

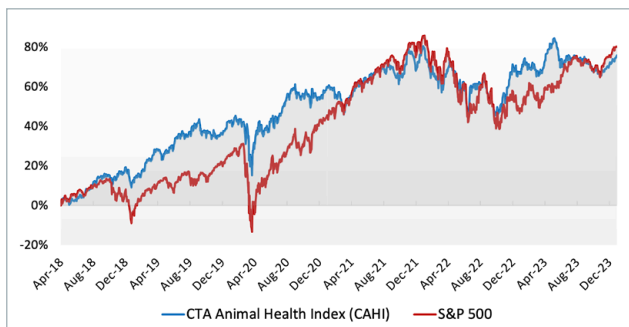
# CEO SUMMARY | Q4 2023

## Animal Health

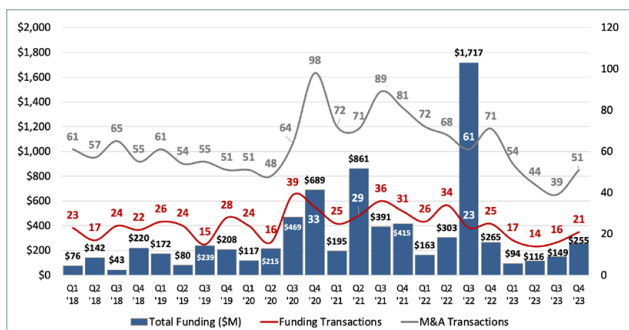


Cherry Tree & Associates (CTA) has advised entrepreneurs, CEOs, investors, and Boards of Directors for more than 40 years. Each quarter we highlight Animal Health industry performance, trends, transactions, and valuations. We use the CTA Animal Health Index (CAHI) to represent the industry. The CAHI is comprised of over 40 broad, global, public companies primarily focused on companion animals. The graphs below use the CAHI companies. Companies without guidance and extreme outliers were excluded when appropriate.

CAHI vs. S&P 500

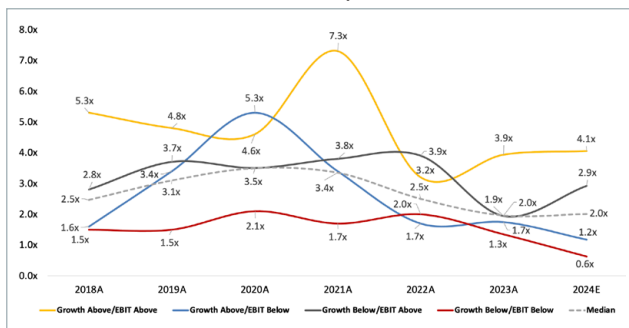


Animal Health M&A and Funding Transactions



M&A transactions are public and private deals. Funding transactions are private, equity transactions. Both are from global developed countries. Funding values are announced transaction values.

Rule of 40 Median Performance EV/Rev Multiple Trends



EV/Rev multiple trends are the median multiples for the companies grouped together based on their performance against median CAHI revenue growth and EBIT margins.

### QUARTERLY HIGHLIGHTS:

- The Animal Health industry slightly lagged the broader market.
- M&A and funding activity both picked up.
- Ambitious players made moves.
- Valuations increased in two segments.

CAHI Medians	
Revenue Growth	5.1%
EBIT Margin	10.0%
EV/Rev	2.0x

After years of strong performance against the broader market, the CAHI has started to lag the S&P 500 even after growing nearly 8% during the quarter. The CAHI is up 76% vs the S&P 500 being up 80% over the past six years. Animalcare Group (AIM:ANCR) and Apiam

