor

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholders' meetings, renews the term of office of Rodolphe Durand, as a non-voting advisor.
Rodolphe Durand's term of office will end at the end of the shareholders' meeting convened to approve the accounts for the financial year ending December 31, 2025.

5. Compensation

Statement

Resolutions 8 to 13: approval of the information mentioned in article L22-10-9 I. of the French commercial code

The information referred to in article L22-10-9 of the French commercial code, which is contained in the corporate governance report and concerns the compensation of the company officers, is subject to resolutions submitted at the shareholders' meeting.
The elements comprising total compensation and other benefits paid during the 2024 financial year or assigned under the same financial year to the chairwoman of the board of directors, the chief executive officer whose term of office ended in 2024, to the deputy chief executive officer appointed as interim chief executive officer in 2024 and the deputy chief executive officer, are subject to the approval of the shareholders' meeting as they appear in the corporate governance report (pages 163-173).
In accordance with the provisions of article L22-10-34 of the French commercial code, payment of the variable portion of compensation for 2024 to the chief executive officer whose term of office ended in 2024, to the deputy chief executive officer appointed as interim chief executive officer in 2024 and the deputy chief executive officer is subject to approval during this shareholders' meeting.
The elements comprising the compensation policy of the chairwoman of the board of directors, the directors, the chief executive officer whose term of office ended in 2024, the deputy chief executive officer appointed as interim chief executive officer in 2024 and the deputy chief executive officer are the subject of resolutions submitted to the shareholders' meeting, as they appear in the corporate governance report (pages 174-182).

Resolutions

Eighth resolution: approval of the information mentioned in article L22-10-9 I. of the French commercial code relating to the compensation of members of the board of directors

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, pursuant to the provisions of article L22-10-34 I. of the French commercial code, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, approves the information involving members of the board of directors, referred to in article L22-10-9 I. of the French commercial code, as presented in the corporate governance report (pages 175-176).

Ninth resolution: approval of the information mentioned in article L22-10-9 I. of the French commercial code relating to the compensation of the chief executive officer whose term of office ended in 2024, the deputy chief executive officer appointed as interim chief executive officer in 2024 and the deputy chief executive officer

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, pursuant to the provisions of article L22-10-34 I. of the French commercial code, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, approves the information involving the chief executive officer whose term of office ended in 2024, the deputy chief executive officer appointed as interim chief executive officer in 2024 and the deputy chief executive officer, referred to in article L22-10-9 I. of the French commercial code, as presented in the corporate governance report (pages 176-183 and 187-188).

Tenth resolution: approval of the elements comprising compensation and benefits of any nature paid or awarded in the 2024 financial year to Marie-Hélène Dick-Madelpuech, chairwoman of the board of directors

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, approves, pursuant to article L22-10-34 II. of the French commercial code, the elements comprising compensation and other benefits paid in the 2024 financial year or awarded under the same financial year to Marie-Hélène Dick-Madelpuech, chairwoman of the board of directors, as presented in the corporate governance report (pages 176 and 187-188).

Eleventh resolution: approval of the elements comprising compensation and benefits of any nature paid or awarded during the 2024 financial year to Sébastien Huron, chief executive officer whose term of office ended in 2024

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, approves, pursuant to article L22-10-34 II. of the French commercial code, the elements comprising compensation and other benefits paid in the 2024 financial year or awarded under the same financial year to Sébastien Huron, chief executive officer whose term of office ended in 2024, as presented in the corporate governance report (pages 177-179 and 187-188).

Twelfth resolution: approval of the elements comprising compensation and benefits of any nature paid or awarded during the 2024 financial year to Habib Ramdani, deputy chief executive officer appointed as interim chief executive officer in 2024

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, approves, pursuant to article L22-10-34 II. of the French commercial code, the elements comprising compensation and other benefits paid in the 2024 financial year or awarded under the same financial year to Habib Ramdani, deputy chief executive officer appointed as interim chief executive officer in 2024, as presented in the corporate governance report (pages 179-181 and 187-188).

Thirteenth resolution: approval of the elements comprising compensation and benefits of any nature paid or awarded during the 2024 financial year to Marc Bistuer, deputy chief executive officer

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, approves, pursuant to article L22-10-34 II. of the French commercial code, the elements comprising compensation and other benefits paid in the 2024 financial year or awarded under the same financial year to Marc Bistuer, deputy chief executive officer, as presented in the corporate governance report (pages 182-183 and 187-188).