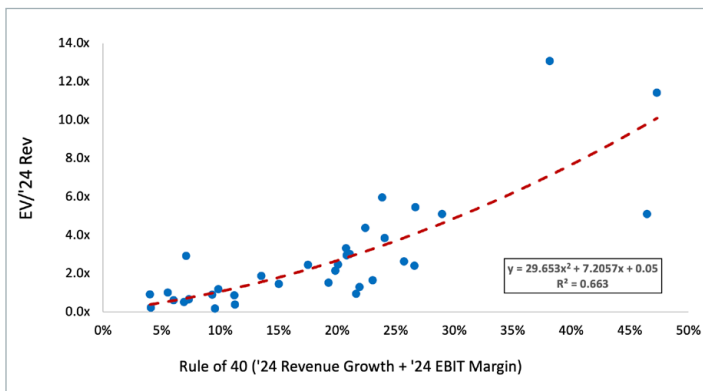
Animal Health Limited (ASX:AHX) were both added to the CAHI while Dechra Pharmaceuticals was removed as discussed below.

M&A and funding activity along with funding values all increased over the quarter. Their rebound could signal transactions have recently bottomed out. Some notable activity include Dechra Pharmaceuticals completing their delisting from the London Stock Exchange as previously announced back in June; Zomedica acquiring Plymouth, MN based point-of-care diagnostic instruments company Qorvo Biotechnologies for an undisclosed sum; Boehringer Ingelheim acquiring T3 Pharmaceuticals for \$510M; Post Holdings continuing to build out their pet food business with the asset acquisition of Perfection Pet Foods for approximately \$240M; Both pet resort company Better Than Home and raw food company Stella & Chewy's raising \$75M; and Bond Veterinary raising \$50M to fund its growth.

While the market seems to be thawing when it comes to M&A and funding, it is still taking a conservative approach to valuations. Multiples continued to inch higher for companies who were outperforming their peers while profitable companies received over a 2x premium over high growth companies.

We expect valuations to continue to improve as activity continues to increase. This should bring transactions and valuations closer to the historic mean. Companies who have been patiently waiting for conditions to improve may want to begin preparing for their transaction.

### Rule of 40 Forward-Looking EV/Rev Multiples



Forward-looking guidance for revenue growth and EBIT margins are added to calculate a company's Rule of 40 (R40) number.



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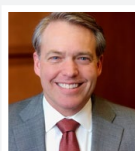
# CEO SUMMARY | Q4 2023

## Animal Health



### NOTABLE ANIMAL HEALTH M&A TRANSACTIONS

Date	Target	Buyer	Status	Value (\$M)	Sector
10/02/23	PÜR LIFE Medical, Inc	Panacea Life Sciences Holdings, Inc. (OTCQB:PLSH)	Announced	\$2.60	Veterinary Drugs
10/03/23	Cereales Rego SI	Naturleite SL	Completed	NA	Animal Feed
10/03/23	The Liverpool Vets Limited	CVS (UK) Limited	Completed	NA	Veterinary Services
10/05/23	Qorvo Biotechnologies, LLC	Zomedica Corp. (NYSEAM:ZOM)	Completed	NA	Veterinary Equipment
10/10/23	Assets of Perfection Pet Foods, LLC	Post Holdings, Inc. (NYSE:POST)	Completed	\$238.80	Animal Feed
10/11/23	VetPartners Pty. Ltd.	EQT Private Capital; Baring Private Equity	Announced	NA	Veterinary Services
10/12/23	Clinica Equina San Biagio	ECG Clinics	Completed	NA	Veterinary Services
10/12/23	Garston Veterinary Group	Linnaeus Veterinary Limited	Completed	NA	Veterinary Services
10/13/23	SealesWinslow Ltd	Farmlands Co-operative Society Limited	Announced	NA	Animal Feed
10/16/23	Dogster, Inc./Catster	Pangolia Pte. Ltd	Completed	NA	Veterinary Services
10/16/23	Red Collar Pet Foods Plant in Joplin	Sunshine Mills, Inc.	Completed	NA	Animal Feed
10/18/23	Equine Sport Medicine, S.L.	ECG Ambulatory Care BV	Completed	NA	Veterinary Services
10/23/23	Pig and Green Co., Ltd.	JeilFeed Corporation	Completed	\$0.03	Animal Feed
11/01/23	Manufacturing assets of KE Feeds, LLC	Pellet Technology USA, LLC	Completed	NA	Animal Feed
11/02/23	ImmuneOncia Therapeutics Inc.	Yuhan Corporation (KOSE:A000100)	Completed	\$20.00	Veterinary Drugs
11/02/23	Resitália - Comércio	OneVet Group SA	Completed	NA	Veterinary Services
11/03/23	TDBBS, LLC	Central Garden & Pet Company (NASDAQGS:CEN)	Completed	\$60.00	Animal Feed
11/07/23	Animal Health Centre	Medivet Group Limited	Completed	NA	Veterinary Services
11/08/23	Kimata Animal Hospital Co., Ltd.	ANCHORS Co., Ltd.	Completed	NA	Veterinary Services
11/09/23	Fera Pets, Inc.	General Mills, Inc. (NYSE:GIS); Gold Medal Ventures	Completed	NA	Animal Feed
11/09/23	Fernside Veterinary Centre Limited	CVS Group plc (AIM:CVSG)	Completed	NA	Veterinary Services
11/14/23	Galaxidi Marine Farm S.A.	Irida S.A.	Completed	NA	Animal Feed
11/15/23	Jumper De Diersuper	Fressnapf Tiernahrungs GmbH	Completed	NA	Pet Care Product Retail
11/15/23	XF Australia Pty Ltd	GrainCorp Limited (ASX:GNC)	Completed	\$22.79	Animal Feed
11/22/23	T3 Pharmaceuticals AG	Boehringer Ingelheim International GmbH	Completed	\$509.62	Veterinary Drugs
11/28/23	K9 Carts	Paw Acquisition I Corp.	Completed	NA	Veterinary Equipment
11/29/23	International Protein Colloids, Inc.	Benford Capital Partners; Gum Products International	Completed	NA	Animal Feed
11/29/23	Musti Group Oyj	Sonae, SGPS, S.A. (ENXTLS:SON)	Completed	\$914.33	Pet Care Product Retail
11/30/23	Animal Dermatology & Allergy	Animal Dermatology Group, Inc.	Completed	NA	Veterinary Services
11/30/23	SkinVet Clinic	Animal Dermatology Group, Inc.	Completed	NA	Veterinary Services
12/01/23	Moore Equine Veterinary Centre Ltd.	Altano Gruppe GmbH	Completed	NA	Veterinary Services
12/01/23	My Perfect Pet LLC	Antelope	Completed	NA	Animal Feed
12/01/23	Vet Referral Pty Ltd	CVS Group plc (AIM:CVSG)	Completed	NA	Veterinary Services
12/02/23	Eville & Jones (G.B.) Limited	Phenna Group Holdings Limited	Completed	NA	Veterinary Services
12/05/23	Beauty BY Dia, S.A.U.	Grupo Trinity S.A.S	Completed	\$52.54	Pet Care Product Retail
12/05/23	Canature Processing Ltd.	Thrive Foods LLC	Completed	NA	Animal Feed
12/05/23	VERTAL Group	IDENA S.A.S.U.	Completed	NA	Animal Feed
12/06/23	Burns Pet Nutrition Ltd	Assisi Pet Care Ltd	Completed	NA	Animal Feed
12/12/23	Wattle Grove Veterinary Hospital	CVS Group plc (AIM:CVSG)	Completed	NA	Veterinary Services



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## NOTABLE ANIMAL HEALTH M&amp;A TRANSACTIONS—CONTINUED