Statement

Resolutions 14 to 19: approval of the compensation policy for members of the board of directors, the future chief executive officer, the interim chief executive officer and the deputy chief executive officer(s) for the 2025 financial year

Pursuant to article L225-37 of the French commercial code, the board of directors submits the corporate governance report, which describes the elements of the company officers' compensation policy, for approval by the shareholders' meeting. Pursuant to article L22-10-8 of the French commercial code, this report submits for approval by the shareholders' meeting the principles and criteria applicable to the determination, distribution and allocation of the fixed, variable and extraordinary elements comprising total compensation and benefits of any nature attributable to company officers due to the exercise of their term of office for the 2025 financial year, and for the period until the shareholders' meeting that will be convened to approve again this policy, in accordance with the law and constituting the compensation policy as applicable to them.

Due to the exceptional circumstances relating to the search for a future chief executive officer and to the current governance, the 2025 compensation policy considers the chairwoman and the members of the board of directors, the future chief executive officer in the event of an appointment during the year, the interim chief executive officer (Habib Ramdani) as well as the hypothesis where the latter would be reappointed as a deputy chief executive officer following the appointment of a future chief executive officer, and the deputy chief executive officer (Marc Bistuer).

These principles and criteria adopted by the board of directors on the recommendation of the appointments and compensation committee are presented in the report provided by the aforementioned article and appearing in the corporate governance report on pages 164-174. They will apply up to the next shareholders' meeting, which will be convened to approve this policy, in accordance with the law.

Resolutions

Fourteenth resolution: approval of the compensation policy of the chairwoman of the board of directors for the 2025 financial year

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, describing the elements of the compensation policy for company officers, approves, pursuant to article L22-10-8 of the French commercial code, the compensation policy for the chairwoman of the board of directors for the 2025 financial year, as presented in the corporate governance report (pages 164-166).

Fifteenth resolution: approval of the compensation policy of the members of the board of directors for the 2025 financial year

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, describing the elements of the compensation policy for company officers, approves, pursuant to article L22-10-8 of the French commercial code, the compensation policy for the members of the board of directors, including the directors and the non-voting advisor, for the 2025 financial year, as presented in the corporate governance report (pages 164-165).

Sixteenth resolution: approval of the compensation policy of the future chief executive officer, for the 2025 financial year

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, describing the elements of the compensation policy for company officers, approves, pursuant to article L22-10-8 of the French commercial code and subject to the appointment of a future chief executive officer by the board of directors, the compensation policy which will be applicable to her/him, for the 2025 financial year, as presented in the corporate governance report (pages 166-167).

Seventeenth resolution: approval of the compensation policy of Habib Ramdani, interim chief executive officer, for the 2025 financial year

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, describing the elements of the compensation policy for company officers, approves, pursuant to article L22-10-8 of the French commercial code, the compensation policy for Habib Ramdani, interim chief executive officer, for the 2025 financial year, as presented in the corporate governance report (pages 167-169).

Eighteenth resolution: approval of the compensation policy of Habib Ramdani, deputy chief executive officer, for the 2025 financial year

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, describing the elements of the compensation policy for company officers, approves, pursuant to article L22-10-8 of the French commercial code and subject to the appointment of Habib Ramdani as a deputy chief executive officer by the board of directors, the compensation policy which will be applicable to him for the 2025 financial year, as presented in the corporate governance report (pages 169-172).

Nineteenth resolution: approval of the compensation policy of Marc Bistuer, deputy chief executive officer, for the 2025 financial year

The shareholders' meeting, under conditions of *quorum* and majority required for ordinary shareholders' meetings, having acquainted itself with the corporate governance report referred to in article L225-37 of the French commercial code, describing the elements of the compensation policy for company officers, approves, pursuant to article L22-10-8 of the French commercial code, the compensation policy for Marc Bistuer, deputy chief executive officer, for the 2025 financial year, as presented in the corporate governance report (pages 169-170 and 172-174).