Date	Target	Buyer	Status	Value (\$M)	Sector
12/13/23	Excellvet Group	Fovéa group	Completed	NA	Veterinary Services
12/14/23	CVS Vets (Australia) Proprietary Limited	CVS Group plc (AIM:CVSG)	Completed	NA	Veterinary Services
12/15/23	Biome Vet Pty Ltd	CVS Group plc (AIM:CVSG)	Completed	NA	Veterinary Services
12/19/23	CropEnergies AG	Südzucker AG (XTRA:SZU)	Completed	\$114.71	Animal Feed
12/19/23	Harim Food Co., Ltd.	SunJin Holdings Co., Ltd.	Announced	\$0.00	Animal Feed
12/19/23	Innersightlabs Ltd	KARL STORZ SE & Co. KG	Completed	NA	Veterinary Equipment
12/20/23	STEM Animal Health Inc.	Undisclosed Buyer	Announced	NA	Veterinary Drugs
12/21/23	De Haan Petfood B.V.	United Petfood Producers N.V.	Completed	NA	Animal Feed
12/22/23	De IJsvogel Groep B.V.	Griffon Holdings Ltd.	Completed	NA	Pet Care Product Retail
12/22/23	Probiotec Limited	PYFA Australia Pty Ltd	Announced	\$198.43	Veterinary Drugs
12/29/23	Heska Corporation	Veterinary Pharmaceutical Solutions	Completed	NA	Veterinary Drugs
12/31/23	Cox Shavings	5M Group	Completed	NA	Animal Care Products

## NOTABLE ANIMAL HEALTH FUNDING

Date	Company	Value (\$M)	Stage	Status	Round Direction
10/04/23	Sundays For Dogs, Inc.	\$8.00	Series B	Announced	Up Round
10/04/23	Sundays For Dogs, Inc.	\$6.00	Growth	Completed	NA
10/12/23	Bright Planet Pet LLC	NA	Series A	Completed	NA
10/13/23	Dutch Pet, Inc.	\$18.00	Series B	Completed	Up Round
10/16/23	Bond Veterinary, Inc.	\$50.00	Growth	Completed	NA
10/18/23	Better Than Home, Inc	\$75.00	Venture	Completed	NA
10/18/23	Cornbread CBD, PBC	\$0.20	Venture	Completed	NA
10/19/23	Hey Holy GmbH	\$2.12	Seed	Completed	NA
10/25/23	Grubbly Farms Inc.	\$8.55	Series A	Completed	Down Round
11/06/23	Protect Animals With Satellites, LLC	NA	Debt	Completed	NA
11/07/23	Omaha Steaks International, Inc.	NA	Mature	Completed	NA
11/13/23	Filu GmbH	\$5.46	Seed	Completed	NA
11/27/23	Kibus Petcare S.L.	\$1.09	Mature	Completed	NA
11/30/23	Anikin Ltd	NA	Venture	Completed	NA
12/05/23	Stella & Chewy's, LLC	\$75.00	Debt	Completed	NA
12/14/23	Unleashed Pets LLC	\$0.27	Seed	Completed	NA
12/15/23	Urban Pet, Inc.	\$2.00	Seed	Completed	NA
12/18/23	PetJoy Inc.	\$1.24	Crowdfunding	Announced	NA
12/21/23	Kubanda Cryotherapy, Inc.	\$1.60	Seed	Completed	NA
12/28/23	CANINE WEIGHT SET Corporation	\$0.04	Crowdfunding	Announced	NA
12/31/23	Cosmo's Superior Foods LLC	NA	Mature	Completed	NA




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## CAHI INDEX COMPANIES

Company	EV (\$M)	Company	EV (\$M)
Animalcare Group plc (AIM:ANCR)	\$136	Pet Valu Holdings Ltd. (TSX:PET)	\$2,053
Apium Animal Health Limited (ASX:AHX)	\$100	Petco Health and Wellness Company, Inc. (NASDAQGS:WOOF)	\$3,739
ASKA Pharmaceutical Holdings Co., Ltd. (TSE:4886)	\$287	Petgo Corporation (TSE:7140)	\$16
BARK, Inc. (NYSE:BARK)	\$116	PetIQ, Inc. (NASDAQGS:PETQ)	\$917
Better Choice Company Inc. (NYSEAM:BTTR)	\$10	PetMed Express, Inc. (NASDAQGS:PETS)	\$103
Cencora, Inc. (NYSE:COR)	\$44,320	Pets at Home Group Plc (LSE:PETS)	\$2,389
Central Garden & Pet Company (NASDAQGS:CENT)	\$3,330	PetVivo Holdings, Inc. (NASDAQCM:PETV)	\$16
Chewy, Inc. (NYSE:CHWY)	\$9,792	Post Holdings, Inc. (NYSE:POST)	\$11,468
Church & Dwight Co., Inc. (NYSE:CHD)	\$25,295	RaQualia Pharma Inc. (TSE:4579)	\$78
Colgate-Palmolive Company (NYSE:CL)	\$73,572	Sonoma Pharmaceuticals, Inc. (NASDAQCM:SNOA)	\$1
CVS Group plc (AIM:CVSG)	\$1,757	Spectrum Brands Holdings, Inc. (NYSE:SPB)	\$2,638
Elanco Animal Health Incorporated (NYSE:ELAN)	\$12,883	Swedencare AB (publ) (OM:SECARE)	\$1,110
Freshpet, Inc. (NASDAQM:FRPT)	\$4,273	The Clorox Company (NYSE:CLX)	\$20,543
General Mills, Inc. (NYSE:GIS)	\$49,302	Tractor Supply Company (NASDAQGS:TSCO)	\$27,803
IDEXX Laboratories, Inc. (NASDAQGS:IDXX)	\$46,907	Trupanion, Inc. (NASDAQGM:TRUP)	\$1,246
Inspire Veterinary Partners, Inc. (NASDAQCM:IVP)	\$17	Unicharm Corporation (TSE:8113)	\$19,920
Japan Animal Referral Medical Center Co., Ltd. (TSE:6039)	\$51	Vetoquinol SA (ENXTPA:VETO)	\$1,246
Merck & Co., Inc. (NYSE:MRK)	\$302,407	Virbac SA (ENXTPA:VIRP)	\$3,293
Minerals Technologies Inc. (NYSE:MTX)	\$3,118	Wag! Group Co. (NASDAQGM:PET)	\$75
Neogen Corporation (NASDAQGS:NEOG)	\$5,013	Yantai China Pet Foods Co., Ltd. (SZSE:002891)	\$1,187
Nestlé S.A. (SWX:NESN)	\$375,399	Zoetis Inc. (NYSE:ZTS)	\$95,638
Patterson Companies, Inc. (NASDAQGS:PDCO)	\$3,294	Zomedica Corp. (NYSEAM:ZOM)	\$92

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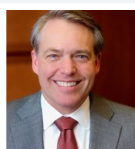

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*You want to understand your company's financing and funding options as you grow.*

**Advisory Services:** We help you understand your options along with their probability of success and work with you to develop the best path forward.

*You have decided to explore a sale of your company.*

**Sell-Side:** We use a methodical approach to identify potential strategic and financial acquirers with the intent of creating competitive tension, allowing you to select the best choice from potentially several options and avoid the "bird-in-the-hand" scenario.

*You want to "take some chips off the table" and step back from the day-to-day operations.*

**Majority Recapitalization:** We find new investors to buy a majority (>50%) stake in the company from the current owners.

*You have been approached by a large strategic buyer about being acquired.*

**Market Check:** We analyze the market dynamics, confidentially "test the waters" with other potential buyers, and provide an appropriate valuation range.

*You want to sell a slower growing non-core subsidiary and double down on growing your core business.*

**Divestiture:** Our approach is similar to our sell-side process but we only sell part of your business. This allows you to add cash to the Balance Sheet and increase investment in high growth areas.

*You want to acquire other companies for inorganic growth opportunities.*

**Buy-Side:** We use a methodical approach to identify the most appealing market segments for acquisitions, identify targets and acquire those companies with you.

*Early investors want to exit but you want to continue to run the business.*

**Minority Recapitalization:** We find new investors to buy a minority (<50%) stake in the company from your current investors. This could be part of an acquisition strategy or a way to infuse fresh capital into the balance sheet.

*You are looking to raise capital to fund your company's growth.*

**Capital Raise:** We collaborate with you to find growth equity investors who are aligned with your vision.

*You are negotiating being acquired and your Board of Directors requires an independent financial expert to provide a written opinion on the appropriateness of the valuation.*

**Fairness Opinion:** We analyze the offer and provide an expert opinion about whether the proposed offer is fair and reasonable.



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