6. Authorization to be granted to the board of directors to buy back shares of the company

Statement

Resolution 20: authorization to be granted to the board of directors to buy back shares of the company

The ordinary shareholders' meeting of June 21, 2024 authorized the Virbac company to buy back treasury shares in accordance with articles L22-10-62 of the French commercial.

On December 31, 2024, Virbac held a total of 16.066 treasury shares, acquired on the market for a total of €4,070,768, excluding fees, for an average price of €253.38 per share.
14.537 treasury shares acquired in accordance with the liquidity agreement (with an average price of €230.59 per share) had been allocated to the performance-related stock grant plans. The liquidity agreement contract has been cancelled on July 1st, 2024.

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

- ensure liquidity or supporting the market price via an independent investment services provider pursuant to a liquidity agreement in accordance with a code of ethics recognized by the French financial markets authority (*AMF*);
- allocate performance-related stock grants;
- allow the company's capital to be reduced by cancelling all or part of the shares purchased, within the framework of the authorization that will be submitted to the shareholders in the twenty-first resolution.

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 a liquidity agreement.

Resolution

Twentieth resolution: authorization to be granted to the board of directors to buy back shares of the company

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholders' meetings, after having heard the report from the board of directors, authorizes the board of directors, with the option of sub-delegation, in accordance with the provisions of articles L22-10-62 *et seq.* of the French commercial code, to buy back shares representing up to a maximum of 10% of the company's share capital on the date of this meeting, in order to:

- ensure liquidity or support the market price via an independent investment services provider pursuant to a liquidity agreement in accordance with a code of ethics recognized by the French financial markets authority;
- proceed with the allocation of performance-related stock grants under the provisions of articles L225-197-1 *et seq.* of the French commercial code;

- reduce the company's share capital by cancelling all or part of the shares purchased, within the framework of the authorization that will be submitted to the shareholders in the twenty-first resolution.

The maximum unit purchase price may not exceed €1,000 per share.
The maximum transaction amount that could be carried out pursuant to this resolution, taking into account the 16,066 shares already held as of February 28, 2025, is thus set at €823,000,000.
In the event of a capital increase through incorporation of reserves and allocation of performance-related stock grants, a share split or reverse shares split, this amount will be adjusted by a multiplier equal to the ratio between the number of shares in the share capital prior to the transaction and the number after the transaction.
This authorization, which cancels and supersedes any previous authorization of the same nature, in particular the one granted by the shareholders' meeting of June 21, 2024 in its twenty second resolution, is granted for a period of eighteen months from the date of this meeting.
All powers are conferred to the board of directors, with the power of delegation, to place all orders, enter into all agreements, carry out all formalities and declarations with any organization, in particular the French financial markets authority and, more generally, to do what will be necessary for the purposes of carrying out transactions performed in accordance with this authorization.

EXTRAORDINARY BUSINESS

7. Authorization to be granted to the board of directors to reduce the share capital by cancelling treasury shares held by the company

Statement

Resolution 21: authorization to be granted to the board of directors for the purpose of reducing the share capital by cancelling treasury shares held by the company

In accordance with the provisions of article L22-10-62 of the French commercial code, the shareholders' meeting of June 20, 2023 authorized, for a period of twenty-six months, the board of directors to reduce the share capital by canceling treasury shares. Pursuant to this authorization, the board of directors during its meeting held on September 13, 2024, reduced the share capital of Virbac by canceling 67,340 treasury shares that have been acquired during 2023 under the share buyback program.

As the term of the authorization granted by the shareholders' meeting of June 20, 2023 will soon expire, we hereby submit a new resolution to replace it, authorizing the board of directors to potentially proceed with a share capital reduction on one or more occasions, up to a limit of 10% of the capital, by cancelling all or part of the treasury shares that the company holds or may hold, for a new period of twenty-six months.

Resolution

Twenty-first resolution: authorization to be granted to the board of directors for the purpose of reducing the share capital by cancelling treasury shares held by the company

The shareholder's meeting, in accordance with *quorum* and majority requirements for extraordinary shareholders' meetings, after having heard the board of directors' report and the special report of the statutory auditors:

- authorizes the board of directors to cancel, on one or more occasions, all or part of the shares held by the company or which could be held by the company following buybacks carried out under article L22-10-62 of the French commercial code, up to a maximum of 10% of the total number of shares per period stipulated by law, by attributing the difference between the purchase value of the cancelled shares and the nominal value on the premiums and available reserves, including, in part, up to 10% of the capital cancelled from the legal reserve;
- authorizes the board of directors to record that one or more capital reductions have been carried out and, as a result, amend the articles of association and carry out all requisite formalities;
- authorizes the board of directors to delegate all powers needed to implement its decisions, all in accordance with the legal provisions in effect at the time of the use of this authorization;
- sets the term of validity of this authorization, which supersedes the authorization granted by the shareholders' meeting of June 20, 2023, at twenty-six months from the date of this shareholders' meeting.

8. Amendment of the articles of association

Statement

Resolution 22: amendment of the articles of association

Law no. 2024-537 of June 13, 2024, aimed at increasing business financing and the attractiveness of France (known as the "*Loi Attractivité*"), amended the provisions of the article L225-37 of the French commercial code to allow directors to attend all the meetings of the board of directors by telecommunication means. It is therefore appropriate to update article 11.2 of Virbac's articles of association, which requires, for the calculation of the *quorum*, that directors be physically present at meetings closing the company and consolidated financial statements and preparing the management report.

This law also authorizes the articles of association to stipulate that the board of directors may make any type of decision by means of a written consultation. In order to take into account this legislative change, it is therefore appropriate to amend article 11.6 of Virbac's articles of association.

Finally, the said law removed, within the provisions of the article L225-36 para. 2 of the French commercial code, the requirement for the board of directors to obtain a prior delegation from the extraordinary general meeting in order to amend the articles of association. Consequently, article 12 of the articles of association should be amended so that the board of directors can make the necessary changes to the articles of association to bring them into compliance with legislative and regulatory provisions, subject to ratification by a subsequent extraordinary general meeting.

Resolution

Twenty-second resolution: deletion of the provisions of article 15.2.2 of the articles of association

The shareholders' meeting, in accordance with *quorum* and majority requirements for extraordinary shareholders' meetings, having read the board of directors' report and the proposal of the amended articles of association, decide to amend the provisions of articles 11.2, 11.6 and 12 of the company's articles of association in order to bring them into compliance with the new legislative provisions.

9. Powers for formalities

Statement

Resolution 23: powers for legal formalities

This resolution is intended to confer the necessary powers to carry out the formalities subsequent to the shareholders' meeting.

Resolution

Twenty-third resolution: powers for legal formalities

The shareholders' meeting, in accordance with *quorum* and majority requirements for ordinary shareholders' meetings, confers all powers to the bearer of an original, an extract or a copy of this meeting minutes in order to carry out all formalities stipulated by law.

Products glossary

The product names stated in the annual report and listed below are subject to protection in particular in respect of trademarks. **Virbac and/or its subsidiaries are the owners or have exclusive use of them**. All medicines or products mentioned in this document can be not authorized or not marketed in all the countries including France.

Afilaria
long-acting injectable suspension for the preventive treatment of heartworm disease in dogs

Alizine
aglepristone based synthetic anti-progesterone for female dogs

Bovigen Platinum
respiratory and reproductive cattle vaccines range

Cortotic
antimicrobial-free solution recommended as a first line treatment of acute erythemato-ceruminous otitis externa in dogs

Dryzen
teat canal sealant medication which, through its mechanical action, helps prevent new intramammary infections that can occur in non-lactating periods in cows

Lepto 4-way
multivalent vaccine against cattle leptospirosis

Movoflex
soft chews used for joint and mobility support in dogs and cats

Sentinel® Spectrum®
polyvalent parasiticide tablets for dogs to prevent canine heartworm disease and to treat roundworms as well as tapeworms and flea infestations

Suigen APP2, 9,11
vaccine for the immunization of swine against porcine pleuropneumonia caused by *Actinobacillus pleuropneumoniae*

Suigen Donoban-10
multivalent vaccine for the prevention of respiratory pathologies in swine

Suigen PCV2
porcine circovirus type 2 vaccine

Trilotab
trilostane based chewable tablet indicated for the treatment of Cushing's disease and syndrome in dogs

Veterinary HPM
specialized petfood for dogs and cats

Zoletil
multi-species general anesthetic

WE ARE AT
YOUR SERVICE
ON 5 CONTINENTS

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Shaping the future
of **animal health**